

Supporting today, changing tomorrow



Annual Report 2016

(2015.4.1 ~ 2016.3.31)

TAKIRON CO., LTD.

Annual Report 2016

For the Fiscal Year Ended March 31, 2016

(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 Message

Supporting today, changing tomorrow

Here is what we can do for today—

*In order to support the security of the world we live in,
provide a consistent supply of durable, easy-to-use products.*

Here is what we can do for tomorrow—

*In order to make our lives more comfortable
create products that meet contemporary needs by using technologies and ideas.*

Here is what we should do for today and tomorrow—

*Continue to explore the potential of plastics and create
products that contribute comfort and utility to our everyday lives.*

*Make our products even more durable, lightweight,
elegant and environmentally friendly.*

*Utilize flexibility of thought in the continuing challenge
of manufacturing new products.*

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.

I. Summary of Selected Financial Data (Consolidated)

Year ended March 31,	117 th fiscal year 2012	118 th fiscal year 2013	119 th fiscal year 2014	120 th fiscal year 2015	121 st fiscal year 2016
Net sales (Millions of yen)	68,181	67,808	72,856	70,352	72,958
Ordinary income (Millions of yen)	4,344	4,827	6,351	3,804	3,946
Profit attributable to owners of parent (Millions of yen)	1,950	3,395	3,788	2,168	2,746
Comprehensive income (Millions of yen)	1,998	3,805	3,941	3,452	(62)
Net assets (Millions of yen)	41,725	44,889	45,460	47,501	46,461
Total assets (Millions of yen)	78,610	77,977	85,643	84,018	88,087
Net assets per share (Yen)	572.82	616.38	626.80	659.46	644.22
Basic earnings per share (Yen)	27.03	47.37	52.88	30.50	38.66
Diluted earnings per share (Yen)	–	–	–	–	–
Equity ratio (%)	52.2	56.7	52.2	55.8	51.9
Return on equity (ROE) (%)	4.8	8.0	8.5	4.7	5.9
Price earnings ratio (PER) (Times)	11.2	7.3	8.0	17.2	14.4
Net cash provided by (used in) operating activities (Millions of yen)	3,275	6,632	7,917	5,700	5,773
Net cash provided by (used in) investing activities (Millions of yen)	(3,496)	(1,959)	(1,879)	(4,377)	(2,860)
Net cash provided by (used in) financing activities (Millions of yen)	(709)	(1,788)	(2,108)	(1,805)	(2,828)
Cash and cash equivalents at end of period (Millions of yen)	7,201	10,095	14,048	13,571	13,760
Number of employees [Separately, average number of temporary employees] (Persons)	1,665 [415]	1,670 [421]	1,664 [428]	1,732 [489]	1,871 [524]

- (Notes)
1. Net sales do not include consumption taxes.
 2. The number of employees shown denotes employees on duty.
 3. The main reason for the increase in the number of employees was the addition of Nippon Polyester Co., Ltd. as a consolidated subsidiary on June 30, 2015.
 4. Diluted earnings per share is not presented since there were no potential shares.

II. Message from the President

Our mission: to use plastic technology to make a better world while helping protect the environment

In a rapidly developing modern society, technology across various industries advances on a daily basis. Also, in the plastic industry, great expectations have been placed on new functionalization by applications 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 plastic 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. To this end, the latest medium-term business plan from the Takiron group, entitled CC2017 & Beyond, defines key objectives for the company ahead of the centenary anniversary of founding in 2019, as well as for the 100 years beyond that. These include building a solid earnings base predicated on annual turnover in excess of ¥100 billion; promoting innovation and creative thinking as the platform for future generations; and committing to ongoing growth both in revenue and operational scale.

As part of this grand vision, the Medical Institute at Kobe has been upgraded to the status of Research Institute housing the entire resources of the R&D Division, with responsibility for all aspects of research and development work. We are also expanding into disaster prevention and emergency response products and solutions. Our overseas operations are expanding, with a new production plant for construction materials and polycarbonate resins recently opened at Changzhou in China, in line with our business model of bringing production facilities closer to consumption markets. Already we are planning to increase the capacity of the Changzhou plant as we look to expand our international presence.

Recently we have welcomed Takiron Polymer Co., LTD. and Dainippon Plastics Co., LTD. to the Takiron group, followed by Nippon Polyester Co., LTD., so as to maximize management resources and potential and generate synergistic effects, and has also carried out a consolidation of affiliates and even more mergers and acquisitions to strengthen group management. In addition, under circumstances where policies for “realization of 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.

By taking these actions, Takiron continues to demonstrate its commitment to society and the environment and ensuring that we meet the needs of all stakeholders.



Katsumori Hyodo
President

III. Business Progress and Results

In the fiscal year under review, the Japanese 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, however, the business environment continued to be unpredictable, given the slowdown in overseas economies starting with China, the drop in crude oil prices, the introduction of negative-interest-rate policy by the Bank of Japan, and sharp yen appreciation.

Regarding the business environment surrounding the Takiron Group, capital investment by semiconductor and LCD manufacturers was favorable. However, civil engineering-related public investment was affected by delayed budget implementation and delays and changes to some plans, and the recovery in the market for new housing and non-housing starts as well as renovations did not progress as expected.

Against this background, in the first year of its three-year medium-term plan, based on its basic strategy which includes developing potential in new businesses and challenging new fields, overall optimization of group management, aggressively injecting management resources into focus fields, aggressively developing business in overseas markets, centered on Asia, and improving the level of management quality, the Takiron Group executed specific measures. These included aggressive capital investment such as expanding the facilities at Takiron Polymer Co., Ltd. and boosting production capacity of rainwater-related products at the Tokyo Plant of Takiron, polycarbonate corrugated plates at Takiron Plastics (Changzhou) Co., Ltd., and hawer pipes at Dainippon Plastics Co., Ltd., as well as making Nippon Polyester Co., Ltd. a consolidated subsidiary. These efforts are part of Takiron's stance of devoting every last effort to expanding the business and increasing profitability.

As a result, Takiron reported the following results for the fiscal year ended March 31, 2016. Net sales increased 3.7% year on year to ¥72,958 million, operating income increased 4.2% to ¥3,793 million, ordinary income increased 3.7% to ¥3,946 million, and Profit attributable to owners of parent increased 26.6% to ¥2,746 million.

Operating results by business segment are as follows.

Housing Environmental Materials Business

In the Housing Materials Department, sales of housing and drainage equipment were down year on year as a result of a decline in the number of new housing starts for self-contained dwellings (according to statistics from the Ministry of Land, Infrastructure, Transport and Tourism).

In the Daylighting Building Material Department, strict competition continued, centered on polycarbonate corrugated sheets, plain sheets, and processed products for exterior applications and general construction applications, and daylighting units for non-housing structures also struggled. As a result, sales in this department were down year on year.

In the Environmental and Engineering Material Department, while pre-design of public works projects showed stable progress, sales were down year on year due to delayed orders and construction and delays and changes to some plans.

In the Engineering Department, sales of Floating Mounting Platform for Solar Power Generation System saw growth, but due to a decline in orders for ordinance-designated urban projects in the FFT-S field (a material for sewage pipe renewal), sales fell year on year.

As a result, net sales of the Housing Environmental Materials Business increased 3.8% year on year to ¥38,051 million with the consolidation of Nippon Polyester Co., Ltd. However, operating income decreased 87.8% to ¥125 million.

Flooring Materials Business

Takiron's mainstay market for condominium renovations has experienced a gradual recovery since the third quarter, and with sales remaining favorable for high-grade products, net sales were on par with the previous year's level.

As a result, net sales of the Flooring Materials Business increased to ¥9,489 million (increasing ¥1 million year on year), and operating income increased 10.6% to ¥2,234 million.

High Functional Materials Business

In the plastic sheet category, full-year sales of industrial plastics sheets for semiconductors and LCD manufacturing equipment and machine tools, and polycarbonate sheets for smartphones, amusement machines and machine tool covers were favorable, leading net sales to rise year on year.

In the other category, sales for filter plate field in overseas markets and signage field were slow, but the storage tanks and plastic materials ones for machining remained favorable.

As a result, net sales of the High Functional Materials Business increased 5.5% year on year to ¥23,704 million, and operating income increased 113.1% to ¥1,629 million.

Medical Business

Regarding the bone fixation devices, while sales of SUPER FIXSORB MX centered on mesh in the cardiovascular surgery field remained favorable, depressed sales of SUPER FIXSORB in the orthopedic surgery field and overseas led net sales to decrease year on year.

As a result, net sales in the Medical Business decreased 2.5% year on year to ¥1,713 million and operating loss was ¥195 million (compared to an operating loss of ¥167 million in the previous fiscal year).

Net Sales and Operating Income by Business Segment (Millions of yen)

	Fiscal year ended March 31, 2015		Fiscal year ended March 31, 2016	
	Net sales	Operating income	Net sales	Operating income
Housing Environmental Materials Business	36,647	1,021	38,051	125
Flooring Materials Business	9,488	2,020	9,489	2,234
High Functional Materials Business	22,459	764	23,704	1,629
Medical Business	1,757	(167)	1,713	(195)
Total	70,352	3,638	72,958	3,793

IV. Corporate Governance

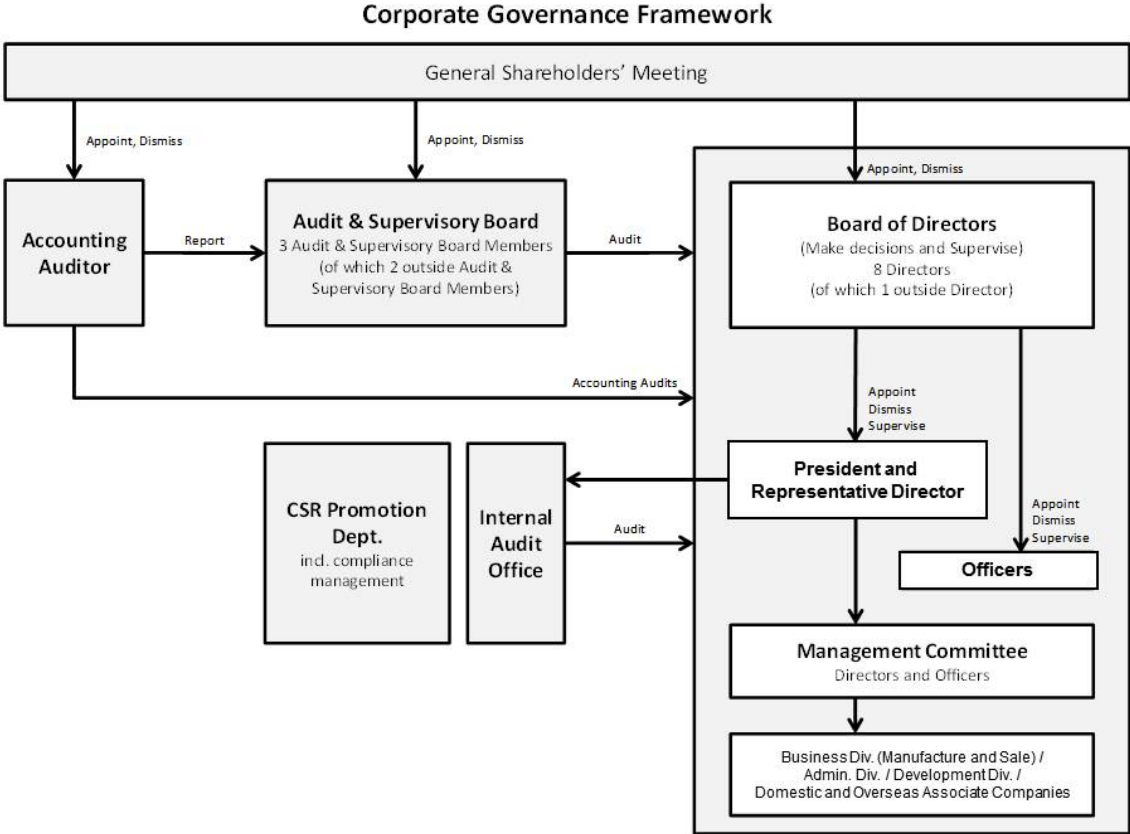
Basic Approach to Corporate Governance

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, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	13,597	13,782
Notes and accounts receivable - trade	23,912	22,604
Electronically recorded monetary claims - operating	1,666	3,925
Merchandise and finished goods	6,531	7,653
Work in process	1,994	2,087
Raw materials and supplies	1,583	1,825
Deferred tax assets	631	599
Other	1,062	965
Allowance for doubtful accounts	(5)	(14)
Total current assets	50,972	53,429
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,156	8,750
Machinery, equipment and vehicles, net	4,690	5,417
Land	9,840	10,117
Leased assets, net	226	160
Construction in progress	398	361
Other, net	789	713
Total property, plant and equipment	24,102	25,520
Intangible assets	466	328
Investments and other assets		
Investment securities	4,024	3,568
Deferred tax assets	3,281	4,137
Net defined benefit asset	123	60
Other	1,163	1,161
Allowance for doubtful accounts	(116)	(118)
Total investments and other assets	8,476	8,808
Total non-current assets	33,045	34,657
Total assets	84,018	88,087

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,786	15,490
Short-term loans payable	2,173	1,719
Current portion of long-term loans payable	–	186
Lease obligations	88	72
Accrued consumption taxes	583	315
Income taxes payable	347	895
Accrued expenses	656	676
Provision for bonuses	943	956
Provision for directors' bonuses	123	129
Notes payable - facilities	470	582
Provision for loss on liquidation of subsidiaries and associates	42	–
Other	1,755	2,042
Total current liabilities	21,969	23,066
Non-current liabilities		
Long-term loans payable	450	790
Lease obligations	140	89
Deferred tax liabilities	735	762
Provision for directors' retirement benefits	6	5
Net defined benefit liability	11,948	15,544
Asset retirement obligations	205	309
Other	1,060	1,057
Total non-current liabilities	14,547	18,559
Total liabilities	36,517	41,626
Net assets		
Shareholders' equity		
Capital stock	15,189	15,189
Capital surplus	14,667	14,667
Retained earnings	19,737	21,489
Treasury shares	(2,317)	(2,320)
Total shareholders' equity	47,276	49,024
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,264	1,040
Foreign currency translation adjustment	74	54
Remeasurements of defined benefit plans	(1,774)	(4,364)
Total accumulated other comprehensive income	(434)	(3,269)
Non-controlling interests	659	706
Total net assets	47,501	46,461
Total liabilities and net assets	84,018	88,087

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

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	70,352	72,958
Cost of sales	47,807	49,303
Gross profit	22,544	23,654
Selling, general and administrative expenses		
Transportation and warehousing expenses	4,585	4,833
Personnel expenses	6,912	7,341
Provision for bonuses	464	453
Retirement benefit expenses	677	748
Provision for directors' bonuses	119	134
Provision for directors' retirement benefits	1	1
Depreciation	574	546
Provision of allowance for doubtful accounts	(19)	6
Research and development expenses	766	841
Amortization of goodwill	75	18
Other expenses	4,746	4,936
Total selling, general and administrative expenses	18,905	19,861
Operating income	3,638	3,793
Non-operating income		
Interest income	2	1
Dividend income	82	86
Rent income on non-current assets	30	80
Share of profit of entities accounted for using equity method	66	63
Commission fee	33	-
Miscellaneous income	110	125
Total non-operating income	324	358
Non-operating expenses		
Interest expenses	31	40
Sales discounts	51	54
Rent expenses on non-current assets	16	52
Miscellaneous expenses	59	56
Total non-operating expenses	159	204
Ordinary income	3,804	3,946
Extraordinary income		
Gain on sales of non-current assets	4	28
Gain on sales of investment securities	11	202
Gain on bargain purchase	103	195
Reversal of provision for loss on liquidation of subsidiaries and associates	-	9
Gain on transfer of business	-	7
Total extraordinary income	120	443
Extraordinary losses		
Loss on disposal of non-current assets	28	28
Loss on sales of investment securities	20	0
Loss on valuation of investment securities	26	-
Impairment loss	130	-
Loss on liquidation of subsidiaries and associates	111	-
Total extraordinary losses	317	28

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit before income taxes	3,607	4,361
Income taxes - current	1,172	1,356
Income taxes - deferred	207	211
Total income taxes	1,379	1,568
Profit	2,228	2,792
Profit attributable to non-controlling interests	59	46
Profit attributable to owners of parent	2,168	2,746

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	2,228	2,792
Other comprehensive income		
Valuation difference on available-for-sale securities	551	(253)
Foreign currency translation adjustment	101	(10)
Remeasurements of defined benefit plans, net of tax	563	(2,590)
Share of other comprehensive income of entities accounted for using equity method	7	-
Total other comprehensive income	1,224	(2,855)
Comprehensive income	3,452	(62)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,375	(104)
Comprehensive income attributable to non-controlling interests	77	42

(3) Consolidated Statements of Changes in Net Assets

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)
Profit attributable to owners of parent			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				Non-controlling 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)
Profit attributable to owners of parent						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

Fiscal year ended March 31, 2016

(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	19,737	(2,317)	47,276
Changes of items during period					
Dividends of surplus			(994)		(994)
Profit attributable to owners of parent			2,746		2,746
Purchase of treasury shares				(3)	(3)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,751	(3)	1,748
Balance at end of current period	15,189	14,667	21,489	(2,320)	49,024

	Accumulated other comprehensive income				Non-controlling 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	1,264	74	(1,774)	(434)	659	47,501
Changes of items during period						
Dividends of surplus						(994)
Profit attributable to owners of parent						2,746
Purchase of treasury shares						(3)
Net changes of items other than shareholders' equity	(223)	(20)	(2,590)	(2,834)	46	(2,788)
Total changes of items during period	(223)	(20)	(2,590)	(2,834)	46	(1,039)
Balance at end of current period	1,040	54	(4,364)	(3,269)	706	46,461

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	3,607	4,361
Depreciation	3,111	3,090
Impairment loss	130	–
Amortization of goodwill	75	18
Increase (decrease) in provision for bonuses	(34)	(76)
Increase (decrease) in provision for directors' bonuses	(57)	6
Increase (decrease) in net defined benefit liability	228	41
Increase (decrease) in provision for directors' retirement benefits	(0)	(0)
Increase (decrease) in allowance for doubtful accounts	0	8
Interest and dividend income	(84)	(87)
Interest expenses	31	40
Foreign exchange losses (gains)	(9)	9
Share of (profit) loss of entities accounted for using equity method	(66)	(63)
Loss (gain) on sales of investment securities	8	(202)
Loss (gain) on valuation of investment securities	26	–
Loss (gain) on disposal of non-current assets	23	0
Gain on bargain purchase	(103)	(195)
Loss on liquidation of subsidiaries and associates	111	–
Decrease (increase) in notes and accounts receivable - trade	1,583	761
Decrease (increase) in inventories	294	(180)
Increase (decrease) in notes and accounts payable - trade	(882)	(711)
Increase (decrease) in accounts payable - other	(104)	(17)
Other, net	402	(206)
Subtotal	8,293	6,595
Interest and dividend income received	80	85
Interest expenses paid	(32)	(41)
Income taxes paid	(2,641)	(866)
Net cash provided by (used in) operating activities	5,700	5,773
Cash flows from investing activities		
Payments into time deposits	(0)	–
Proceeds from withdrawal of time deposits	0	3
Purchase of property, plant and equipment	(3,885)	(3,126)
Proceeds from sales of property, plant and equipment	62	61
Purchase of intangible assets	(269)	(36)
Purchase of investment securities	(22)	(19)
Proceeds from sales of investment securities	61	461
Decrease (increase) in other investments	(243)	(5)
Payments of loans receivable	(17)	(47)
Collection of loans receivable	21	31
Purchase of shares of subsidiaries	(75)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(180)
Other, net	(10)	2
Net cash provided by (used in) investing activities	(4,377)	(2,860)

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(80)	(1,550)
Proceeds from long-term loans payable	150	–
Repayments of long-term loans payable	(500)	(178)
Repayments of lease obligations	(108)	(98)
Purchase of treasury shares	(164)	(3)
Cash dividends paid	(1,102)	(994)
Dividends paid to non-controlling interests	–	(2)
Net cash provided by (used in) financing activities	(1,805)	(2,828)
Effect of exchange rate change on cash and cash equivalents	5	104
Net increase (decrease) in cash and cash equivalents	(477)	189
Cash and cash equivalents at beginning of period	14,048	13,571
Cash and cash equivalents at end of period	13,571	13,760

VI. Company Information

Company Information (as of March 31, 2016)

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:	2,395 (including 524 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. NIPPON POLYESTER CO., LTD. Dainippon Plastics Co., Ltd. Takiron Plastics (Changzhou) Co., Ltd. PT. TAKIRON INDONESIA Other 4 companies

Directors and Audit & Supervisory Board Members (as of June 28, 2016)

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, Executive Officer	Kazuya Saito
Director, Officer	Takahisa Miyake
Director*	Mune Iwamoto
Audit & Supervisory Board Member**	Tsutomu Arakawa
Audit & Supervisory Board Member	Yutaka Takeda
Audit & Supervisory Board Member**	Satoshi Nakajima
Officer	Makoto Ihira
Officer	Shuji Tsurishima
Officer	Toshiro Okajima
Officer	Hironori Kikuchi
Officer	Toshio Tamaki
Officer	Hiroji Kimura

* Outside Director ** Outside Audit & Supervisory Board Member

Stock Status (as of March 31, 2016)

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)):	3,670

Major shareholders (Top 10)

Shareholder name	Number of shares held (Thousands)	Share-holding ratio to number of issued shares (%)
ITOCHU Corporation	23,696	30.11
Takiron Kyowa-Kai	4,861	6.18
Japan Trustee Services Bank, Ltd. [trust fund]	1,603	2.04
The Master Trust Bank of Japan, Ltd. [trust fund]	1,547	1.97
Sekisui Jushi Corporation	1,439	1.83
Nippon Life Insurance Company	1,384	1.76
Kaneka Corporation	1,318	1.67
CBNY-DFA Intl Small Cap Value Portfolio (Standing proxy: Citibank Japan Ltd.)	1,216	1.55
Tosoh Corporation	1,070	1.36
Sompo Japan Nipponkoa Insurance Inc.	987	1.25

(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]	1,603 thousand shares
The Master Trust Bank of Japan, Ltd. [trust fund]	1,547 thousand shares

2. Treasury shares of 7,675 thousand shares (share-holding ratio of 9.75%) are excluded from the table above.

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