Dear Shareholders,

June 11, 2003

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

Notice of the 51st Annual General Meeting of Shareholders

You are cordially invited to attend the 51st Annual General Meeting of Shareholders of Hakuto Co., Ltd., which will be held as per the schedule below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing via conventional postal mail or the Internet.

When exercising your voting rights via postal mail, please first review the Reference Materials presented herein, indicate "for" or "against" for each agenda item shown on the enclosed Form for Exercising Voting Rights, sign the Form, and return it by postal mail to reach the Company by Wednesday the 25th of June 2003.

Use the Voting Code and temporary password provided on the enclosed Form for Exercising Voting Rights, access the Company's website for exercising voting rights (http://www.jsa-hp.co.jp/name/koushi.html), and after reviewing the Reference Materials presented either herein or at the website, follow the instructions on your computer screen and indicate "for" or "against" for each agenda item shown. To be valid, you must exercise your voting right online by 24:00 hours of Wednesday, the 25th of June 2003.

Sincerely,

Toshiaki Hirai
President

1. Date & Time: 10 a.m. on Thursday, June 26, 2003
2. Venue: Conference Room, 8th Floor, Head Office Building, 1-13, Shinjuku 1-chome, Shinjuku-ku, Tokyo
3. Meeting Agenda
(1) Items to be reported:
Business Report, Balance Sheet, and Statement of Income for the Company's 51st business term (from April 1, 2002 to March 31, 2003)
(2) Items to be resolved:
Item 1: Approval of proposal for appropriation of retained earnings for the 51st business term
Item 2: Approval of amendment of the Articles of Incorporation
Refer to the outline of the proposal on pp. 15-17 of the enclosed document "Reference Materials for Exercising Voting Rights."
Item 3: Approval of proposal for acquisition of own shares
Refer to the outline of the proposal on p. 17 of the enclosed document "Reference Materials for Exercising Voting Rights."
Item 4: Approval of share subscription rights with stock option scheme
Refer to the outline of the proposal on pp. 18-19 of the enclosed document "Reference Materials for Exercising Voting Rights."
Item 5: Appointment of eleven directors
Item 6: Appointment of one corporate auditor

Following are attached the "Reference Materials for Exercising Voting Rights" and other materials relevant to the items to be discussed at the meeting.

Please note:
1. If attending the Meeting in person, please bring the enclosed Form for Exercising Voting Rights and present it at the reception desk.
2. If exercising your voting rights online (via the Internet), please first carefully read the enclosed "Procedures for the Exercise of Voting Rights via the Internet."

Business Report

(For the business term from April 1, 2002 to March 31, 2003)

1. Business Performance

(1) Marketing activities and sales results

Pessimism regarding the outlook for the world economy as a whole increased during the reporting period — with the exception of certain East Asian economies. This was largely the result of a downward trend in global stock markets, exacerbated by the negative psychological impact of the successive accounting scandals at major U.S. companies as well as unease related to the impending military action against Iraq. In Japan, private-sector production and capital investment, as well as consumer spending, remained sluggish employment and disposable income situation. The instability of the Japanese financial system increased as financial institutions continued to be shackled by large amounts of non-performing loans, and the economic activity in general weakened as deflationary pressure persised.

In the electronics sector, good sales were enjoyed by certain digital products, such as DVD-VCR combos and digital cameras, while signs of a recovery began to be seen in electronic components and devices, particularly in the export sector. Amid a worldwide slump in the information technology sector persisting since the previous term, production levels at manufacturers of electronic equipment including telecommunications equipment and computers declined across the board as a result of falling capital investment and stagnant consumer spending.

In the industrial chemicals field, the Company's principal customers – Japanese oil refiners, petrochemical companies, and paper & pulp manufacturers – all continued to reduce production levels in response to the weakness of the economy. As a result, our sales volume declined, and we were also forced to cut sales prices per unit to meet fierce competition. As a consequence, the business environment was once again very difficult.

Against this backdrop, the management put forward three thematic goals – the creation of a corporate structure capable of generating steady earnings; the reorganization and strengthening of the Company's domestic and overseas distribution networks; and the implementation of a complete revolution in our corporate mindset. We worked to focus the management resources of the Company on promising areas and markets with good growth potential while implementing a thorough review of unprofitable operations. At the same time, we made progress in reforming our management structure to produce a leaner organization, creating a framework for the sharing of information, and otherwise building up a stronger marketing base as well as improving the Company's earning power.

As a result of these efforts, net sales for the reporting period rose 2.4% over the previous business term, to ¥65,047 million on a non-consolidated basis. In an attempt to improve profitability, we revised our lineup of general-purpose memories, which carry a low profit margin, and implemented rigorous rationalization measures to reduce costs. Thanks to these measures, ordinary profit rose by a strong 167.5% year-on-year, to ¥2,872 million. However, after registering valuation losses on investment securities in the amount of ¥1,750 million, owing to the steep fall in prices on international stock markets, as well as extraordinary losses in the amount of ¥832 million stemming from the liquidation of subsidiaries in the U.S. and Europe, net income came to a mere ¥1 million, a decline of 99.8% from the previous business year.

The following is a segmental breakdown of business performance for the reporting term.

Electronic and Electric Equipment Division

Sales of large-scale laser image-drawing devices for computer displays were strong as projected. However, because of slack capital investment, especially in the IT sector, and of the prolonged stagnation in the Japanese economy, sales were generally weak in the Company's mainline products — equipment for forming thin-film compound semiconductors used in the manufacture of semiconductor devices for high-speed optical fiber communications, and devices used with printed circuit boards for the manufacture of high-precision PC boards. As a result, net sales of this segment registered a year-on-year decline of 12.4%, at ¥17,032 million.

Electronic Components Division

The Company ceased handling general-purpose memories (DRAMs). Moreover, prices of semiconductor devices for consumer electronics goods on the Japanese market declined amid the overall deflation. There was also an ongoing trend toward the relocation of production facilities overseas. On the other hand, strong sales growth was recorded on the East Asian market by sound chips for mobile phones. As a result, net sales came to ¥42,915 million, up 10.7% over the previous year.

Industrial Chemicals Division

Sales of amino-acid gas absorbents grew as projected, but sales of industrial chemicals to users in the oil refining, petrochemical, and paper & pulp industries suffered from a decline in customers' production volumes. As a result, sales volume posted another decline following last year's drop, and we were forced to reduce sales prices. Net sales consequently declined 4.1% year-on-year, to ¥5,098 million.

Sales by Segment

	Fiscal 2001 (term ended March 2002)		Fiscal 2002 (term ended March 2003)	
	Sales (¥ million)	Ratio to total (%)	Sales (¥ million)	Ratio to total (%)
Electronic and electric equipment	19,453	30.6	17,032	26.2
Electronic components	38,755	61.0	42,915	66.0
Industrial chemicals	5,314	8.4	5,098	7.8
Total	63,524	100.0	65,047	100.0

Notes:
1. Figures are exclusive of consumption tax.
2. Figures are rounded down to the nearest million yen.

(2) Investment in plant & equipment

Investment in plant and equipment for the reporting period amounted to ¥472 million.

(3) Fund procurement

Nothing applicable

(4) Business performance & financial indicators (on a non-consolidated basis)

(unit; ¥ million; EPS in yen)

	FY1999	FY2000	FY2001	FY2002 (reporting term)
Net sales	84,918	82,369	63,524	65,047
Ordinary profit	3,556	5,150	1,074	2,872
Net income	3,029	3,507	692	1
EPS	142.22 (140.34)	152.06 (154.35)	29.49 (29.49)	0.07
Total assets	58,880	67,139	53,930	51,156
Shareholders' equity	25,534	38,176	32,184	29,366

Notes:
1. EPS is calculated on the basis of the average number of shares issued and outstanding during the term. EPS for fiscal 1999 was calculated as if the stock splits implemented on May 20, 1999 (at a ratio of 1.1 ordinary shares of common stock for one share) and on November 19, 1999 (ratio of 1.05 for 1) had occurred at the start of the term.

   The figures for fiscal 2001 and fiscal 2002 were calculated after deducting term average number of treasury shares from the term average number of shares issued and outstanding.

   EPS accounting standards (Corporate Accounting Standard No. 2) and guidelines for EPS accounting standards (Corporate Accounting Standard Application Guideline No. 4) were applied as of the reporting term (FY2002). The figures in parentheses above represent the EPS that would have been recorded had these accounting standards and application guidelines been applied to the previous terms. The term average number of treasury shares was deducted from the total number of shares issued and outstanding in calculating the average number of shares issued and outstanding for fiscal 1999 and fiscal 2000.
2. Figures are exclusive of consumption tax.
3. With the exception of EPS, all figures are rounded down to the nearest million yen.

(5) Issues facing the Company

During the reporting period, some improvement over the previous year was seen in certain principal factors in the Japanese domestic economy, including consumer spending, capital investment, and industrial production. Since the start of calendar 2003, however, negative factors have tended to come to the fore, including a worsening employment situation resulting from corporate efforts to restrain payroll expenses and an increased bearishness in corporate sentiment resulting from the international tension surrounding the Iraq situation. Consequently, pessimism regarding the Japanese economy's prospects in the near future has grown stronger, and a real recovery seems as far away as ever.

Looking overseas, while the East Asian economies continue their gradual expansion, the prospects for a recovery by the U.S. economy remain cloudy. Meanwhile, in the euroland economies, the rise in the euro's exchange rate is holding down exports, and both consumer spending and corporate capital investment are expected to follow a weak trend.

The Company's main customers — manufacturing companies in the Japanese electronics industry — are all expected to register some growth in the production and sales of consumer electronic equipment, industrial electronic equipment, and electronic components and devices. This will be mainly thanks to the popularity of digital audiovisual equipment (particularly DVDs and DVD players) and LCD televisions. However, it is likely to be some time before these industries' capital investments recover their former levels.

In the field of industrial chemicals, capacity utilization rates of basic material industries in Japan are forecast to continue declining, while downward pressure on prices of our products is likely to intensify: the future outlook thus remains bleak.

The management of the Company believes that it is precisely in this time of business difficulties and uncertainty that we must achieve a recovery in the profitability of our core business operations. We will continue to search for new markets, in-house products and bought-in merchandise that promise continued growth: having identified these, we will focus our management resources on these priority areas, and will further clarify our policy of crafting individual marketing strategies to meet the needs of each geographical region. We intend to make particular efforts to expand our presence in East Asian markets, notably China, where demand is forecast to continue expanding unabated. To this end, we plan to expand our cooperative efforts with our East Asian subsidiaries.

To reorganize the Company's management with an even stronger priority on decisions at the consolidated group level, it is essential that we forge ahead with our current efforts to establish a system of enterprise resource planning (ERP) and a "shared service center" (SSC).

This year marks the 50th year of the Company's establishment. The management intend to do their utmost to preserve the Company's heritage through rapid and flexible response to changing market conditions and constant innovation in products and business methods. In so doing, we are confident that we will succeed in producing improved business performance and a more profitable business model.

I would like to conclude by thanking our shareholders for their constant support and encouragement.

2. Outline of Company (as of March 31, 2003)

(1) Main business lines

The Company is principally engaged in the sale of the in-house-designed products and merchandise purchased from elsewhere, on the Japanese and overseas markets.

Segment	Main products
Electronic and Electric Equipment	Devices used in the manufacture of semiconductors and PCBs; turbo-molecular pumps; electrostatic accelerators; refrigeration units for vacuum production equipment
Electronic Components	Semiconductor devices; connectors; optical components
Industrial Chemicals	Industrial chemicals for use in the oil refining and petrochemical industries; chemicals for use in water treatment; chemicals for use in the paper & pulp industry: paint-resistant chemicals

(2) Principal offices

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

(3) Shareholder information

1) Number of shares authorized for issuance 54,000,000
2) Number of shares issued and outstanding 24,137,213
3) Number of shareholders 7,873
4) Major shareholders

Name of shareholder	Investment in the Company	
	Number of shares held (thousand shares)	% of voting rights held (%)
Trust & Custody Services Bank, Ltd.	2,035.3	9.24
Shigeo Takayama	1,911.7	8.67
Shigeo & Megumi Takayama Foundation	1,813.3	8.23
Japan Trustee Services Bank, Ltd.	1,427.0	6.48
The Master Trust Bank of Japan, Ltd.	1,347.2	6.11
Mitsui Asset Trust and Banking Co., Ltd.	1,154.6	5.24
Ichiro Takayama	1,058.9	4.80
Ken Takayama	1,058.9	4.80
Ryutaro Takayama	1,058.8	4.80
UFJ Trust Bank Ltd.	664.8	3.02

Notes:
1. Hakuto Co., Ltd. holds no shares in any of the companies listed above.
2. Numbers of shares held are rounded down to the nearest 100 shares.
3. As stated in "(4) Acquisition, Disposal and Balance of Treasury Shares," the Company owns 2,029,710 of its treasury shares. However, since these are non-voting shares, they are excluded from the list of major shareholders shown above.
4. The number of shares related to trustee services is shown below.

Trust & Custody Services Bank, Ltd.	1,981.6 thousand shares
Japan Trustee Services Bank. Ltd.	1,161.4 thousand shares
The Master Trust Bank of Japan, Ltd.	1,307.4 thousand shares
Mitsui Asset Trust and Banking Co., Ltd.	838.0 thousand shares
UFJ Trust Bank Ltd.	664.2 thousand shares

(4) Acquisition, disposal and balance of treasury shares

1) Acquisition

Acquisition pursuant to Article 210-1 of the Commercial Code

Ordinary shares of common stock 127,000 shares
Total acquisition cost ¥130,238 thousand

Acquisition of shares less than one Company share unit

Ordinary shares of common stock 1,277 shares
Total acquisition cost ¥1,621 thousand

2) Disposal

No shares were disposed of during the term under review.

3) Invalidated shares

No shares were invalidated during the term under review.

4) Treasury stock held at the balance sheet date

Ordinary shares 2,029,710 shares

Note: Amounts are rounded down to the nearest thousand yen.

(5) Employees

	Number of employees	Change from end of previous term	Average age	Average number of years of service
Male	450	(34)	41.1	14.3
Female	102	(23)	34.7	10.9
Total/average	552	(57)	39.8	13.6

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

(6) Business combinations

1) Principal subsidiaries

	Capital stock	% of Company's voting rights	Principal lines of business
Hakuto Enterprises Ltd.	HK$22,025 thousand	100%	Import/export of electronic equipment and components, manufacturing and sales of electronic components
Hakuto Singapore Pte. Ltd.	S$5,000 thousand	100%	Import/export of electronic equipment and components
Hakuto Taiwan Ltd.	NT$20,000 thousand	100%	Import/export of electronic equipment and components

2) Process of business combination

Haktronics Co., Ltd., which had been listed as a principal consolidated company in the previous term, was absorbed by the Company on March 20, 2003.

Hakuto America, Inc. is in the process of being liquidated.

During the reporting term, a resolution was approved to dissolve Hakuto America, Inc., which is now in the process of liquidation.

3) Result of business combination

The Company has 13 consolidated subsidiaries, including the principal subsidiaries listed above. Three companies are accounted for by the equity method. The Company's consolidated operating revenues for the term under review amounted to ¥85,914 million, and a consolidated net income of ¥91 million.

(7) Principal sources of borrowings

	Balance of borrowings (¥ million)	Number of shares held in the Company	% of voting rights held (%)
Resona Bank, Ltd.	1,206	—	—
Sumitomo Mitsui Banking Corp.	1,160	25.8 thousand	0.12
UFJ Bank Ltd.	890	—	—
Nippon Life Insurance Co.	780	81.3 thousand	0.37
The Bank of Tokyo-Mitsubishi, Ltd.	563	50.8 thousand	0.23

Note: The amounts above are rounded down to the nearest million yen and the numbers of shares held are rounded down to the nearest 100 shares.

(8) Board of directors and auditors

Shigeo Takayama	Chairman	
Toshiaki Hirai	President	
Kenichi Uchida	Executive Vice President	Division Manager of Equipment & Optoelectronics Business Div.
Yoshihito Akiyama	Executive Vice President	Division Manager of Corporate Administration Div.
Tomoyuki Yamawaki	Senior Vice President	Manager of Secretarial Office and in charge of TQM Office
Syoichi Mizushima	Vice President, Director	Deputy Division Manager of Corporate Administration Div. (in charge of Personnel, General Administration, General Affairs and Sales Administration Depts., and Isehara Technical Center)
Hiroshi Asai	Vice President, Director	Division Manager of Subsidiaries Management Div. and General Manager of Asia Bloc
Norimichi Hada	Vice President, Director	Division Manager of Electronic Devices & Components Business Div. and Manager of Semiconductor Devices Second Dept. and in charge of branches & offices
Eiichi Miyake	Vice President, Director	President of Sanei Giken Co., Ltd.
Ichiro Takayama	Vice President, Director	
Akinori Murakami	Auditor	
Toshiyasu Asagami	Auditor	President of ASA Systems Co., Ltd.
Chikao Fukuda	Auditor	

Notes:

1. Directors Yoshiaki Kuno, Nobuyoshi Ninokata, Yukio Tomisaki, and Auditor Eiichiro Akazawa resigned from their positions at the conclusion of the 50th General Meeting of Shareholders held on June 26, 2002.
2. Among the auditors, Toshiyasu Asagami and Chikao Fukuda are external auditors as provided for in Article 18-1 of the Law Concerning Special Measures under the Commercial Code for Auditors of Incorporated Enterprises.
3. Changes were made to directors' responsibilities after the account settlement date, as follows.

Name	Responsibilities or principal job	Date of change
Kenichi Uchida	Executive Vice President (in charge of Electronic Equipment Business), and Division Manager of Electronic Equipment First and Second Divs. and in charge of Electronic Product Marketing Office	April 1, 2003
Yoshihito Akiyama	Executive Vice President (in charge of Corporate Administration Div.)	April 1, 2003
Syoichi Mizushima	Vice President, Director and Division Manager of Corporate Administration Div.	April 1, 2003
Hiroshi Asai	Vice President, Director and Division Manager of Overseas Subsidiaries Management Div. and General Manager of Asia Bloc	April 1, 2003
Norimichi Hada	Vice President, Director (in charge of Semiconductor Devices and Electronic Components Business), and Division Manager of Electronic Components Div. and in charge of branches	April 1, 2003

(9) Subsequent event

There was no significant subsequent events after the account settlement date.

Balance Sheet
As of March 31, 2003

(¥ thousand)

Assets	
Current assets	37,010,562
Cash and time deposits	6,964,301
Trade notes receivable	3,959,613
Accounts receivable - trade	16,870,702
Marketable securities	21,231
Merchandise	6,198,162
Finished products	273,253
Raw materials	147,562
Work in process	32,032
Supplies	21,350
Advance payment	297,343
Prepaid expenses	130,995
Deferred tax assets	429,090
Short-term loans to subsidiaries	980,000
Accrued consumption taxes	164,749
Other current assets	552,175
Less: Allowance for doubtful accounts	(32,000)
Noncurrent assets	14,143,186
Tangible Fixed Assets	6,353,210
Buildings	2,105,200
Structures	165,748
Machinery and production equipment	323,897
Vehicles	3,957
Tools, furniture and fixtures	669,224
Land	3,085,181
Intangible assets	172,236
Leasehold rights	20,193
Software	124,731
Other intangible assets	27,311
Investments and Other Assets	7,617,739
Investment securities	4,256,690
Investment securities in subsidiaries	2,019,917
Investment in subsidiaries	83,610
Claims on obligors under rehabilitation procedure	17,289
Long-term prepaid expense	68,469
Guarantee deposits	191,625
Deferred tax assets	1,049,930
Other investments	138,207
Less: Allowance for doubtful accounts	(18,000)
Less: Allowance for loss on investment securities	(190,000)
Deferred assets	3,080
Bond issue expenses	3,080
Total Assets	51,156,829

(¥ thousand)

Liabilities	
Current liabilities	17,762,815
Trade notes payable	6,561,050
Accounts payable - trade	6,549,666
Short-term borrowings	100,000
Long-term debt due within one year	2,928,900
Accounts payable - other	91,512
Accrued expenses	724,708
Accrued income taxes	160,470
Advances received	99,243
Deposits received	26,097
Accrued employees' bonuses	435,436
Allowance for product warranty	24,500
Share subscription rights	37,801
Other current liabilities	23,429
Long-term liabilities	4,027,132
Corporate bonds	600,000
Long-term debt	2,446,000
Employees' severance and retirement benefits	27,112
Directors' severance and retirement benefits	925,868
Long-term guarantee money deposited	28,151
Total liabilities	21,789,948
Shareholders' Equity	
Common stock	8,100,251
Capital surplus	7,532,385
Appropriation for statutory reserve	2,532,385
Remaining portion	5,000,000
Gain from reduction in common stock and appropriation for statutory reserve	5,000,000
Retained earnings	17,493,789
Voluntary reserves	16,009,600
Reserve for special depreciation	8,554
Reserve for reduction entry of tangible fixed assets	1,046
General reserve	16,000,000
Unappropriated retained earnings for the term	1,484,188
(of which, net income)	*(1,687)*
Net unrealized gains on available-for-sale securities	285,764
Less: Treasury stock	(4,045,310)
Total shareholders' equity	29,366,880
Total liabilities and shareholders' equity	51,156,829

Statement of Income

(April 1, 2002 to March 31, 2003)

(¥ thousand)

Ordinary profit/loss account	
Operating profit/loss account	
Operating revenue	65,047,543
Net Sales	65,047,543
Operating expenses	62,931,416
Cost of sales	53,852,464
Selling, general and administrative expenses	9,078,951
Operating income	2,116,127
Non-operating profit/loss account	
Non-operating revenue	956,593
Interest and dividend income	859,062
Other miscellaneous revenues	97,530
Non-operating expenses	199,815
Interest expense	111,658
Other miscellaneous expenses	88,156
Ordinary profit	2,872,905
Extraordinary profit/loss account	
Extraordinary income	16,482
Reversal of allowance for doubtful accounts	16,482
Extraordinary losses	2,724,534
Loss on valuation of investment securities	1,750,186
Allowance for loss on investment securities	80,000
Loss on valuation of subsidiary shares	832,525
Retirement money for directors and corporate auditors	25,077
Loss on sale of tangible fixed assets	16,376
Loss on disposal of tangible fixed assets	19,670
Loss on valuation of membership rights	700
Income before income taxes	164,853
Income taxes - current	414,000
Income taxes - deferred	(250,834)
Net income	1,687
Unappropriated retained earnings brought forward	1,469,346
Interim dividends paid	222,352
Reversal of appropriation for statutory reserve of retained earnings	501,472
Cancellation of subsidiary shares resulting from merger	265,964
Unappropriated retained earnings carried forward	1,484,188

Basis of Presentation of Non-Consolidated Financial Statements

1. Valuation standards and methods of securities

Subsidiary and affiliate shares

Equity shares of subsidiaries and affiliates are stated at cost using the moving-average method.

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. Valuation standards and methods of inventories

Merchandise, finished products, raw materials and work in process: Stated at cost using the moving average method

Supplies: Stated at cost using the first-in, first-out method

4. Depreciation and amortization

(1) Tangible fixed assets

Tangible fixed assets are depreciated by the declining balance method. However, buildings (excluding connected fixed installations) acquired on or after April 1, 1998, are depreciated by the straight-line method. Useful lives and residual value of the assets are determined in accordance with the stipulations of the Corporation Tax Law.

(2) Intangible assets

1) Software for sale is amortized in the larger of either the amount calculated based on the estimated sales revenue for the effective sales period (no longer than 3 years) or the amount periodically distributed over the effective remaining sales period.

2) Intangible assets in the form of software for in-house use are amortized by the straight-line method based on an estimated useful life of 5 years.

3) Other intangible assets are amortized by the straight-line method. Useful lives and residual value of the assets are determined in accordance with stipulations of the Corporation Tax Law.

(3) Long-term prepaid expenses are amortized by the straight-line method in accordance with stipulations of the Corporation Tax Law.

5. Deferred assets

Bond issue expenses

Bond issue expenses are amortized periodically by the straight-line method in accordance with the stipulations of the Commercial Code.

6. Allowances and provisions

(1) Allowance for doubtful accounts

Allowances for doubtful accounts for non-specific purposes are provided in amounts based on the historical loss rates, and further provisions for specific claims, including loans to borrowers with high possibility of business failure, are made in 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 stocks for specific projects is provided in the amount deemed necessary, taking into account the financial position of the said companies.

(3) Accrued employees' bonuses

Provisions for future employee bonus payments are recognized on an accrual basis in the reporting period.

(4) Employees' severance and retirement benefits

Employees' severance and retirement benefits are recognized based on the estimated balance of employees' prior service obligations and pension assets at the end of the reporting term. Actuarial gains and losses are recognized in expenses using the straight-line method over the average of the estimated remaining service lives (10 years) commencing with the following period.

(5) Directors' severance and retirement benefits

Directors' severance and retirement benefits are provided in the amount deemed necessary at the term-end in accordance with internal regulations.

(6) 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.

7. Leases

Finance leases other than those in which the ownership of the leased assets is deemed to be transferred to the lessee are accounted for by methods similar to those applicable to ordinary operating leases.

8. Consumption taxes are excluded from the amounts in the non-consolidated statements of income.

9. Changes in accounting policies

(1) Changes in accounting policies related to treasury stock and to reversals of statutory reserves

The Company has adopted new accounting standards since the Accounting Standards for Treasury Stock and Reversals of Statutory Reserves (Corporate Accounting Standards No. 1) have been made applicable with effect from April 1, 2002. The influence of these changes on net income for the term under review is immaterial. The shareholders equity section has been prepared in accordance with Article 69 of Ministry of Justice Order No. 22 for the Enforcement of the Commercial Code; March 29, 2002 and does not reflect any revisions to enforcement regulations made in 2003.

(2) Per-share data

For the reporting term, the Company adopted the mandatory application of EPS accounting standards (Corporate Accounting Standard No. 2) and application guidelines for EPS accounting standards (Corporate Accounting Standard Application Guideline No. 4). The impact thereof is stated in the section on earnings per share.

Additional information

1. On March 20, 2003, the Company absorbed Haktronics Co., Ltd. and took over ¥1,478,045 thousand in assets and ¥80,724 thousand in liabilities (after canceling out the debts and obligations between the two companies).
2. The effective tax rate for the reporting term used to compute deferred tax assets and liabilities, which will be canceled on and after April 1, 2004, was reduced from 42.1% for the previous term to 40.7%, in accordance with a revision of the Local Tax Law enacted on March 31, 2003 (Law No. 9, 2003). This resulted in a ¥21,786 thousand reduction in net deferred tax assets (after deducting deferred tax liabilities), deferred income tax of ¥28,366 thousand, and a net unrealized gain of ¥6,580 thousand on available-for-sale securities.

Notes to Non-Consolidated Financial Statements

Balance sheet items

1. Amounts less than ¥1 thousand are rounded down (excluding EPS figures).
2. Short-term monetary claims on subsidiaries: ¥1,896,254 thousand
3. Short-term monetary obligations to subsidiaries: ¥255,897 thousand
4. Significant assets and liabilities denominated in foreign currencies

Account	Book value	Amount in foreign currency
Accounts receivable - trade:	¥116,105 thousand	(US$967 thousand)
Accounts receivable - other:	¥174,421 thousand	(US$1,451 thousand)
Investment securities:	¥1,923,693 thousand	(US$16,004 thousand)
	¥405,800 thousand	(SKr28,780 thousand)
Investment securities in subsidiaries:	¥268,015 thousand	(US$1,763 thousand)
	¥433,723 thousand	(HK$22,025 thousand)
	¥350,430 thousand	(S$5,000 thousand)
	¥78,935 thousand	(NT$20,000 thousand)
	¥266,816 thousand	(B93,647 thousand)
Investment in subsidiaries:	¥83,610 thousand	(₵644 thousand)
Accounts payable- trade:	¥452,670 thousand	(US$3,718 thousand)
	¥343,530 thousand	(₵2,571 thousand)

5. In addition to noncurrent assets posted in Balance Sheet, computers and their peripheral equipment are used under leasing contracts for three to five years, in principle.
6. Accumulated amounts of depreciation for tangible fixed assets: ¥5,753,439 thousand
7. Net assets in accordance with stipulations in Item 1-6, Article 290 of the Commercial Code: ¥285,764 thousand
8. Allowance for directors' retirement benefits are posted in accordance with stipulations in Article 287-2 of the Commercial Code.
9. Balance of endorsed notes and bills receivable: ¥397,279 thousand
10. Guarantee obligations: ¥102,573 thousand
11. Government grants on acquisition of tangible fixed assets eligible for reduction from acquisition costs:
    Buildings ¥6,181 thousand
12. Share subscription rights
    Non-deductible share subscription rights before revision of the Commercial Code
    Fourth unsecured corporate bonds with maturity in 2007
    Type of shares to be issued: ordinary shares
    Unexercised share subscription rights: ¥564,200 thousand
    Exercise price: ¥1,666
    Above-mentioned exercise price was determined based on the share price at term-end.
13. Earnings per share: ¥0.07
    Diluted EPS information is not applicable.
    No material effects would have emerged if the EPS accounting standards (Corporate Accounting Standard No. 2) and application guidelines for EPS accounting standards (Corporate Accounting Standard Application Guideline No. 4) had been applied to the previous term.
14. Types and numbers of shares issued and outstanding at term-end: 24,137,213 ordinary shares
    Types and numbers of treasury shares held at term-end: 2,029,710 ordinary shares

Income statement items

1. Amounts less than ¥1,000 are rounded down.
2. Transactions with subsidiaries

Sales to subsidiaries:	¥2,715,238 thousand
Purchases from subsidiaries:	¥657,280 thousand
Other operating transactions:	¥1,029,566 thousand
Non-operating transactions:	¥22,971 thousand

Proposed Appropriation of Retained Earnings (Yen)

Unappropriated retained earnings	1,484,188,857
Reversal of reserve for special depreciation	2,897,377
Reversal of reserve for reduction entry of tangible fixed assets	160,383
Total	1,487,246,617
The Company proposes the following appropriations:	
Cash dividends (¥10 per share)	221,075,030
Reserve for special depreciation	132,764
Reserve for reduction entry of tangible fixed assets	20,792
Retained earnings carried forward	1,266,018,031

Notes:

1. Reversal amounts of reserves for special depreciation and reduction entry of tangible fixed assets are posted in accordance with stipulations of the Special Taxation Measures Law.
   Amounts posted under reserves for special depreciation and reduction entry of tangible fixed assets coincide with the net increase in reserves due to taxation changes made in accordance with the introduction of an external standard taxation system for the enterprise tax.
2. On December 9, 2002 interim dividends were paid in the amount of ¥222,352,740 (¥10 per share).
3. 2,029,710 treasury shares are excluded from calculation for cash dividends per share.
4. A capital surplus of ¥5 billion, after appropriations for statutory reserves, has been carried forward to the current term.

Reference Materials for Exercising Voting Rights

1. Total number of voting rights 220,380

2. Agenda items and reference materials

Item 1:

Approval of proposal for appropriation of retained earnings for the 51st business term

Please refer to p. 14 of the attached financial statements for information on the substance of the proposal.

After considering the Company's performance over the reporting period as well as the importance of strengthening our corporate position and carrying out further business development, we decided to follow a basic policy of continuing to distribute dividends that are both reasonable and ensure sufficient internal reserves to build and maintain a stable management base.

We propose the payment of a term-end dividend of ¥10 per share, which, combined with the interim dividend of ¥10, will make a total dividend of ¥20 per share for the term.

Item 2:

Approval of amendment of the Articles of Incorporation

The Company proposes the following amendments to the Articles of Incorporation.

1. Reasons for amendment

(1) We propose to reduce the term of office of directors from 2 years to 1 year in order to clarify the management responsibilities of directors, strengthen our management position, and at the same time build a management system capable of providing an optimal response to the challenges of the changing business environment. We also propose the removal of the supplementary stipulations regulating the term of office for directors.

(2) The proposed amendment is necessitated by an amendment to the Commercial Code concerning the exceptions to the Commercial Code for corporate auditors (Law No. 149, 2001), which took effect on May 1, 2002, lengthening the term of office for corporate auditors from 3 to 4 years.

Any corporate auditors holding office before the end of this ordinary general meeting shall continue to hold office for three years, until the end of the ordinary general meeting of shareholders held for the last settlement period that falls within three years after they took up their office.

(3) An amendment to the Commercial Code (Law No. 44, 2002), which took effect on April 1, 2003, establishing regulations concerning the validity of stock certificates and enabling shareholders to effect claims on shares totaling less than one trading unit, has necessitated the revision and addition of stipulations regarding these matters. Additional regulations are also necessary since the quorum required to effect an extraordinary resolution at a general shareholders' meeting has been relaxed to one-third or more of the voting rights of all shareholders.

(4) The number of the present Articles of Incorporation must be altered to reflect the addition and omission of articles.

2. Amendment details
(Underlined portions indicate amendments)
The content of the proposed amendments is as follows.

Present Articles	**Amended Articles**
(New)	(Sale of shares in lots of less than one trading unit) Article 8. Shareholders (including those registered with the Japan Securities Depository Center. Hereinafter, JSDC-registered shareholders.) possessing shares in lots of less than one stipulated trading unit shall be allowed, in accordance with the stipulations in the regulations for handling equity shares, to submit claims to purchase the shares in lots of less than one trading unit to from one trading unit.
(Regulations for handling equity shares) Article 8. The types of share certificates, transfer of equity shares, registration of the rights of pledges, recognition as trust assets, reporting of shareholder eligibility, reissuance of stock certificates, purchase of shares in lots of less than the stipulated trading unit, and other procedures relating to equity shares shall be in accordance with the regulations determined by the Board of Directors for handling equity shares.	(Regulations for handling equity shares) Article 9. The types of share certificates, transfer of equity shares, registration of the rights of pledges, recognition as trust assets, reporting of shareholder eligibility, reissuance of stock certificates, purchase and sale of shares in lots of less than the stipulated trading unit, and other procedures relating to equity shares shall be in accordance with the regulations determined by the Board of Directors for handling equity shares.
(Transfer agent) Article 9. The Company shall have a transfer agent. 2. The transfer agent and the agent's place of work shall be determined by resolution of the Board of Directors. 3. The shareholder register (including those registered with the Japan Securities Depository Center. Hereinafter, the JSDC registry) of the Company shall be made available in the transfer agent's office for any clerical work, and the Company shall arrange for the transfer agent to deal with the transfer of equity shares, purchase shares in lots of less than the stipulated trading unit, and perform other clerical work having to do with equity shares that shall not be handled by the Company.	(Transfer agent) Article 10. The Company shall have a transfer agent. 2. The transfer agent and the agent's place of work shall be determined by resolution of the Board of Directors. 3. The shareholder register (including those registered with the Japan Securities Depository Center. Hereinafter, the JSDC registry) and the register of lost share certificates of the Company shall be made available in the transfer agent's office for any clerical work, and the Company shall arrange for the transfer agent to deal with the transfer of equity shares, purchase and sale of shares in lots of less than the stipulated trading unit, and perform other clerical work having to do with equity shares that shall not be handled by the Company.
(Record date) Article 10. The Company stipulates that shareholders (including those registered with the Japan Securities Depository Center. Hereinafter, JSDC-registered shareholders.) with voting rights who are recorded in the last shareholder registry of the every settlement term will be able to exercise their rights at the Ordinary General Meeting of Shareholders in that particular settlement term.	(Record date) Article 11. The Company stipulates that shareholders with voting rights who are recorded in the last shareholder registry of the every settlement term will be able to exercise their rights at the Ordinary General Meeting of Shareholders in that particular settlement term.

2. The Board of Directors can, in addition to the above, establish a new record date by prior announcement when necessary.	2. The Board of Directors can, in addition to the above, establish a new record date by prior announcement when necessary.
Articles 11-12. (omitted)	Articles 12-13. (same)
(Resolutions) Article 13. Resolutions are made by a majority of those shareholders present with voting rights, except when determined by law or by regulations established in the Articles of Incorporation.	(Resolutions) Article 14. Resolutions are made by a majority of those shareholders present with voting rights, except when determined by law or by regulations established in the Articles of Incorporation.
(New)	2. Extraordinary resolutions subject to Article 343 of the Commercial Code can be made by a two-thirds vote of the shareholders present, who possess one-third or more of the total voting rights.
Articles 14-17. (omitted)	Articles 15-18. (same)
(Term of office for directors) Article 18. Directors shall hold office until the close of the Ordinary General Meeting of Shareholders for the last settlement period that falls within 2 years of their assuming office. 2. Directors who have taken office to fill a vacancy, among other reasons, shall hold office for the same period as the other Directors in office.	(Term of office for directors) Article 19. Directors shall hold office until the close of the Ordinary General Meeting of Shareholders for the last settlement period that falls within 1 year of their assuming office. (removed)
Articles 19-29. (omitted)	Articles 20-30. (same)
(Term of office for corporate auditors) Article 30. Corporate auditors shall hold office until the close of the Ordinary General Meeting of Shareholders for the last settlement period that falls within 3 years of their assuming office. 2. Corporate auditors who have taken office to fill a vacancy, among other reasons, shall hold office for the same period as the other Directors in office.	(Term of office for corporate auditors) Article 31. Corporate auditors shall hold office until the close of the Ordinary General Meeting of Shareholders for the last settlement period that falls within 4 years of their assuming office. 2. Corporate auditors who have taken office to fill a vacancy, among other reasons, shall hold office for the same period as the other Directors in office.
Articles 31-40. (omitted)	Articles 32-41. (same)

Item 3:

Approval of proposal for acquisition of own shares

In order to put into effect a policy of utilizing capital more flexibly, the Company asks for your approval of the acquisition of company shares, to a ceiling of 1,590,000 ordinary shares, with a maximum acquisition cost of ¥3,200 million, over the period until the Ordinary General Meeting of Shareholders of June 2004, based on the provisions in Article 210 of the Commercial Code.

Item 4:

Approval of share subscription rights with stock option scheme

Your approval is requested for the proposal to issue share subscription rights under a stock option scheme to the directors, corporate auditors and employees of the Company and its consolidated subsidiaries, on the basis of Regulations 20 and 21 of Article 280 of the Commercial Code, in accordance with the outline below.

1. Reasons for issuing share subscription rights to non-shareholders under preferable conditions

With the aim of further promoting the good of our shareholders, and at the same time heightening corporate morale and enhancing our performance on a consolidated basis, we propose to issue share subscription rights to the directors, corporate auditors and employees of the Company and its consolidated subsidiaries, based on the following outline.

2. Outline of share subscription rights

(1) The share subscription rights in question are to be limited to 1 million ordinary shares of common stock.

(2) A total of no more than 10,000 share subscription rights are to be issued, each consisting of 100 shares. However, whenever stock splits or reverse stock splits take place after the share subscription rights are issued (hereinafter, the issue date), the said shares shall be proportionally adjusted to comply with the stock split or reverse stock split, and any resulting fractions of less than one share are discarded so that the figure is rounded down to the nearest share.

Moreover, whenever the Company carries out a capital reduction or engages in a corporate merger or spin-off after the issue date, the said shares shall be adjusted within reasonable bounds whenever such action shall be deemed necessary, considering the conditions of the capital reduction, corporate merger or spin-off.

(3) The share subscription rights shall be issued free of charge.

(4) Money to be paid for the exercise of share subscription rights

The money to be paid for the exercise of share subscription rights (hereinafter, exercise price) is the exercise price per share of issued or transferred stock multiplied by the number of said shares.

The exercise price is equivalent to the average final price per ordinary share announced by the Tokyo
The exercise price is equivalent to the average final price per ordinary share at the Tokyo Stock Exchange (hereinafter, final price) for each day of the month preceding the month of issue (with the exception of days on which there was no trading) multiplied by 1.05 (rounded up to the nearest one yen), or the final price on the day of issue (when there is no final price on the day of issue, the most recent final price is used), whichever is higher.

When the Company issues ordinary shares or disposes of treasury shares of less than the current market value per share after the issue date, the exercise price is adjusted using the following equation and any fractions of less than one share are rounded upward to the nearest yen. This excludes the exercise of share subscription rights, the transfer of treasury stock, based on Item 2, Article 5 of additional regulations to Law No. 79 (2001), a revision to the Commercial Code, and the exercise of warrant rights based on the Commercial Code prior to the enactment of another revision of the Commercial Code (Law No. 128, 2001).

$$\begin{array}{c}\text{Post-adjustment}\\\text{exercise price}\end{array} = \begin{array}{c}\text{Pre-adjustment}\\\text{exercise price}\end{array} \text{ X } \frac{\text{Number of issued shares} + \dfrac{\begin{array}{c}\text{Number of newly issued}\\\text{shares X exercise price}\end{array}}{\text{Current market price}}}{\text{Number of issued shares + number of newly issued shares}}$$

According to the above equation, the "number of issued shares" is equivalent to the number of shares issued and outstanding after deducting the number of shares of treasury stock. When the Company disposes of treasury shares, the "number of shares to be disposed" is substituted for the "number of newly issued shares."

When the Company carries out a stock split or reverse stock split of its shares after the issue date, the exercise price is proportionally adjusted by the ratio of the stock split or reverse stock split, and resulting fractions are rounded up to the nearest yen.

Further, when the Company carries out a capital reduction, corporate merger or spin-off after the issue date, the exercise price is adjusted within reasonable bounds whenever it becomes necessary to adjust the said shares, considering the conditions of the capital reduction, corporate merger or spin-off.

(5) Period for the valid exercise of share subscription rights

July 1, 2005 to June 25, 2013

(6) Other conditions for the exercise of share subscription rights

The partial exercise of share subscription rights shall not be allowed.

(7) Good causes and conditions for the invalidation of share subscription rights

1) Share subscription rights shall be invalidated free of charge in the event that the general meeting of shareholders approves a proposed merger in which the Company is not the surviving entity, a stock transfer proposal, or a proposal for a stock swap that will make the Company a wholly-owned subsidiary.

2) The Company may, at any time invalidate any share subscription rights it has acquired.

(8) Share subscription right transfer restrictions

The approval of the Board of Directors is required for the transfer of any share subscription rights.

Item 5

Appointment of eleven directors

The term of office of all ten directors will expire at the conclusion of the present General Meeting of Shareholders.

In order to strengthen the Company's management system, approval of the appointment of the following eleven directors, an increase from the previous ten, is requested.

Career histories of the candidates are as follows.

Candidate Number	Name (Date of Birth)	Career History including Representation of 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 June 2000 Chairman (present)	1,911,700
2	Toshiaki Hirai (Feb. 26, 1942)	Mar. 1966 Joined the Company June 1994 Director Apr. 1998 Executive Vice President June 2000 President (present)	12,000
3	Kenichi Uchida (Apr. 17, 1942)	Sep. 1967 Joined the Company June 1994 Director and Division Manager of Electronic Semiconductor Devices Third Div. Apr. 1997 Director and Division Manager of Electronic Devices & Components Business Div. July 1999 Director and Division Manager of Equipment & Optoelectronics Business Div. June 2000 Senior Vice President and Division Manager of Equipment & Optoelectronics Business Div. and in charge of branches & offices Apr. 2001 Senior Vice President and Division Manager of Equipment & Optoelectronics Business Div. June 2001 Executive Vice President and Division Manager of Equipment & Optoelectronics Business Div. Apr.2003 Executive Vice President and Division Manager of Electronic Equipment First and Second Divs. and in charge of Electronic Product Marketing Office (present)	12,551
4	Yoshihito Akiyama (Feb. 5, 1943)	July 1969 Joined the Company June 1994 Director and Manager of Accounting Dept. Apr. 1997 Director and Deputy Division Manager of Corporate Administration Div. Apr. 1998 Director and Manager of Corporate Planning Dept. June 2000 Senior Vice President and Manager of Corporate Planning Dept. June 2001 Executive Vice President and Manager of Corporate Planning Dept. Dec. 2001 Executive Vice President and Division Manager of Corporate Administration Div. Apr. 2003 Executive Vice President (present)	14,867

5	Tomoyuki Yamawaki (Oct. 10, 1943)	Sep. 1966 Joined the Company June 1996 Director and Manager of Corporate Planning Dept. Apr. 1998 Director and Manager of President's Office June 2000 Senior Vice President and Manager of Secretarial Office and Division Manager of Subsidiaries Management Div. July 2000 Senior Vice President and Division Manager of Subsidiaries Management Div. June 2001 Senior Vice President and Manager of Secretarial Office Apr. 2002 Senior Vice President and Manager of Secretarial Office and in charge of TQM Office (present)	11,310
6	Shoichi Mizushima (Jun. 4, 1944)	Apr. 1967 Joined the Company Apr. 1985 Manager of Subsidiaries Management Dept. Nov. 1988 Manager of Personnel Dept. June 1993 Manager of General Affairs Dept. Apr. 1998 Division Manager of Corporate Administration Second Div. June 1998 Director and Division Manager of Corporate Administration Second Div. Apr. 2000 Director and Division Manager of Corporate Administration Second Div. and Manager of Financial Dept. Dec. 2001 Director and Deputy Division Manager of Corporate Administration Div. Apr. 2003 Director and Division Manager of Corporate Administration Div. (present)	12,303
7	Hiroshi Asai (Oct. 12, 1947)	Apr. 1971 Joined Matsushita Electric Trading Co., Ltd. (currently Matsushita Electric Industry Co., Ltd.) Apr. 1996 Manager of Semiconductor Dept., International Trading Div. Feb. 2000 Joined the Company Apr. 2000 Division Manager of Electronic Devices & Components Business Div. June 2000 Director and Division Manager of Electronic Devices & Components Business Div. Apr. 2001 Director and Division Manager of Electronic Devices & Components Business Div. and in charge of branches & offices Sep. 2001 Director and Division Manager of Subsidiaries Management Div. Sep. 2002 Director and Division Manager of Subsidiaries Management Div. and General Manager of Asia Bloc Apr. 2003 Director and Division Manager of Overseas Subsidiaries Management Div. and General Manager of Asia Bloc (present)	11,300

8	Norimichi Hada (Oct. 8, 1946)	Oct. 1969 Joined the Company 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. July 1996 Division Manager of Electronic Components Div. Apr. 1997 President of Hakuto Taiwan Ltd. (former S&T Enterprises Ltd., Taiwan Branch) June 2001 Director and Division Manager of Subsidiaries Management Div. Sep. 2001 Director and Division Manager of Electronic Devices & Components Business Div. and in charge of branches & Offices Apr. 2002 Director and Division Manager of Electronic Devices & Components Business Div. and Manager of Semiconductor Devices Second Dept. and in charge of branches & Offices Apr. 2003 Director and Division Manager of Electronic Components Div. and in charge of branches (present) <Representative status in other companies> Deputy President of Moldec Co., Ltd	10,593
9	Yoshiaki Sato (June 28, 1947)	Dec. 1982 Joined Hakuto Chemical Co., Ltd. Apr. 1991 Transferred to the Company Oct. 1994 Manager of Fuji Office, Chemical Business Div. Apr. 2000 Manager of Pulp & Paper Process Chemicals Dept., Chemical Business Div. Feb. 2002 Division Manager of Chemical Business Div. (present)	3,900
10	Eiichi Miyake (Aug. 7, 1934)	Dec. 1974 Founded Sanei Giken Co., Ltd. as President (present) June 1996 Director of the Company (present) <Representative status in other companies> President of Sanei Giken Co., Ltd.	367
11	Ichiro Takayama (Jan. 3, 1958)	June 1990-June 1996 Director of the Company June 2000 Associate Professor, University of California at San Francisco, Medical School, Pediatrics Appointed Director of the Company (present) Apr. 2003 Director of Interdisciplinary Medicine, National Children's Medical Center (present)	1,058,923

Notes:

1. Eiichi Miyake, a candidate for Director, meets the requirements for an outside director as stipulated in Article 188, Section 2-7-2 of the Commercial Code.
2. Special interest between candidates and the Company

   Shigeo Takayama, a candidate for Director, is President of Takayama International Education Foundation, with which the Company conducts syndication transactions.

   Norimichi Hada, a candidate for Director, is Deputy President of Moldec Co., Ltd. The Company conducts trading with Moldek for connectors and electronic parts.

   Eiichi Miyake, a candidate for Director, is President of Sanei Giken Co., Ltd. The Company conducts trading with Sansei for print-circuit board apparatus.

   None of these candidates has any vested interest in the Company.

Item 6:

Appointment of one corporate auditor

In order to strengthen the auditing system, the Company requests your approval of the appointment of this additional corporate auditor.

The career history of the candidate is as follows.

The submission of Item 6 has been approved by the board of corporate auditors.

Name (Date of Birth)	Career History including Representation of Other Companies		Number of Shares of the Company Owned By the Candidate
Hideo Watanabe (Aug. 24, 1947)	Apr. 1975 Nov. 1983 July 1995 Dec. 2001 Apr. 2003	Joined Hakuto Chemical Co., Ltd. Transferred the Company Manager of Accounting Dept. Manager of Accounting and Finance Depts. Deputy Division Manager of Corporate Administration Div. and Manager of Financial & Accounting Dept. (present)	1,000

Note: The candidate has no vested interests in the Company.

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