

ChugaiRo

75th

April 1, 2016 — March 31, 2017

Annual Report



Energy



Information/
Communications



Environment

CHUGAI RO CO., LTD.

To Our Shareholders

Once again, as with every year, we thank you for your unstinting support. On 31 March 2017, the Chugai Ro Group completed the 75th fiscal period (the year up to March 2017) – thus, we would like to provide you with an outline of the business report for that period.

■ Business Environment

Regarding this accounting period of consolidation, underpinned by improvements to business profits and employment as well as income environment, the Japanese economy has shifted into a gentle recovery; however, the road ahead for the business cycle continues to remain unclear, as there are concerns about Brexit problems and the protectionist policies of the new US administration, in addition to worries about business trends in China and developing nations.

As to the markets that our group are involved in, although prices of raw materials are running high in the steel industry, domestic demand has recovered and plants are working at almost full capacity, and plant investment continued in an effort to strengthen business platforms. Indeed, in the automobile industry, capital investment on new facilities took place thanks to the launching of new models that helped business results as well as the need to renew aging facilities, all of which was aided by the yen rate settling back to a weaker rate from the second half of the fiscal year onward after having shown a stronger trend in the first half. On the contrary, in the information and communication field, liquid crystal display (LCD) manufacturers are still aggressively carrying out plant investment, and there were signs that the organic light-emitting diode (OLED) field is making a move to expand.

■ Marketing Conditions

Within this economic environment, to secure orders and turnover, we in the Chugai Ro Group swung into aggressive order-winning mode, targeting domestic and overseas bases that are extending their facilities. Consequently, orders received amounted to ¥29,854 million, down to 92.8% from the previous year, coming from concluded orders obtained on the international front from clients in China for precision coaters related to LCD and continuous galvanizing/coating lines to Southeast Asia, and coming from the domestic front from orders for wire coil continuous annealing equipment and biomass co-generation system, etc.

As to turnover, the group domestically made headway with energy-saving furnaces and heat treatment furnaces related to wind power generation while also making deliveries of stainless manufacturing equipment to clients in China with proceeds reaching ¥31,146 million, down to 95.0% from the previous year.

On the profitability front, while there was a reduction in income, thanks to an improvement in cost rate, operating profit reached ¥774 million, up 114.3% from the previous year, and current profit increased to ¥919 million, up 116.1% from the previous year, to post a current net income pertaining to shareholders of the parent company of ¥978 million, up 179.3% from the previous year.

And, regarding the dividend for the current period, overall consideration of the current profit performance has led to the decision to set the dividend as ¥6 per share.

■ Future Perspectives and Our Company Themes

The future perspective provides hope for the continuation of the gradual recovery in the domestic business cycle – yet, due to worries about labor shortages, uncertainties about overseas economies, the direction of policy in the new US administration and fears about fluctuations on the currency rate, the way ahead continues to be unclear.

Under such circumstances, we at the Chugai Ro Group are working to nurture manpower and improve producibility, to bolster orders from here on by thoroughly preparing for investment demand that will be stimulated by moves to lighten cars and improve their mileage as well as the action needed for aging of facilities in the energy field that encompasses the likes of automobile-related products and steel; we will also extend business in the information and communications field, such as the flexible display market and the precision display market, and, moreover, popularize biomass boiler co-generation system in the environmental conservation field.

Furthermore, we will work to distinguish our products from others and assure they have a competitive edge, mainly in the areas of energy saving, labor saving and IoT, which will all be needed in tomorrow's markets, as well as strengthen and expand maintenance business in areas such as energy saving, combustion safety and equipment renewal that comes with aging, in order to build a firm business platform that will enable us to secure stable profit. Therefore, we look forward to the ongoing support and understanding of our shareholders.

June 2017



President
Yuji Nishimoto

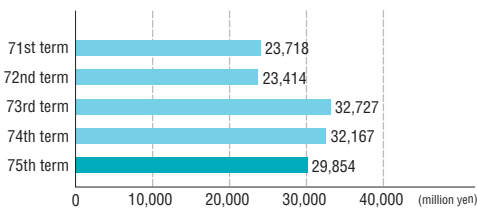
Summary of Achievements

Shifts in Consolidated Business Operation Performance

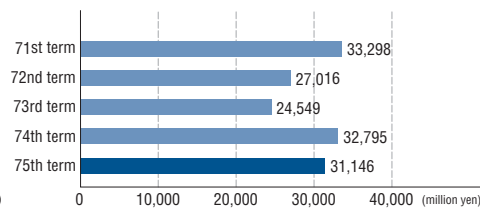
(Unit : million yen)

	71st term March 2013	72nd term March 2014	73rd term March 2015	74th term March 2016	75th term March 2017
Orders received	23,718	23,414	32,727	32,167	29,854
Net sales	33,298	27,016	24,549	32,795	31,146
Ordinary income (loss)	-368	-494	351	792	919
Profit (loss) attributable to owners of parent	-564	-133	303	545	978

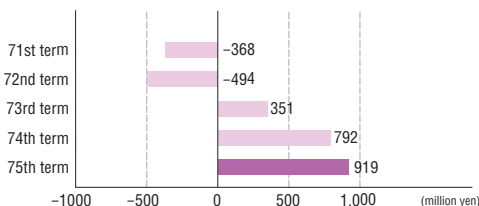
Orders received



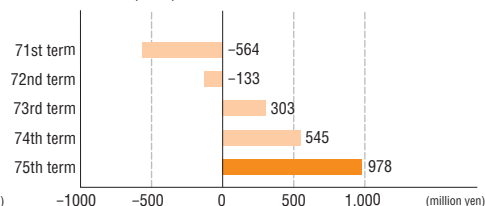
Net sales



Ordinary income (loss)



Profit (loss) attributable to owners of parent



75th term sales by field category

Field of Environment

1,950 million yen (5.9%)

Others

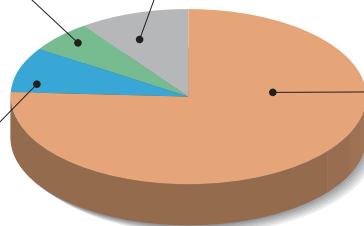
3,226 million yen (9.8%)

Field of Information and Communications

2,754 million yen (8.4%)

Field of Energy

24,989 million yen (75.9%)

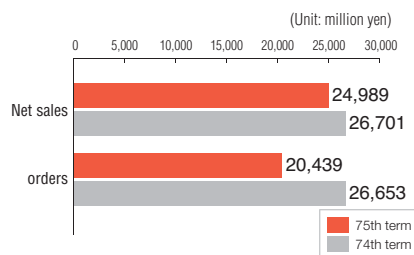


NB: Net sales figures by segment are prior to eliminating offset associated with inter-segment trading.

Field of Energy

Net Sales 24,989 million yen (Compared with 74th term 93.6%)

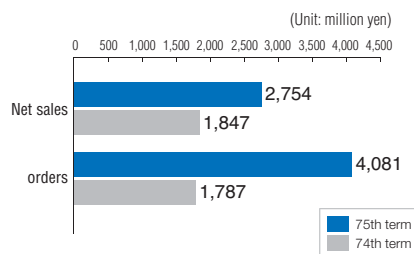
On the order intake front, thanks to orders signed off on and received in areas such as continuous galvanizing/coating lines and aluminum continuous coating lines for Southeast Asia, reheating furnace energy saving validation project for India, stainless steel manufacturing equipment for China, and conversion work on stainless steel continuous annealing line, and introduction of wire coil continuous annealing furnaces and automobile component heat treatment furnaces in Japan, orders amounted to ¥20,439 million, down to 76.7% from the previous year. On the turnover front, having conducted renewal work involving an energy-saving reheating furnace for the steel industry in Japan and an energy-saving reheating furnace for Taiwan, while also pushing ahead with and delivering heat treatment furnaces related to wind power generation and heat treatment furnaces for automobile components, we can inform you that turnover has reached the figure of ¥24,989 million, down to 93.6% from the previous year.



Field of Information and Communications

Net Sales 2,754 million yen (Compared with 74th term 149.1%)

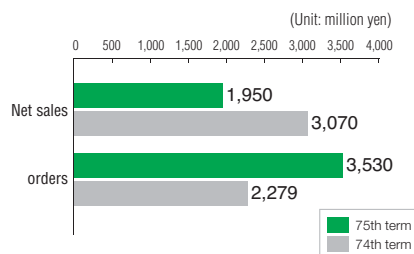
On the order intake front, we have signed off on orders such as precision coaters related to LCD for China, precision coaters related to organic solar cells for China and Taiwan, and precision coaters related to organic semiconductors for Europe as well as precision coaters related to flexible displays for Japan, with the order figure greatly increasing to ¥4,081 million, an increase to 228.4% on the previous year. On the turnover front, progress and deliveries have gone through on precision coaters related to LCD for China and precision coaters related to touch panels for China, bringing the increase in proceeds to ¥2,754 million, up to 149.1% from the previous year.



Field of Environment

Net Sales 1,950 million yen (Compared with 74th term 63.5%)

On the order intake front, orders have been won for regenerative thermal oxidizers (RTO) for Japan and abroad as well as a bamboo-driven biomass co-generation system for facilities scheduled to be built in Nankan-machi, Kumamoto prefecture and waste-gas boiler equipment for the domestic market, with orders reaching ¥3,530 million, up to 154.9% on the previous year. Whereas, on the turnover front, even though we delivered equipment such as RTO in Japan, because the big orders did not come in until the fourth quarter, proceeds were held down to ¥1,950 million, down to 63.5% from the previous period.



Other

Net Sales 3,226 million yen (Compared with 74th term 89.3%)

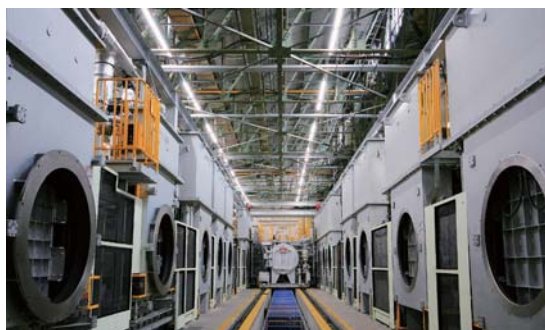
On the order intake front, in the area of overseas subsidiaries, orders were won for instruments used in stainless steel manufacturing equipment for China and RTO for China, with orders of ¥3,584 million, down to 98.7% from the previous year. On the turnover front, deliveries of equipment included automobile component heat treatment furnace for China and RTO for China, with proceeds of ¥3,226 million, down to 89.3% from the previous year.

Effective use of energy

Mass-production Type Vacuum Carburizing System “HIFALCON™” for SUBARU

A mass-production type vacuum carburizing system “HIFALCON™” went into action from November 2016 as an automobile transmission component heat treatment system newly installed at the SUBARU Oizumi Plant in Gunma. The order for this system came on the back of increased SUBARU vehicle sales, which is signaling sequenced increases in annual production capacity.

Of late, with greater calls for safety and consideration on the work environment front, automakers and auto component makers have increasingly found the need to switch over from gas carburizing furnaces to vacuum carburizing furnaces as part of their overseas investment. And, from here on, in Japan too, many of the conventional gas carburizing furnaces delivered during the 70s and 80s are entering a period where they need to be renewed – therefore, we at Chugai Ro are set to refurbish those conventional gas carburizing furnaces and also provide a full lineup of vacuum carburizing furnaces for clients to select from. With the “HIFALCON™”, the processing units can be subdivided by purpose into “carburizing chambers”, “quenching chambers”, “conveyance chambers”, “thermal insulation chambers” and “cooling chambers”, so only the necessary number of each necessary unit needs be installed, which saves space and minimizes cost, and enables us to offer the optimum setup for the client’s processing volume and aims. With this flexibility in our setup, we will strive to expand orders.



Mass-production Type Vacuum Carburizing System “HIFALCON™”

Orders for Hot Dip Galvanizing Line Equipment for Thailand

In October 2016, we contracted with Mitsubishi Corporation to be a subcontractor in relation to the design, manufacture and supply of NS BlueScope (Thailand) Ltd’s (NSBT) third metal coating line with in-line painting (MCL3) at NSBT’s production facility in Map Ta Phut, Thailand. NSBT is a subordinate of NS BlueScope Coated Products, which is a joint venture between Nippon Steel & Sumitomo Metal Corporation in Japan and BlueScope Steel Limited in Australia and which supplies building material sheet to primarily the Southeast Asia & North America markets.

The development of MCL3 is being undertaken to increase NSBT’s manufacturing capability of coated steel by approximately 140,000 tons in order to meet increasing demand for building material steel in Thailand. Commercial operation of this project is expected to commence in the second half of 2018. Chugai Ro will supply key equipment for this project, being horizontal furnace & painting equipment.

We have experience in downstream process line (after cold rolling) not only in Japan but also in Southeast Asia, such as Thailand, Vietnam, and Malaysia etc. Our customers have anticipated equipment investment plan to meet the increasing demand for building material, house electric appliance, and materials for vehicles. We will provide solutions with flexibility to meet our customers’ various demands for the total engineering integrating mechanical, furnace, and electrical equipment, including technology relating to energy saving and emission control based on our abundant experience in Japan.

Celebrating 30th Anniversary of Taiwan Chugai Ro

Thirty years have passed since we established the Taiwan Chugai Ro company – so, in November 2016, we invited some 60 guests from our trading partners, such as China Steel, SYSCO, Yuen Chang Stainless Steel and Chunghwa Picture Tubes, to join us in celebrations in Taiwan.

We at Chugai Ro first started business in Taiwan back in the 60s, selling products such as various heating furnaces for bike parts and TV cathode-ray tubes, and, with a steady stream of facility investment plans coming our way for projects like supplying bell type coil annealing furnaces and continuous slab reheating furnaces to China Steel, we established Taiwan Chugai Ro in Taipei in 1987. After that, heavy industry in Kaohsiung moved into top gear, and we managed to sell numerous giant metal process lines to the China Steel Group, Yuan Long and Tung Mung, which led to us moving to our current Kaohsiung site in 1995.

Further, as Taiwan strengthened environmental regulations in the 00s, demand for RTO increased, and has now grown to be one of our top products. Moreover, in the display field, we are putting greater effort into marketing and maintenance of products related to LCD, touch panel and OLED ones for panel related businesses, starting with Chunghwa Picture Tubes.



TAIWAN CHUGAI RO CO., LTD.



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Lingya Chiu, Kaohsiung 802,
Taiwan R.O.C.
Tel: +886-7-535-7898
Fax: +886-7-535-7897
Chairman: Tsunehiko Magara
Number of Employees: 21



Horizontal furnace for continuous galvanizing line



Coater for colored strip manufacturing



Preservation of the earth's environment

Order for Biomass Co-generation System using Bamboo (a First in Japan)

In February 2017, we received an order from Bamboo Energy Co., Ltd., to deliver a biomass co-generation system that would use bamboo, which is an unused resource in Nankan-machi, Tamana-gun, Kumamoto, and followed up the order with a joint press conference to announce the deal.

The facility is to be built next to the manufacturing plant that produces bamboo construction materials run by Bamboo Materials Co., Ltd., and Bamboo Frontier Co., Ltd. It is scheduled to be up and running by January 2019, as a verification project facility that Bamboo Energy and the New Energy and Industrial Technology Development Organization (NEDO) are undertaking.

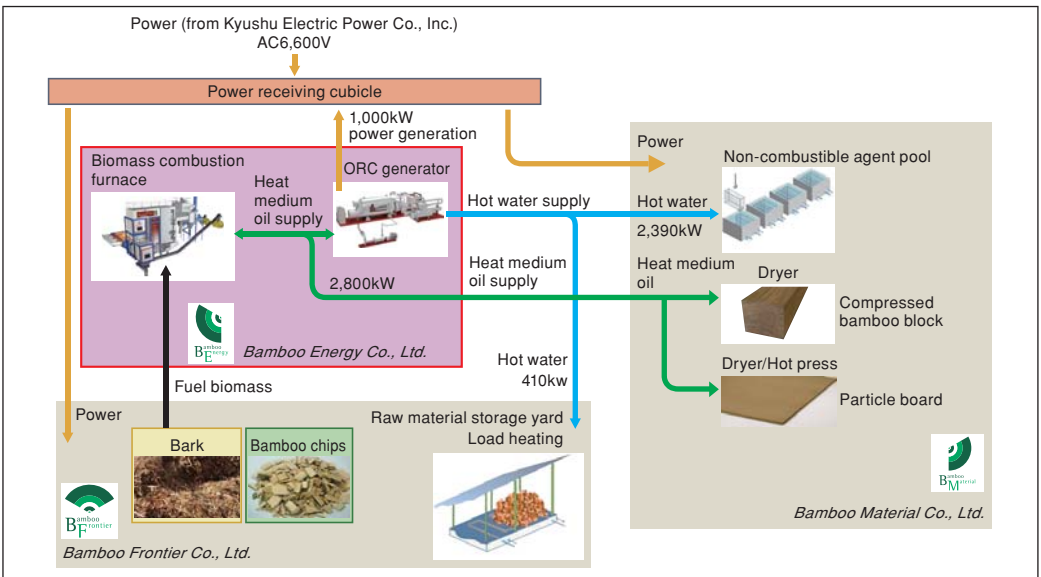
Bamboo Energy will supply heat and electricity provided by the burning of leftover bamboo that cannot be used for construction materials by the two companies running the above bamboo processing plant. From here on, the plan is to expand business so that the local unused bamboo resource gets used both as a material as an energy source, leaving no waste, enabling the clear up of unattended bamboo groves and encouraging the production of industrial products from bamboo grove owners, which will hopefully bring about regional revitalization in terms of a new supply chain and creation of employment.

The organic rankine cycle (ORC)* used for the biomass thermal-electric combined supply facility has an extremely good overall efficiency of over 70 percent, which has led to approximately 300 such facilities being built, mainly in Europe – yet, such a facility has yet to be launched in Japan. Therefore, we at Chugai Ro have asked and are receiving cooperation from Kohlbach Gruppe (Austrian company), a top maker in this field in Europe, to help us as we modify the system to meet Japanese regulations and carry out the general engineering to accommodate the features of bamboo biomass.

* Organic Rankine Cycle (ORC) is the same kind of rankine cycle applied to steam electric generation, but, instead of steam, the heat medium is an organic one, with the specialty being that power generation efficiency is comparatively high even for compact power generation facilities.



Press conference on 28 February 2017



Overall outline of this business



Succession of Orders for Flexible Substrate/Film Equipment

Together with the worldwide tendency for smartphone displays to shift toward OLED panels, we at Chugai Ro are focusing a lot of attention on establishing manufacturing equipment to mass produce OLED panels with heat resistant film (polyimide) substrates that are great for curved designs as well as being light and shock resistant.



Polyimide substrate/film equipment

Regarding the pilot mass-production equipment delivered to a Chinese panel manufacturer, to improve product quality, which was an ongoing issue, we went as far as revising the various stages of the client's production process technologies, to raise the quality of the finished product. The acknowledgement and approval of these revisions has led to a succession of orders being placed with us for polyimide substrate film coaters from Japanese and Chinese panel manufacturers from November 2016 onward.

In this field, we are offering a total solution system (precision coating, drying, robot conveyance, etc.) that lessens both running costs and the environmental load, to distinguish ourselves from competitors, and are also aiming to further expand business by offering equipment that can make even bigger substrates.

Orders for Precision Coaters for Organic Solar Cell Production

In January 2017, we received orders from an overseas client for a roll-to-roll type precision coater for production of film substrate organic solar cells and a table coater for R&D on next-generation Perovskite solar cells. The client in question is already using one of our roll-to-roll type precision coaters that we delivered in 2014 to manufacture organic solar cells. And, the client has made this most recent order because they are so satisfied with the technical merits of the coater they received in 2014.

Next-generation Perovskite solar cells have been improved to the extent that the conversion ratio of recent years exceeds 20 percent, so now it very feasible that such cells can be produced for a fraction of the price of the currently popular silicon solar cells.



Roll-to-roll type precision coater

Consolidated Financial Statements

Consolidated balance sheet

(Unit: million yen)

by fiscal period	prior fiscal period	current fiscal period
item	(As of March 31, 2016)	(As of March 31, 2017)
Assets		
Current assets	29,926	28,728
Cash and deposits	6,714	7,634
Notes and accounts receivable - trade	21,504	19,630
Securities	209	199
Cash disbursed for work in progress, etc.	1,342	925
Deferred tax assets	—	178
Other	164	165
Allowance for doubtful accounts	(8)	(5)
Non-current assets	9,739	9,774
Property, plant and equipment	4,771	4,621
Buildings and structures	2,167	2,035
Machinery, equipment and vehicles	344	312
Land	2,090	2,090
Construction in progress	0	5
Other	169	176
Intangible assets	171	126
Investments and other assets	4,796	5,026
Investment securities	4,263	4,576
Net defined benefit asset	249	226
Other	325	265
Allowance for doubtful accounts	(41)	(41)
Total assets	39,665	38,502

by fiscal period	prior fiscal period	current fiscal period
item	(As of March 31, 2016)	(As of March 31, 2017)
Liabilities		
Current liabilities	18,144	15,843
Electronically recorded obligations - operating	1,566	2,250
Accounts payable - trade	11,371	8,421
Short-term loans payable	2,800	2,800
Income taxes payable	197	175
Advance received for work in progress	495	707
Provision for bonuses	311	259
Provision for loss on construction contracts	—	14
Other	1,401	1,213
Non-current liabilities	2,155	2,289
Long-term loans payable	1,188	1,188
Deferred tax liabilities	604	813
Net defined benefit liability	214	147
Other	148	140
Total liabilities	20,299	18,132
Net assets		
Shareholders' equity	18,128	18,637
Capital stock	6,176	6,176
Capital surplus	1,544	1,544
Retained earnings	10,451	10,963
Treasury shares	(44)	(47)
Accumulated other comprehensive income	1,163	1,657
Valuation difference on available-for-sale securities	1,144	1,679
Deferred gains or losses on hedges	17	(37)
Foreign currency translation adjustment	56	37
Remeasurements of defined benefit plans	(54)	(22)
Non-controlling interests	73	74
Total net assets	19,365	20,369
Total liabilities and net assets	39,665	38,502

NB: Figures are rounded down to the nearest million yen.

Consolidated statement of income

(Unit: million yen)

item	by fiscal period	
	prior fiscal period (April 1, 2015 – March 31, 2016)	current fiscal period (April 1, 2016 – March 31, 2017)
Net sales	32,795	31,146
Cost of sales	28,259	26,394
Selling, general and administrative expenses	3,858	3,978
Operating income	677	774
Non-operating income	164	192
Interest and dividend income	103	106
Other	61	86
Non-operating expenses	49	47
Interest expenses	39	39
Other	10	7
Ordinary income	792	919
Extraordinary income	23	47
Gain on sales of investment securities	—	42
Gain on redemption of securities	—	4
Gain on sales of non-current assets	23	—
Extraordinary losses	99	—
Loss on revision of retirement benefit plan	99	—
Profit before income taxes	715	967
Total income taxes	141	(33)
Profit attributable to non-controlling interests	27	21
Profit attributable to owners of parent	545	978

Consolidated Cash Flow Summary

(Unit: million yen)

item	by fiscal period	
	prior fiscal period (April 1, 2015 – March 31, 2016)	current fiscal period (April 1, 2016 – March 31, 2017)
Cash flows from operating activities	1,260	1,033
Cash flows from investing activities	(499)	402
Cash flows from financing activities	(405)	(484)
Effect of exchange rate change on cash and cash equivalents	(33)	(31)
Net increase (decrease) in cash and cash equivalents	321	920
Cash and cash equivalents at beginning of period	6,392	6,714
Cash and cash equivalents at end of period	6,714	7,634

Consolidated statement of changes in equity (from April 1, 2016 to March 31, 2017)

(Unit: million yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	6,176	1,544	10,451	(44)	18,128	1,144	17	56	(54)	1,163	73	19,365
Changes of items during period												
Dividends of surplus			(467)		(467)							(467)
Profit attributable to owners of parent			978		978							978
Purchase of treasury shares				(2)	(2)							(2)
Net changes of items other than shareholders' equity						535	(55)	(19)	32	493	0	494
Total changes of items during period	—	—	511	(2)	509	535	(55)	(19)	32	493	0	1,004
Balance at end of current period	6,176	1,544	10,963	(47)	18,637	1,679	(37)	37	(22)	1,657	74	20,369

NB: Figures are rounded down to the nearest million yen.

Parent-alone Financial Statements

Balance Sheet (Summary)

(Unit: million yen)

item	by fiscal period	
	prior fiscal period (As of March 31, 2016)	current fiscal period (As of March 31, 2017)
Assets		
Current assets	27,559	26,816
Non-current assets	9,884	9,920
Total assets	37,444	36,737
Liabilities		
Current liabilities	16,611	14,592
Non-current liabilities	2,217	2,384
Total liabilities	18,829	16,977
Net assets		
Shareholders' equity	17,452	18,118
Capital stock	6,176	6,176
Capital surplus	1,544	1,544
Retained earnings	9,776	10,444
Treasury shares	(44)	(47)
Valuation and translation adjustments	1,161	1,641
Valuation difference on available-for-sale securities	1,143	1,679
Deferred gains or losses on hedges	17	(37)
Total net assets	18,614	19,760
Total liabilities and net assets	37,444	36,737

Statement of income (Summary)

(Unit: million yen)

item	by fiscal period	
	prior fiscal period (April 1, 2015 - March 31, 2016)	current fiscal period (April 1, 2016 - March 31, 2017)
Net sales	28,925	27,794
Cost of sales	25,338	23,814
Selling, general and administrative expenses	3,148	3,210
Operating income	439	769
Non-operating income	322	338
Non-operating expenses	42	86
Ordinary loss	719	1,021
Extraordinary income	23	47
Extraordinary losses	116	24
Profit before income taxes	626	1,044
Total income taxes	97	(90)
Profit	528	1,134

Statement of changes in equity (Summary) (from April 1, 2016 to March 31, 2017)

(Unit: million yen)

	Shareholders' equity					Valuation and translation adjustments			Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	6,176	1,544	9,776	(44)	17,452	1,143	17	1,161	18,614
Changes of items during period									
Dividends of surplus			(467)		(467)				(467)
Profit			1,134		1,134				1,134
Purchase of treasury shares				(2)	(2)				(2)
Net changes of items other than shareholders' equity						535	(55)	480	480
Total changes of items during period	—	—	667	(2)	665	535	(55)	480	1,145
Balance at end of current period	6,176	1,544	10,444	(47)	18,118	1,679	(37)	1,641	19,760

NB: Figures are rounded down to the nearest million yen.

Stock Condition (as of March 31, 2017)

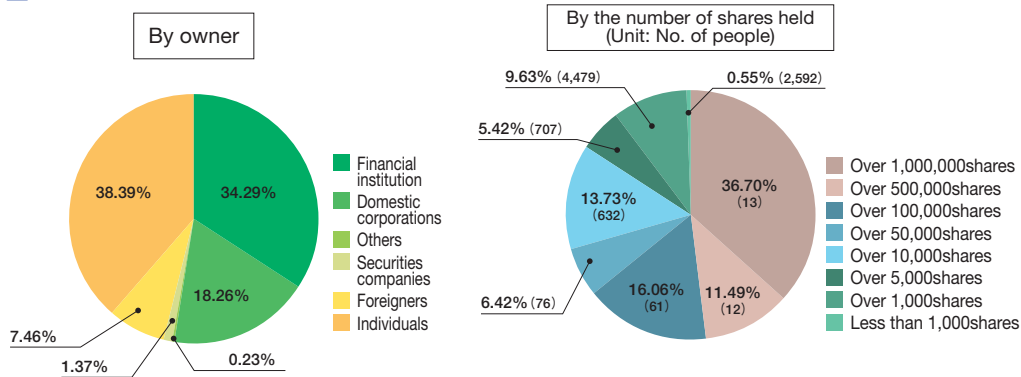
- Total number of shares that can be issued: 250,000,000
- Total number of shares already issued: 78,000,000 (Includes 177,085 shares of treasury stock)
- Number of shareholders: 8,572
- Major shareholders (ten largest)

(Units below a thousand shares have been truncated)

Major shareholder	Number of shares held	Investment ratio
The Dai-ichi Life Insurance Company, Limited.	4,641 thousand	5.96 %
Resona Bank, Ltd.	3,856	4.95
Mizuho Bank, Ltd.	2,685	3.45
Japan Trustee Services Bank, Ltd. (trust account)	2,332	3.00
Chugai Ro Affiliate Company Holdings	2,310	2.97
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST. BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS. UNITED KINGDOM	2,151	2.76
The Master Trust Bank of Japan, Ltd. (trust account)	2,056	2.64
Mitsubishi Corporation	1,795	2.31
The Zenitaka Corporation	1,750	2.25
Nippon Life Insurance Company	1,496	1.92

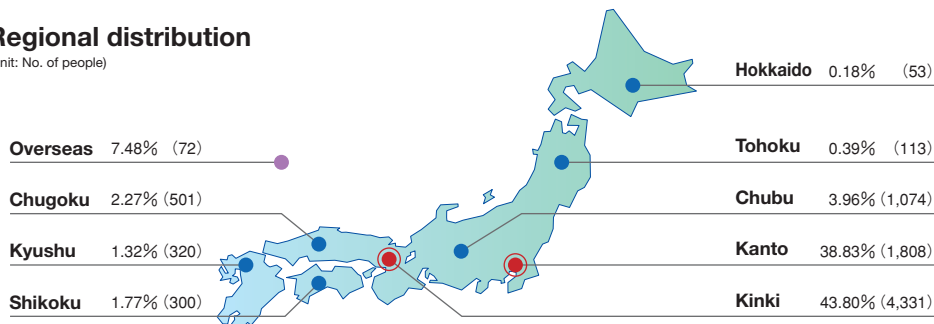
NB: The investment ratio has been calculated with the common stock for treasury omitted.

Share distribution



Regional distribution

(Unit: No. of people)



Outline of The Company (as of March 31, 2017)

Name	Chugai Ro Co., Ltd.
Incorporated	April, 1945
Capital	¥6,176.72million
Head Office	3-6-1, Hiranomachi, Chuo-ku, Osaka 541-0046, Japan Phone: +81-6-6221-1251 Facsimile: +81-6-6221-1411
Sakai Works	2-4, Chikko-Shinmachi, Nishi-ku, Sakai, Osaka 592-8331, Japan Phone: +81-72-247-2501 Facsimile: +81-72-247-2508
Sakai Center	94-7, Ishizu-Nishimachi, Nishi-ku, Sakai, Osaka 592-8332, Japan
Tokyo Branch	2-5-7, Konan, Minato-ku, Tokyo 108-0075, Japan Phone: +81-3-5783-3360 Facsimile: +81-3-5783-3368
Nagoya Sales Office	1-21-19, Meieki-Minami, Nakamura-ku, Nagoya 450-0003, Japan Phone: +81-52-561-3561 Facsimile: +81-52-561-3566
Combustion Laboratory	1000-6, Enmyo-cho, Kashiwara, Osaka 582-0027, Japan Phone: +81-72-977-8503 Facsimile: +81-72-978-6981
Kokura Factory	2-2-1, Higashi-Minato, Kokura-kita-ku, Kitakyushu 803-0802, Japan Phone: +81-93-571-5788 Facsimile: +81-93-571-6268
Foreign Subsidiaries	Taiwan:Kaohsiung China:Shanghai Thailand:Bangkok Indonesia:Jakarta Mexico:Aguascalientes

■ Board of Directors (as of June 22, 2017)

President	Yuji Nishimoto
Managing Director	Kenichiro Nanba
Director & Senior Corporate Adviser	Tadashi Tanigawa
Directors	Kazuhisa Fujita Masanori Niiya Akira Ozaki Mamoru Sakata Shigeki Negoro Masaaki Nomura

■ Supervisory Board (as of June 22, 2017)

Full-time Auditor	Ikuya Ikeyama
Auditors	Syozo Seki Paul Ch'en

■ Employee's conditions (as of March 31, 2017)

690 employees within the group. The number of employees is as follows.

Number of Employees	Compared with the previous period	Average age	Average length of employment
452	-1	43.6	18.3 years

■ Executive Officers (as of June 22, 2017)

Senior Executive Officers	Kazuhisa Fujita * Mitsuru Nagahama
Executive Officers	Masanori Niiya * Akira Ozaki * Mamoru Sakata * Isamu Ikeda Tsunehiko Magara Yoshifumi Sakamoto Yuji Sakurai Terunori Shirotzuki

Note: An asterisk (*) denotes a director with more than one post.

