

Supporting today, changing tomorrow



C.I. TAKIRON

Annual Report 2018

(2017.4.1 ~ 2018.3.31)

C.I. TAKIRON Corporation

Annual Report 2018

For the Fiscal Year Ended March 31, 2018

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

C.I. TAKIRON Corporation

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(Securities Code: 4215)

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Contact us via email from the following website:

<https://www.takiron-ci.co.jp/english/>

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.*

Management Philosophy

1. We always try to protect the global environment and aim for permanent development and growth of the Company.
2. We will contribute to society by providing quality and price that will satisfy our customers.
3. We will be ahead of social change and sustain enthusiasm for the challenge to the unknown.
4. We will give consideration to people and respect individual characteristics and ingenuity.
5. We will pursue legitimate profits and strive for fair distribution.

I. Summary of Selected Financial Data (Consolidated)

Year ended March 31,	119 th fiscal year 2014	120 th fiscal year 2015	121 st fiscal year 2016	122 nd fiscal year 2017	123 rd fiscal year 2018
Net sales (Millions of yen)	72,856	70,352	72,958	75,118	147,805
Ordinary profit (Millions of yen)	6,351	3,804	3,946	4,519	8,204
Profit attributable to owners of parent (Millions of yen)	3,788	2,168	2,746	2,695	6,579
Comprehensive income (Millions of yen)	3,941	3,452	(62)	3,962	7,351
Net assets (Millions of yen)	45,460	47,501	46,461	49,435	69,909
Total assets (Millions of yen)	85,643	84,018	88,087	88,997	141,219
Net assets per share (Yen)	626.80	659.46	644.22	685.44	700.99
Basic earnings per share (Yen)	52.88	30.50	38.66	37.95	67.49
Diluted earnings per share (Yen)	–	–	–	–	–
Equity ratio (%)	52.2	55.8	51.9	54.7	48.4
Return on equity (ROE) (%)	8.5	4.7	5.9	5.7	9.6
Price earnings ratio (PER) (Times)	8.0	17.2	14.4	15.3	10.3
Net cash provided by (used in) operating activities (Millions of yen)	7,917	5,700	5,773	6,579	9,328
Net cash provided by (used in) investing activities (Millions of yen)	(1,879)	(4,377)	(2,860)	(2,537)	(1,575)
Net cash provided by (used in) financing activities (Millions of yen)	(2,108)	(1,805)	(2,828)	(1,749)	(9,160)
Cash and cash equivalents at end of period (Millions of yen)	14,048	13,571	13,760	16,046	15,800
Number of employees [Separately, average number of temporary employees] (Persons)	1,664 [428]	1,732 [489]	1,871 [524]	1,889 [497]	3,369 [750]

- (Notes)
1. Net sales do not include consumption taxes.
 2. Diluted earnings per share is not presented since there were no potential shares.
 3. The Company carried out an absorption-type merger on April 1, 2017, with the Company as the surviving company and C. I. Kasei Company, Limited as the extinct company. This merger falls under a reverse acquisition for the purpose of accounting for business combinations and as such the Company is the acquiree and C. I. Kasei Company, Limited is the acquirer. Accordingly, the fair value of the assets and liabilities recorded in the Company's consolidated financial statements was measured immediately before the merger, and has been transferred to C. I. Kasei Company, Limited's consolidated balance sheets. Due to this, continuity has been lost between the balance at the end of the previous fiscal year and the balance at the beginning of the current fiscal year. As a result, there is a significant difference when comparing the Selected Financial Data figures for the 123rd fiscal year with figures from the 122nd fiscal year or before.

II. Message from the President

“Creating a people- and earth-friendly future through plastics technology” is C.I. TAKIRON Group’s mission.

On April 1, 2017, Takiron Co., Ltd. and C.I. Kasei Company, Limited merged and started anew as C.I. TAKIRON Corporation.

Both companies, as general plastic manufactures, used unique technological innovations to introduce numerous high-quality and high value-added products to respond to customer needs and grow their businesses since their establishment in 1919 and 1963, respectively.

Today, we face a business environment that is continually harsh and has many causes for concern, such as shrinking of the market due to sluggish growth in the construction of new single-family homes and cutbacks in public investments, a slowdown in consumer spending and domestic demand, and an increase in international price competition associated with entry of competitors.

Within this environment, the C.I. TAKIRON Group has established its Mid-term Management Plan, “Good chemistry Good growth 2020,” with FY 2017 as the first year.

Our management vision, “Contributing to society as the industry’s leading company by taking on new challenges and continually implementing plans,” reflects the philosophy behind our business merger. We will push forward to attain consolidated net sales of ¥180,000 million, consolidated operating income of ¥12,000 million and consolidated net income of ¥7,500 million in FY 2020.

The C.I. TAKIRON Group, comprised of C.I. TAKIRON and its subsidiaries and affiliates, has been working to achieve this vision by reinforcing its management foundations, integrating and revitalizing our human resources and improving operational efficiency. In the existing matured areas of our operations, we are further promoting structural reforms and extracting synergy from our merger, thereby strengthening our competitiveness and profitability. For our growth areas, we will expand our businesses through proactive capital investments and become actively involved in restructuring the industry with the goal of expanding scope of our business.

We look forward to your continued support.



Yosuke Minamitani
President and
Representative Director

III. Business Progress and Results

In the fiscal year under review, the Japanese economy continued to recover gradually against a backdrop of solid performance among domestic corporations and improving global business sentiment.

At the same time, the business environment continues to necessitate maintaining a watchful eye on sources of concern including uncertainty regarding policy trends in foreign nations such as the U.S., geopolitical risks, and the effects of financial and capital market volatility.

Against this background, in order to promptly realize synergy from the business integration, the Group, which has had a new start as the C.I. TAKIRON Group, established the Business Foundation Committee and the Structural Reform Committee and is endeavoring to create a management structure that supports the improvement of corporate value and long-term growth.

Also, in the first fiscal year of the Medium-term Business Plan, “Good chemistry Good growth 2020,” and under the following six basic policies: (1) Strengthen market competitiveness, (2) Create new business and develop new products, (3) Pursue beneficial effects of the merger, (4) Expand existing business domains, (5) Increase asset efficiency, and (6) Create a new corporate culture; the Company implemented specific measures including integration of the Flooring Materials Business and the Decorative Materials Business, consolidation of the sales department, redevelopment of the Kanto production base, and optimization of manufacturing for the Polycarbonates Business and restructuring of its sales framework. In these ways the Company devoted every last effort to expanding the business, increasing profitability, and creating synergies associated with the merger.

As a result, the Company reported the following results for the fiscal year ended March 31, 2018. Net sales amounted to ¥147,805 million, operating profit amounted to ¥8,363 million, ordinary profit amounted to ¥8,204 million, and profit attributable to owners of parent amounted to ¥6,579 million, including a recorded ¥1,180 million gain on bargain purchase following the merger.

Operating results by business segment are as follows.

Construction Materials Business Segment

The Housing Materials Business grew compared to the previous year due to strong sales of polycarbonate sheets for non-residential structures and the impact of demand resulting from disaster recovery efforts, despite worldwide difficulty procuring raw materials for polycarbonate daylighting building materials, a mainstay product. On the other hand, sales performance of housing equipment products and drainage equipment was weak overall partially due to the impact of there being fewer new housing starts for self-contained dwellings compared to the previous year.

In regard to the Flooring and Decorative Materials Business, sales for the flooring department decreased slightly compared to the previous year due to a lack of large projects in the condominium renovations sector, while sales grew in the non-residential sector. As for the decorative materials department, the residential sector continued to struggle despite gaining orders for projects related to hotels and large retail

facilities in Japan. On the other hand, sales were favorable overseas for the non-residential sector in the Chinese market.

As a result, net sales of the Construction Materials Business segment was ¥46,772 million, and operating profit was ¥3,630 million.

Environmental Materials Business Segment

In regard to the Agricultural Materials Business, sales grew following the increased market share of covering film for agriculture, a mainstay product. This combined with orders for other relevant materials and plastic greenhouses resulted in generally solid domestic sales. Overseas sales, particularly in East Asia, were firm due to the successful development of new markets, despite slow growth in some regions.

The Infrastructure Materials Business recorded firm sales overall, as although the engineering materials, a mainstay business, was affected by slow progress for some projects scheduled for delivery due to the delays in projects related to reconstruction following earthquakes as well as unseasonable weather including snowfall, the sales of products such as FFT-S (a material for sewage pipe renewal) continued to be solid.

As a result, net sales of the Environmental Materials Business segment was ¥60,478 million, and operating profit was ¥1,839 million.

High Functional Materials Business Segment

In regard to the High Functional Materials Business, sales of plates for semiconductor manufacturing equipment grew significantly due to strong demand for semiconductors, and shipments of plates for FPD manufacturing equipment continued to be steady. Sales of various engineering plastics also grew including products for semiconductor manufacturing equipment, machine tools, and vehicle manufacturing lines.

The Electronic Devices Business remained strong overall with increased sales of micro motors for electronic locks and, in the second half, for cameras, and increased sales of magnetic materials for whiteboards (dry erase sheets).

As a result, net sales of the High Functional Materials Business segment was ¥19,519 million, and operating profit was ¥2,767 million.

Specialty Films Business Segment

The Specialty Films Business remained strong thanks to firm demand for shrinkable film and re-closable zipper tape, both mainstay products, in Japan, Asia, Europe, and the U.S.

As a result, net sales in the Specialty Films Business segment was ¥20,169 million, and operating profit was ¥2,387 million.

Net Sales and Operating Profit by Business Segment

(Millions of yen)

	Fiscal year ended March 31, 2018	
	Net sales	Operating profit
Construction Materials Business	46,772	3,630
Environmental Materials Business	60,478	1,839
High Functional Materials Business	19,519	2,767
Specialty Films Business	20,169	2,387
Other	864	93
Adjustment	–	(2,355)
Total	147,805	8,363

- (Notes)
1. The “Other” category is a business segment not included in reportable segments under which operations such as logistics services are classified.
 2. The adjustment to operating profit represents corporate expenses not allocated to each segment.
 3. Total operating profit corresponds to operating profit of Consolidated Statements of Income.

IV. Corporate Governance

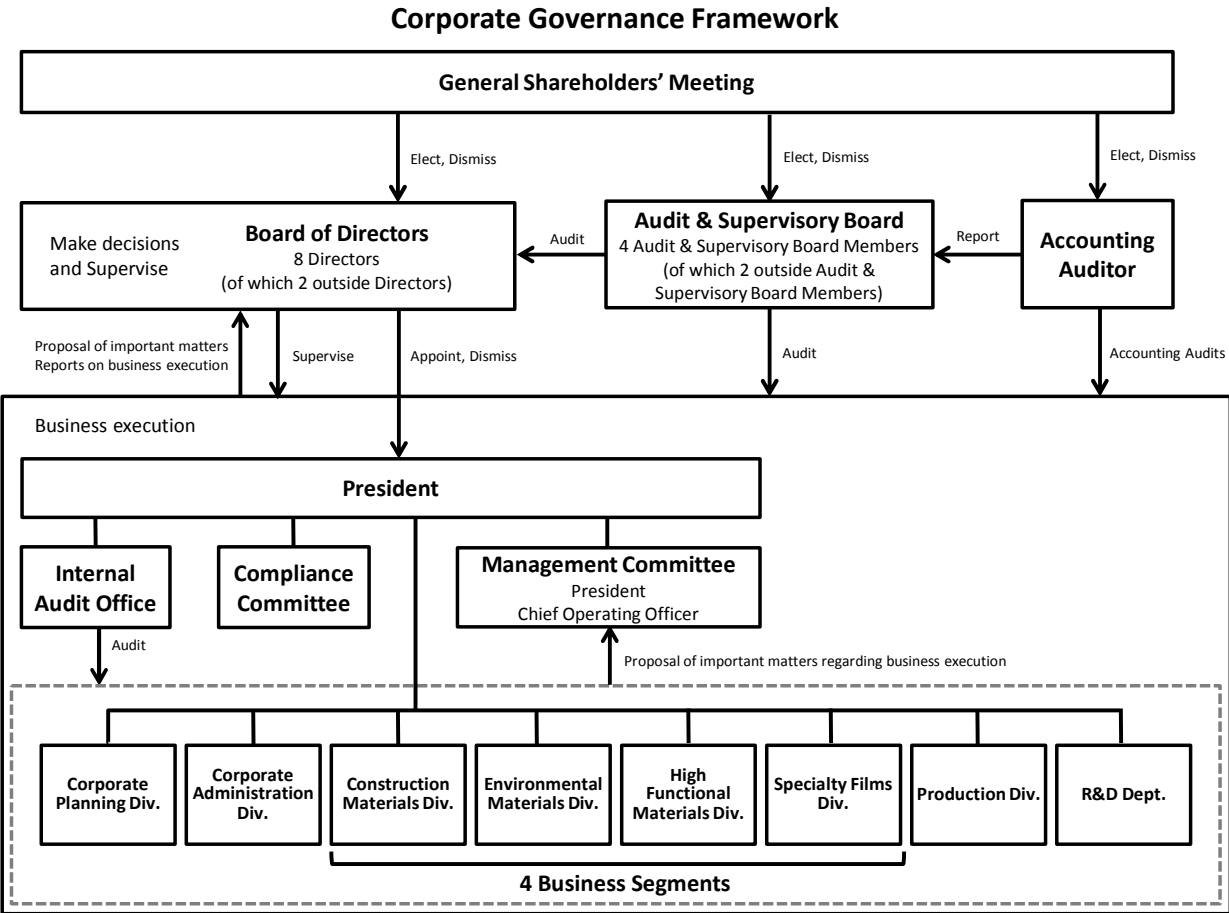
Basic Approach to Corporate Governance

C.I. TAKIRON Corporation 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

C.I. TAKIRON Corporation employs the corporate governance framework of a company with audit and supervisory board members. Two of the directors are outside directors 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.

C.I. TAKIRON Corporation’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, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	16,069	15,800
Notes and accounts receivable - trade	22,928	47,111
Electronically recorded monetary claims - operating	4,644	6,670
Merchandise and finished goods	7,137	12,960
Work in process	2,129	2,675
Raw materials and supplies	1,894	5,405
Deferred tax assets	642	1,153
Other	748	1,429
Allowance for doubtful accounts	(10)	(158)
Total current assets	56,181	93,048
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,280	12,617
Machinery, equipment and vehicles, net	4,905	8,847
Land	10,089	13,548
Leased assets, net	196	406
Construction in progress	91	392
Other, net	724	811
Total property, plant and equipment	24,286	36,624
Intangible assets	496	1,118
Investments and other assets		
Investment securities	3,607	4,625
Deferred tax assets	3,286	2,737
Net defined benefit asset	154	216
Other	1,057	2,905
Allowance for doubtful accounts	(73)	(57)
Total investments and other assets	8,032	10,428
Total non-current assets	32,815	48,171
Total assets	88,997	141,219

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,335	31,009
Electronically recorded obligations - operating	2,085	4,582
Short-term loans payable	1,240	2,456
Current portion of long-term loans payable	183	4,979
Lease obligations	71	201
Income taxes payable	1,119	834
Accrued consumption taxes	360	308
Provision for bonuses	1,030	2,056
Provision for directors' bonuses	131	188
Notes payable - facilities	121	184
Other	3,387	6,071
Total current liabilities	24,067	52,873
Non-current liabilities		
Long-term loans payable	606	4,292
Lease obligations	125	472
Deferred tax liabilities	776	774
Net defined benefit liability	11,334	9,929
Asset retirement obligations	310	498
Other	2,339	2,467
Total non-current liabilities	15,493	18,435
Total liabilities	39,561	71,309
Net assets		
Shareholders' equity		
Capital stock	15,189	15,189
Capital surplus	14,667	30,914
Retained earnings	23,190	22,031
Treasury shares	(2,323)	(8)
Total shareholders' equity	50,723	68,126
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,388	508
Deferred gains or losses on hedges	-	3
Foreign currency translation adjustment	2	(321)
Remeasurements of defined benefit plans	(3,435)	15
Total accumulated other comprehensive income	(2,044)	206
Non-controlling interests	757	1,577
Total net assets	49,435	69,909
Total liabilities and net assets	88,997	141,219

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

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales	75,118	147,805
Cost of sales	49,881	106,502
Gross profit	25,236	41,302
Selling, general and administrative expenses	20,896	32,938
Operating profit	4,339	8,363
Non-operating income		
Interest income	1	8
Dividend income	86	103
Share of profit of entities accounted for using equity method	63	18
Rent income	–	139
Rent income on non-current assets	60	–
Miscellaneous income	154	–
Other	–	399
Total non-operating income	366	669
Non-operating expenses		
Interest expenses	30	210
Sales discounts	56	78
Cost of lease revenue	–	83
Rent expenses on non-current assets	41	–
Foreign exchange losses	38	66
Miscellaneous expenses	19	–
Other	–	388
Total non-operating expenses	186	828
Ordinary profit	4,519	8,204
Extraordinary income		
Gain on sales of non-current assets	5	28
Gain on sales of investment securities	219	0
Gain on revision of retirement benefit plan	363	2,555
Gain on bargain purchase	–	1,180
Total extraordinary income	587	3,764
Extraordinary losses		
Loss on disposal of non-current assets	59	139
Impairment loss	269	2,727
Loss on sales of investment securities	28	8
Loss on valuation of investment securities	27	–
Loss on valuation of golf club membership	–	7
Extra retirement payments	113	–
Total extraordinary losses	498	2,882
Profit before income taxes	4,608	9,087
Income taxes - current	1,579	2,041
Income taxes - deferred	272	356
Total income taxes	1,851	2,397
Profit	2,757	6,689
Profit attributable to non-controlling interests	62	110
Profit attributable to owners of parent	2,695	6,579

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	2,757	6,689
Other comprehensive income		
Valuation difference on available-for-sale securities	337	512
Deferred gains or losses on hedges	–	1
Foreign currency translation adjustment	(61)	(16)
Remeasurements of defined benefit plans, net of tax	928	164
Total other comprehensive income	1,204	661
Comprehensive income	3,962	7,351
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,920	7,284
Comprehensive income attributable to non-controlling interests	41	67

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2017

(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	21,489	(2,320)	49,024
Changes of items during period					
Dividends of surplus			(994)		(994)
Profit attributable to owners of parent			2,695		2,695
Purchase of treasury shares				(2)	(2)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,701	(2)	1,698
Balance at end of current period	15,189	14,667	23,190	(2,323)	50,723

	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	1,040	54	(4,364)	(3,269)	706	46,461
Changes of items during period						
Dividends of surplus						(994)
Profit attributable to owners of parent						2,695
Purchase of treasury shares						(2)
Net changes of items other than shareholders' equity	347	(52)	928	1,224	51	1,276
Total changes of items during period	347	(52)	928	1,224	51	2,974
Balance at end of current period	1,388	2	(3,435)	(2,044)	757	49,435

Fiscal year ended March 31, 2018

(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	23,190	(2,323)	50,723
Changes of items during period					
Balance at beginning of period for the acquired company	(15,189)	(14,667)	(23,190)	2,323	(50,723)
Balance at beginning of period for the acquiring company	5,500	3,979	17,361	(4,499)	22,341
Increase by merger	9,689	26,934		4,495	41,119
Dividends of surplus			(1,276)		(1,276)
Profit attributable to owners of parent			6,579		6,579
Purchase of treasury shares				(4)	(4)
Change of scope of equity method			(632)		(632)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	16,246	(1,159)	2,315	17,402
Balance at end of current period	15,189	30,914	22,031	(8)	68,126

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,388	–	2	(3,435)	(2,044)	757	49,435
Changes of items during period							
Balance at beginning of period for the acquired company	(1,388)	–	(2)	3,435	2,044	(757)	(49,435)
Balance at beginning of period for the acquiring company	(1)	2	(350)	(148)	(498)	917	22,760
Increase by merger							41,119
Dividends of surplus							(1,276)
Profit attributable to owners of parent							6,579
Purchase of treasury shares							(4)
Change of scope of equity method							(632)
Net changes of items other than shareholders' equity	510	1	28	164	704	659	1,364
Total changes of items during period	(880)	3	(323)	3,451	2,250	819	20,473
Balance at end of current period	508	3	(321)	15	206	1,577	69,909

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	4,608	9,087
Depreciation	3,201	4,896
Impairment loss	269	2,727
Increase (decrease) in provision for bonuses	73	320
Increase (decrease) in net defined benefit liability	(2,973)	(384)
Increase (decrease) in allowance for doubtful accounts	(47)	–
Interest and dividend income	(88)	(111)
Interest expenses	30	210
Foreign exchange losses (gains)	38	–
Share of loss (profit) of entities accounted for using equity method	(63)	(18)
Loss (gain) on sales of investment securities	(190)	8
Loss (gain) on valuation of investment securities	27	–
Loss (gain) on disposal of non-current assets	54	111
Gain on bargain purchase	–	(1,180)
Gain on retirement benefit system revision	(363)	(2,555)
Additional retirement benefit	113	–
Decrease (increase) in notes and accounts receivable - trade	(1,045)	(2,155)
Decrease (increase) in inventories	388	(1,105)
Increase (decrease) in notes and accounts payable - trade	934	3,056
Increase (decrease) in accounts payable - other	447	–
Payments for accounts payable - other resulting from transition to defined contribution pension plan	1,714	(683)
Other, net	809	(1,164)
Subtotal	7,940	11,060
Interest and dividend income received	90	114
Interest expenses paid	(25)	(220)
Proceeds from subsidy income	40	–
Income taxes paid	(1,466)	(1,625)
Net cash provided by (used in) operating activities	6,579	9,328
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,022)	(3,001)
Proceeds from sales of property, plant and equipment	32	42
Purchase of intangible assets	(215)	(411)
Purchase of investment securities	(44)	(16)
Proceeds from sales of investment securities	711	69
Decrease (increase) in other investments	(7)	–
Payments of loans receivable	(33)	–
Collection of loans receivable	51	–
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	–	1,547
Other, net	(8)	193
Net cash provided by (used in) investing activities	(2,537)	(1,575)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(480)	(3,045)
Proceeds from long-term loans payable	–	1,606
Repayments of long-term loans payable	(186)	(6,058)
Repayments of lease obligations	(80)	(289)
Purchase of treasury shares	(2)	(4)
Cash dividends paid	(994)	(1,276)
Dividends paid to non-controlling interests	(4)	(93)
Net cash provided by (used in) financing activities	(1,749)	(9,160)
Effect of exchange rate change on cash and cash equivalents	(5)	10
Net increase (decrease) in cash and cash equivalents	2,286	(1,398)
Cash and cash equivalents at beginning of period	13,760	16,046
Cash and cash equivalents at beginning of period for the acquired company	–	(16,046)
Cash and cash equivalents at beginning of period for the acquiring company	–	1,151
Increase in cash and cash equivalents resulting from merger	–	16,046
Cash and cash equivalents at end of period	16,046	15,800

VI. Company Information

Company Information (as of March 31, 2018)

Trade name:	C.I. TAKIRON Corporation
Date of establishment:	December 1935
Listing date:	October 1961
Business year:	From April 1 to March 31
Paid-in capital:	¥15,189 million
Number of employees:	4,119 (including 750 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:	SANWA SIGNWORKS CO., LTD. NIPPON POLYESTER CO., LTD. TAKIRON KC HOME IMPROVEMENT CO., LTD. TAKIRON MATEX CO., LTD. BONLEX EUROPE S.R.L. SHANGHAI C.I. KASEI TRADING COMPANY LTD. HOKKAIDO SANPLUS CO., LTD. PT. TAKIRON INDONESIA YOKOBI CO., LTD. C.I. MATEX CORPORATION C.I. AGRO CO., LTD. TAKIRON PROTECH CO., LTD. DAILITE CO., LTD. DAINIPPON PLASTICS CO., LTD. HOKKAI DAIPLA CO., LTD. DAIPLA TEC. CO., LTD. DAIPLA WINTES CO., LTD. TAKIRON ENGINEERING CO., LTD. TAKIRON POLYMER CO., LTD. CIK NANOTEK CORPORATION TAKIRON-ROWLAND LIMITED SHANGHAI CIK ELECTRONICS CO., LTD. TAKIRON PLASTICS (CHANGZHOU) CO., LTD. BONPACK CO., LTD. BONSET AMERICA CORPORATION BONSET LATIN AMERICA S.A. SHANGHAI SANPLUS PLASTIC CO., LTD. TAKIRON TECH CO., LTD. CIK BUTURYU CO., LTD.

(Note) CIK BUTURYU CO., LTD. changed its company name to C.I. TAKIRON LOGISTICS CO., LTD. on April 1, 2018.

Directors and Audit & Supervisory Board Members (as of June 27, 2018)

President and Representative Director	Yosuke Minamitani
Director and Senior Managing Executive Officer	Takahisa Miyake
Director and Senior Managing Executive Officer	Kazuya Saito
Director and Managing Executive Officer	Tomomi Umeda
Director and Executive Officer	Hikaru Sakamoto
Director	Masaya Tanaka
Director*	Mune Iwamoto
Director*	Kenichi Hatano

Audit & Supervisory Board Member	Yutaka Takeda
Audit & Supervisory Board Member**	Yoshiyuki Fujioka
Audit & Supervisory Board Member**	Kazuhiro Takasaki
Audit & Supervisory Board Member	Satoshi Nakajima

Senior Managing Executive Officer	Yasuhiko Maru
Managing Executive Officer	Hideharu Iwasaki
Managing Executive Officer	Hiroyasu Kawakami
Managing Executive Officer	Toshio Tamaki
Executive Officer	Toshiro Okajima
Executive Officer	Hironori Kikuchi
Executive Officer	Hiroji Kimura
Executive Officer	Yukihiro Iwata
Executive Officer	Satoshi Igarashi
Executive Officer	Toshiya Okubo
Executive Officer	Tsutoshi Miki
Executive Officer	Takashi Harada
Executive Officer	Kenji Matsui

* Outside Director ** Outside Audit & Supervisory Board Member

Stock Status (as of March 31, 2018)

Total number of authorized shares: 220,000,000 shares

Total number of issued shares: 97,500,000 shares

(Note) By resolution of the meeting of the Board of Directors held on November 8, 2017, the Company changed the number of shares constituting one unit from 1,000 shares to 100 shares on January 1, 2018.

Number of shareholders

(excluding shareholders holding shares less than one unit (100 shares)): 5,008

Major shareholders (Top 10)

Shareholder name	Number of shares held (Thousands)	Share-holding ratio to number of issued shares (excluding treasury shares) (%)
ITOCHU Corporation	49,722	51.00
C.I. TAKIRON Kyowa-Kai	4,863	4.98
Japan Trustee Services Bank, Ltd. [trust fund]	2,715	2.78
The Master Trust Bank of Japan, Ltd. [trust fund]	2,063	2.11
Sekisui Jushi Corporation	1,439	1.47
Nippon Life Insurance Company	1,384	1.42
Kaneka Corporation	1,318	1.35
GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A., Tokyo Branch)	1,295	1.32
DFA INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Citibank, N.A., Tokyo Branch)	1,131	1.16
Tosoh Corporation	1,070	1.09

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

Japan Trustee Services Bank, Ltd. [trust fund] 2,715 thousand shares

The Master Trust Bank of Japan, Ltd. [trust fund] 2,063 thousand shares

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