(Securities Code: 7433)
June 5, 2009

Dear Shareholders,

Hakuto Co., Ltd.
1-13, Shinjuku 1-chome, Shinjuku-ku, Tokyo

Notice of the 57th Annual General Meeting of Shareholders

You are cordially invited to attend the 57th Annual General Meeting of Shareholders of Hakuto Co., Ltd. (the "Company"), which will be held as per the schedule below.

If you are unable to attend the Meeting in person, please first review the Reference Materials for the General Meeting of Shareholders presented hereinafter, and exercise your voting rights no later than 5:30 p.m. on Wednesday, June 24, 2009, using one of the methods outlined below.

[Exercising your voting rights by mail]
Please indicate "for" or "against" for each agenda item shown on the enclosed Form for Exercising Voting Rights, apply the enclosed protective seal, and mail it in time for delivery by the deadline mentioned above.

[Exercising your voting rights electronically (Internet voting etc.)]
Use a personal computer or cell phone to access the Voting Right Exercise Site: http://www.evote.jp/. Enter the "Login ID" and "Temporary Password" noted on the enclosed Form for Exercising Voting Rights, follow the instructions on the screen and indicate "for" or "against" for each agenda item by the deadline mentioned above.

If you intend to exercise your voting rights via the Internet, please refer to page 58 and 59 of the "Procedures for Exercising Voting Rights via the Internet."

Sincerely,

Ryusaburo Sugimoto
President

Details

1. Date & Time: Thursday, June 25, 2009 at 10:00 a.m.

2. Venue: Conference Room, 8th Floor, Head Office Building, 1-13, Shinjuku 1-chome, Shinjuku-ku, Tokyo

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1. If you are attending the Meeting in person, please bring the enclosed Form for Exercising Voting Rights and present it at the reception desk.
2. Revisions to the Reference Materials for the General Meeting of Shareholders, Business Report, non-consolidated financial statements, and consolidated financial statements shall be posted on the Company's website (http://www.hakuto.co.jp).

3. Meeting Agenda

(1) Items to be reported:

1. Business Report and consolidated financial statements for the Company's 57th business year (from April 1, 2008 to March 31, 2009), and the audit reports of consolidated financial statements by the Accounting Auditors (CPAs) and the Company's Board of Corporate Auditors
2. Non-consolidated financial statements for the Company's 57th business year (from April 1, 2008 to March 31, 2009)

(2) Items to be resolved:

Item 1: Amendments to the Articles of Incorporation
Item 2: Appointment of Twelve (12) Directors

4. Matters concerning convocation

(1) In the event that no indication of "for" or "against" has been made, this shall be treated as the intent of approval.
(2) If you exercise your voting rights both by mail and electronic means (Internet voting etc.), the electronic voting (Internet etc.) shall prevail regardless of the arrival date of the mailed vote.
(3) In the case of multiple voting via the Internet, the last voting shall prevail.
(4) If split votes are cast, a written notice of the diverse exercise of voting rights and the reasons thereof must be provided by three days before the General Meeting of Shareholders (June 22, 2009).

[Submitted Documents]

Business Report

(From April 1, 2008 to March 31, 2009)

1. Corporate Group's Business Environment

(1) Business conditions during the fiscal year under review

1) Business developments and results

The world economy in the consolidated financial year under review fell into the world recession, as the financial crisis triggered by the bankruptcy of the U.S. major financial institution last September affected the real economy of not only the developed countries in Europe and the U.S. but also the emerging countries through the decrease of export to developed countries. In Japan, the economy sharply slowed down and the concern about employment and income condition increased that depressed the personal consumption. In the corporate side, the capital investment fell down due to the sluggish personal consumption and the influence of financial turmoil and decrease of export as well.

Under these overseas and domestic economic circumstances, in the Electronics Division, one of the Group's core businesses, although we enjoyed relatively stable demand for some products for telecommunication infrastructure, the demand for components in many markets including the automobile-related market and the amount of capital investment sharply and significantly decreased.

In the Chemical Division, although the situation varied depending on each market, it was generally less affected by the recession and we also developed the business in the emerging markets. In general, the business in this Division showed a stable growth.

As a result of the above, sales for the fiscal year decreased 18.3% year on year on a consolidated basis, to ¥108,882 million, with domestic sales falling 14.4%, to ¥79,385 million, and overseas sales falling 27.3%, to ¥29,497 million.

Regarding profit and loss, gross profit dropped 6.1% year on year, to ¥17,930 million. Operating income fell 19.9% year on year, to ¥2,250 million, and ordinary profit decreased 9.8%, to ¥2,014 million.

In order to cope with the current sharp deterioration of business environment, the Group developed the management streamlining measures and promptly executed them. As we recorded the management streamlining expenses of ¥712 million and the loss on valuation of investment securities of ¥1,390 million as extraordinary losses, we regret to say that we recorded the net loss of ¥542 million compared with a net income of ¥433 million in the previous fiscal year. We estimate that the cost reduction effect of management streamlining measures in the next fiscal year (Fiscal year ending March 31, 2010) will be ¥2.5 billion per year.

The following is a breakdown of business performance by segment for the fiscal year.

Electronics Division

In the electronic and electric equipment segment, although the performance of vacuum-related equipment was relatively stable, the performance of equipment related to flat panel displays (FPDs) was significantly lower-than-expected due to the intensifying competition that resulted in the decrease of large-scale business negotiations and postponement of capital investment triggered by the deteriorating economy. For the printed circuit board (PCBs), manufacturing equipment, we also faced a severe condition both overseas and domestic major markets affected by the freeze on investment by our major customers.

In the semiconductor devices of electronic component segment, sales of components for some telecommunication facilities were stable. However, almost of all the markets including cell phones, digital consumer products, and products for vehicles fell sharply. On the other hand, in the electronic component of the same segment, the investment in high-speed communication infrastructure remained in a high level that brought a remarkable increase of sales of optic transmission device component.

As a result of the above, sales in the Electronics Division decreased 19.4% year on year, to ¥101,756 million (including internal intersegment sales), with operating income down by 24.2%, to ¥1,979 million.

Chemicals Division

Although we saw a downward trend in sales in the paper and pulp segment, one of our major segments, in the second half of the year due to a lower capacity utilization rate of production facilities of our major customers, sales for the petro/petrochemical segment showed a favorable increase mainly in drugs for environment protection. On the other hand, for a profit and loss side, despite soaring crude oil prices in the first half of the year causing the rose of raw material price drove down the rate of return, we made our efforts to maintain an appropriate level of profit by revising the product price and reducing the cost.

As a result, sales of the Chemical Division grew 1.0% year on year, to ¥7,104 million (including internal intersegmental sales), and operating income increased 39.6% to ¥229 million.

Others Division

This Division is mainly general operation and logistics management tasks of the Company on a consignment basis as well as agency business for insurance companies.

As a result, the Others Division reported sales of ¥754 million (including internal intersegmental sales; up 27.8% year on year) and operating income of ¥42 million (up 25.5%).

Sales by segment

	Fiscal 2007 (term ended March 2008)		Fiscal 2008 (term ended March 2009)	
	Sales (¥ million)	Ratio to total (%)	Sales (¥ million)	Ratio to total (%)
Electronics	126,202	94.7	101,756	93.5
Chemicals	7,037	5.3	7,104	6.5
Others	20	0.0	22	0.0
Total	133,259	100.0	108,882	100.0

Note: Figures are exclusive of internal intersegmental sales and consumption tax.

Outlook of the Next Fiscal Year

For the outlook of the next fiscal year, we expect that the current global recession will continue in a certain long period of time, and although the economy will hit the bottom in the first half of the next year, it will be sluggish in general before starting a gradual recovery in the second half.

Although our management environment is still surrounded by deep economic uncertainty, we took account into the cost reduction effect by the management streamlining measures mentioned above and closely checked the information currently available from a conservative viewpoint. As a result, we forecast the consolidated sales of fiscal year ending March 2010 of ¥98 billion (down 10.0% year on year), consolidated operating income of ¥1.5 billion (down 33.3%), consolidated ordinary income of ¥1.5 billion (down 25.5%), and net income of ¥800 million.

2) **Investment in plant & equipment**
The total investment in plant and equipment for the reporting fiscal year was ¥365 million.

3) **Fund procurement**
There are no material facts to report.

4) **Business segment transfers, absorption-type splits, and incorporation-type splits**
There are no items to report.

5) **Business segments transferred from other companies**
There are no items to report.

6) **Succession to rights and responsibilities related to the businesses of other juridical persons through absorption-type mergers and splits**
There are no items to report.

7) **Acquisitions and disposals of shares, ownership interests, or share subscription rights, etc. in other companies**
There are no material facts to report.

(2) Assets and net income for the last three years

(¥ million)

	FY2005	FY2006	FY2007	FY2008 (reporting term)
Sales	115,503	123,442	133,259	108,882
Ordinary profit	4,447	5,333	2,233	2,014
Net income	2,601	3,054	433	(542)
EPS (yen)	116.37	138.74	19.62	(24.53)
Total assets	70,162	82,175	85,950	67,042
Net assets	39,363	41,905	39,111	36,156
BPS (yen)	1,786.57	1,900.95	1,770.12	1,633.43

Notes:

1. ( ) means a net loss and a net loss per share.
2. EPS (Earnings Per Share) are calculated based on the average number of outstanding shares during the fiscal year. BPS (Book Value Per Share) is calculated based on the number of shares outstanding as of the end of the fiscal year. The total number of outstanding shares excludes treasury shares.
3. "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Corporate Accounting Standard No. 5, December 9, 2005) and "Guidance on Accounting Standard for Net Assets in the Balance Sheet" (Implementation Guidance on Corporate Accounting Standard No. 8, December 9, 2005) began with the 55th business year.

(3) Principal subsidiaries

	Capital	Ratio of voting rights held by the Company (%)	Principal lines of business
Microtek Inc.	300 million yen	100	Import/export of electronic equipment and components
Hakuto Enterprises Ltd.	HK$22,025 thd.	100	Import/export of electronic equipment and components, manufacturing and sales of electronic components
Hakuto Singapore Pte. Ltd.	S$5,000 thd.	100	Import/export of electronic equipment and components
Hakuto Taiwan Ltd.	NT$70,000 thd.	100	Import/export of electronic equipment and components

(4) Issues facing the Company

Affected by the global recession, the uncertainty for the future in the Electronics and Chemical Industries to which we belong to has also deepen. Under such circumstances, the Group recorded a net loss for the fiscal year for the first time since its establishment and was forced to reduce down the dividend payment. Although we have already implemented the management streamlining measures, we plan to tackle the following five issues mentioned below for the purpose of firmly establishing a management base that can provide profits stably and continuously.

1) **Developing an efficient management scheme that can provide a certain level of profit even in an economic downward stage**

   As we believe that the current severe economic environment will continue for a certain long period of time, we will further strive to develop an efficient management scheme.

2) **Constructing a new business portfolio under the scrap-and-build approach**

   We will comprehensively review the profitability, growth potential, and a life stage of major products in all the businesses, and promptly take the scrap-and-build action to construct a new business portfolio that can meet the new environment.

3) **Acquiring new business opportunities**

   Under the severe management environment, it is likely that the industry restructuring will take place including customers and suppliers. We believe that such change is a threat as well as a big opportunity for us. We strive to acquire new commercial rights by increasing our existence value as a business agent during a normal period of time.

4) **Consolidated management system by Division and enhancement of network with overseas sites**

   We will expand the network with overseas sites such as in China and India to surely capture the business opportunities in the growing market, and enhance the consolidated management system by Division to support business under the collaboration between the Head Office in Japan and overseas subsidiaries.

5) **Enhancing the internal control system for sound and transparent management**

   The current recession tends to create an environment where various compliance problems may occur. In this regard, we recognize that the enhancement of internal control system is one of our important issues, and make our efforts to strengthen it for the purpose of meeting the expectation from all our stakeholders.

(5) Main business lines (as of March 31, 2009)

The Group is principally engaged in the sale, export and import of electronic and electric equipment and electronic components, and the manufacture and sale of industrial chemicals.

Main products in each segment are as follows.

<table>
<tr><th colspan="2">Segment</th><th>Main products</th></tr>
<tr><td rowspan="2">Electronics</td><td>Electronic and Electric Equipment</td><td>Devices and equipment used in the manufacturing of semiconductors; equipment for PCBs; turbo-molecular pumps; refrigerator units for vacuum production equipment; electrostatic accelerators</td></tr>
<tr><td>Electronic Components</td><td>Semiconductor devices; connectors; optical components</td></tr>
<tr><td>Chemicals</td><td>Industrial Chemicals</td><td>Industrial chemicals used in the oil refining and petrochemical industries; chemicals for water treatment; chemicals for the paper & pulp industry; paint-resistant chemicals</td></tr>
<tr><td colspan="2">Others</td><td>Outsourcing business</td></tr>
</table>

(6) Principal offices and plants (as of March 31, 2009)

1) Principal offices and plants of the parent company

Name	Location
Head Office	Shinjuku-ku, Tokyo
Kansai Branch	Itami, Hyogo
Nagoya Branch	Nagoya, Aichi
Isehara Technical Center	Isehara, Kanagawa
Yokkaichi Factory	Yokkaichi, Mie
Yokkaichi Research Laboratory	Yokkaichi, Mie

2) Offices of principal subsidiaries

Name	Location
Microtek Inc.	Suginami-ku, Tokyo
Hakuto Enterprises Ltd.	Kowloon, Hong Kong
Hakuto Singapore Pte. Ltd.	Singapore
Hakuto Taiwan Ltd.	Taipei, Taiwan

(7) Employees (as of March 31, 2009)

1) Employees of the Group

Business segment	Number of employees	Change from end of previous term
Electronics	1,296	(63)
Chemicals	190	(2)
Others	88	0
Common in the Group	77	11
Total	1,651	(54)

Notes:

1. The number of employees is the number of those who are employed by the Group.
2. Employees working for the "Common in the Group" are attached to back-office sections that cannot be classified into particular business segments.

2) Employees of the Company

Number of employees	Change from end of previous business year	Average age	Average number of years of service
649	Increase by 12	40.0	12.7

Note: The above figures exclude 18 employees currently dispatched to affiliated companies.

(8) Principal sources of borrowings (as of March 31, 2009)

(¥ million)

Sources	Balance of borrowings
Resona Bank, Limited.	3,348
Sumitomo Mitsui Banking Corporation	3,035
Mizuho Bank, Ltd.	3,010
Nippon Life Insurance Company	1,275
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,136

(9) Other important matters concerning the Group

There are no material facts to report.

2. Profile of the Company

(1) Shares (as of March 31, 2009)

1) **Number of shares authorized for issuance:** 54,000,000 shares

2) **Number of shares issued and outstanding:** 24,137,213 shares (no change from the previous business year)

Of which treasury shares: 2,042,481 shares

3) **Number of shares per trading unit (tangen):** 100 shares

4) **Number of shareholders:** 6,629 (decreased by 24 from the previous business year)

5) **Major shareholders**

Name of shareholder	Investment in the Company	
	Number of shares held (thousands shares)	Ownership (%)
Takayama International Education Foundation	3,033.3	13.72
Japan Trustee Services Bank, Ltd. (trust account)	2,191.5	9.91
Shigeo Takayama	1,192.9	5.39
Ichiro Takayama	1,058.9	4.79
Ken Takayama	1,058.9	4.79
Ryutaro Takayama	1,058.8	4.79
The Master Trust Bank of Japan, Ltd. (trust account)	752.3	3.40
Trust & Custody Services Bank, Ltd. (securities investment trust account)	697.2	3.15
Japan Trustee Services Bank, Ltd. (trust account 4G)	604.4	2.73
Kuroda Electric Co., Ltd.	603.1	2.72

Notes:

1. This list shows the top ten shareholders including one who owns more than 10% of outstanding shares (excludes treasury shares).
2. Numbers of shares held are rounded down to the nearest 100 shares.
3. Ownership percentages are calculated based on the total number of outstanding shares (22,094,732), which excludes treasury shares. Percentages have been rounded down to two decimal places.
4. Treasury shares owned by the Company are excluded from the list of major shareholders above.

6) **Other important matters concerning shares**

There are no material facts to report.

(2) Share subscription rights

1) Share subscription rights distributed to Company Directors as compensation (as of March 31, 2009)

Resolutions on share subscription rights passed in the Board of Directors Meeting of August 6, 2004

1. Number of share subscription rights: 2,744 (100 shares per right)
2. Type and number of shares to be converted: Common share 274,400
3. Rights issuance price: No price
4. Exercise price: ¥1,540
5. Exercise period: July 1, 2006 to June 30, 2010
6. Exercise terms
   - It is not necessary to exercise all share subscription rights at one time.
   - Directors may exercise share subscription rights even after they are no longer Directors.
   - Share subscription rights may be exercised by his/her successors in the event of a Director's death.
   - Share subscription rights may not be transferred to third parties or pledged.
7. Share subscription rights currently held by Company Directors

Holders	Share subscription rights	Number of shares to be converted	Number of holders
Directors (excluding External Directors)	867	86,700	11
External Directors	–	–	–
Corporate Auditors	–	–	–

2) Distribution of share subscription rights to employees as compensation for the business year under review

There are no items to report.

(3) Corporate Officers

1) Board of Directors and Corporate Auditors (as of March 31, 2009)

Name	Positions	Areas of responsibility or primary occupation, and/or representative status at other companies
Shigeo Takayama	Director & Honorary Chairman	President of Takayama International Education Foundation
Ryusaburo Sugimoto	President (Representative Director)	
Yoshihito Akiyama	Senior Executive Vice President (Representative Director)	In charge of Risk Management and Subsidiary
Tomoyuki Yamawaki	Director & Executive Vice President	In charge of Corporate Ethics, Manager of Secretarial Office and Legal Affairs, and in charge of TQM Office
Norimichi Hada	Director & Senior Vice President	In charge of Overseas Business President of Hakuto Enterprises Ltd.
Yoshinae Takada	Director & Senior Vice President	Division Manager of Corporate Management Div. and Manager of Corporate Planning Dept. and Financial & Accounting Dept.
Noriaki Tomioka	Director & Senior Vice President	In charge of Electronic Equipment Business and Division Manager of Electronic Equipment 1st & 2nd Div.
Shinkichi Suzuki	Director & Vice President	Division Manager of Corporate Administration Div. and Manager of Human Resources Dept. President of Hakuto A&L Co., Ltd.
Hitoshi Takigami	Director & Vice President	In charge of Chemical Business and Division Manager of Chemical Business Div.
Ryoji Abe	Director & Vice President	Division Manager of Semiconductor Devices 2nd Div. and Electronic Components Div.
Jun Takagi	Director& Vice President	Division Manager of Semiconductor Devices 1st Div.
Ichiro Takayama	Director	
Kozo Uno	External Director	Certified Public Accountant
Katsuyoshi Iwashiro	External Director	
Hideo Watanabe	Corporate Auditor	
Chikao Fukuda	External Auditor	Attorney at law
Tadao Kuwano	External Auditor	Certified Public Accountant, and Tax Accountant

Notes:

1. Among the Directors, Messrs. Kozo Uno and Katsuyoshi Iwashiro are External Directors as provided for in Article 2, Item 15 of the Companies Act.
2. Messrs. Chikao Fukuda and Tadao Kuwano are External Auditors as provided for in Article 2, Item 16 of the Companies Act.
3. Messrs. Hideo Watanabe, Chikao Fukuda, and Tadao Kuwano, who are all Corporate Auditors, have extraordinary insight with regard to financial and accounting matters, as described below.
   · The full-time auditor, Mr. Hideo Watanabe, worked in the accounting sections of the Company and Company subsidiaries from April 1975 to June 2003. As such, he spent 28 years dealing with matters like settlement procedures and the preparation of financial statements.
   · Mr. Chikao Fukuda, who is also a Corporate Auditor, is familiar with corporate law in his capacity as an attorney and has extraordinary insight regarding financial and accounting matters.
   · Mr. Tadao Kuwano holds licenses as both a certified public accountant and tax accountant and performs accounting research as a university professor.
4. Commencing April 1, 2009, responsibilities of a Director were changed as follows.

Name	Responsibility or primary occupation
Yoshinae Takada	Director and Senior Vice President, Division Manager of Corporate Management Div., and Manager of Financial & Accounting Dept.

2) Directors and Corporate Auditors retired during the business year under review

Name	Date of retirement	Reason	Position as of retirement
Hiroshi Asai	June 26, 2008	Termination of a term	Director & Counselor
Junji Kohira	June 26, 2008	Termination of a term	Director

3) Total compensation to Directors and Corporate Auditors related to the business year under review

Positions	Number of recipients	Amount of payment (millions of yen)
Directors (External Directors)	16 (2)	301 (9)
Corporate Auditors (External Auditors)	3 (2)	24 (10)
Total	19	325

Notes:

1. Payments to Directors who are also employees do not include amounts paid as employee salary.
2. Payments to Directors include those paid to two (2) Directors who retired at the 56th Annual General Meeting of Shareholders held on June 26, 2008 during their tenure of office. The number of Directors as of the end of the fiscal year ended March 31, 2009 is 14 (including two External Directors), and the number of Corporate Auditors is three (including two External Auditors).
3. In addition to the above remunerations, a payment of ¥15 million for retirement benefits was paid to one (1) Director who resigned at the conclusion of the 56th Annual General Meeting of Shareholders in accordance with Item 3: "Payment of retirement allowance for termination with the abolition of retirement allowances to retiring directors and the retirement allowance system for officers" approved at the 53rd Annual General Meeting of Shareholders held on June 28, 2005.
4. The upper limit on compensation for Directors was set at ¥450 million (not including employee salaries) in the 39th Annual General Meeting of Shareholders, held on June 27, 1991.
5. The upper limit on compensation for Corporate Auditors was set at ¥60 million in the 40th Annual General Meeting of Shareholders, held on June 29, 1992.
6. Payment of retirement allowance for termination of retirement allowances to retiring directors and officers was resolved at the 53rd Annual General Meeting of Shareholders held on June 28, 2005. The amounts to be paid as of the end of the fiscal year under review are as follow. Payments shall be made at the time of retirement of each officer, respectively.
   - Five (5) Directors: ¥889,200 thousand
   - Two (2) Corporate Auditors: ¥2,500 thousand
     (including ¥1,000 thousand for one (1) External Auditor)

4) Matters regarding External Directors

(A) Matters regarding Directors' dual appointments (in positions with executive authority) at other companies and relationships between the Company and other companies

There are no items to report.

(B) Dual appointments as other companies' external directors or auditors

- Director Kozo Uno is also an external auditor for Satori Electric Co., Ltd. and Hidaka Country Club, Inc.
- Corporate Auditor Tadao Kuwano is also an external director for Okamura Corporation.

(C) Main activities during the business year under review

Position	Name	Main activities
Director	Kozo Uno	Mr. Uno attended all 11 of the Board of Directors meetings held during the business year under review and provided advice and recommendations that supported reasonable and appropriate decision-making within the Board of Directors by, for example, expressing opinions based on his expert perspective as a certified public accountant and extraordinary management insight.
Director	Katsuyoshi Iwashiro	Mr. Iwashiro attended all 11 of the Board of Directors meetings held during the business year under review and provided advice and recommendations that supported reasonable and appropriate decision-making within the Board of Directors by, for example, expressing opinions based on his abundant experience and wide-ranging insight as a former manager of a financial institution.
Corporate Auditor	Chikao Fukuda	Mr. Fukuda attended 9 of the 11 Board of Directors meetings held during the business year under review and provided advice and recommendations that supported transparent and lawful decision-making within the Board of Directors by, for example, expressing opinions based on his expert perspective as a lawyer. Mr. Fukuda also attended all 7 of the Board of Corporate Auditors meetings where his activities included participation in exchanges of opinions and discussions of audit results and important audit-related matters.
Corporate Auditor	Tadao Kuwano	Mr. Kuwano attended all 11 of the Board of Directors meetings held during the business year under review and provided advice and recommendations that supported reasonable and appropriate decision-making within the Board of Directors by, for example, expressing opinions based on his expert perspective as a certified public accountant and tax accountant. Mr. Kuwano also attended all 7 of the Board of Corporate Auditors meetings where his activities included participation in exchanges of opinions and discussions of audit results and important audit-related matters.

(D) Overview of agreements limiting liability

The Company, based on the provisions of Article 427, Paragraph 1 of the Companies Act, has entered into agreements that limit the liability of each of the External Directors and External Auditors in the manner provided in Article 423, Paragraph 1 of the Companies Act.

Based on these agreements, the liability of Mr. Kozo Uno and Mr. Katsuyoshi Iwashiro, who are both Directors, shall be limited to the higher of an amount of at least ¥3 million or an amount stipulated by law, and the liability of Mr. Chikao Fukuda and Mr. Tadao Kuwano, who are both Corporate Auditors, shall be limited to the higher of an amount of at least ¥2 million or an amount stipulated by law.

(4) Accounting Auditor

1) Name: KPMG AZSA & Co.

2) Compensation

	Payment
Compensation for work related to the business year under review	¥69 million
Total monetary and other assets payable to the Accounting Auditor by the Company and its subsidiaries	¥69 million

Notes:

1. Among the Company's principal subsidiaries, Hakuto Enterprises Ltd., Hakuto Singapore Pte. Ltd., and Hakuto Taiwan Ltd. have all undergone statutory audits by accounting auditors other than the one retained by the Company.
2. The audit agreement between the Company and its Accounting Auditor does not distinguish compensation paid for audit work performed in conformity with the Companies Act and compensation paid for audit work performed in conformity with the Financial Instruments and Exchange Law, and it is effectively impossible to do so. Accordingly, the amount of compensation paid for audit work related to the business year under review is reported as the total of these two amounts.

3) Non-audit work

The Company does not assign to its Accounting Auditor professional duties other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Law.

4) Policy regarding decisions to dismiss or not reappoint an accounting auditor

Should the Board of Corporate Auditors resolve to dismiss an Accounting Auditor under the provisions of Article 340 of the Companies Act, or if the Company's audit work is obstructed by an event like a business cessation order issued to an Accounting Auditor by regulatory authorities, the Company, with the agreement of the Board of Corporate Auditors or at the behest of the Board of Corporate Auditors, shall submit to the General Meeting of Shareholders a resolution to either dismiss or not reappoint the Accounting Auditor.

(5) Basic policy for construction of internal control systems

In the Board of Directors meeting, the Company resolved the following regarding "its basic policy for the construction of systems for ensuring that actions taken by the Board of Directors are in compliance with both the laws of Japan and the Company's Articles of Incorporation and for ensuring the propriety of the Company's activities" ("Internal Control Systems"), as required by Article 362, Paragraph 5 of the Companies Act and Article 100, Paragraph 1 and Paragraph 3 of the Enforcement Regulations of the Companies Act.

1) Systems for ensuring that actions taken by the Board of Directors and employees are in compliance with both the laws of Japan and the Company's Articles of Incorporation

(A) With the Hakuto Group Ethical Code and the Rules for Compliance serving as Hakuto's code of conduct, training and other measures targeting Directors and employees shall be regularly implemented to ensure that all company activities are in compliance with the laws of Japan and consistent with social mores.

(B) A Director shall be appointed to bear managerial responsibility for compliance activities. Working under this Director, the Legal Affairs Office, which shall bear operational responsibility for compliance activities, shall prepare compliance programs and build and maintain compliance systems. The Internal Audit Office shall audit compliance system functions and effectiveness.

(C) Based on the Rules for Ethics, the Compliance Committee shall be established and chaired by the President of the Company. This Committee shall discuss important compliance matters and report the results of these discussions to the Board of Directors.

(D) A channel allowing employees to directly report to the Compliance Committee information on violations of laws or social mores shall be established and maintained.

(E) No relationship whatsoever shall be had with anti-social factions and groups which may threaten the order or safety of the civil society, and the Company shall take a resolute stance against any undue claims or sabotage attacks through close coordination with outside professionals such as the police and lawyers.

2) Systems for preserving and managing information on Directors' performance of their duties

(A) Documents (including records in magnetic form) relating to Directors' performance of their duties shall be preserved and managed, together with related information, as required by the Rules for Document Management. This information shall be maintained in viewable condition for at least ten years, as necessary.

(B) In accordance with the Information Security Policies, the Rules for Electronic Data Management and other rules for information security, protection, management and use of electronic information shall be improved and facilitated.

3) Rules and other systems to manage the risk of loss

(A) A Director shall be appointed to be responsible for risk management. Working under this Director, the Legal Affairs Office, which shall bear operation responsibility for risk management, shall construct a company-wide risk management system.

(B) The Rules on Risk Management shall be set forth as a basis for the risk management system. Each type of risk shall be made the management responsibility of a certain department, which shall implement measures aimed at enhancing risk management effectiveness and monitor risk management on an ongoing basis.

(C) In preparation for the possibility of the realization of risks, the Rules for Crisis Management including emergency measures, measures for containing damage, recovery measures, and measures for preventing recurrences shall be formulated.

When risks are realized, damage shall be minimized by responding swiftly and appropriately.

4) Systems for ensuring Directors perform their duties effectively

(A) Efficient performance of duties by Directors shall be promoted by appropriately implementing management systems. These systems shall cover the formulation of management plans by the Board of Directors, the setting of performance objectives and budgets for each business segment by responsible Directors based on management plans, the management of performance on a monthly and quarterly basis, the review of monthly and quarterly performance by the Board of Directors and Board of Managing Directors, and the implementation of performance improvement measures.

(B) The speed of decision-making shall be increased through measures like simplifying the decision-making process. The Board of Managing Directors shall be consulted in important matters to ensure decisions are made with heightened caution.

(C) To ensure the efficient performance, and establish responsibility for, actions taken based on Board of Directors resolutions, responsible parties, their responsibilities, and implementation details shall be determined based on the Rules for General Organization, the Rules for Segregation of Duties, and the Rules for Administrative Authority.

5) Systems for ensuring the propriety of business activities pursued by the Corporate Group consisting of the Company and its subsidiaries

(A) With the Hakuto Group Ethical Code serving as a code of conduct for group companies, Internal Control Systems for the Hakuto Group shall be constructed by having each individual group company adopt necessary rules based on the Hakuto Group Ethical Code.

(B) The Directors responsible for compliance and risk management shall retain authority and responsibility for the construction of compliance and risk management systems at each subsidiary. The Legal Affairs Office shall promote and manage the construction of these systems throughout the Hakuto Group.

(C) The Corporate Planning Department shall adopt the Rules for Managing Subsidiaries and implement management measures as dictated by conditions at subsidiaries.

(D) Based on the Financial Instruments and Exchange Law, each Group company shall establish necessary and appropriate internal controls over financial reporting in order to ensure the reliability of the financial reports of the Hakuto Group. In addition, the Internal Control Office shall periodically examine the effectiveness of the internal controls, report findings to the Board of Directors and provide advice on improvement and corrective measures as per need, as required by the Rules for Internal Control.

6) Matters regarding employees whom Corporate Auditors request to assist them in their duties, and matters regarding the independence of such employees from Directors

The Rules concerning the employees appointed to support Corporate Auditors in their duties shall be provided, and employees supporting Corporate Auditors in their duties shall be appointed from among the Company’s employees. The Board of Corporate Auditor’s agreement shall be obtained regarding the transfers and performance evaluations of such employees. Employees assigned to assist Corporate Auditors shall not simultaneously bear responsibility for the Company business activities and shall not follow directions issued by a Director.

7) Systems allowing Directors and employees to report to Corporate Auditors, and other systems concerning reporting to Corporate Auditors

Directors and employees shall immediately report to the Board of Corporate Auditors events causing great damage to the Company, events that are likely to cause great damage to the Company should they happen, discoveries of illegal or improper activity, and other events specified as warranting a report to the Board of Corporate Auditors. Corporate Auditors may also seek reports from Directors and employees. Reports shall be submitted in formats determined in discussions by the Directors and Board of Corporate Auditors.

8) Other systems for ensuring the efficient performance of audits by Corporate Auditors

Discussions shall be regularly held with the President to promote appropriate common understanding and the effective performance of audit work.

(6) Policies regarding the distribution of retained earnings

The Company has positioned the enhancement of shareholder returns as an important management policy and made it a fundamental policy to distribute shareholder returns based on considerations of the Company's performance and the need to build internal reserves to strengthen the Company's finances and prepare for future business expansion.

Dividends shall be distributed with the basic intent of maintaining a stable payout and the goal of achieving a consolidated dividend payout ratio of at least 20%, after overall considerations of factors like each fiscal year's performance, financial conditions, and future business strategies. Internal reserves shall be invested in business fields with high growth and profit potential, and to actively strengthen sales and technical capabilities and invest in areas like capital facilities and R&D with the goal of expanding the Company's business in the future.

Regarding the year-end dividend payment for the fiscal year under review, we had to revise the amount of annual dividend payment due to the sharp deterioration of business in and from the second half of the year that resulted in the net loss for the first time since our establishment. Considering the level of ordinary income and the above policies, we resolved to pay the dividend of ¥12.50 per share at the Board of Directors meeting held on May 15, 2009. Added to the interim dividend of ¥17.50 per share paid in December 2008, the total amount of dividends paid for the fiscal year under review will come to ¥30, down by ¥5 per share compared with the previous fiscal year.

(7) Basic policies on company control

The Company, in a Board of Directors meeting, has resolved the following concerning the basic policies regarding those who direct the determination of company financial and operational policies ("the basic policies"), which are addressed in Article 127 of the Companies Act Enforcement Regulations.

1) Content of the basic policies

Under its management philosophy that Hakuto, through its sound business, is committed to contributing to the development of Japanese industries and global trading as well as the welfare and peace of human society, the Company, as an electronics trading company handling the most technologically advanced electronic and electric equipment and electronic components, and as a chemical manufacturer producing environmentally friendly industrial chemicals, has worked to stably provide products and services to meet the needs of the times and, as generating appropriate levels of profits, has practiced solid and stable management over the long term.

The Company is characterized by its status as an independent trading company with no ties to a specific manufacturer, and the consequent independence of its management. This means that the Company, in its inventory procurement, is not limited to the offerings of a single manufacturer and can handle a wide variety of domestic and overseas products, and has allowed the Company to create a supply system perfectly suited to customers' diversifying needs and work with manufacturers to develop products that meet customer needs. As a trading company linking suppliers, who are manufacturers, and customers, our corporate culture of placing a high value on people-to-people connections has formed a tight network, binding suppliers whom we have worked with since our founding with customers, and embodies mutual development and the creation of positive relationships.

As a technical trading company and chemical manufacturer, personnel with expert knowledge in the fields of electronics and electricity, and chemistry, are indispensable for providing added value, improving customer satisfaction, and developing competitive products. Employees are necessarily the core of our management resources and the Company has consistently pursued management policies that spare no time or capital when it comes to securing outstanding personnel and providing ongoing training.

Tangible and intangible assets in the form of the Company's management philosophy, which is based on the high ambition of contributing to society, commercial rights based on sales agent agreements with suppliers, technology and know-how, and personnel who share a corporate culture and have deep knowledge of their work have increased the Company's corporate value, enhanced the soundness of its finances, and made it possible for the Company to forthrightly return profits to shareholders in forms such as dividends that have either been stable or risen on Company performance, and treasury share acquisitions.

Judging from the Company's management to date and the conduct of companies that have won generally high praise from society, those who direct the determination of the Company's financial and operational policies must develop a full understanding of, and maintain based on that understanding, the trusting relationships with the various stakeholders supporting the Company, and secure, and maximize, the Company's corporate value and the common interests of the shareholders over the medium-to-long term. It follows, therefore, that those who inappropriately purchase large quantities of the Company's stock or engage in similar activity with a high likelihood of damaging the Company's corporate value and the common interests of shareholders would be inappropriate for directing the determination of Company's financial and operational policies.

2) Initiatives contributing to realization of the basic policies

(A) Initiatives aimed at increasing corporate value and maximizing the common interests of shareholders

We seek to enhance the collaboration between the Electronics Segment and the Chemical Segment to enjoy a synergy effect and also establish a solid management base focusing on the good balance of major Divisions.

Additionally, for further improving our corporate value, we plan to implement the following strategies in each segment:

- ■ Electronics Segment
  We will thoroughly implement the user-oriented (customer viewpoint) sales and marketing activities and enhance the coordination function for the purpose of creating and maximizing the added value. We also intend to acquire and maintain the top position as a business agent in various commercial rights by completely acquiring important customers in the target market of each product.
- ■ Chemicals Segment
  Backed by higher awareness of environment protection measures, we will exploit a new demand and provide new products that can meet the needs of the society. We will also develop markets and customers where we can expect the synergy effect with the Electronics Division.

(B) Initiatives for preventing parties who are inappropriate, in light of the basic policies, from directing the determination of the Company's financial and operational policies

The Company, in order to secure, and maximize, the Company's corporate value and the common interests of the shareholders, is currently discussing the positive and negative aspects of initiatives (measures defined in Article 127 Paragraph 2. b. of the Companies Act Enforcement Regulations and referred to below as "anti-takeover defenses") intended to prevent parties who are inappropriate, in light of the basic policies, from directing the determination of the Company's financial and operational policies, and has not yet resolved to implement any particular anti-takeover defenses.

Nevertheless, should the source of the Company's corporate value over the medium-to-long term come under threat by the acquisition of 20% or more of the Company's outstanding shares by a particular individual or group, or if increases in the Company's corporate value or maximization of common shareholder interests are otherwise threatened, the individual or group engaging in such a share acquisition shall be deemed inappropriate for directing the determination of the Company's financial and operation policies, and the Board of Directors, in pursuit of its fiduciary responsibility to make prudent management judgments, may take significant defensive measures, to the extent allowed by the laws of Japan and the Company's Articles of Incorporation, to increase the Company's corporate value and maximize the common shareholder interest.

Note: The monetary amounts included in this Business Report have been rounded.

Consolidated Balance Sheet

As of March 31, 2009

(Unit: Thousand yen)

Assets	
Current assets	**54,083,675**
Cash and time deposits	12,891,517
Notes and accounts receivable - trade	24,358,237
Marketable securities	8
Merchandise and finished goods	11,681,696
Work in progress	73,081
Raw materials and supplies	340,565
Deferred tax assets	1,669,144
Other current assets	3,170,469
Less: Allowance for doubtful accounts	(101,042)
Noncurrent assets	**12,958,679**
Tangible fixed assets:	**7,102,692**
Buildings and structure	1,854,266
Land	4,244,895
Other tangible fixed assets	1,003,531
Intangible assets:	**332,162**
Investments and other assets:	**5,523,825**
Investment securities	4,649,483
Deferred tax assets	279,296
Other investments	819,164
Less: Allowance for doubtful accounts	(209,556)
Less: Allowance for loss on investment securities	(14,562)
Total assets	**67,042,354**

Consolidated Balance Sheet

As of March 31, 2009

(Unit: Thousand yen)

Liabilities	
Current liabilities	**24,757,987**
Notes and accounts payable - trade	10,373,300
Short-term borrowings	10,417,403
Corporate bonds due within one year	403,900
Accrued income taxes	80,308
Deferred tax liabilities	795
Allowance for bonuses to employees	808,896
Allowance for product warranty	30,500
Other current liabilities	2,642,885
Long-term liabilities	**6,128,393**
Corporate bonds	708,750
Long-term borrowings	3,192,982
Deferred tax liabilities	457,306
Employees' severance and retirement benefits	418,931
Directors' severance and retirement benefits	1,002,706
Other long-term liabilities	347,718
Total liabilities	**30,886,380**
Net Assets	
Shareholders' Equity	**36,495,094**
Capital	8,100,252
Capital surplus	7,491,785
Retained earnings	24,908,843
Less: Treasury shares	(4,005,786)
Valuation and exchange differences	**(404,996)**
Other unrealized gains on available-for-sale securities	731,561
Less: Gains or losses on deferred hedge	(177,237)
Foreign currency transaction adjustment	(959,320)
Minority interests	**65,876**
Total net assets	**36,155,974**
Total liabilities and net assets	**67,042,354**

Consolidated Statement of Income

April 1, 2008 to March 31, 2009

(Unit: Thousand yen)

Sales		108,881,582
Cost of sales		90,951,563
Gross profit		**17,930,019**
Selling, general and administrative expenses		15,679,685
Operating income		**2,250,334**
Non-operating revenue		
Interest and dividend income	275,245	
Investment profit on equity method	15,051	
Other miscellaneous revenues	113,353	403,649
Non-operating expenses		
Interest expense	270,379	
Foreign exchange losses	261,625	
Other miscellaneous expenses	108,329	640,333
Ordinary profit		**2,013,650**
Extraordinary income		
Gain on sale of tangible fixed assets	13,460	
Gain on sale of investment securities	22,818	
Gain on sales of memberships	10,920	
Insurance return	4,406	
Reversal of provision for directors' retirement benefits	19,055	70,659
Extraordinary losses		
Loss on sale of tangible fixed assets	5,009	
Loss on disposal of tangible fixed assets	48,191	
Asset impairment loss	407,125	
Loss on valuation of investment securities	1,389,769	
Provision for allowance for loss on investment securities	9,424	
Loss on sales of membership	5,586	
Loss on valuation of membership rights	25,200	
Restoration expenses	135,000	
Management streamlining expenses	712,312	2,737,616
Loss before income taxes and minority interest		**(653,307)**
Income taxes – current	321,538	
Refund of income taxes	(87,112)	
Less: Income taxes – deferred	(348,871)	(114,445)
Minority interests in income		3,094
Net loss		**(541,956)**

Consolidated Statement of Changes in Net Assets

April 1, 2008 to March 31, 2009

(Unit: Thousand yen)

Shareholders' Equity	
Capital	
Balance as of March 31, 2008	8,100,252
Changes during the term	
Total changes during the term	-
Balance as of March 31, 2009	8,100,252
Capital surplus	
Balance as of March 31, 2008	7,492,214
Changes during the term	-
Disposal of treasury shares	(429)
Total changes during the term	(429)
Balance as of March 31, 2009	7,491,785
Retained earnings	
Balance as of March 31, 2008	26,257,080
Effect of changes in accounting policies applied to foreign subsidiaries	(32,961)
Changes during the term	
Cash dividends	(773,320)
Net loss	(541,956)
Total changes during the term	(1,348,237)
Balance as of March 31, 2009	24,908,843
Treasury shares	
Balance as of March 31, 2008	(4,006,001)
Changes during the term	
Disposal of treasury shares	632
Acquisition of treasury shares	(417)
Total changes during the term	215
Balance as of March 31, 2009	(4,005,786)
Total shareholders' equity	
Balance as of March 31, 2008	37,843,545
Effect of changes in accounting policies applied to foreign subsidiaries	(32,961)
Changes during the term	
Cash dividends	(773,320)
Net loss	(541,956)
Disposal of treasury shares	203
Acquisition of treasury shares	(417)
Total changes during the term	(1,348,451)
Balance as of March 31, 2009	36,495,094

Valuation and exchange differences	
Other unrealized gains on available-for-sale securities	
Balance as of March 31, 2008	1,313,971
Changes during the term	
Net changes in items other than shareholders' equity during the term	(582,410)
Total changes during the term	(582,410)
Balance as of March 31, 2009	731,561
Gains or losses on deferred hedge	
Balance as of March 31, 2008	(199,953)
Changes during the term	
Net changes in items other than shareholders' equity during the term	22,716
Total changes during the term	22,716
Balance as of March 31, 2009	(177,237)
Foreign currency transaction adjustment	
Balance as of March 31, 2008	153,245
Changes during the term	
Net changes of items other than shareholders' equity	(1,112,565)
Total changes during the term	(1,112,565)
Balance as of March 31, 2009	(959,320)
Total valuation and exchange differences	
Balance as of March 31, 2008	1,267,263
Changes during the term	
Net changes in items other than shareholders' equity during the term	(1,672,259)
Total changes during the term	(1,672,259)
Balance as of March 31, 2009	(404,996)
Minority interests	
Balance as of March 31, 2008	-
Changes during the term	
Net changes in items other than shareholders' equity during the term	65,876
Total changes during the term	65,876
Balance as of March 31, 2009	65,876
Total net assets	
Balance as of March 31, 2008	3,9110,808
Effect of changes in accounting policies applied to foreign subsidiaries	(32,961)
Changes during the term	
Cash dividends	(773,320)
Net loss	(541,956)
Disposal of treasury shares	203
Acquisition of treasury shares	(417)
Net changes in items other than shareholders' equity during the term	(1,606,383)
Total changes during the term	(2,954,834)
Balance as of March 31, 2009	3,6155,974

Notes to Consolidated Financial Statements

Basis of Presentation of Consolidated Financial Statements

1. Matters relating to the scope of consolidation

(1) Number and name of consolidated subsidiaries

Number of consolidated subsidiaries: 15

Name of consolidated subsidiaries:

Hakuto A&L Co., Ltd., Hakuto Information Technology Co., Ltd., Fuyo Chemical Industries Co., Ltd., Hakuto Enterprises Ltd., Hakuto Singapore Pte. Ltd., Hakuto Taiwan Ltd., Hakuto (Thailand) Ltd., Hakuto Engineering (Thailand) Ltd., Shunde Morning Sky Electrical Co., Ltd., Hakuto Enterprises (Shanghai) Ltd., Hakuto Trading (Shenzhen) Ltd., MOLDEC CO., LTD., Microtek Inc., Microtek Hong Kong Ltd., and Microtek Shanghai Ltd.

(2) Name etc. of non-consolidated subsidiaries:

Hakuto California, Inc.

The non-consolidated subsidiary Hakuto California, Inc. is excluded from consolidation as its impact on total assets, sales, consolidated profits and losses and retained earnings on the Company is largely immaterial.

2. Matters relating to the application of equity method

(1) Number and name of affiliates to which the equity method is applied

Number of equity method affiliates: 2

Name of equity method affiliates:

Sanei Giken Co., Ltd. and ASA Systems Inc.

(2) Non-consolidated subsidiaries to which the equity method is not applied

Name of non-consolidated subsidiary:

Hakuto California, Inc.

Reasons for not applying the equity method to Hakuto California, Inc.

The non-consolidated subsidiary Hakuto California, Inc. is excluded from the scope of application of the equity method as its impact on consolidated profits and losses and retained earnings is largely immaterial.

3. Matters relating to the business year of consolidated subsidiaries

Among the consolidated subsidiaries, Hakuto Enterprises Ltd., Hakuto Singapore Pte. Ltd., Hakuto Taiwan Ltd., Hakuto (Thailand) Ltd., Hakuto Engineering (Thailand) Ltd., Shunde Morning Sky Electrical Co., Ltd., Hakuto Enterprises (Shanghai) Ltd., Hakuto Trading (Shenzhen) Ltd., Microtek Hong Kong Ltd. and Microtek Shanghai Ltd. have their account settlement dates on December 31. Meanwhile, the account settlement date for MOLDEC CO., LTD. is February 28.

Financial statements of these subsidiaries as of their account settlement dates were used for the preparation of consolidated financial statements, and any significant transactions that occurred before the consolidated account settlement date were adjusted in accordance with consolidated accounting practices.

4. Accounting policies

(1) Valuation standards and methods for material assets

1) Securities

Other securities

Available-for-sale securities

Securities for which market quotations are available:

Stated at fair market value based on the market prices on the Balance Sheet date. (Net unrealized gains/losses are directly charged to shareholders' equity and the cost of sales is computed using the moving average method).

Securities for which market quotations are unavailable:

Valued at cost using the moving average method.

2) Derivatives

Stated at fair market value.

3) Inventories

Merchandise, finished products, raw materials, and work in progress: Stated at cost using the moving average method (the value stated in the balance sheet is calculated based on the method of reducing the book value in accordance with the decline in profitability).

Supplies: Stated at cost using the first-in, first-out method (the value stated in the balance sheet is calculated based on the method of reducing the book value based in accordance with the decline in profitability).

(2) Depreciation methods for important depreciable assets

1) Tangible fixed assets

The declining-balance method is used for tangible fixed assets of the Company and its domestic consolidated subsidiaries. However, the straight-line method is used for buildings (excluding connected fixed installations) acquired on or after April 1, 1998. The standards stipulated in the Corporate Tax Law are used with respect to useful life and residual value. Regarding overseas consolidated subsidiaries, the useful life is determined by individual estimation, and the straight-line method is used for buildings, while the declining-balance method is used for other tangible fixed assets.

2) Intangible assets

a) Software for in-house use

Software for in-house use is amortized by using the straight-line method over the estimated useful life of five (5) years.

b) Other intangible assets

Other intangible assets are amortized by using the straight-line method over the useful lives stipulated in the Corporate Tax Law.

3) Lease assets

(a) Lease assets pertaining to finance lease transactions involving the transfer of ownership

Lease assets pertaining to finance lease transactions involving the transfer of ownership are calculated by the same depreciation method as applied to the Company's noncurrent assets.

(b) Lease assets pertaining to finance lease transactions not involving the transfer of ownership

Lease assets pertaining to finance lease transactions not involving the transfer of ownership are calculated by the straight-line method treating the lease period as the useful life and the residual value as zero.

(3) Allowances and provisions

1) Allowance for doubtful accounts

Allowance for doubtful accounts for non-specific purposes is stated at the amounts based on the historical loss rates, while allowances for specific claims, including Loans to Borrowers with High Possibility of Business Failure, are made at the amounts deemed necessary based on individual assessment on collectibility of claims.

2) Allowance for loss on investment securities

Allowance for possible loss on investments in securities of certain companies for specific projects is stated at the amount deemed necessary, taking into account the financial position of these companies.

3) Allowance for bonuses to employees

Allowance for bonuses to employees of the Company and some of its subsidiaries is recognized on an accrual basis in the reporting period.

4) Allowance for bonuses to directors

Allowance for bonuses to directors of the Company is recognized on an accrual basis at the fiscal year-end.

5) Allowance for product warranty

Allowance for expenses required for free-of-charge repairs and changes of products for predetermined periods is provided in the amount deemed necessary in accordance with internal regulations based on the historical data.

6) Allowance for employees' severance and retirement benefits

Allowance for severance and retirement benefits to employees of the Company and some of its subsidiaries is recognized based on the estimated balance of retirement benefit obligations and pension assets as of the end of the term. Actuarial differences will be amortized over the period of ten (10) years, which is within the averaged remaining service period of the employees, using the straight-line method, from the following term when the actuarial difference is recognized.

7) Allowance for directors' severance and retirement benefits

Allowance for severance and retirement benefits to directors of the Company and some of its consolidated subsidiaries is record the estimated amounts required at the end of the term in accordance with internal regulations. As the retirement benefit system was changed in June 2004, no allowance has been made in and after July of that year.

(4) Significant hedge accounting method

1) Hedge accounting method

The deferred hedge accounting is applied. A specific treatment is used for interest rate swaps that satisfies requirements for the specific treatment of interest rate swaps in hedge accounting. The Company applies designations to forward exchange contracts that fulfill the requirements for the designation method.

2) Hedge instruments and hedge items

a. Hedge instruments: Forward exchange contracts for currency options and currency swaps

Hedge items: Receivables and payables in foreign currencies and anticipated transactions in foreign currencies

b. Hedge instruments: Interest rate swaps

Hedge items: Bank loans (floating interest rate)

3) Hedge policy

In accordance with the Regulations on Market Risk Management and the Foreign Exchange Contract Conclusion Manual of the Company, currency movement risks are hedged for forward exchange contracts, etc. The purpose of interest rate swaps is to reduce the possibility of losses on borrowings as a result of interest rate fluctuations.

4) Valuation method for effectiveness of hedging activities

With respect to forward exchange contracts, important terms for foreign currency transactions in hedge instruments and hedge items can be regarded as the same. Since this can be assumed to establish a complete offset of currency movements at the time of commencement of hedging activities and thereafter continuously, the valuation of effectiveness is omitted.

Pertaining to other transactions, a comparison is made of the sum total of the change in cash flow from hedging instruments or their market price fluctuation, or the sum total of the change in cash flow from hedging items or their market price fluctuation and used as a basis to determine changes in both.

Further, because a special treatment is effectuated to satisfy the requirements for special treatments of interest rate swaps, the effectiveness evaluation is omitted.

5) Other basis of presentation of consolidated financial statements

Accounting for consumption taxes

The tax-exclusion method is used for consumption taxes and local consumption taxes.

5. Valuation of consolidated subsidiary assets and liabilities

The Company has adopted the fair value method for all valuations of consolidated subsidiary assets and liabilities.

6. Amortization of positive and negative goodwill

Goodwill is amortized by using the straight line method over five (5) years.

Changes in accounting policies

- Valuation criteria and method of inventories

We have applied the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, released on July 5, 2006) commencing the consolidated fiscal year under review.

As a result of this change, operating income and ordinary profit of the consolidated fiscal year under review decreased by ¥13,760 thousand, respectively, and loss before income taxes and minority interest increased by the same amount.

- Accounting standards, etc. on leases

Before the change, the accounting treatment for finance lease transactions not involving the transfer of ownership followed the method for operating lease transactions, but from the fiscal year under review, the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13 [Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007]) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16 [The Japanese Institute of Certified Public Accountants (JICPA) Accounting Standard Committee, January 18, 1994; revised March 30, 2007]) have been applied and the accounting treatment for such transactions follows the method for ordinary purchase and sales transactions.

- Application of “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

From the first year under review, the consolidated financial statements conform to the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (PITF No. 18, May 17, 2006), and necessary amendments were made.

The impact of this change on profit is immaterial.

Changes in presentation

- Consolidated Balance Sheet

From the fiscal year under review, the item presented as inventories up to the previous fiscal year has separated into three items; (1) merchandise and finished goods, (2) work in progress, and (3) raw materials and supplies.

For the previous fiscal year, ¥12,732,236 thousand, ¥60,257 thousand, and ¥394,060 thousand were accounted for merchandise and finished goods, work in progress, and raw materials and supplies, respectively.

Additional information

- Change of useful lives of tangible fixed assets

In line with revisions to the statutory useful lives based on the revised Corporate Tax Law in 2008, from the fiscal year under review, the Company and its domestic consolidated subsidiaries have changed the useful lives applied to machinery and production equipment included in other tangible fixed assets.

The impact of this change on profit is immaterial.

Notes to Consolidated Balance Sheet

1. Assets pledged as collateral
   Assets pledged as collateral are as follows:

(Unit: Thousand yen)

Cash and time deposits	196,896
Buildings and structure	276,196
Land	548,667
Total	1,021,759

Additionally, secured liabilities are stated below:

(Unit: Thousand yen)

Short-term borrowings	68,489
Long-term borrowings	69,397

2. Accumulated amounts of depreciation for tangible fixed assets: ¥9,362,713 thousand

3. Government grants on acquisition of tangible fixed assets eligible for reduction from acquisition costs:
   Buildings ¥6,181 thousand

4. Notes receivable transfer by endorsement: ¥16,327 thousand

5. Guarantee obligations:
   Guarantee for loans from financial institutions by the Company's employees.
   ¥5,281 thousand

Notes to Consolidated Statement of Income

1. Restoration costs
   Because of the deterioration due to aging of the Company's land along rivers, we recorded ¥135,000 thousand as the work cost for land preservation.

2. Management Streamlining Expenses
   The Company and some domestic consolidated subsidiaries recorded ¥558,514 thousand as an expense for retirement due to the promotion of early retirement system, etc., ¥29,048 thousand as a restructuring expense for domestic business bases, ¥96,070 thousand as a restructuring expense for overseas business bases, and ¥28,680 thousand as other expenses.

3. Asset impairment loss
   For the fiscal year under review, the Group recorded the asset impairment loss on the following asset groups:

Place	Use	Type
Tsu-shi, Mie	Dormant assets	Land
Suginami-ku, Tokyo Isehara-shi, Kanagawa	Business assets	Land, buildings and structures, other tangible fixed assets, and intangible fixed assets

The Group grouped assets by division and consolidated subsidiary. For consolidated subsidiaries that recorded operating losses for two consecutive fiscal years and dormant

land whose market value has significantly decreased, book values were impaired to recoverable values, and impaired values were recorded as asset impairment losses of ¥407,125 thousand in extraordinary losses. The breakdown of the asset impairment losses is ¥56,000 thousand for dormant assets, ¥91,870 thousand for business assets, ¥128,541 thousand for buildings and structures, ¥77,724 thousand for other tangible fixed assets, and ¥52,990 thousand for intangible fixed assets.
The recoverable value is measured based on the fair value cost to sell for land and buildings and structures evaluated based on the appraisal value. Other tangible fixed assets and intangible fixed assets are calculated with their usage values as zero.

Notes to Consolidated Statement of Changes in Net Assets

1. Class and number of outstanding shares and treasury shares

	Number of shares as of end of the previous term (shares)	Increase during the term (shares)	Decrease during the term (shares)	Number of shares as of end of the term (shares)
Outstanding shares Common shares	24,137,213	–	–	24,137,213
Total	24,137,213	–	–	24,137,213
Treasury shares Common shares (Note)	2,042,338	506	322	2,042,522
Total	2,042,338	506	322	2,042,522

Note: During this term, the number of treasury common shares increased by 506 shares mainly due to purchase of odd lots from odd-lot shareholders, and decreased by 322 shares due to exercise of share option and request of purchase for fractional shares.

2. Dividends
(1) Dividend payment

Resolution	Class of share	Total dividends paid (thousand yen)	Per share dividends (yen)	Record date	Effective date
Board Meeting held on May 15, 2008	Common shares	386,661	17.50	March 31, 2008	June 9, 2008
Board Meeting held on October 31, 2008	Common shares	386,658	17.50	September 30, 2008	December 8, 2008

(2) Dividend payment whose record date is during this fiscal year but whose effective date is during the following fiscal year

Resolution	Class of share	Source of dividend payment	Total dividends paid (thousand yen)	Per share dividends (yen)	Record date	Effective date
Board Meeting held on May 15, 2009	Common shares	Retained earnings	276,184	12.50	March 31, 2009	June 8, 2009

3. Share subscription rights and treasury share subscription rights

Item	Detail	Class of share to be converted	Number of shares to be converted (shares)				Balance as of the term (thousand yen)
			Number of shares as of end of the previous term	Increase	Decrease	Number of shares as of end of the term	
The Company	Share subscription rights issued in 2004	Common shares	274,400	–	–	274,400	–

Per share information

Net assets per share: ¥1,633.43

Net loss per share: (¥24.53)

Other notes

All figures are rounded to the nearest thousand in the Consolidated Balance Sheet, the Consolidated Statement of Income, the Consolidated Statement of Changes in Net Assets and the Notes to Consolidated Financial Statements.

Non-Consolidated Balance Sheet

As of March 31, 2009

(Unit: Thousand yen)

Assets	
Current assets	**40,137,010**
Cash and time deposits	8,294,845
Notes receivable - trade	1,378,302
Accounts receivable - trade	17,386,228
Marketable securities	8
Merchandise and finished goods	9,135,197
Work in progress	21,363
Raw materials and supplies	169,069
Advance payment	197,973
Prepaid expenses	125,792
Deferred tax assets	1,576,000
Short-term loans to affiliates	200,000
Accounts receivable-other	544,899
Income taxes receivable	1,050,808
Deposits paid	20,848
Other current assets	67,178
Less: Allowance for doubtful accounts	(31,500)
Noncurrent assets	**14,076,691**
Tangible fixed assets:	**4,937,435**
Buildings	1,403,521
Structures	63,450
Machinery and production equipment	80,828
Vehicles	6,144
Tools, furniture and fixtures	275,337
Land	3,000,960
Lease assets	104,575
Construction in progress	2,620
Intangible assets:	**94,057**
Leasehold rights	20,193
Software	38,514
Lease assets	14,727
Other intangible assets	20,623
Investments and other assets:	**9,045,199**
Investment securities	3,772,698
Investment securities in affiliates	2,004,311
Long-term loans to affiliates	3,550,000
Claims on obligors under rehabilitation procedure	188,172
Deferred tax assets	126,800
Other investments	319,433
Less: Allowance for doubtful accounts	(901,653)
Less: Allowance for loss on investment securities	(14,562)
Total assets	**54,213,701**

Non-Consolidated Balance Sheet

As of March 31, 2009

(Unit: Thousand yen)

Liabilities	
Current liabilities	**18,290,875**
Notes payable – trade	3,003,663
Accounts payable - trade	4,854,344
Short-term borrowings	7,600,000
Long-term debt due within one year	690,800
Lease obligations	59,925
Accrued expenses	525,303
Accrued income taxes	554,996
Advances received	157,137
Deposits received	26,624
Allowance for bonuses to employees	575,000
Allowance for product warranty	30,500
Other current liabilities	212,583
Long-term liabilities	**4,047,488**
Corporate bonds	500,000
Long-term borrowings	2,477,200
Lease obligations	59,475
Employees' severance and retirement benefits	88,400
Directors' severance and retirement benefits	891,700
Other long-term liabilities	30,713
Total liabilities	**22,338,363**
Net Assets	
Shareholders' Equity	**31,163,232**
Capital	**8,100,252**
Capital surplus	**7,491,797**
Appropriation for statutory reserve	2,532,385
Other capital surplus	4,959,412
Retained earnings	**19,576,897**
Other retained earnings	19,576,897
Reserve for reduction entry of tangible fixed assets	339
Reserve for special depreciation	787
General reserve	16,000,000
Balance to be carried forward	3,575,771
Less: Treasury shares	**(4,005,714)**
Valuation and exchange differences	**712,106**
Other unrealized gains on available-for-sale securities	**773,946**
Less: Gains or losses on deferred hedge	**(61,840)**
Total net assets	**31,875,338**
Total liabilities and net assets	**54,213,701**

Non-Consolidated Statement of Income

April 1, 2008 to March 31, 2009

(Unit: Thousand yen)

Sales		77,926,874
Cost of sales		65,552,208
Gross profit		**12,374,666**
Selling, general and administrative expenses		10,669,733
Operating income		**1,704,933**
Non-operating revenue		
Interest and dividend income	620,480	
Other miscellaneous revenues	64,355	684,835
Non-operating expenses		
Interest expense	163,686	
Interest on corporate bonds	10,320	
Foreign exchange losses	141,096	
Other miscellaneous expenses	70,948	386,050
Ordinary profit		**2,003,718**
Extraordinary income		
Gain on sale of investment securities	11,654	
Gain on sales of memberships	10,920	22,574
Extraordinary losses		
Loss on disposal of tangible fixed assets	26,020	
Asset impairment loss	56,000	
Loss on valuation of investment securities	1,367,317	
Provision for allowance for loss on investment securities	9,424	
Loss on valuation of affiliate shares	1,289,698	
Loss on sales of membership	5,586	
Loss on valuation of membership rights	25,000	
Provision of allowance for doubtful accounts for subsidiaries and affiliates	714,531	
Restoration expenses	135,000	
Management streamlining expenses	504,499	4,133,075
Loss before income taxes and minority interest		**(2,106,783)**
Income taxes – current	48,082	
Refund of income taxes	(87,112)	
Less: Income taxes – deferred	141,400	102,370
Net loss		**(2,209,153)**

Non-Consolidated Statement of Changes in Net Assets

April 1, 2008 to March 31, 2009

(Unit: Thousand yen)

Shareholders' Equity	
Capital	
Balance as of March 31, 2008	8,100,252
Changes during the term	
Total changes during the term	-
Balance as of March 31, 2009	8,100,252
Capital surplus	
Appropriation for statutory reserve	
Balance as of March 31, 2008	2,532,385
Changes during the term	
Total changes during the term	-
Balance as of March 31, 2009	2,532,385
Other capital surplus	
Balance as of March 31, 2008	4,959,814
Disposal of treasury shares	(429)
Total changes during the term	(429)
Balance as of March 31, 2009	4,959,412
Total capital surplus	
Balance as of March 31, 2008	7,492,226
Disposal of treasury shares	(429)
Total changes during the term	(429)
Balance as of March 31, 2009	7,491,797
Retained earnings	
Other retained earnings	
Reserve for reduction entry of tangible fixed assets	
Balance as of March 31, 2008	399
Changes during the term	
Reversal of reserve for reduction entry of tangible fixed assets	(60)
Total changes during the term	(60)
Balance as of March 31, 2009	339
Reserve for special depreciation	
Balance as of March 31, 2008	826
Changes during the term	
Reversal of reserve for special depreciation	(39)
Total changes during the term	(39)
Balance as of March 31, 2009	787

General reserve	
Balance as of March 31, 2008	16,000,000
Changes during the term	
Total changes during the term	-
Balance as of March 31, 2009	16,000,000
Balance to be carried forward	
Balance as of March 31, 2008	6,558,145
Changes during the term	
Reversal of reserve for reduction entry of tangible fixed assets	60
Reversal of reserve for special depreciation	39
Cash dividends	(773,320)
Net loss	(2,209,153)
Total changes during the term	(2,982,374)
Balance as of March 31, 2009	3,575,771
Total retained earnings	
Balance as of March 31, 2008	22,559,370
Changes during the term	
Cash dividends	(773,320)
Net loss	(2,209,153)
Total changes during the term	(2,982,473)
Balance as of March 31, 2009	19,576,897
Treasury shares	
Balance as of March 31, 2008	(4,005,929)
Changes during the term	
Disposal of treasury shares	632
Acquisition of treasury shares	(417)
Total changes during the term	215
Balance as of March 31, 2009	(4,005,714)
Total shareholders' equity	
Balance as of March 31, 2008	34,145,919
Changes during the term	
Cash dividends	(773,320)
Net loss	(2,209,153)
Disposal of treasury shares	203
Acquisition of treasury shares	(417)
Total changes during the term	(2,982,687)
Balance as of March 31, 2009	31,163,232

Valuation and exchange differences	
Other unrealized gains on available-for-sale securities	
Balance as of March 31, 2008	1,343,675
Changes during the term	
Net changes in items other than shareholders' equity during the term	(569,729)
Total changes during the term	(569,729)
Balance as of March 31, 2009	773,946
Gains or losses on deferred hedge	
Balance as of March 31, 2008	(70,107)
Changes during the term	
Net changes in items other than shareholders' equity during the term	8,267
Total changes during the term	8,267
Balance as of March 31, 2009	(61,840)
Total valuation and exchange differences	
Balance as of March 31, 2008	1,273,568
Changes during the term	
Net changes in items other than shareholders' equity during the term	(561,462)
Total changes during the term	(561,462)
Balance as of March 31, 2009	712,106
Total net assets	
Balance as of March 31, 2008	35,419,487
Changes during the term	
Cash dividends	(773,320)
Net loss	(2,209,153)
Disposal of treasury shares	203
Acquisition of treasury shares	(417)
Net changes in items other than shareholders' equity during the term	(561,462)
Total changes during the term	(3,544,149)
Balance as of March 31, 2009	31,875,338

Notes to Non-Consolidated Financial Statements

Significant Accounting Policies

1. (1) Valuation standards and methods of securities

1) Securities of subsidiaries and affiliates

The cost method using the moving-average method is used.

2) Other securities

Available-for-sale securities

Securities for which market quotations are available:

Stated at fair market value based on the market prices on the Balance Sheet date. Net unrealized gains/losses are directly charged to shareholders' equity and the cost of sales is computed using the moving average method.

Securities for which market quotations are unavailable:

Valued at cost using the moving average method.

(2) Valuation standards and methods of derivatives, etc.

Derivatives: Stated at fair market value.

(3) Valuation standards and methods of inventories

Merchandise, finished products, raw materials and work in progress:

Stated at cost using the moving average method (the value stated in the balance sheet is calculated based on the method of reducing the book value in accordance with the decline in profitability).

Supplies: Stated at cost using the first-in, first-out method (the value stated in the balance sheet is calculated based on the method of reducing the book value in accordance with the decline in profitability).

2. Depreciation and amortization for noncurrent assets

(1) Tangible fixed assets (except for lease assets)

Tangible fixed assets are depreciated by using the declining balance method. However, buildings (excluding connected fixed installations) acquired on or after April 1, 1998, are depreciated by using the straight-line method. The standards stipulated in the Corporate Tax Act are used with respect to useful life and residual value.

(2) Intangible assets (except for lease assets)

1) Software for in-house use

Software for in-house use is amortized by using the straight-line method over the estimated useful life of five (5) years.

2) Other intangible assets

Other intangible assets are amortized by using the straight-line method over the useful lives stipulated in the Corporate Tax Act.

(3) Lease assets

Lease assets pertaining to finance lease transactions not involving the transfer of ownership

Lease assets pertaining to finance lease transactions not involving the transfer of ownership are calculated by the straight-line method treating the lease period as the useful life and the residual value as zero.

3. Allowances and provisions
(1) Allowance for doubtful accounts
Allowance for doubtful accounts for non-specific purposes is stated at amounts based on the historical loss rates, while allowances for specific claims, including Loans to Borrowers with High Possibility of Business Failure, are made at the amounts deemed necessary based on individual assessment on collectability of claims.

(2) Allowance for loss on investment securities
Allowance for possible loss on investments in securities of certain companies for specific projects is stated at the amount deemed necessary, taking into account the financial position of these companies.

(3) Allowance for bonuses to employees
Allowance for bonus to employees of the Company is recognized on an accrual basis in the reporting period.

(4) Allowance for bonuses to directors
Allowance for bonus to directors of the Company is recognized on an accrual basis at the business year-end.

(5) Allowance for product warranty
Allowance for expenses required for free-of-charge repairs and changes of products for predetermined periods is provided in the amount deemed necessary in accordance with internal regulations based on the historical data.

(6) Allowance for employees' severance and retirement benefits
Allowance for employees' severance and retirement benefits is recognized based on the estimated balance of retirement benefit obligations and pension assets as of the end of the term. Actuarial differences will be amortized over the period of ten (10) years, which is within the averaged remaining service period of the employees, using the straight-line method, from the following business year when the actuarial difference is recognized.

(7) Allowance for directors' severance and retirement benefits
Allowance for directors' severance and retirement benefits is recorded at the amount deemed necessary at the end of the term in accordance with internal regulations. As the retirement benefit system was changed in June 2004, no allowance has been made in and after July of that year.

4. Hedge Accounting Method
(1) Hedge accounting method
The deferred hedge accounting is applied. However, the Company applies designations to forward exchange contracts that fulfill the requirements for the designation method. In addition, a specific treatment is used for interest rate swaps that satisfy requirements for the specific treatment of interest rate swaps in hedge accounting.
(2) Hedge instruments and hedge items
1) Hedge instruments: Forward exchange contracts, etc.
Hedge items: Receivables and payables in foreign currencies and anticipated transactions in foreign currencies
2) Hedge instruments: Interest swaps
Hedge items: Bank loans (rate floating interest)

(3) Hedge policy

In accordance with the Regulations on Market Risk Management and the Foreign Exchange Contract Conclusion Manual of the Company, currency movement risks are hedged for forward exchange contracts, etc.

(4) Valuation method for effectiveness of hedging activities

Important terms for foreign currency transactions in hedge instruments and hedge items can be regarded as the same. Since this can be assumed to establish a complete offset of currency movements at the time of commencement of hedging activities and thereafter continuously, the valuation of effectiveness is omitted.

Further, because a special treatment is effectuated to satisfy the requirements for special treatments of interest rate swaps, the effectiveness evaluation is omitted.

5. Other basis of presentation of non-consolidated financial statements

Accounting for consumption taxes

The tax-exclusion method is used for consumption taxes and local consumption taxes.

Changes in accounting policies

- Valuation criteria and method of inventories

We have applied the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9, released on July 5, 2006) from the fiscal year under review.

As a result of this change, operating income and ordinary profit of the consolidated fiscal year under review decreased by ¥12,611 thousand, respectively, and loss before income taxes and minority interest increased by the same amount.

- Accounting standards, etc. on leases

Before the change, the accounting treatment for finance lease transactions not involving the transfer of ownership followed the method for operating lease transactions, but from the fiscal year under review, the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13 [Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007]) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16 [The Japanese Institute of Certified Public Accountants (JICPA) Accounting Standard Committee, January 18, 1994; revised March 30, 2007]) have been applied and the accounting treatment for such transactions follows the method for ordinary purchase and sales transactions.

Changes in presentation

- Balance Sheet

From the fiscal year under review, the items presented as merchandize, finished products, raw materials, and supplies up to the previous fiscal year are now presented as merchandise and finished goods and raw materials and supplies. For the fiscal year under review, ¥8,871,909 thousand, ¥263,288 thousand, ¥151,006 thousand, and ¥18,063 thousand were accounted for merchandize, finished products, raw materials, and supplies, respectively.

Up to the previous fiscal year, the item “Accounts receivable-other” was included in the “Other” field of current assets. However, because their amount has increased in importance, its separation has been added. For the previous fiscal year, ¥306,971 thousand was accounted for “Accounts receivable-other”.

Additional information

In line with revisions to the statutory useful lives based on the revised Corporate Tax Law in 2008, from the fiscal year under review, the Company has changed the useful lives applied to machinery and production equipment.

The impact of this change on profit is immaterial

Notes to Non-Consolidated Balance Sheet

1. Accumulated amounts of depreciation for tangible fixed assets: ¥6,499,589 thousand

2. Government grants on acquisition of tangible fixed assets eligible for reduction from acquisition costs:

Buildings	¥6,181 thousand

3. Guarantee obligations:
Guarantee for loans from financial institutions by the Company's employees.
¥5,281 thousand

4. Monetary claims on and obligations to affiliates

Short-term monetary claims:	¥952,788 thousand
Long-term monetary obligations:	¥3,550,000 thousand
Short-term monetary obligations:	¥345,328 thousand

5. Monetary claims on and obligations to directors or corporate auditors

Short-term monetary claims:	¥88 thousand

Notes to Non-Consolidated Statement of Income

1. Transactions with affiliates

Sales to subsidiaries:	¥4,496,564 thousand
Purchases from subsidiaries:	¥2,614,159 thousand
Other operating transactions:	¥973,996 thousand
Non-operating transactions:	¥67,457 thousand

2. Restoration costs
Because of the deterioration due to aging of the Company's land along rivers, we recorded ¥135,000 thousand as the work cost for land preservation.

3. Cost of management streamlining measures
The Company recorded ¥488,433 thousand as an expense for retirement due to the promotion of early retirement system, etc., ¥15,466 thousand as a restructuring expense for domestic business bases, and ¥600 thousand as other expenses.

4. Impairment loss

For the fiscal year under review, the Group recorded the asset impairment loss on the following asset groups:

Place	Use	Type
Tsu-shi, Mie	Dormant assets	Land

The Company grouped business assets by division and dormant assets by individual asset. Because the market values of dormant land which is not used for business have significantly decreased, book values were impaired to recoverable values, and impaired values were recorded as asset impairment losses of ¥56,000 thousand in extraordinary losses.

The recoverable value is measured based on the fair value cost to sell, which is evaluated based on the appraisal value.

Notes to Non-Consolidated Statement of Changes in Net Assets

Class and number of treasury shares as of the business year-end

Common shares:	2,042,481 shares

Tax effect accounting

1. Major items for deferred tax assets

(Unit: Thousand yen)

Directors' severance and retirement benefits	362,833
Allowance for bonuses to employees	233,968
Employees' severance and retirement benefits	35,970
Allowance for doubtful accounts	373,506
Loss on valuation of inventories	968,004
Loss on valuation of affiliate shares	738,401
Loss on valuation of investment securities	611,677
Depreciation	65,822
Gain on valuation of merger assets	136,351
Asset impairment loss	61,535
Gains or losses on deferred hedge	42,415
Loss carried forward for tax purposes	341,168
Others	79,674
Subtotal deferred tax assets	4,051,324
Valuation allowance	(1,750,519)
Total deferred tax assets	2,300,805

2. Major items for deferred tax liabilities

(Unit: Thousand yen)

Loss on valuation of investment securities	(530,942)
Enterprises tax refundable	(66,290)
Others	(773)
Total deferred tax liabilities	(598,005)
Net deferred tax assets	1,702,800

Transactions with related parties

1. Parent company and major corporate shareholders

There are no matters to report.

2. Directors and major corporate shareholders

(Unit: Thousand yen)

Position	Name	Address	Capital or investments	Business or position	Voting right ownership	Relationship with related parties	Transaction	Amount traded	Item	Balance at end of term
Director	Shigeo Takayama	–	–	Director & Honorary Chairman of the Company President of Takayama International Education Foundation	Direct 13.75% held	–	Bond issuance (*1)	–	Corporate bonds	500,000
							Interest payment (*1, 2)	10,250	Current assets, etc.	379
							Expense advancement (*1)	8,674	Current assets, etc.	736

(Terms and conditions of transactions and their decisions)

Notes:

1. These transactions were conducted by Shigeo Takayama, Director and Honorary Chairman of the Company, as President of Takayama International Education Foundation.
2. Interests and others were traded under general terms and conditions as the transaction was for the so-called transaction for third parties.

3. Subsidiaries and affiliates

(Unit: Thousand yen)

Position	Name	Address	Capital or investments	Business or position	Voting right ownership	Relationship with related parties	Transaction	Amount traded	Item	Balance at end of term
Subsidiary	Microtek Inc.,	Suginami-ku, Tokyo	300,180	Sale of semiconductor, electronic equipment and components	Direct 100% holding	Purchase and sale of electronic components Concurrent officers	Collection of funds (*2)	300, 000	Long-term loans to affiliates (*3)	3,550, 000
							Interests receipt (*1)	58,718	Current assets, etc.	–

(Terms and conditions of transactions and their decisions)

Notes:

1. Interests and others were traded under general terms.
2. The Company and some subsidiaries introduced the Cash Management System, and the transaction value is aggregated on the net value basis.
3. We set the allowance for doubtful accounts of ¥714,531 thousand for long-term loans to affiliates and recorded it as provision of allowance for doubtful accounts for subsidiaries and affiliates in extraordinary losses for the fiscal year under review

Per-share information

Net assets per share: ¥1,442.67

Net income per share: (¥99.99)

Other notes

All figures are rounded to the nearest thousand in Non-Consolidated Balance Sheet, the Non-Consolidated Statement of Income, the Non-Consolidated Statement of Changes in Net Assets and the Notes to Non-Consolidated Financial Statements.

Reference Materials for the General Meeting of Shareholders

Agenda items and reference materials
Item 1:
Amendments to the Articles of Incorporation

1. Reasons for the amendments

   Upon enforcement of the Act for Partial Revision of the Act on Book-Entry Transfer of Company Bonds, etc. for Streamlining Settlement Concerning Share Trading, etc. (hereinafter, "Act for Streamlining Settlement") on January 5, 2009, the book-entry transfer system of stocks became applied to all the stocks of listed companies (i.e. implementation of the stock certificate dematerialization). To respond to this, we will delete provisions that are based on the existence of share certificates and also make amendments as needed. In accordance with the "Deemed Amendment to the Articles of Incorporation" provided in Article 6, Paragraph 1 of the Supplementary Provisions of the Act for Streamlining Settlement of Stocks, etc., Article 7 of the current Articles of Incorporation is deemed to be deleted.

2. Details of amendments

   The amendments to the Articles of Incorporation are as follows.

(Underlining denotes change)

Current Articles	Proposed Amendments
Article 7. Issuance of Share Certificates The Company shall issue share certificates of the Company's common stock.	(Deleted)
Article 8. Number of Shares Per Trading Unit (tangen) and Non-Issuance of Share Certificates for Shares Numbering Less Than One Trading Unit (tangen)	Article 7. Number of Shares Per Trading Unit (tangen)
1. The number of one trading unit (tangen) of shares of the Company shall be one hundred (100) shares.	The number of one trading unit (tangen) of shares of the Company shall be one hundred (100) shares.
2. Regardless of the provisions of the preceding clause, the Company shall not issues share certificates for shares less than one trading unit, except as stipulated in the Share Handling Regulations.	(Deleted)

Current Articles	Proposed Amendments
Article 9. Rights Regarding Shares Numbering Less Than One Trading Unit (tangen) Company shareholders (hereinafter includes Beneficial Owners) may not exercise any rights other than the rights set forth below with regard to shares numbering less than one trading unit (tangen). (1) The rights described in each item of Article 189, Paragraph 2 of the Companies Act; (2) The right to make a request pursuant to the provisions of Article 166, Paragraph 1 of the Companies Act; (3) The right to receive an allocation of share offerings and share subscription rights in proportion to the number of shares held; (4) The right to make the request set forth in the following article.	Article 8. Rights Regarding Shares Numbering Less Than One Trading Unit (tangen) Company shareholders may not exercise any rights other than the rights set forth below with regard to shares numbering less than one trading unit (tangen). (1) The rights described in each item of Article 189, Paragraph 2 of the Companies Act; (2) The right to make a request pursuant to the provisions of Article 166, Paragraph 1 of the Companies Act; (3) The right to receive an allocation of share offerings and share subscription rights in proportion to the number of shares held; (4) The right to make the request set forth in the following article.
Article 10. to Article 11. (Omitted)	Article 9. to Article 10. (Same as the current article)
Article 12. Shareholder Register Administrator 1. The Company shall appoint a shareholder register administrator. 2. The shareholder register administrator and the place for providing shareholder service shall be designated and made public by a resolution of the Board of Directors. 3. The Company shall entrust the shareholder register administrator the preparation and maintenance of the Register of Shareholders (hereinafter includes the Register of Beneficial Owners), the Register of Share Subscription Rights and the Register of Lost Share Certificates of the Company and conduct all related business. The Company shall not provide these services.	Article 11. Shareholder Register Administrator 1. The Company shall appoint a shareholder register administrator. 2. The shareholder register administrator and the place for providing shareholder service shall be designated and made public by a resolution of the Board of Directors. (Deleted)
Article 13. to 44. (Omitted)	Article 12. to 43. (Same as the current article)

Current Articles	Proposed Amendments
(New article)	Supplementary Provisions Article 1. The Register of Lost Share Certificates of the Company shall be maintained at the place for providing shareholder service of the shareholder register administrator. The Company shall entrust the shareholder register administrator all businesses related to listing and recording in the Register of Lost Share Certificates of the Company. The Company shall not provide these services. Article 2. Listing and recording in the Register of Lost Share Certificates of the Company shall be governed by, in addition to laws and regulations or these Articles of Incorporation, the provisions for handling shares prescribed by the Board of Directors of the Company. Article 3. Article 1. of the Supplementary Provisions or this Article shall be deleted on January 6, 2010.

Item 2:
Appointment of Twelve (12) Directors

The term of office of all fourteen (14) Directors will expire at the conclusion of this General Meeting of Shareholders. Approval of the appointment of twelve (12) Directors is, therefore, requested.
Career histories of the candidates are as follows.

Candidate Number	Name (Date of Birth)	Brief History, Position, Responsibility, and Representative Status at Other Companies	Number of Shares of the Company Owned by the Candidate
1	Shigeo Takayama (May 27, 1916)	Nov. 1953 Founded the Company as President (Representative Director) Jun. 2000 Chairman (Representative Director) Jun. 2007 Director & Honorary Chairman (present) <Representation at other companies> President of Takayama International Education Foundation	1,192,900
2	Ryusaburo Sugimoto (Jun. 3, 1954)	Apr. 1978 Joined the Company Jun. 2004 Director & Vice President, Division Manager of Semiconductor Devices Div. Aug. 2006 Director & Senior Vice President, Division Manager of Semiconductor Devices 1st Div. and in charge of Semiconductor Devices 2nd Div. Jun. 2007 Director & Executive Vice President, in charge of Electronics Business and Semiconductor Devices Div. Apr. 2008 President (Representative Director) (present)	14,240

Candidate Number	Name (Date of Birth)	Brief History, Position, Responsibility, and Representative Status at Other Companies		Number of Shares of the Company Owned by the Candidate
3	Norimichi Hada (Oct. 8, 1946)	Oct. 1969	Joined the Company	13,693
		Nov. 1992	Manager of Connector Systems Dept., Components Business Div.	
		Sep. 1993	Deputy Division Manager of Components Business Div. and Manager of Connector Systems Dept.	
		Jul. 1996	Division Manager of Electronic Components Div.	
		Apr. 1997	President of Hakuto Taiwan Ltd. (former S&T HITECH LTD.)	
		Jun. 2001	Director & Vice President, General Manager of Affiliate Company Administration Dept. of the Company	
		Sep. 2001	Director & Vice President, Division Manager of Electronics 1st Div. and in charge of Branches & Offices	
		Apr. 2003	Director & Vice President, Division Manager of Electronic Components 2nd Div. and in charge of Branches	
		Feb. 2004	Director & Vice President, Division Manager of Electronic Components Div.	
		Aug. 2006	Director & Senior Vice President, Division Manager of Electronic Components Div.	
		Jun. 2007	Director & Senior Vice President, in charge of Electronic Components Business and Division Manager of Electronic Components Div.	
		Apr. 2008	Director & Senior Vice President, in charge of Overseas Business (present) President of Hakuto Enterprises Ltd. (present) Chairman of Hakuto Taiwan Ltd. (present) Chairman of Hakuto Enterprises (Shanghai) Ltd. (present)	
		<Representation at other companies> President of Hakuto Enterprises Ltd.		

Candidate Number	Name (Date of Birth)	Brief History, Position, Responsibility, and Representative Status at Other Companies	Number of Shares of the Company Owned by the Candidate
4	Yoshinae Takada (May 27, 1957)	Apr. 1983 Joined the Company Dec. 2001 Manager of Corporate Planning Dept., Corporate Administration Div. Apr. 2003 Deputy Division Manager of Corporate Administration Div. and Manager of Corporate Planning Dept. Jun. 2003 Deputy Division Manager of Corporate Administration Div. and Manager of Corporate Planning Dept. and Financial & Accounting Dept. Jun. 2004 Director & Vice President, Manager of Corporate Planning Dept. and Financial & Accounting Dept., and in charge of E.D.P. Dept. Jul. 2006 Director & Vice President, Manager of Corporate Planning Dept. and Financial & Accounting Dept. and in charge of E.D.P. Dept. and Overseas Subsidiaries Management Div. Apr. 2007 Director & Vice President, Manager of Corporate Planning Dept. and Financial & Accounting Dept., in charge of E.D.P. Dept. and J-SOX Project Team Leader Jun. 2007 Director & Vice President, Manager of Financial & Accounting Dept., in charge of E.D.P. Dept. and J-SOX Project Team Leader Apr. 2008 Director & Vice President, Division Manager of Corporate Management Div., Manager of Corporate Planning Dept. and Financial & Accounting Dept. Jun. 2008 Director & Senior Vice President, Division Manager of Corporate Management Div., Manager of Corporate Planning Dept. and Financial & Accounting Dept. Apr. 2009 Director & Senior Vice President, Division Manager of Corporate Management Div., and Financial & Accounting Dept. (present)	2,100

Candidate Number	Name (Date of Birth)	Brief History, Position, Responsibility, and Representative Status at Other Companies	Number of Shares of the Company Owned by the Candidate
5	Noriaki Tomioka (Apr. 18, 1949)	Mar. 1973 Joined the Company Apr. 1999 Manager of 1st Sales Dept., 1st System Group, Electronics 2nd Div. Dec. 2001 Deputy General Manager of Electronics 2nd Div. Jan. 2003 President of Hakuto Enterprises Ltd. Mar. 2007 Chairman of Hakuto Enterprises (Shanghai) Ltd. Apr. 2007 Chairman of Hakuto Taiwan Ltd. Jun. 2007 Director & Vice President, in charge of Overseas Business of the Company Apr. 2008 Director & Vice President, in charge of Electronic Equipment Business and Division Manager of Electronic Equipment 1st & 2nd Div. Jun. 2008 Director & Senior Vice President, in charge of Electronic Equipment Business and Division Manager of Electronic Equipment 1st & 2nd Div. (present)	3,100
6	Shinkichi Suzuki (Nov. 15, 1948)	Mar. 1974 Joined the Company Nov. 2000 Deputy Manager of Finance Dept., Corporate Administration Div. Dec. 2001 Manager of Human Resources Dept., Corporate Administration Div. May 2005 Manager of Sales Administration Dept. May 2006 President of Hakuto A&L Co., Ltd. (present) Jun. 2007 Director & Vice President, Manager of Sales Administration Dept. and in charge of Human Resources Dept., General Administration Dept., General Affairs Dept., Isehara Technical Center and Branches (administration related) of the Company Apr. 2008 Director & Vice President, Division Manager of Corporate Administration Div. and Manager of Human Resources Dept. (present) <Representation at other companies> President of Hakuto A&L Co., Ltd.	1,500

Candidate Number	Name (Date of Birth)	Brief History, Position, Responsibility, and Representative Status at Other Companies		Number of Shares of the Company Owned by the Candidate
7	Hitoshi Takigami (Oct. 27, 1956)	Apr. 1985	Joined the Company	1,500
		Apr. 2003	General Manager of Sales Dept., Chemical Business Div.	
		Dec. 2003	Deputy Division Manager of Chemical Business Div.	
		Apr. 2006	Division Manager of Chemical Business Div.	
		Jun. 2007	Director & Vice President, in charge of Chemical Business and Division Manager of Chemical Business Div. (present)	
8	Ryoji Abe (Nov. 9, 1957)	Mar. 1983	Joined the Company	1,200
		Aug. 2002	Manager of AP Sales Promotion Dept., Electronic Devices 1st Div.	
		Feb. 2006	Manager of AP Sales Dept., Semiconductor Devices Div.	
		Apr. 2006	Manager of 1st Sales Dept., Semiconductor Devices 2nd Div.	
		Apr. 2007	Deputy Division Manager of Semiconductor Devices 2nd Div.	
		Oct. 2007	Division Manager of Semiconductor Devices 2nd Div.	
		Apr. 2008	Division Manager of Semiconductor Devices 2nd Div. and Electronic Components Div.	
		Jun. 2008	Director & Vice President, Division Manager of Semiconductor Devices 2nd Div. and Electronic Components Div. (present)	
9	Jun Takagi (Jul. 8, 1959)	Apr. 1984	Joined the Company	1,900
		Apr. 2003	Manager of 2nd Devices Sales Dept., Electronic Components 1st Div.	
		Jun. 2004	Deputy Division Manager of Semiconductor Devices Div.	
		Apr. 2006	Deputy Division Manager of Semiconductor Devices 1st Div.	
		Apr. 2007	Division Manager of Semiconductor Devices 1st Div.	
		Jun. 2008	Director & Vice President, Division Manager of Semiconductor Devices 1st Div. (present)	

Candidate Number	Name (Date of Birth)	Brief History, Position, Responsibility, and Representative Status at Other Companies		Number of Shares of the Company Owned by the Candidate
10	Ichiro Takayama (Jan. 3, 1958)	Jun. 1986 May 1990 Jun. 1990 Jun. 1996 Jun. 2000	Qualified Medical Doctor (US) Qualified Medical Doctor (Japan) Director of the Company Resignation of Director Director of the Company (present)	1,058,923
11	Kozo Uno (Jul. 3, 1933)	Aug. 1963 Jul. 1969 May 1974 Oct. 1993 May 1997 May 1999 Aug. 2003 Jun. 2004 Jun. 2005 Mar. 2007	Registered as Certified Public Accountant (present) Senior Partner of Asahi & Co. (accounting corporation, currently KPMG AZSA & Co.) Established a private office as CPA (present) Deputy Managing Partner of Asahi & Co. (currently KPMG AZSA & Co.) Managing Partner of Asahi & Co. Chairman of Asahi & Co. External Auditor of Satori Electric Co., Ltd. (present) External Director of the Company (present) External Auditor of Kadokawa Group Holdings, Inc. External Auditor of Hidaka Country Club, Inc. (present)	-
		<Representation at other companies> President of Kozo Uno Accounting Office		
12	Katsuyoshi Iwashiro (Mar. 20, 1945)	Oct. 2001 Jun. 2002 Jun. 2003 Jun. 2005	Deputy President of The Asahi Bank, Ltd. (currently Resona Bank, Limited.) President of Shoei Insurance Service Co., Ltd. External Auditor of Kobayashi Yoko Co., Ltd External Director of the Company (present)	3,900

Notes:

1. Mr. Shigeo Takayama is the President of Takayama International Education Foundation, which has invested in the Company's bonds.
2. Other than the above, there are no interest relationships between the Company and Director candidates.
3. Mr. Kozo Uno and Mr. Katsuyoshi Iwashiro are both candidates for appointment to the position of External Director provided in Article 2, Paragraph 3, Item 7 of the Companies Act Enforcement Regulations.
4. Information relating in particular to the candidates for appointment as External Directors is provided below.

   (1) Reasons for appointing External Directors

   1) Mr. Kozo Uno is a certified public accountant, has served for many years as the Managing Partner and Chairman of Asahi & Co. (now KPMG AZSA & Co.), and has accumulated expert knowledge and years of experience in the fields of finance and accounting. It is judged, therefore, that his advice would help increase management transparency and strengthen corporate governance, and his appointment as an External Director is requested.
   2) Mr. Katsuyoshi Iwashiro has served as the Deputy President of Asahi Bank Ltd. (now Resona Bank Ltd.) and in other capacities that have allowed him to accumulate rich experience in company management. It is judged, therefore, that seeking his opinions and advice on critical management issues would help promote proper decision making, and his appointment as an External Director is requested.

   (2) In case of the candidates' service over the past five years as External Directors or External Auditors of other companies, records of inappropriate actions by these companies during the candidates' terms of office therein, steps taken by the candidates to prevent such inappropriate actions, or responses taken by the candidates to deal with such actions after their occurrence
   Kobayashi Yoko Co., Ltd., where, Katsuyoshi Iwashiro also serves as External Auditor, was in violation of regulations of Commodity Exchange Act, which was adopted inappropriate manner of solicitation. It was, then, received administrative treatment such as cease-and-desist order and other orders by Ministry of Agriculture, Forestry and Fisheries and Ministry of Economy, Trade and Industry. On July, 2007, Katsuyoshi Iwashiro always requires Kobayashi Yoko Co., Ltd., to operate their business with strict legal compliance. Since the issue was uncovered, Katsuyoshi Iwashiro has fulfilled his responsibilities by requesting to review its management body, to establish a measure to prevent the reoccurrence of such violations and to reorganize the system for full law compliance.

   (3) Years served as External Director since appointment

   1) Mr. Kozo Uno will have served as an External Director for five years as of the end of this General Meeting of Shareholders.
   2) Mr. Katsuyoshi Iwashiro will have served as an External Director for four years as of the end of this General Meeting of Shareholders.

   (4) Independence of External Director candidates

   1) Neither Mr. Kozo Uno nor Mr. Katsuyoshi Iwashiro has served in any managerial capacity (as defined in Article 2, Paragraph 3, Item 6, of the Companies Act Enforcement Regulations, same applies below) at either the Company or any of its designated related companies (as defined in Article 2, Paragraph 3, Item 18 of the Companies Act Enforcement Regulations, same applies below) over the past five years.
   2) Neither Mr. Kozo Uno nor Mr. Katsuyoshi Iwashiro has received significant sums of money or other assets from either the Company or any of its designated related companies over the past two years and no such receipts are scheduled.
   3) Neither Mr. Kozo Uno nor Mr. Katsuyoshi Iwashiro has any family relationships of the third degree or closer to any person working in a managerial capacity at either the Company or any of its designated related companies.

(5) Agreements limiting the liability of External Directors

To facilitate the recruitment of outstanding people suited to serve as External Directors and make it possible for these people to fulfill the roles expected of them, the Company has included in the current Articles of Incorporation provisions allowing it to enter into agreements limiting the liability of External Directors for payment of damages to the Company.

Mr. Kozo Uno and Mr. Katsuyoshi Iwashiro are presently serving as External Directors and the Company has entered into agreements with both Mr. Kozo Uno and Mr. Katsuyoshi Iwashiro limiting their liability for damages to the higher of an amount of ¥3 million or the smallest amount specified under Article 425, Paragraph 1 of the Companies Act. Should the reappointments of Mr. Kozo Uno and Mr. Katsuyoshi Iwashiro be approved, the Company will extend the above agreements with both.

Procedures for Exercising Voting Rights via the Internet

Shareholders are requested to read the following items before exercising voting rights via the Internet. If you plan to attend the General Meeting of Shareholders in person, it is not necessary to either mail your voting form or to exercise your voting rights via the Internet.

1. Voting Right Exercise Site

(1) Exercise of voting rights is possible only by using a personal computer or cell phone (i-mode, EZweb, Yahoo! *Keitai*)* to access the site below, which is specified by the Company. Site access, however, shall not be possible between the hours of 2:00 AM and 5:00 AM.

<Voting Right Exercise Site URL> http://www.evote.jp/

* "i-mode," "EZweb," and "Yahoo!" are the respective registered trademarks of Nippon Telegraph and Telephone Corporation, KDDI Corporation, and Yahoo! Inc. of the U.S.

(2) Firewalls, anti-virus software, proxy servers, or other aspects of the shareholder's Internet usage environment may prevent the use of a personal computer to exercise of voting rights.

(3) Please use the i-mode, EZweb, or Yahoo! *Keitai* services when using a cell phone to exercise voting rights. For security-related reasons, cell phones that cannot send encrypted data (SSL transmissions) and cell phone information cannot be used to exercise voting rights.

* It is also possible to access voting right exercise site by using a cell phone that can read barcodes to read the QR Code to the right. Please refer to your cell phone owner's manual for detailed instructions on how to read barcodes.

(4) Voting rights may be exercised until 5:30 PM on June 24, 2009 (Wednesday), but shareholders are requested to do so as early as possible. A help desk has been established to answer questions and help shareholders exercise their voting rights.

2. Exercising voting rights via the Internet

(1) Enter your "Login ID" and "Temporary Password," both of which are noted on the voting form, in the appropriate spaces on the Voting Right Exercise Site (http://www.evote.jp/). Follow the instructions on your computer screen and indicate whether you are for or against each item.

(2) To prevent unauthorized access by parties other than shareholders and the alteration of shareholder votes, shareholders voting via the Internet will be asked to change their "Temporary Password" on the Voting Right Exercise Site.

3. Cost for accessing the Voting Right Exercise Site

Costs (dial-up connection fees, telephone charges, etc.) for accessing the Voting Right Exercise Site shall be borne by the shareholder. For shareholders using cell phones, packet transmission fees and other cell phone usage fees will be incurred, and these, too, shall be borne by the shareholder.

4. Treatment of voting rights exercised multiple times

(1) If you exercise your voting right both by mail and via the Internet, the voting via the Internet shall prevail regardless of the arrival date of the mailed vote.

(2) In the case of multiple voting via the Internet, the last voting shall prevail.

5. For More Information

Questions regarding the system for voting via the Internet

Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Department (Helpdesk)
Tel: 0120-173-027 (only in Japan, toll free)
Hours: 9:00–21: 00

Other questions

Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Department
Tel: 0120-232-711 (only in Japan, toll free)
Hours: 9:00–21: 00 (excluding weekends and national holidays)

6. Voting platform for institutional investors

Institutional investors who have applied in advance to use the e-Voting Platform for institutional investors (also referred to as the “TSE Platform”) run by ICJ, Inc. can cast their votes via this system instead of the Company’s system for voting via the Internet, which is described above.

The English Translation is an abridged version of the original invitation notice in Japanese. In the event of discrepancy, the Japanese version shall prevail.