

June 5, 2015

Dear Shareholders,

Hakuto Co., Ltd.

1-13, Shinjuku 1-chome, Shinjuku-ku, Tokyo

Notice of the 63rd Annual General Meeting of Shareholders

You are cordially invited to attend the 63rd 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 on pages 31 to 41 of 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, 2015, 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, smartphone or cell phone to access the Voting Right Exercise Site: <http://www.evotep.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, etc., please refer to page 42 and 43 of the “Procedures for Exercising Voting Rights via the Internet, etc.”

Sincerely,

Ryusaburo Sugimoto
President

Details

- 1. Date & Time:** Thursday, June 25, 2015 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 63rd fiscal year (from April 1, 2014 to March 31, 2015), and the audit reports of consolidated financial statements by the Accounting Auditors (CPAs) and the Company's Audit & Supervisory Board
2. Non-consolidated financial statements for the Company's 63rd fiscal year (from April 1, 2014 to March 31, 2015)

(2) Items to be resolved:

Item 1: Partial Amendments to the Articles of Incorporation

Item 2: Appointment of Eight (8) Directors

Item 3: Appointment of One (1) Audit & Supervisory Board Member

4. Matters concerning convocation

- (1) The "Notes to the Consolidated Financial Statements" and the "Notes to the Non-Consolidated Financial Statements" have been posted on the Company's website (<http://www.hakuto.co.jp>) in accordance with the relevant laws and regulations and Article 15 of the Articles of Incorporation of the Company. Hence, they are not included in the attached documents to the Notice of the 63rd Annual General Meeting of Shareholders as part of the set of documents to be provided. For this reason, the consolidated financial statements and non-consolidated financial statements indicated in the attached documents to this Notice are part of the consolidated financial statements and non-consolidated financial statements that were audited by Audit & Supervisory Board Members for preparing the audit report and the Accounting Auditors (CPAs) for preparing the independent auditor's report respectively.
- (2) In the event that no indication of "for" or "against" has been made, this shall be treated as the intent of approval.
- (3) 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.
- (4) In the case of multiple voting via the Internet, etc., the last voting shall prevail.
- (5) If split votes are cast, a written notice of the diverse exercise of voting rights and the reasons thereof must be provided by three (3) days in advance of the Annual General Meeting of Shareholders.

Business Report
(From April 1, 2014 to March 31, 2015)

1. Corporate Group's Business Environment

(1) Business conditions during the fiscal year under review

1) Business developments and results

Looking back on the global economy during the fiscal year ended March 31, 2015, the positive signs for the economic future were seen as consumer-related market remained strong in the U.S. amid historically low prices of crude oil.

In Europe, however, there was continuing instability on many fronts, as could be seen with the debt crisis in Greece and economic sanctions on Russia. China saw regulation of lending in real estate investment, which slowed economic growth.

In Japan, the yen being weakened to a record-breaking level in the second half of the fiscal year became an opportunity for expansion in earnings for key export industries, including automotive, and accordingly, performance of export companies improved by a large margin. As a response to the weakened yen, a return to purchases of domestic raw materials and parts could also be seen in some places.

Under such conditions, in regards to developments in the electronics industry, the Group's mainstay area of business, vehicle-mounted products shifted towards stronger sales due to steady automotive sales in North America, whereas consumer electronics sales, including PCs and digital cameras, remained sluggish. In the mobile devices market, investment in related production facilities expanded further due to the increasingly wide-spread use of smartphones in developing nations. Shipments of touch panel-related electronic components were also steady. In the industrial chemical-related field, the domestic market has been shrinking due to the reorganization of major oil wholesale companies in the petroleum and petrochemical-related sectors. The paper and pulp sector also saw a continuing downward trend in demand for paper used in advertising media.

Under such circumstances, the consolidated net sales for the fiscal year under review amounted to ¥131,073 million, a 1.2% year-on-year decrease. Regarding profit and loss, the sale prices denominated in the foreign currencies rose due to the weakening of the Japanese yen and gross profit increased 2.0% year-on-year to ¥19,481 million. Selling, general and administrative expenses increased 0.8% to ¥15,174 million, operating income increased 6.5% to ¥4,307 million and ordinary profit increased 8.0% to ¥4,555 million. Thus, net income amounted to ¥3,394 million, a 45.3% year-on-year increase, after extraordinary income including gain on sale of subsidiaries' shares and gain on sale of tangible fixed assets.

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

Electronic Components Business

In the electronic components segment, communications infrastructure-related investments in North America stagnated, which caused a downturn in sales of optical transmission parts. Sales of electronic components for LCD TVs and PCs remained severe. In addition to sales of vehicle-mounted components becoming steady due to the electronization of automotive equipment, sales of industrial equipment-related parts expanded due to an increase in capital investment. Also, electronic components for multifunctional printers and solar power-related products, such as solar panels, became favorable. As a result, net sales in the electronic components segment for the consolidated fiscal year under review decreased 1.6% year-on-year to ¥99,301 million, and segment income increased 11.3% year-on-year to ¥2,940 million.

Electronic and Electric Equipment Business

In the electronic and electric equipment segment, global demand rose for development in next-generation semiconductor packages. In addition, new Projection Exposure Apparatus was sold to Taiwanese semiconductor manufacturing companies. Also, compound semiconductor manufacturing equipment, Pelletron accelerators for research organizations and medical Cyclotron for pharmaceutical production facilities were sold in the domestic market. As a result, sales in this segment for the consolidated fiscal year under review increased 5.9% year-on-year to ¥22,343 million, and segment income increased 5.0% year-on-year to ¥889 million.

Industrial Chemicals Business

A real recovery in domestic consumption eluded the industrial chemicals segment. Overall, use of chemicals handled by the Company declined due to diminishing demand for petroleum and reduced production from major paper manufacturers. On the other hand, sales of products such as polymerization inhibitors and cooling water treatment additives for petroleum and petrochemicals were strong. In addition, an industrial chemicals subsidiary company was sold. As a result, sales in this segment for the consolidated fiscal year under review decreased 11.0% year-on-year to ¥9,399 million, and segment income decreased 13.7% year-on-year to ¥443 million.

Others Business

This segment consists mainly of general operation and logistics management operations of the Company on a consignment basis, as well as agency business for insurance companies. Reported sales were ¥709 million, a 2.5% year-on-year decrease, and segment income was ¥20 million, a 17.0% year-on-year increase for the consolidated fiscal year under review.

Sales by segment

	FY 2013 (fiscal year ended March 2014)		FY 2014 (fiscal year ended March 2015)	
	Sales (¥ million)	Ratio to total (%)	Sales (¥ million)	Ratio to total (%)
Electronic Components	100,940	75.7	99,301	75.4
Electronic and Electric Equipment	21,089	15.8	22,343	17.0
Industrial Chemicals	10,566	7.9	9,399	7.1
Others	727	0.5	709	0.5
Sub-total	133,324	100.0	131,754	100.0
Internal Transaction	(705)	—	(681)	—
Total	132,619	100.0	131,073	100.0

Note: Figures are exclusive of consumption tax.

Outlook of the Next Fiscal Year

In the fiscal year ending March 2016, although concerns exist over slowing economic growth in China and recurrence of the European financial crisis, expectations are on the rise for a real recovery in business due to the following factors: government measures including lowering the corporate tax rate, a rise in consumer confidence due to greater pay rises, and improved performance of export companies due to the weakened yen.

The Group will strengthen sales in growing markets including vehicle-mounted products and industrial equipment, and will expand sales of its products, electronic equipment in particular, to local companies through the Group's business network in Asia.

In consideration of such business conditions, the Company forecasts consolidated net sales to increase 3.8% year-on-year to ¥136.0 billion and consolidated operating income to increase 2.1% to ¥4.4 billion. However, without including non-operating income or extraordinary income in the forecast, the Company forecasts consolidated ordinary profit to decrease 3.4% to ¥4.4 billion and consolidated net income to decrease 14.6% to ¥2.9 billion for the fiscal year ending March 2016.

2) Investment in plant & equipment

The total investment in plant and equipment for the consolidated fiscal year under review was ¥818 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

The Company sold all shares of FUYO Chemical Industries Co., Ltd., a consolidated subsidiary, to AQUAS CORPORATION on June 30, 2014.

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

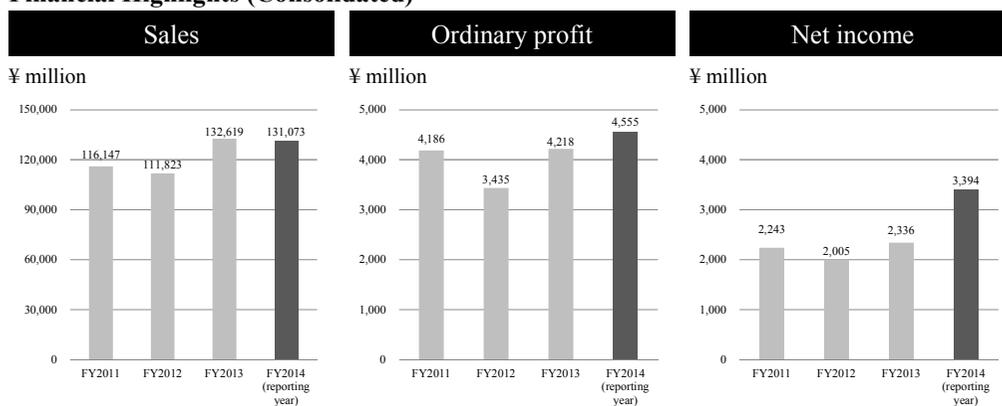
(¥ million)

	FY2011	FY2012	FY2013	FY2014 (reporting year)
Sales	116,147	111,823	132,619	131,073
Ordinary profit	4,186	3,435	4,218	4,555
Net income	2,243	2,005	2,336	3,394
EPS (yen)	102.64	91.74	106.86	155.08
Total assets	72,380	74,176	82,808	82,785
Net assets	41,260	43,553	46,528	50,799
BPS (yen)	1,880.69	1,992.53	2,128.62	2,318.50

Notes:

1. EPS (Earnings Per Share) is 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.
2. The treasury shares excluded from calculating EPS and BPS for FY2013 and FY2014 include the shares of the Company held by the ESOP Trust Account (please refer to “6) Other important matters concerning shares” on page 11).

Financial Highlights (Consolidated)



(3) Principal subsidiaries

	Capital stock	Ratio of voting rights held by the Company (%)	Principal lines of business
Microtek Inc.	¥300 million	100	Import/export of electronic equipment and components
Hakuto Enterprises Ltd.	HK\$22,025 thd.	100	Import/export of electronic equipment and 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
Hakuto Enterprises (Shanghai) Ltd.	US\$8,000 thd.	100	Import/export of electronic equipment and components

(4) Issues facing the Company

During FY2014, while negative effects of the consumption tax increase were felt during the first half of the fiscal year, with the further drop in the yen in the second half and the accompanying increase in exports amid rising stock prices, the domestic economy continued to be relatively favorable. While there was a slight drop in sales, the Group was able to attain profit growth.

On the other hand, uncertainty has manifested in the slowing down of the Chinese economy and concern about further deflation in the European economy. In the electronics market an environment of survival of the fittest is becoming increasingly notable.

Under such circumstances, with an aim to achieve continuous growth and increased enterprise value, the Company will address the issues stated below.

1) Cultivating Next-Generation Key Items

The Group has been optimizing product balance as part of its business strategy. In order to secure continuous growth potential, the Group will continuously introduce promising products for growing markets and focus on cultivating next-generation key products for each business.

Specifically, the electronic components business aims to expand our vehicle-mounted products business by strengthening promotion of new product groups in the automotive-related segment where technological innovation is progressing. Regarding the solar-panel business, which is becoming a key area, the Group plans to develop its related businesses such as smart houses.

As for the electronic and electric equipment business, the Group will establish market valuation for the compound semiconductor manufacturing equipment of Veeco Instruments Inc. in the U.S., a major commercial right. The Group will also aim for early-stage product development and market introduction of next-generation lithography equipment for printed circuit boards. Regarding industrial chemicals, the Group will begin branding its own cosmetics business starting this fiscal year.

2) Strengthening Overseas Business with Optimal Overseas Expansion Measures

The production base of the manufacturing industry in Japan has been of late trending toward decentralization, due to factors such as the establishment of the weakened yen, a rise in labor costs and risk aversion.

Accordingly, as an optimal overseas expansion measure, the Group will strengthen overseas business not only by developing in Asia, with China as its center, but also by planning for development of production bases in Europe and the U.S.

3) Strengthening Corporate Governance

The Company considers the recent call for listed companies to strengthen corporate governance an important management issue and as a preliminary step will implement the following measures.

Specifically, the Company will introduce the executive officer system in June of this year, plan for refinement and acceleration of the business decision-making process, and strengthen business execution function. Meanwhile, from a standpoint that further values the stockholder, starting this fiscal year the Group will set the ROE (Return on Equity) to at least 8% as a clear business objective, change the target payout ratio on a consolidated basis from the previous at least 20% to at least 30%, and will continually devise measures to increase mid to long-term enterprise value.

4) Designing Management that Contributes to Growth

In regards to business management, as consolidated management that is centered on risk management becomes increasingly important each year, the Group aims to design management that further contributes to the continual growth of our business.

Specifically, going back to the idea that the development of human resources is what contributes most to the growth of a business, the Group will reinvigorate investment in talent and work to secure and nurture people who can thrive through global expansion.

Further to this, toward the elevation of our consolidated management business, beginning this fiscal year, the Group will enter its final stage of restructuring the Group's entire core system, which started two years ago. During this final stage, the Group will introduce the system to each overseas production base starting with Hong Kong, coordinate information between the main office and overseas bases, and intensify consolidated management. This will apply not only in financial affairs, such as exchange rate and funding, but also in the legal and business segments, progressing towards a wider range of management businesses.

(5) Main business lines (as of March 31, 2015)

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

Main products in each segment are as follows.

Segment	Main products
Electronic Components	Semiconductor devices; connectors; optical components; photovoltaic panels
Electronic and Electric Equipment	Devices and equipment used in the manufacturing of semiconductors; equipment for PCBs; various vacuum pumps; refrigerator units for vacuum production equipment; electrostatic accelerators
Industrial Chemicals	Industrial chemicals used in the oil refining and petrochemical industries; chemicals for water treatment; chemicals for the paper & pulp industry; paint-resistant chemicals; base materials for cosmetics
Others	Outsourcing business

(6) Principal offices and plants (as of March 31, 2015)

1) Principal offices and plants of the Company

Name	Location
Head Office	Shinjuku-ku, Tokyo
Kansai Branch	Osaka, Osaka
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.	Shinjuku-ku, Tokyo
Hakuto Enterprises Ltd.	Kowloon, Hong Kong
Hakuto Singapore Pte. Ltd.	Singapore
Hakuto Taiwan Ltd.	Taipei, Taiwan
Hakuto Enterprises (Shanghai) Ltd.	Shanghai, China

(7) Employees (as of March 31, 2015)**1) Employees of the Group**

Business segment	Number of employees	Change from end of previous fiscal year
Electronic Components	658	20
Electronic and Electric Equipment	255	(21)
Industrial Chemicals	131	(60)
Others	99	(1)
Common in the Group	168	(6)
Total	1,311	(68)

Notes:

1. The number of employees is the number of those who are employed by the Group.
2. Decrease in number of employees of Industrial Chemicals segment is due to the disposition of a subsidiary in the segment.
3. 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 fiscal year	Average age	Average number of years of service
628	Increase by 8	42.6	14.1

Note: The above figures exclude 24 employees currently dispatched to subsidiaries.

(8) Principal sources of borrowings (as of March 31, 2015)

(¥ million)

Sources	Balance of borrowings
Sumitomo Mitsui Banking Corporation	2,309
Resona Bank, Limited	1,715
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,580
Mizuho Bank, Ltd.	1,183
Mitsubishi UFJ Trust and Banking Corp.	1,025

(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, 2015)

- 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 fiscal year)
Of which treasury shares: 2,043,588 shares
 3) **Number of shares per trading unit (tangen):** 100 shares
 4) **Number of shareholders:** 5,922 (decreased by 1,061 from the previous fiscal year)

5) Major shareholders (top ten):

Name of shareholder	Number of shares held (thousands shares)	Ownership (%)
Takayama International Education Foundation	4,226.2	19.12
Japan Trustee Services Bank, Ltd. (trust account)	1,090.0	4.93
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)	924.9	4.18
STATE STREET BANK AND TRUST COMPANY 505223	730.9	3.30
CMBL S.A. RE MUTUAL FUNDS	586.3	2.65
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	373.7	1.69
Kuroda Electric Co., Ltd.	331.0	1.49

Notes:

- Number of shares held is rounded down to the nearest 100 shares.
- Ownership is calculated based on the number of shares issued and outstanding (22,093,625), which excludes treasury shares. Percentages have been rounded down to two decimal places. Therefore, 183,300 shares of the Company held by the ESOP Trust Account (please refer to “6) Other important matters concerning shares” below) are not added to the treasury shares.
- Treasury shares are excluded from the list of major shareholders above.

6) Other important matters concerning shares

The Company resolved at its meeting of the Board of Directors on February 28, 2014 to introduce an Employee Stock Ownership Plan (ESOP) Trust as an employee incentive plan with the purpose of further enhancing the welfare benefit plan for employees who support the growth of the Company and encouraging employees to raise their awareness about performance and stock value by attaching an incentive to raise the stock price, thereby promoting enhancement of corporate value on a mid-to-long-term basis.

In conjunction with the introduction of the ESOP Trust, a resolution was reached at the meeting of the Board of Directors on February 28, 2014 to dispose, by way of third-party allotment, of 235,400 treasury shares (ratio of 0.98% against the total number of shares issued and outstanding) at a total amount of 229,985,800 yen to Mitsubishi UFJ Trust and

Banking Corporation [Joint trustee: The Master Trust Bank of Japan, Ltd. (ESOP Trust Account)] and executed the disposition effective March 20, 2014. The total number of shares held in the ESOP Trust Account as of March 31, 2015 is 183,300.

(2) Share subscription rights

There are no items to report.

(3) Corporate Officers

1) Directors and Audit & Supervisory Board Members (as of March 31, 2015)

Name	Positions in the Company	Responsibility and status of material holding of concurrent positions
Ryusaburo Sugimoto	President (Representative Director)	
Yoshinae Takada	Director & Executive Vice President	Supervisor over Corporate Administration Div. and Corporate Management Div. and Division Manager of Corporate Management Div. and Manager of Corporate Planning Dept. and in charge of Risk Management and Corporate Compliance
Noriaki Tomioka	Director & Senior Vice President	In charge of Electronic Equipment Div. and Overseas Business Operation Div.
Ryoji Abe	Director & Vice President	Division Manager of Semiconductor Devices 2nd Div. and Electronic Components Div.
Jun Takagi	Director & Vice President	In charge of domestic subsidiaries
Nobuhito Shintoku	Director & Vice President	Division Manager of Corporate Administration Div. and Manager of General Affairs Dept. and Chief of Isehara Technical Center and Branch Manager of Kansai Branch and in charge of Branch Office (related to Administration), President of Hakuto A&L Co., Ltd.
Ichiro Takayama	Director & Vice President	
Katsuyoshi Iwashiro	External Director	
Keiji Kondo	External Director	Attorney at law
Shinkichi Suzuki	Full-time Audit & Supervisory Board Member	
Atsushi Inuzuka	External Audit & Supervisory Board Member	External Audit & Supervisory Board Member of Nippon Filcon Co., Ltd.
Satoshi Nakaizumi	External Audit & Supervisory Board Member	Certified Public Accountant

Notes:

1. Among the Directors, Messrs. Katsuyoshi Iwashiro and Keiji Kondo are External Directors.
2. Messrs. Atsushi Inuzuka and Satoshi Nakaizumi are External Audit & Supervisory Board Members.
3. Messrs. Shinkichi Suzuki, Atsushi Inuzuka and Satoshi Nakaizumi, who are all Audit & Supervisory Board Members, have extraordinary insight regarding financial and accounting matters, as described below.
 - The full-time Audit & Supervisory Board Member Mr. Shinkichi Suzuki has considerable insight with regard to general business management including financial and accounting matters, serving as an officer in charge of management for the Company and its subsidiary.

- The Audit & Supervisory Board Member Mr. Atsushi Inuzuka has considerable insight with regard to general business management including financial and accounting matters, with abundant experience and knowledge as a former business manager and an External Audit & Supervisory Board Member.
 - The Audit & Supervisory Board Member Mr. Satoshi Nakaizumi holds license as a certified public accountant.
4. The Company appointed Director Mr. Keiji Kondo and Messrs. Atsushi Inuzuka and Satoshi Nakaizumi, who are Audit & Supervisory Board Members, as Independent Officers as stipulated by Tokyo Stock Exchange, and filed the relevant notification with the TSE.

2) Directors and Audit & Supervisory Board Members retired during the fiscal year under review

Name	Date of retirement	Reason	Positions as of retirement and material concurrent positions
Hitoshi Takigami	June 26, 2014	Expiration of term of office	Director & Vice President, Division Manager of Chemical Business Div.
Jun Takagi	March 31, 2015	Resignation	Director & Vice President in charge of domestic subsidiaries
Chikao Fukuda	June 26, 2014	Expiration of term of office	External Director, Attorney at law
Tadao Kuwano	June 26, 2014	Expiration of term of office	External Audit & Supervisory Board Member, Certified Public Accountant, Certified Tax Accountant

3) Total compensation to Directors and Audit & Supervisory Board Members for the fiscal year under review

Positions	Number of recipients	Amount of payment (¥ million)
Directors (External Directors)	11 (3)	245 (13)
Audit & Supervisory Board Members (External Audit & Supervisory Board Members)	4 (3)	32 (11)
Total	15	277

Notes:

1. Payments to Directors do not include the employee salaries of persons simultaneously appointed as employee and director.
2. As of the end of the fiscal year ended March 31, 2015, the number of Directors is nine (including two External Directors) and the number of Audit & Supervisory Board Members is three (including two External Audit & Supervisory Board Members). The above number of recipients and payment amounts include two Directors and one Audit & Supervisory Board Member retired due to the expiration of their terms of office at the conclusion of the 62nd Annual General Meeting of Shareholders held on June 26, 2014 and one Director resigned on March 31, 2015.
3. The above amount of payment includes directors' bonuses as follows:
 - Eight (8) Directors, ¥62 million
(of which, two (2) External Directors, ¥2 million)
 - Three (3) Audit & Supervisory Board Members, ¥4 million
(of which, two (2) External Audit & Supervisory Board Members, ¥2 million)
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 Audit & Supervisory Board Members was set at ¥60 million in the 40th Annual General Meeting of Shareholders held on June 29, 1992.

4) Matters regarding External Directors and External Audit & Supervisory Board Members

- (A) Matters regarding status of material holding of concurrent positions (in positions with executive authority at other companies) and relationships between the Company and those other companies
There are no items to report.
- (B) Principal concurrent positions as other companies' External Directors or Audit & Supervisory Board Members etc. and relationships between the Company and those other companies
 - Audit & Supervisory Board Member Mr. Atsushi Inuzuka is an External Audit & Supervisory Board Member of Nippon Filcon Co., Ltd. There are no special relationships between Nippon Filcon Co., Ltd. and the Company.

(C) Main activities during the fiscal year under review

Position	Name	Main activities
Director	Katsuyoshi Iwashiro	Mr. Iwashiro attended all 12 Board of Directors meetings held during the fiscal 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.
Director	Keiji Kondo	Mr. Kondo attended all 10 Board of Directors meetings held during the fiscal 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.
Audit & Supervisory Board Member	Atsushi Inuzuka	Mr. Inuzuka attended all 12 Board of Directors meetings held during the fiscal 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 deep insight about management as a business manager in the other industry. Mr. Inuzuka also attended all 11 Audit & Supervisory Board meetings where his activities included participation in exchanges of opinions and discussions of audit results and important audit-related matters.
Audit & Supervisory Board Member	Satoshi Nakaizumi	Mr. Nakaizumi attended all 10 Board of Directors meetings held during the fiscal 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. Mr. Nakaizumi also attended all 9 Audit & Supervisory Board meetings where his activities included participation in exchanges of opinions and discussions of audit results and important audit-related matters.

Notes:

1. Mr. Keiji Kondo was elected as a Director at the 62nd Annual General Meeting of Shareholders held on June 26, 2014. Therefore, the number of Board of Directors meetings that he could attend was different from those of other Directors.
2. Mr. Satoshi Nakaizumi was elected as an Audit & Supervisory Board Member at the 62nd Annual General Meeting of Shareholders held on June 26, 2014. Therefore, the number of Board of Directors meetings and Audit & Supervisory Board meetings that he could attend was different from those of other Audit & Supervisory Board Members.

(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 Audit & Supervisory Board Members in the manner provided in Article 423, Paragraph 1 of the Companies Act.

Based on these agreements, the liability of Mr. Katsuyoshi Iwashiro and Mr. Keiji Kondo, who are both Directors, shall be limited to the higher of an amount of at least ¥3 million or an amount stipulated by laws and regulations, and the liability of Mr. Atsushi Inuzuka and Mr. Satoshi Nakaizumi, who are both Audit & Supervisory Board Members, shall be limited to the higher of an amount of at least ¥2 million or an amount stipulated by laws and regulations.

(4) Accounting Auditor

1) **Name:** KPMG AZSA LLC

2) Compensation

	Amount of Payment
Compensation for work related to the fiscal year under review	¥51 million
Total monetary and other assets payable to the Accounting Auditor by the Company and its subsidiaries	¥59 million

Notes:

1. Among the Company's principal subsidiaries, Hakuto Enterprises Ltd., Hakuto Singapore Pte. Ltd., Hakuto Taiwan Ltd. and Hakuto Enterprises (Shanghai) 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 fiscal year under review is reported as the total of these two amounts.

3) Non-audit Work

The Company pays a fee to its Accounting Auditor for advisory duties regarding internal controls to examine adoption of new core system and financial reporting, which are 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 Audit & Supervisory Board 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 Audit & Supervisory Board or at the behest of Audit & Supervisory Board, shall submit to the General Meeting of Shareholders a resolution to either dismiss or not reappoint the Accounting Auditor.

(5) Basic policy for establishment of internal control systems

The Company resolved, at the meeting of the Board of Directors, the basic policy to establish "Systems for ensuring that execution of duties by directors complies with laws

and regulations and the articles of incorporation, and other systems necessary to ensure the properness of operation of a company” (internal control system) provided for in Article 362, Paragraph 4, item 6 of the Companies Act and Article 100, Paragraph 1 and Paragraph 3 of the Enforcement Regulations of the Companies Act as follows:

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

- (A) With the Hakuto Group Ethical Code and the Rules for Compliance serving as the code of conduct for the Company and its consolidated subsidiaries (“the Group”), training and other measures targeting the Group’s Directors and employees shall be regularly implemented to ensure that all company activities are in compliance with the laws and regulations 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 General Affairs Dept., which shall bear operational responsibility for compliance activities, shall prepare compliance programs and build and maintain the Group-wide compliance systems. The Internal Control 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 for the Group as a whole and report the results of these discussions to the Board of Directors.
- (D) Based on the Group’s Whistleblower Protection Rule, a channel allowing employees to directly report to the Group-wide Compliance Committee information on violations of laws and regulations 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 systematically 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 electromagnetic record) 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 General Affairs Dept., which shall bear operation responsibility for risk management, shall construct the Group-wide risk management system.
- (B) A Director responsible for risk management decides departments in charge of each type of risk assumed by the Group. Those departments carry out various measures to make risk management more effective, and continuously monitor status of risk management.
- (C) In preparation for the possibility of the realization of the Group-wide 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 for the consolidated group companies by the Board of Directors, the setting of performance objectives and budgets and the management of performance on a monthly and quarterly basis for each business segment or by each subsidiary by responsible Directors based on the management plans, and the review of monthly and quarterly performance and the implementation of performance improvement measures by the Board of Directors and Board of Managing Directors.
- (B) The speed of decision-making shall be increased through measures like simplifying the decision-making process. The Board of Managing Directors shall make a decision on important matters in a council system to ensure decisions are made with heightened caution.
- (C) To ensure the efficient performance of 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, the Rules for Administrative Authority and the Rules for Managing Affiliates in Japan and Overseas.

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 the Group, Internal Control Systems for the Hakuto Group shall be constructed by having each of Group companies adopt necessary rules based on the 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 General Affairs Dept. shall promote and manage the construction of these systems throughout the Hakuto Group.
- (C) The Department responsible for management of subsidiaries shall supervise subsidiaries' management based on the Rules for Managing Affiliates in Japan and Overseas. The responsibilities include: (i) having subsidiaries periodically report to the Company as to their operational performance, financial status and other significant management issues, (ii) holding periodical top management meetings which the Group's Directors attend and (iii) establishing the reporting system under which any significant issues in subsidiaries are reported to the management meetings.
- (D) Based on the Financial Instruments and Exchange Law, each company of the Group shall establish and implement necessary, appropriate internal controls over financial reporting in order to ensure the reliability of the financial reports of the 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 needed, as required by the Rules for Internal Control.

6) Matters regarding employees whom Audit & Supervisory Board Members 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 Audit & Supervisory Board Members in their duties shall be provided, and employees supporting Audit & Supervisory Board Members in their duties shall be appointed from among the Company's employees. The Audit & Supervisory Board's agreement shall be obtained in advance regarding the

transfers and performance evaluations of such employees. Employees assigned to assist Audit & Supervisory Board Members shall not simultaneously bear responsibility for the Company business activities and shall not follow directions issued by Directors.

7) Systems allowing Directors and employees to report to Audit & Supervisory Board Members, and other systems concerning reporting to Audit & Supervisory Board Members

- (A) Directors and employees shall immediately report to Audit & Supervisory Board events causing great damage to the Company, events that are likely to cause great damage to the Company or its subsidiaries should they happen, discoveries of illegal or improper activity, and other events specified as warranting a report to Audit & Supervisory Board. Audit & Supervisory Board Members may also seek reports from Directors and employees. Reports shall be submitted in formats determined in discussions by the Directors and Audit & Supervisory Board.
- (B) Audit & Supervisory Board Members shall be periodically reported to by the Internal Control Office regarding the status of the internal audits of the Group, and by the General Affairs Dept. regarding the update of the Group compliance and risk management and the status of whistle-blowing activity.
- (C) It shall be prohibited to give any disadvantageous treatment to a whistle-blower who internally reports to Audit & Supervisory Board Members on the ground of such whistleblowing. Full dissemination to all Directors and employees shall be ensured about this matter.

8) Other systems for ensuring the efficient performance of audits by Audit & Supervisory Board Members

- (A) Discussions shall be regularly held with the President to promote appropriate mutual understanding and the effective performance of audit work.
- (B) Audit & Supervisory Board Members shall be able to consult with outside professionals such as lawyers or CPAs when it is necessary for them to conduct their duties, and the Company shall bear such costs.

(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 30%, after overall considerations of factors such as each fiscal year's performance, financial conditions and future business strategies.

Internal reserves shall be actively invested in business fields with high growth and profit potential, to strengthen sales and technical capabilities and invest in areas such as capital facilities and R&D with the goal of expanding the Company's business in the future.

In order to flexibly carry out a capital policy, the Company will acquire common stocks for treasury shares in an appropriate manner, considering financial conditions and other factors.

Regarding the year-end dividend payment for the fiscal year under review, the Company resolved to pay the dividend of ¥25 per share, an increase of ¥5 per share, according to the above-mentioned policies and business performance at the Board of Directors meeting held on May 15, 2015. Added to the interim dividend of ¥15 per share paid in December 2014, the total amount of dividends paid for the fiscal year under review is ¥40 per share, and the consolidated payout ratio is 25.8%.

The Company stipulates in the Articles of Incorporation that the Company may, by a resolution of the Board of Directors, pay dividends from surplus pursuant to the provision of Article 459, Paragraph 1 of the Companies Act. As a policy, the Company pays out dividends twice in each fiscal year as interim dividends and year-end dividends.

(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 the company's financial and operational policies ("the basic policies"), which are stipulated in Article 118 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 specific manufacturers 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 with customers, and embodies mutual development and the creation of positive relationships since our foundation to present.

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

The Company seeks 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, the Company plans to implement the following strategies in each segment:

■ Electronics Segment

The Company 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. The Company also intends 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, the Company will exploit a new demand and provide new products that can meet the needs of the society. The Company will also develop markets and customers where the Company 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 118 Paragraph 3. 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 appropriate defensive measures, to the extent allowed by the laws and regulations 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 are rounded down to the nearest unit.

Consolidated Balance Sheet

As of March 31, 2015

(Unit: ¥ million)

Assets	
Current assets	66,046
Cash and deposits	12,437
Notes and accounts receivable - trade	32,874
Merchandise and finished goods	18,096
Work in progress	44
Raw materials and supplies	559
Deferred tax assets	784
Other current assets	1,378
Less: Allowance for doubtful accounts	(128)
Noncurrent assets	16,739
Tangible fixed assets:	7,293
Buildings and structures	1,111
Machinery and production equipment	2,600
Land	3,080
Other tangible fixed assets	501
Intangible assets:	1,332
Investments and other assets:	8,112
Investment securities	7,324
Net defined benefit asset	383
Deferred tax assets	40
Other investments	436
Less: Allowance for doubtful accounts	(71)
Total assets	82,785

Consolidated Balance Sheet

As of March 31, 2015

(Unit: ¥ million)

Liabilities	
Current liabilities	25,706
Notes and accounts payable - trade	14,649
Electronically recorded obligations - operating	2,141
Short-term borrowings	5,288
Accrued income taxes	531
Allowance for bonuses to employees	936
Allowance for bonuses to directors	66
Allowance for product warranty	12
Other current liabilities	2,081
Long-term liabilities	6,280
Long-term borrowings	3,810
Deferred tax liabilities	1,998
Allowance for directors' severance and retirement benefits	19
Net defined benefit liability	364
Other long-term liabilities	87
Total liabilities	31,986
Net Assets	
Shareholders' Equity	46,172
Capital stock	8,100
Capital surplus	7,289
Retained earnings	34,714
Treasury shares	(3,932)
Accumulated other comprehensive income	4,626
Other unrealized gains on available-for-sale securities	3,206
Deferred gains or losses on hedge	(7)
Foreign currency translation adjustment	1,663
Remeasurements of retirement benefits	(235)
Total net assets	50,799
Total liabilities and net assets	82,785

Consolidated Statement of Income

April 1, 2014 to March 31, 2015

(Unit: ¥ million)

Sales		131,073
Cost of sales		111,591
Gross profit		19,481
Selling, general and administrative expenses		15,174
Operating income		4,307
Non-operating revenue		
Interest and dividend income	198	
Foreign exchange gains	77	
Investment profit on equity method	13	
Other miscellaneous revenues	101	391
Non-operating expenses		
Interest expense	88	
Other miscellaneous expenses	54	142
Ordinary profit		4,555
Extraordinary income		
Gain on sale of tangible fixed assets	218	
Gain on sale of investment securities	3	
Gain on sale of subsidiaries' shares	240	
Special dividends	107	
Other miscellaneous income	20	589
Extraordinary losses		
Loss on sales and disposal of tangible fixed assets	10	
Lease cancellation penalty	27	
Asset impairment loss	50	
Other miscellaneous loss	2	91
Income before income taxes and minority interest		5,054
Income taxes - current	1,363	
Income taxes - deferred	296	1,660
Income before minority interests		3,394
Net income		3,394

Consolidated Statement of Changes in Net Assets

April 1, 2014 to March 31, 2015

(Unit: ¥ million)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total
Balance at beginning of the fiscal year	8,100	7,289	31,777	(3,982)	43,183
Cumulative effect of changes in accounting policies			316		316
Restated balance	8,100	7,289	32,093	(3,982)	43,500
Changes during the fiscal year					
Cash dividends			(773)		(773)
Net income			3,394		3,394
Disposal of treasury shares				50	50
Acquisition of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity during the fiscal year					
Total changes during the fiscal year	—	—	2,620	50	2,671
Balance at end of the fiscal year	8,100	7,289	34,714	(3,932)	46,172

	Accumulated other comprehensive income					Total net assets
	Other unrealized gains on available-for-sale securities	Deferred gains or losses on hedge	Foreign currency translation adjustment	Remeasurements of retirement benefits	Total	
Balance at beginning of the fiscal year	3,280	63	306	(306)	3,344	46,528
Cumulative effect of changes in accounting policies						316
Restated balance	3,280	63	306	(306)	3,344	46,844
Changes during the fiscal year						
Cash dividends						(773)
Net income						3,394
Disposal of treasury shares						50
Acquisition of treasury shares						(0)
Net changes of items other than shareholders' equity during the fiscal year	(74)	(70)	1,356	71	1,282	1,282
Total changes during the fiscal year	(74)	(70)	1,356	71	1,282	3,954
Balance at end of the fiscal year	3,206	(7)	1,663	(235)	4,626	50,799

Non-Consolidated Balance Sheet

As of March 31, 2015

(Unit: ¥ million)

Assets	
Current assets	46,584
Cash and deposits	6,767
Notes receivable - trade	3,164
Accounts receivable - trade	21,652
Merchandise and finished goods	12,720
Work in progress	20
Raw materials and supplies	468
Advance payment	218
Prepaid expenses	140
Deferred tax assets	668
Accounts receivable - other	417
Other current assets	358
Less: Allowance for doubtful accounts	(12)
Noncurrent assets	20,982
Tangible fixed assets:	6,186
Buildings	823
Structures	34
Machinery and production equipment	2,409
Vehicles	3
Tools, furniture and fixtures	199
Land	2,623
Lease assets	92
Construction in progress	1
Intangible assets:	1,315
Goodwill	8
Leasehold rights	20
Software	1,068
Software in progress	197
Other intangible assets	20
Investments and other assets:	13,480
Investment securities	6,248
Investment securities in affiliates	2,968
Long-term loans to affiliates	4,215
Claims on obligors under rehabilitation procedure	33
Prepaid pension cost	715
Other investments	226
Less: Allowance for doubtful accounts	(926)
Total assets	67,567

Non-Consolidated Balance Sheet

As of March 31, 2015

(Unit: ¥ million)

Liabilities	
Current liabilities	20,518
Notes payable - trade	43
Electronically recorded obligations - operating	2,164
Accounts payable - trade	10,964
Short-term borrowings	2,667
Long-term borrowings due within one year	2,081
Lease obligations	47
Accounts payable - other	78
Accrued expenses	980
Accrued income taxes	315
Advances received	295
Deposits received	40
Allowance for bonuses to employees	724
Allowance for bonuses to directors	66
Allowance for product warranty	12
Other current liabilities	36
Long-term liabilities	5,270
Long-term borrowings	3,795
Lease obligations	42
Deferred tax liabilities	1,402
Allowance for Directors' severance and retirement benefits	1
Long-term guarantee deposited	29
Total liabilities	25,789
Net Assets	
Shareholders' Equity	38,589
Capital stock	8,100
Capital surplus	7,289
Appropriation for statutory reserve	2,532
Other capital surplus	4,756
Retained earnings	27,131
Other retained earnings	27,131
Reserve for reduction entry of tangible fixed assets	0
General reserve	16,000
Balance to be carried forward	11,131
Treasury shares	(3,932)
Valuation and translation adjustments	3,188
Other unrealized gains on available-for-sale securities	3,196
Deferred gains or losses on hedge	(7)
Total net assets	41,778
Total liabilities and net assets	67,567

Non-Consolidated Statement of Income

April 1, 2014 to March 31, 2015

(Unit: ¥ million)

Sales		93,457
Cost of sales		80,211
Gross profit		13,246
Selling, general and administrative expenses		10,815
Operating income		2,430
Non-operating revenue		
Interest and dividend income	1,515	
Foreign exchange gains	73	
Other miscellaneous revenues	46	1,635
Non-operating expenses		
Interest expense	73	
Claim management expenses	22	
Other miscellaneous expenses	27	123
Ordinary profit		3,943
Extraordinary income		
Gain on sale of tangible fixed assets	215	
Gain on sale of subsidiaries' shares	53	
Reversal of allowance for doubtful accounts for subsidiaries	75	
Special dividends	107	451
Extraordinary losses		
Loss on sales and disposal of tangible fixed assets	4	
Asset impairment loss	50	
Loss on sale of membership	2	57
Income before income taxes		4,337
Income taxes - current	968	
Income taxes - deferred	196	1,164
Net income		3,173

Non-Consolidated Statement of Changes in Net Assets

April 1, 2014 to March 31, 2015

(Unit: ¥ million)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings				Treasury shares	Total
		Appropriation for statutory reserve	Other capital surplus	Total	Other retained earnings			Total		
					Reserve for reduction entry of tangible fixed assets	General reserve	Balance to be carried forward			
Balance at beginning of the fiscal year	8,100	2,532	4,756	7,289	0	16,000	8,414	24,414	(3,982)	35,821
Cumulative effect of changes in accounting policies							316	316		316
Restated balance	8,100	2,532	4,756	7,289	0	16,000	8,731	24,731	(3,982)	36,138
Changes during the fiscal year										
Reversal of reserve for reduction entry					(0)		0			
Cash dividends							(773)	(773)		(773)
Net income							3,173	3,173		3,173
Acquisition of treasury shares									(0)	(0)
Disposal of treasury shares									50	50
Net changes of items other than shareholders' equity during the fiscal year										
Total changes during the fiscal year	—	—	—	—	(0)	—	2,400	2,400	50	2,451
Balance at end of the fiscal year	8,100	2,532	4,756	7,289	0	16,000	11,131	27,131	(3,932)	38,589

	Valuation and translation adjustments			Total net assets
	Other unrealized gains on available-for-sale securities	Deferred gains or losses on hedge	Total	
Balance at beginning of the fiscal year	3,272	63	3,335	39,156
Cumulative effect of changes in accounting policies				316
Restated balance	3,272	63	3,335	39,473
Changes during the fiscal year				
Reversal of reserve for reduction entry				
Cash dividends				(773)
Net income				3,173
Acquisition of treasury shares				(0)
Disposal of treasury shares				50
Net changes of items other than shareholders' equity during the fiscal year	(75)	(70)	(146)	(146)
Total changes during the fiscal year	(75)	(70)	(146)	2,304
Balance at end of the fiscal year	3,196	(7)	3,188	41,778

Reference Materials for the General Meeting of Shareholders

Agenda items and reference materials

Item 1: Partial Amendments to the Articles of Incorporation

1. Reasons for proposal

- (1) In preparation of future business development of its industrial chemical business to enter new markets of cosmetics and quasi-drugs with its own brand name, the Company proposes to make the following addition and amendment to the business purposes provided for in the existing Article 2 (Purpose): a new item (6) to prescribe “manufacture and sale” as mandated in the Pharmaceutical Affairs Act and a partial amendment to existing item (5). In addition, the corresponding amendments to a number of items are also proposed.
- (2) The “Act for Partial Amendment to the Companies Act” (Act No. 90, 2014) enacted on May 1, 2015 and directors other than executive directors and corporate auditors other than external corporate auditors were also allowed to enter into an agreement with respect to limitation of liability. Accordingly, the Company proposes to partially amend the existing Article 28 (Exemptions of Directors from Liability) and Article 36 (Exemptions of Audit & Supervisory Board Members from Liability) in order for non-executive Directors and Audit & Supervisory Board Members other than External Audit & Supervisory Board Members to fully perform their expected roles. Each Audit & Supervisory Board Member consents to the amendment of Article 28 (Exemptions of Directors from Liability).

2. Details of amendments

The amendments to the Articles of Incorporation are as follows:

(Underlining denotes change)

Current Articles	Proposed Amendments
(Purpose) Article 2. The purposes of the Company shall be to engage in the following business: (1) to (4) (Omitted) (5) Manufacture, sale and import/export of chemicals for chemical industry (chemicals used as coolants in industrial applications, chemicals for the petroleum and petrochemical industry, chemicals for the paper/pulp industry); manufacture, sale and import/export of cosmetics, pharmaceuticals and quasi-drugs, and enzymes and biological agents using microorganisms	(Purpose) Article 2. The purposes of the Company shall be to engage in the following business: (1) to (4) (Same as the current article) (5) Manufacture, sale and import/export of chemicals for chemical industry (chemicals used as coolants in industrial applications, chemicals for the petroleum and petrochemical industry, chemicals for the paper/pulp industry); manufacture, sale and import/export of cosmetic <u>raw materials</u> , pharmaceutical <u>raw materials</u> and <u>raw materials for</u> quasi-drugs, and enzymes and

Current Articles	Proposed Amendments
<p style="text-align: center;">(New)</p> <p>(6) to (15) (Omitted)</p> <p>(Exemptions of Directors from Liability) Article 28. (Omitted)</p> <p>2. The Company may enter into an agreement with any <u>External</u> Director to limit his/her liability for damages due to negligence of duties in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, providing, however, such limit of liability amount shall be equal to the greater amount of either a previously determined amount not less than three million (3,000,000) yen or the extent permitted by acts.</p> <p>(Exemptions of Audit & Supervisory Board Members from Liability) Article 36. (Omitted)</p> <p>2. The Company may enter into an agreement with any <u>External</u> Audit & Supervisory Board Member to limit his/her liability for damages due to negligence of duties in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, providing, however, such limit of liability amount shall be equal to the greater amount of either a previously determined amount not less than two million (2,000,000) yen or the extent permitted by acts.</p>	<p>biological agents using microorganisms</p> <p><u>(6) Manufacture and sale, manufacture, sale and import/export of cosmetics and quasi-drugs</u></p> <p>(7) to (16) (Same as the current article)</p> <p>(Exemptions of Directors from Liability) Article 28. (Same as the current article)</p> <p>2. The Company may enter into an agreement with any Director <u>(except for Executive Director or Director assuming similar duties)</u> to limit his/her liability for damages due to negligence of duties in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, providing, however, such limit of liability amount shall be equal to the greater amount of either a previously determined amount not less than three million (3,000,000) yen or the extent permitted by acts.</p> <p>(Exemptions of Audit & Supervisory Board Members from Liability) Article 36. (Same as the current article)</p> <p>2. The Company may enter into an agreement with any Audit & Supervisory Board Member to limit his/her liability for damages due to negligence of duties in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, providing, however, such limit of liability amount shall be equal to the greater amount of either a previously determined amount not less than two million (2,000,000) yen or the extent permitted by acts.</p>

Item 2: Appointment of Eight (8) Directors

The term of office of all eight (8) Directors will expire at the conclusion of this General Meeting of Shareholders. Approval of the appointment of eight (8) Directors is, therefore, requested.

Career histories of the candidates for Directors are as follows:

Candidate Number	Name (Date of Birth)	Brief History, Position, Responsibility, and Status of material holding of concurrent positions	Number of Shares of the Company Owned by the Candidate
1	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 Business Apr. 2008 President (Representative Director) (present)	33,840

Candidate Number	Name (Date of Birth)	Brief History, Position, Responsibility, and Status of material holding of concurrent positions	Number of Shares of the Company Owned by the Candidate
2	Yoshinae Takada (May 27, 1957)	<p>Apr. 1983 Joined the Company</p> <p>Jun. 2004 Director & Vice President, Manager of Corporate Planning Dept. and Financial & Accounting Dept., and in charge of E.D.P. Dept.</p> <p>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.</p> <p>Apr. 2007 Director & Vice President, Manager of Corporate Planning Dept. and Financial & Accounting Dept. and in charge of E.D.P. Dept. and J-SOX Project Team Leader</p> <p>Jun. 2007 Director & Vice President, Manager of Financial & Accounting Dept. and in charge of E.D.P. Dept. and J-SOX Project Team Leader</p> <p>Apr. 2008 Director & Vice President, Division Manager of Corporate Management Div. and Manager of Corporate Planning Dept. and Financial & Accounting Dept.</p> <p>Jun. 2008 Director & Senior Vice President, Division Manager of Corporate Management Div. and Manager of Corporate Planning Dept. and Financial & Accounting Dept.</p> <p>Apr. 2009 Director & Senior Vice President, Division Manager of Corporate Management Div. and Manager of Financial & Accounting Dept.</p> <p>Apr. 2010 Director & Senior Vice President, Division Manager of Corporate Management Div.</p> <p>Apr. 2011 Director & Senior Vice President, in charge of Corporate Management Div.</p> <p>Jun. 2011 Director & Executive Vice President, Supervisor over Corporate Administration Div. and Corporate Management Div. and in charge of Risk Management and Corporate Compliance</p>	7,800

Candidate Number	Name (Date of Birth)	Brief History, Position, Responsibility, and Status of material holding of concurrent positions	Number of Shares of the Company Owned by the Candidate
		<p>Nov. 2012 Director & Executive Vice President, Supervisor over Corporate Administration Div. and Corporate Management Div. and Division Manager of Corporate Management Div. and Manager of Corporate Planning Dept. and Financial & Accounting Dept. and in charge of Risk Management and Corporate Compliance</p> <p>Apr. 2013 Director & Executive Vice President, Supervisor over Corporate Administration Div. and Corporate Management Div. and Division Manager of Corporate Management Div. and Manager of Corporate Planning Dept. and in charge of Risk Management and Corporate Compliance (present)</p>	

Candidate Number	Name (Date of Birth)	Brief History, Position, Responsibility, and Status of material holding of concurrent positions	Number of Shares of the Company Owned by the Candidate
3	Ryoji Abe (Nov. 9, 1957)	<p>Mar. 1983 Joined the Company</p> <p>Aug. 2002 Manager of AP Sales Promotion Dept., Electronic Devices 1st Div.</p> <p>Feb. 2006 Manager of AP Sales Dept., Semiconductor Devices Div.</p> <p>Apr. 2006 Manager of 1st Sales Dept., Semiconductor Devices 2nd Div.</p> <p>Apr. 2007 Deputy Division Manager of Semiconductor Devices 2nd Div.</p> <p>Oct. 2007 Division Manager of Semiconductor Devices 2nd Div.</p> <p>Apr. 2008 Division Manager of Semiconductor Devices 2nd Div. and Electronic Components Div.</p> <p>Jun. 2008 Director & Vice President, Division Manager of Semiconductor Devices 2nd Div. and Electronic Components Div.</p> <p>Apr. 2010 Director & Vice President, in charge of Semiconductor Devices 2nd Div. and Division Manager of Electronic Components Div.</p> <p>Mar. 2011 Director & Vice President, Division Manager of Semiconductor Devices 2nd Div. and Electronic Components Div. (present)</p>	4,100

Candidate Number	Name (Date of Birth)	Brief History, Position, Responsibility, and Status of material holding of concurrent positions	Number of Shares of the Company Owned by the Candidate
4	Nobuhito Shintoku (Dec. 6, 1960)	<p>Apr. 1985 Joined the Company</p> <p>May 2005 Manager of Human Resources Dept., Corporate Administration Div.</p> <p>Apr. 2008 Manager of General Affairs Dept., Corporate Administration Div. and Chief of Isehara Technical Center</p> <p>Apr. 2009 Deputy Division Manager of Corporate Administration Div. and Manager of General Affairs Dept. and Chief of Isehara Technical Center</p> <p>Apr. 2010 Division Manager of Corporate Administration Div. and Manager of General Affairs Dept. and Chief of Isehara Technical Center</p> <p>Jun. 2011 Director & Vice President, Division Manager of Corporate Administration Div. and Manager of General Affairs Dept. and Chief of Isehara Technical Center and in charge of Branch Office (related to Administration)</p> <p>Jun. 2011 President of Hakuto A&L Co., Ltd. (present)</p> <p>Apr. 2013 Director & Vice President, Division Manager of Corporate Administration Div. and Manager of General Affairs Dept. and Chief of Isehara Technical Center and Branch Manager of Kansai Branch and in charge of Branch Office (related to Administration) (present)</p>	6,100

Candidate Number	Name (Date of Birth)	Brief History, Position, Responsibility, and Status of material holding of concurrent positions	Number of Shares of the Company Owned by the Candidate
5*	Kazunobu Kitano (Mar. 17, 1957)	<p>Jan. 1982 Joined the Company</p> <p>Apr. 2008 Manager of 3rd Sales Dept., Electronic Equipment 1st Div.</p> <p>Apr. 2010 Manager of 2nd Sales Dept., Electronic Equipment Div.</p> <p>Apr. 2012 Deputy Division Manager of Electronic Equipment Div.</p> <p>Dec. 2013 Division Manager of Electronic Equipment Div. (present)</p>	3,500
6	Ichiro Takayama (Jan. 3, 1958)	<p>Jun. 1986 Qualified Medical Doctor (U.S.)</p> <p>May 1990 Qualified Medical Doctor (Japan)</p> <p>Jun. 1990 Director of the Company</p> <p>Jun. 1996 Retired from Director</p> <p>Jun. 2000 Director of the Company (present)</p>	1,058,923
7	Keiji Kondo (Dec. 26, 1951)	<p>Oct. 1979 Passed the Bar Examination</p> <p>Apr. 1984 Completed the training of a Legal Apprentice</p> <p>Apr. 1984 Registered as an attorney (present)</p> <p>Apr. 1984 Joined YUASA AND HARA</p> <p>Dec. 1996 Retired from YUASA AND HARA</p> <p>Mar. 1997 Established Fukuda and Kondo Law Firm (present)</p> <p>Jun. 2014 Director of the Company (present)</p> <p>< Significant concurrent positions outside the Company > Joint representation, Fukuda and Kondo Law Firm</p>	-
8*	Masahito Kamijyo (Jul. 12, 1954)	<p>Jun. 2006 Representative Director and Managing Executive Officer of Saitama Resona Bank, Limited</p> <p>Jun. 2008 Director and Senior Managing Executive Officer of Resona Bank, Limited</p> <p>Jun. 2009 Representative Director and President of Saitama Resona Bank, Limited</p> <p>Apr. 2014 Director and Chairman of Saitama Resona Bank, Limited</p> <p>Apr. 2015 Chairman of Resona Research Institute Co., Ltd. (present)</p>	-

Notes:

1. The candidate marked with an asterisk (*) is a candidate for a new Director.
2. There are no special interests between the Company and the candidates for Directors above.
3. Mr. Keiji Kondo and Mr. Masahito Kamijyo are both candidates for appointment to the position of External Director.
4. The Company appointed each of Mr. Keiji Kondo and Mr. Masahito Kamijyo, a candidate of Director, as Independent Officer as stipulated by provisions of Tokyo Stock Exchange, and filed the relevant notification with the TSE. If appointed as originally proposed, the Company will appoint them as Independent Officers.
5. Information relating in particular to the candidates for appointment as External Directors is provided below.

(1) Reasons for appointing External Directors

- 1) Although Mr. Keiji Kondo has not been directly engaged in company management, he is familiar with corporate law in his capacity as an attorney and has extraordinary insight to govern corporate management, and is deemed appropriate to carry out the duties of an External Director. Therefore, his appointment as an External Director is requested.
- 2) Mr. Masahito Kamijyo had served as Representative Director and President of Saitama Resona Bank, Limited and in other capacities that have allowed him to accumulate a wealth 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) Years served as External Director since appointment

Mr. Keiji Kondo will have served as an External Director for one year as of the end of this General Meeting of Shareholders.

(3) Independence of External Director candidates

- 1) Neither Mr. Keiji Kondo nor Mr. Masahito Kamijyo is an executive person (as defined in Article 2, Paragraph 3, Item 6, of the Companies Act Enforcement Regulations, same applies below) or a director (excluding a company of which he is an executive person, same applies below) at the Company's designated related companies (as defined in Article 2, Paragraph 3, Item 19 of the Companies Act Enforcement Regulations, same applies below), and neither of them has served as an executive person or a director of the Company's designated related companies over the past five years.
- 2) Neither Mr. Keiji Kondo nor Mr. Masahito Kamijyo has served as an executive person or a director of the Company or the Company's subsidiary.
- 3) Neither Mr. Keiji Kondo nor Mr. Masahito Kamijyo 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.
- 4) Neither Mr. Keiji Kondo nor Mr. Masahito Kamijyo has any family relationships of the third degree or closer to any person working as an executive person or a director at either the Company or any of its designated related companies.

(4) Agreements limiting the liability of External Directors

Based on Article 427, Paragraph 1 of the Companies Act ("the Act"), the Company has entered contracts with External Directors to limit liability for damages as stipulated in the same Article 423, Paragraph 1 of the Act, to the higher of ¥3 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act. Should the reappointment of Mr. Keiji Kondo be approved, the Company will extend the above agreement with him. In addition, should the appointment of Mr. Masahito Kamijyo, a new candidate for Director, be approved, the Company will enter into the same agreement as above with him. Additionally, subject to approval of Agenda item 1: "Partial Amendments to the Articles of Incorporation," the Company will enter into the same agreement as above with Mr. Ichiro Takayama, a candidate for Director.

Item 3: Appointment of One (1) Audit & Supervisory Board Member

The term of office of Mr. Shinkichi Suzuki, an Audit & Supervisory Board Member, will expire at the conclusion of this General Meeting of Shareholders. Approval of the appointment of one (1) Audit & Supervisory Board Member is, therefore, requested.

The Audit & Supervisory Board has approved this proposal.

Career history of the candidate for Audit & Supervisory Board Member is as follows:

Name (Date of Birth)	Brief History, Position, Responsibility, and Status of material holding of concurrent positions	Number of Shares of the Company Owned by the Candidate
Mikio Yoden (Apr. 21, 1947)	Apr. 1971	Joined National Tax Agency
	Jul. 1978	Kanoya Tax Office Superintendent
	Jul. 1995	Assistant Regional Commissioner of Sapporo Regional Taxation Bureau
	Jul. 2001	Deputy Commissioner (Collection) of National Tax Agency
	Aug. 2002	Opened tax practice (present)
	Dec. 2012	External Audit & Supervisory Board Member of Building Kikaku Co., Ltd. (present)
	Jun. 2013	External Audit & Supervisory Board Member of Privee Turnaround Group Co., Ltd. (present)

Notes:

1. Mr. Mikio Yoden is a new candidate for Audit & Supervisory Board Member.
2. There are no special interests between the Company and the candidate for Audit & Supervisory Board Member above.
3. Mr. Mikio Yoden is a candidate for appointment to the position of External Audit & Supervisory Board Member.
4. The Company appointed Mr. Mikio Yoden, a candidate of Audit & Supervisory Board Member, as Independent Officer as stipulated by provisions of Tokyo Stock Exchange, and filed the relevant notification with the TSE. If appointed as originally proposed, the Company will appoint him as an Independent Officer.
5. Information relating in particular to the candidate for appointment as External Audit & Supervisory Board Member is provided below.
 - (1) Reasons for appointing External Audit & Supervisory Board Member
Although Mr. Mikio Yoden has not been directly involved in the corporate management, he has expert knowledge and insight regarding taxation and accounting as a certified tax accountant and he is capable of providing supervision and effective advice on management on the whole. It is judged that he can properly execute his responsibility. Therefore, his appointment as an External Audit & Supervisory Board Member is requested.
 - (2) Independence of External Audit & Supervisory Board Member candidate
 - 1) Mr. Mikio Yoden is not an executive person (as defined in Article 2, Paragraph 3, Item 6, of the Companies Act Enforcement Regulations, same applies below) or a

director (excluding a company of which he is an executive person, same applies below) at the Company's designated related companies (as defined in Article 2, Paragraph 3, Item 19 of the Companies Act Enforcement Regulations, same applies below), and he has never served as an executive person or a director of the Company's designated related companies over the past five years.

- 2) Mr. Mikio Yoden has never served as an executive person or a director of the Company or the Company's subsidiaries in the past.
 - 3) Mr. Mikio Yoden has not 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.
 - 4) Mr. Mikio Yoden does not have any family relationships of the third degree or closer to any person working as an executive person or a director at either the Company or any of its designated related companies.
- (3) Agreements limiting the liability

Based on Article 427, Paragraph 1 of the Companies Act ("the Act"), the Company has entered contracts with External Audit & Supervisory Board Members to limit liability for damages as stipulated in the same Article 425, Paragraph 1 of the Act, to the higher of ¥2 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act. Should the reappointment of Mr. Mikio Yoden be approved, the Company will enter into the above agreement with him.

Procedures for Exercising Voting Rights via the Internet, etc.

Shareholders are requested to read the following items before exercising voting rights via the Internet, etc. 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, etc.

1. Voting Rights Exercise Site

- (1) Exercise of voting rights is possible only by using a personal computer, smartphone 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 a.m. and 5:00 a.m.

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

* “i-mode,” “EZweb,” and ”Yahoo!” are the respective trademarks or registered trademarks of NTT Docomo, Inc., 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 or smartphone 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 rights 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 p.m. on June 24, 2015 (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 Rights Exercise Site.

3. Cost for accessing the Voting Rights Exercise Site

Costs (the Internet connection fees, etc.) for accessing the Voting Rights 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 rights both by mail and via the Internet, etc., the voting via the Internet, etc. shall prevail regardless of the arrival date of the mailed vote.
- (2) In the case of multiple voting via the Internet, etc., 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: 9:00–17: 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.