

Annual Report 2015

(2014.4.1~2015.3.31)

TAKIRON CO., LTD.

Annual Report 2015

For the Fiscal Year Ended March 31, 2015

(This document adopts the format of Annual Select®.)

Takiron Co., Ltd.

NORTH GATE BUILDING, 3-1-3, Umeda, Kita-ku, Osaka

(Securities Code: 4215)

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Contact us via email from the following website:

<http://www.takiron.co.jp/english/form/>

Corporate Profile

*We provide solutions inspired by
boundless strengths and possibilities*

The corporate mission of Takiron is to make positive contributions using plastics technology to the global environment and society at large.

Takiron came into being in 1919 as a factory manufacturing celluloid.

From its foundation to the present day, Takiron has developed and released a wide variety of high-quality products based on its leading-edge plastics technologies, seeking to satisfy customer needs as they expand in line with the development of society and industry.

Takiron's fields of specialty continue to expand limitlessly into the 21st century. These fields, which all touch people's lives, range from building materials that enrich housing environments and high functional materials to support the advanced IT industry, to leading-edge medical materials essential for peoples' lives and health.

Here at Takiron, we continually strive to unerringly keep up with change in society. Further, we strive to be a company that, with plastics technology at its core, considers the provision of quality that satisfies customers to be its ultimate mission, and where each employee is able to preempt change and take timely decisions and actions.

Through these activities, we aim to contribute to society and the environment and find a place in people's hearts as a good corporate citizen that is desired to continuously exist in the future. We consider this to be the measure of Takiron's performance.

I. Summary of Selected Financial Data (Consolidated)

Year ended March 31,	116 th fiscal year 2011	117 th fiscal year 2012	118 th fiscal year 2013	119 th fiscal year 2014	120 th fiscal year 2015
Net sales (Millions of yen)	66,758	68,181	67,808	72,856	70,352
Ordinary income (Millions of yen)	4,051	4,344	4,827	6,351	3,804
Net income (loss) (Millions of yen)	2,480	1,950	3,395	3,788	2,168
Comprehensive income (Millions of yen)	2,348	1,998	3,805	3,941	3,452
Net assets (Millions of yen)	40,845	41,725	44,889	45,460	47,501
Total assets (Millions of yen)	76,775	78,610	77,977	85,643	84,018
Net assets per share (Yen)	550.66	572.82	616.38	626.80	659.46
Net income (loss) per share (Yen)	33.99	27.03	47.37	52.88	30.50
Diluted net income per share (Yen)	–	–	–	–	–
Equity ratio (%)	52.1	52.2	56.7	52.2	55.8
Return on equity (ROE) (%)	6.3	4.8	8.0	8.5	4.7
Price earnings ratio (PER) (Times)	10.2	11.2	7.3	8.0	17.2
Net cash provided by (used in) operating activities (Millions of yen)	7,530	3,275	6,632	7,917	5,700
Net cash provided by (used in) investing activities (Millions of yen)	(3,812)	(3,496)	(1,959)	(1,879)	(4,377)
Net cash provided by (used in) financing activities (Millions of yen)	(4,641)	(709)	(1,788)	(2,108)	(1,805)
Cash and cash equivalents at end of period (Millions of yen)	8,096	7,201	10,095	14,048	13,571
Number of employees [Separately, average number of temporary employees] (Persons)	1,716 [403]	1,665 [415]	1,670 [421]	1,664 [428]	1,732 [489]

- (Notes)
1. Net sales do not include consumption taxes.
 2. The number of employees shown denotes employees on duty.
 3. For the 116th fiscal year, diluted net income per share is not presented since there were no dilutive potential shares in this term.
 4. For the 117th, 118th, 119th and 120th fiscal years, diluted net income per share is not presented since there were no potential shares in those terms.

II. Message from the President

In a rapidly developing modern society, technology across various industries advances on a daily basis. Also, in the plastics industry, great expectations have been placed on new functionalization by use of new materials. Since its founding as a celluloid manufacturer in 1919, Takiron has developed and released many high-quality products from its unique technological innovations based on leading-edge plastics technologies to satisfy a growing range of needs that has kept pace with the expansion of industrial trends.

The world at present has entered a period of economic and political turbulence due to uncertainty over future prospects. Corporate survival revolves first and foremost around the question of how best to respond appropriately to these environmental challenges and deliver a level of quality expected by customers.

In this context, and in order to sustain growth that is rooted in plastics technology for the twenty-first century and beyond, Takiron recognizes the importance of a workforce comprised of individual employees capable of anticipating changes and engaging in quick decision-making and taking action.

In addition, under circumstances where policies for “realization of a low-carbon society” have been demanded around the globe, we believe that the Takiron group’s original commercialized materials and technologies will lead to greater business opportunities in the future.

Through these activities, we aim to contribute to society and the environment and find a place in people’s hearts as a good corporate citizen that is desired to continuously exist in the future. We consider this to be the measure of Takiron’s performance.

We look forward to the opportunity to earn your continued loyalty and support.



Katsumori Hyodo
President

[Takiron’s Business Philosophy]

1. To continuously expand our business, keeping in mind the preservation of the global environment.
2. To contribute to the benefit of society with products of high quality and assure our customers of full satisfaction.
3. To anticipate social changes and meet future challenges.
4. To cultivate individuality and creativity by emphasizing the importance of our human resources.
5. To seek profits and distribute them fairly.

III. Business Progress and Results

In the fiscal year under review, the Japanese economy was characterized by a prolonged backlash in reaction to last-minute demand ahead of the consumption tax hike, and personal spending showed signs of stagnation. However, domestic economy continued on a path of modest recovery owing to such factors as the government's economic measures and the Bank of Japan's monetary policy, as well as ongoing yen depreciation and a strong stock market. Nevertheless, the outlook for overseas economic conditions grew increasingly uncertain due to crude oil price trends and such geopolitical risks as the flaring up of regional conflicts and threats of terrorism, continuing to be unpredictable.

Regarding the business environment surrounding the Takiron Group, within IT-related investment in the private sector, capital investment by semiconductor manufacturers was favorable. However, the overall environment was sluggish, with civil engineering-related public investment affected by delayed budget implementation for restoration and reconstruction work, and the number of new housing starts dropping drastically, among other factors.

Against this background, in the final fiscal year of its three-year medium-term plan, based on its basic strategy which includes injecting management resources into growth fields, aggressively developing business in overseas markets, centered on Asia, promoting new business and new product development, further pursuing group management as well as strengthening lean management, the Takiron Group executed specific measures. These included the full-scale operations of Takiron Plastics (Changzhou) Co., Ltd., established in Changzhou, Jiangsu, China, and merging the Aboshi Plant and manufacturing subsidiary Takiron Service Co., Ltd., and renaming the resulting company Takiron Tech Co., Ltd. These efforts are part of Takiron's stance of devoting every last effort to expanding the business and increasing profitability.

Nevertheless, unable to elude the effects of its business environment outlined above, in the fiscal year under review Takiron reported net sales decreased 3.4% year on year to ¥70,352 million. Due to rising materials prices, electricity rates and others, and the impact of changes in the product mix, operating income decreased 42.0% to ¥3,638 million, ordinary income decreased 40.1% to ¥3,804 million, and net income decreased 42.8% to ¥2,168 million.

Operating results by business segment are as follows.

Housing Environmental Materials Business

In the Housing Materials Department, increasing the needs of controlling rain runoff into rivers, sewerages and other areas led to a year-on-year increase in sales of products related to rainwater storage and infiltration, but sales of housing and drainage equipment were down year on year as a result of a substantial decline in the number of new housing starts.

In the Natural Lighting Material Department, sales of mainstay polycarbonate corrugated plate and polycarbonate plates were on a par with the previous year's level, but a downturn in new construction and repairs of factories, warehouses and the like caused sales of natural lighting units for non-housing structures to fall year on year. As a result, sales in this department were down year on year.

In the Environmental and Engineering Material Department, sales were down year on year as soaring personnel expenses and prices on construction materials delayed construction and held back delivery on pre-designed public works projects.

In the Engineering Department, sales increased year on year due to steady deliveries of materials for ordinance-designated urban projects in the FFT-S field (a material for sewage pipe renewal).

As a result, net sales in the Housing Environmental Materials Business decreased 4.9% year on year to ¥36,647 million. Affected by changes in the product mix, operating income decreased 59.8% to ¥1,021 million.

Flooring Materials Business

In the Flooring Materials Business, performance was affected throughout the year by a backlash in reaction to last-minute demand ahead of the consumption tax hike, and sales decreased for Takiron's mainstay products for condominium renovations.

As a result, net sales of the Flooring Materials Business decreased 14.0% year on year to ¥9,488 million, and operating income decreased 31.3% to ¥2,020 million.

High Functional Materials Business

In the Plate Department, performance at the beginning of the fiscal year was affected by a backlash in reaction to last-minute demand ahead of the consumption tax hike, but demand was favorable for exports, machine tool covers and displays, and other products. Moving into the fourth quarter, demand for products for semiconductor and LCD equipment rebounded, causing sales to remain flat year on year.

In the Polycarbonate Department, sales increased year on year, bolstered by strong demand for machine tool covers and products for vehicles and smartphones and others.

Sales in other departments increased year on year, on the back of acquisition of large projects in the signage field, a recovery in domestic capital investment demand in the storage tank field, and favorable sales in the cutting materials field.

As a result, net sales of the High Functional Materials Business increased 6.3% year on year to ¥22,459 million, but operating income decreased 8.1% to ¥764 million, due in part to higher development expenses in the Thermally Conductive Adhesives Department.

Medical Business

In the Medical Business, sales in the maxillofacial surgery field were steady in Japan for SUPER FIXSORB MX. Sales were down year on year in other fields, however, particularly of SUPER FIXSORB for the orthopedic surgery field, and were affected by reductions in insurance reimbursement prices and market inventory adjustments.

As a result, net sales in the Medical Business decreased 18.4% year on year to ¥1,757 million and operating loss was ¥167 million (compared to an operating loss of ¥41 million in the previous fiscal year).

Net Sales and Operating Income by Business Segment

(Millions of yen)

	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2015	
	Net sales	Operating income	Net sales	Operating income
Housing Environmental Materials Business	38,542	2,539	36,647	1,021
Flooring Materials Business	11,037	2,940	9,488	2,020
High Functional Materials Business	21,122	832	22,459	764
Medical Business	2,153	(41)	1,757	(167)
Total	72,856	6,269	70,352	3,638

IV. Corporate Governance

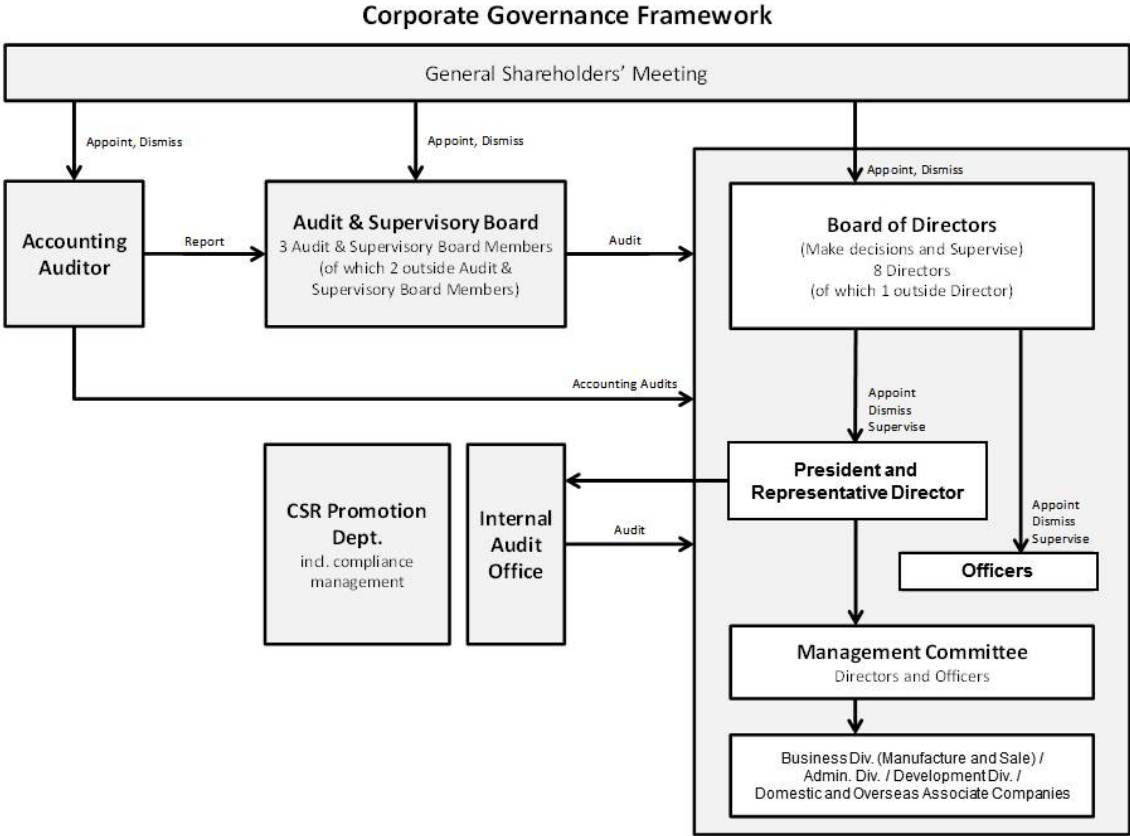
Basic Approach to Corporate Governance

Takiron regards strengthening corporate governance as a management issue of primary importance in order to improve management efficiency and transparency, earn the trust of all stakeholders including shareholders, and continuously improve corporate value.

Reasons for Implementation of Corporate Governance Framework

Takiron employs the corporate governance framework of a company with audit and supervisory board members. One of the directors is an outside director with specialist knowledge, experience and an independent perspective, in order to provide advice from an external viewpoint and enhance deliberations by the directors while also monitoring and supervising the execution of their duties. Alongside auditing with respect to legality by the audit and supervisory board members and the Audit & Supervisory Board, efforts are also made to strengthen governance.

Takiron’s corporate governance framework is as shown in the diagram below.



V. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	14,075	13,597
Notes and accounts receivable - trade	27,158	25,578
Merchandise and finished goods	6,708	6,531
Work in process	1,969	1,994
Raw materials and supplies	1,687	1,583
Deferred tax assets	732	631
Other	820	1,062
Allowance for doubtful accounts	(23)	(5)
Total current assets	53,129	50,972
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,454	8,156
Machinery, equipment and vehicles, net	4,557	4,690
Land	9,902	9,840
Leased assets, net	245	226
Construction in progress	574	398
Other, net	767	789
Total property, plant and equipment	23,502	24,102
Intangible assets	617	466
Investments and other assets		
Investment securities	3,266	4,024
Deferred tax assets	4,168	3,281
Net defined benefit asset	117	123
Other	976	1,163
Allowance for doubtful accounts	(135)	(116)
Total investments and other assets	8,393	8,476
Total non-current assets	32,513	33,045
Total assets	85,643	84,018

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,660	14,786
Short-term loans payable	2,250	2,173
Current portion of long-term loans payable	500	–
Lease obligations	98	88
Accrued consumption taxes	177	583
Income taxes payable	1,734	347
Accrued expenses	601	656
Provision for bonuses	978	943
Provision for directors' bonuses	180	123
Notes payable - facilities	138	470
Provision for loss on liquidation of subsidiaries and associates	–	42
Other	2,533	1,755
Total current liabilities	24,853	21,969
Non-current liabilities		
Long-term loans payable	300	450
Lease obligations	150	140
Deferred tax liabilities	866	735
Provision for directors' retirement benefits	7	6
Net defined benefit liability	12,759	11,948
Asset retirement obligations	204	205
Other	1,039	1,060
Total non-current liabilities	15,328	14,547
Total liabilities	40,182	36,517
Net assets		
Shareholders' equity		
Capital stock	15,189	15,189
Capital surplus	14,667	14,667
Retained earnings	18,659	19,737
Treasury shares	(2,152)	(2,317)
Total shareholders' equity	46,363	47,276
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	720	1,264
Foreign currency translation adjustment	(24)	74
Remeasurements of defined benefit plans	(2,337)	(1,774)
Total accumulated other comprehensive income	(1,642)	(434)
Minority interests	739	659
Total net assets	45,460	47,501
Total liabilities and net assets	85,643	84,018

**(2) Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	72,856	70,352
Cost of sales	48,003	47,807
Gross profit	24,852	22,544
Selling, general and administrative expenses		
Transportation and warehousing expenses	4,467	4,585
Personnel expenses	6,739	6,912
Provision for bonuses	502	464
Retirement benefit expenses	709	677
Provision for directors' bonuses	178	119
Provision for directors' retirement benefits	5	1
Depreciation	493	574
Provision of allowance for doubtful accounts	(27)	(19)
Research and development expenses	801	766
Amortization of goodwill	75	75
Other expenses	4,636	4,746
Total selling, general and administrative expenses	18,583	18,905
Operating income	6,269	3,638
Non-operating income		
Interest income	5	2
Dividend income	85	82
Rent income on non-current assets	30	30
Share of profit of entities accounted for using equity method	40	66
Commission fee	-	33
Miscellaneous income	110	110
Total non-operating income	273	324
Non-operating expenses		
Interest expenses	53	31
Sales discounts	55	51
Rent expenses on non-current assets	27	16
Miscellaneous expenses	56	59
Total non-operating expenses	191	159
Ordinary income	6,351	3,804
Extraordinary income		
Gain on sales of non-current assets	2	4
Gain on sales of investment securities	279	11
Gain on bargain purchase	-	103
Total extraordinary income	282	120
Extraordinary losses		
Loss on disposal of non-current assets	45	28
Loss on sales of investment securities	8	20
Loss on valuation of investment securities	-	26
Impairment loss	272	130
Loss on liquidation of subsidiaries and associates	-	111
Total extraordinary losses	326	317

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before income taxes and minority interests	6,306	3,607
Income taxes - current	2,546	1,172
Income taxes - deferred	(43)	207
Total income taxes	2,502	1,379
Income before minority interests	3,804	2,228
Minority interests in income	16	59
Net income	3,788	2,168

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	3,804	2,228
Other comprehensive income		
Valuation difference on available-for-sale securities	92	551
Foreign currency translation adjustment	36	101
Remeasurements of defined benefit plans, net of tax	–	563
Share of other comprehensive income of entities accounted for using equity method	7	7
Total other comprehensive income	136	1,224
Comprehensive income	3,941	3,452
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,916	3,375
Comprehensive income attributable to minority interests	25	77

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	15,189	14,667	15,767	(2,013)	43,610
Changes of items during period					
Dividends of surplus			(895)		(895)
Net income			3,788		3,788
Purchase of treasury shares				(139)	(139)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	2,892	(139)	2,752
Balance at end of current period	15,189	14,667	18,659	(2,152)	46,363

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	629	(62)	–	567	711	44,889
Changes of items during period						
Dividends of surplus						(895)
Net income						3,788
Purchase of treasury shares						(139)
Net changes of items other than shareholders' equity	90	37	(2,337)	(2,209)	27	(2,181)
Total changes of items during period	90	37	(2,337)	(2,209)	27	571
Balance at end of current period	720	(24)	(2,337)	(1,642)	739	45,460

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	15,189	14,667	18,659	(2,152)	46,363
Changes of items during period					
Dividends of surplus			(1,103)		(1,103)
Net income			2,168		2,168
Purchase of treasury shares				(164)	(164)
Change of scope of equity method			12		12
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,077	(164)	913
Balance at end of current period	15,189	14,667	19,737	(2,317)	47,276

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	720	(24)	(2,337)	(1,642)	739	45,460
Changes of items during period						
Dividends of surplus						(1,103)
Net income						2,168
Purchase of treasury shares						(164)
Change of scope of equity method						12
Net changes of items other than shareholders' equity	544	99	563	1,207	(79)	1,127
Total changes of items during period	544	99	563	1,207	(79)	2,040
Balance at end of current period	1,264	74	(1,774)	(434)	659	47,501

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	6,306	3,607
Depreciation	2,836	3,111
Impairment loss	272	130
Amortization of goodwill	74	75
Increase (decrease) in provision for bonuses	39	(34)
Increase (decrease) in provision for directors' bonuses	16	(57)
Increase (decrease) in net defined benefit liability	120	228
Increase (decrease) in provision for directors' retirement benefits	(181)	(0)
Increase (decrease) in allowance for doubtful accounts	(158)	0
Interest and dividend income	(91)	(84)
Interest expenses	53	31
Foreign exchange losses (gains)	(22)	(9)
Share of (profit) loss of entities accounted for using equity method	(40)	(66)
Loss (gain) on sales of investment securities	(270)	8
Loss (gain) on valuation of investment securities	-	26
Loss (gain) on disposal of non-current assets	43	23
Gain on bargain purchase	-	(103)
Loss on liquidation of subsidiaries and associates	-	111
Decrease (increase) in notes and accounts receivable - trade	(2,282)	1,583
Decrease (increase) in inventories	(99)	294
Increase (decrease) in notes and accounts payable - trade	2,944	(882)
Increase (decrease) in accounts payable - other	214	(104)
Other, net	107	402
Subtotal	9,882	8,293
Interest and dividend income received	95	80
Interest expenses paid	(56)	(32)
Proceeds from subsidy income	18	-
Income taxes paid	(2,021)	(2,641)
Net cash provided by (used in) operating activities	7,917	5,700
Cash flows from investing activities		
Payments into time deposits	(10)	(0)
Proceeds from withdrawal of time deposits	0	0
Purchase of property, plant and equipment	(2,288)	(3,885)
Proceeds from sales of property, plant and equipment	6	62
Purchase of intangible assets	(264)	(269)
Purchase of investment securities	(19)	(22)
Proceeds from sales of investment securities	633	61
Decrease (increase) in other investments	(3)	(243)
Payments of loans receivable	(28)	(17)
Collection of loans receivable	122	21
Purchase of shares of subsidiaries	-	(75)
Other, net	(27)	(10)
Net cash provided by (used in) investing activities	(1,879)	(4,377)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(250)	(80)
Proceeds from long-term loans payable	300	150
Repayments of long-term loans payable	(1,000)	(500)
Repayments of lease obligations	(123)	(108)
Purchase of treasury shares	(139)	(164)
Cash dividends paid	(895)	(1,102)
Net cash provided by (used in) financing activities	(2,108)	(1,805)
Effect of exchange rate change on cash and cash equivalents	23	5
Net increase (decrease) in cash and cash equivalents	3,953	(477)
Cash and cash equivalents at beginning of period	10,095	14,048
Cash and cash equivalents at end of period	14,048	13,571

VI. Company Information

Company Information (as of March 31, 2015)

Trade name:	Takiron Co., Ltd.
Date of establishment:	December 1935
Listing date:	October 1961
Business year:	From April 1 to March 31
Paid-in capital:	15,189 million yen
Number of employees:	2,221 (including 489 temporary employees; on a consolidated basis)
Head office:	NORTH GATE BUILDING, 3-1-3, Umeda, Kita-ku, Osaka, 530-0001 Japan
Telephone:	+81-6-6453-3700
Consolidated subsidiaries and equity-method affiliates:	Takiron Matex Co., Ltd. Sanwa Signworks Co., Ltd. Rontec Co., Ltd. Takiron Engineering Co., Ltd. Takiron Protech Co., Ltd. Takiron-Rowland Co., Ltd. Takiron Tech Co., Ltd. Dailite Co., Ltd. Takiron Polymer Co., Ltd. Takiron KC Home Improvement Co., Ltd. Dainippon Plastics Co., Ltd. Shanghai Takiron Plastics Co., Ltd. Takiron Plastics (Changzhou) Co., Ltd. PT. TAKIRON INDONESIA Other 6 companies

Directors and Audit & Supervisory Board Members (as of June 25, 2015)

President and Representative Director	Katsumori Hyodo
Executive Vice President and Representative Director	Yosuke Minamitani
Director, Senior Executive Officer	Masayoshi Kanao
Director, Executive Officer	Tomomi Umeda
Director, Executive Officer	Hideharu Iwasaki
Director, Officer	Masatoshi Torimoto
Director, Officer	Kazuya Saito
Director*	Mune Iwamoto
Audit & Supervisory Board Member**	Ryunosuke Onitsuka
Audit & Supervisory Board Member	Takeshi Aoyama
Audit & Supervisory Board Member**	Michichika Suzuki
Executive Officer	Nobuyuki Kaburagi
Officer	Kazuhisa Tanaka
Officer	Makoto Ihira
Officer	Yutaka Takeda
Officer	Takahisa Miyake
Officer	Shuji Tsurishima
Officer	Toshiro Okajima

* Outside Director ** Outside Audit & Supervisory Board Member

Stock Status (as of March 31, 2015)

Total number of authorized shares:	178,008,000 shares
Total number of issued shares:	78,698,816 shares
Number of shareholders (excluding shareholders holding shares less than one unit (1,000 shares)):	4,315

Major shareholders (Top 10)

Shareholder name	Number of shares held (Thousands)	Share-holding ratio to number of issued shares (%)
ITOCHU Corporation	20,906	26.56
Takiron Kyowa-Kai	4,847	6.16
Japan Trustee Services Bank, Ltd. [trust fund]	1,937	2.46
Sekisui Jushi Corporation	1,439	1.83
CBNY-Government of Norway (Standing proxy: Citibank Japan Ltd.)	1,426	1.81
Nippon Life Insurance Company	1,384	1.76
The Master Trust Bank of Japan, Ltd. [trust fund]	1,325	1.68
Kaneka Corporation	1,318	1.67
CBNY-DFA Intl Small Cap Value Portfolio (Standing proxy: Citibank Japan Ltd.)	1,112	1.41
Tosoh Corporation	1,070	1.36

(Notes) 1. Of the shares held above, the number of shares related to trust business is as follows:

Japan Trustee Services Bank, Ltd. [trust fund]	1,937 thousand shares
The Master Trust Bank of Japan, Ltd. [trust fund]	1,325 thousand shares

2. Treasury shares of 7,668 thousand shares (share-holding ratio of 9.74%) are excluded from the table above.

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