

# ChugaiRo

69th

## Term Report

April 1, 2010 ■ March 31, 2011



Energy



Information / Communications



Environment

**CHUGAI RO CO., LTD.**

# To Our Shareholders

We would like to extend our heartfelt sympathies to those affected by the Great East Japan Earthquake.

We would also like to express our thanks to our shareholders for their continued kind support in conjunction with this release of our 69th fiscal period business report (period ending March, 2011).

## ■ Business Environment

The consolidated fiscal accounting period saw the Japanese economy maintaining a gentle recovery phase, with improvements in both exports and production driven by rising demand from newly emerging nations and the positive effects of economic stimulus packages at home. During the second half of the period, however, the pace of recovery began to slow due to the ongoing strength of the yen and the diminishing impact of government policy. This was followed by the Great East Japan Earthquake in March, which caused major disruption to the supply chain and forced many businesses to scale back production, leading to fresh concerns of economic stagnation.

The global economy, meanwhile, registered steady growth with domestic demand rising throughout Asia and the United States economy working its way back onto the recovery path despite the substantial budget deficit.

Looking at the Group's key markets, the steel industry saw exports performing strongly, particularly into Asia (mainly China and South Korea), while domestic production of crude steel recovered to reach 100 million tons in FY2010. However most of the demand was for improvements and upgrades such as energy-saving modifications and upgrading of aging facilities, with relatively little demand for new plant and equipment investment.

Production in the automotive industry dropped off as the Eco Car subsidies scheme was wound up, while the scaling back of the Eco Points scheme had a similar impact on sales in the electric industry. In both industries, signs of improvement were tempered by a growing emphasis on adjustment, which prevented migration to the recovery phase. Meanwhile, factors such as the strong yen served to further encourage the shift towards local production operations in newly emerging nations, leading to concerns about hollowing out of domestic production.

## ■ Marketing Conditions

In the face of such testing market conditions, the Group devoted its attention to developing attractive yet low-cost products tailored to market demand, in order to establish a technological advantage as well as competitive superiority. Considerable management resources were devoted to development of alternative energy formats such as photovoltaic cells and secondary batteries, considered key growth areas of the future. We are boosting staff numbers at subsidiaries located in the fast-growing Asian marketplace and consolidating our business networks with both local and Japanese manufacturers in these markets.

Buoyed by contracts for a major new steelmills facility in Vietnam and touch panel precision coating systems for smartphone and mobile device suppliers in Taiwan, the total value of orders reached 35.963 billion yen (Compared with 68th term 114.4%).

Sales rose to 38.276 billion yen (Compared with 68th term 108.1%) on the back of deliveries of flat panel display production lines and photovoltaic cells panel manufacturing equipment.

On the profits side, while the stock market fall led to appraisal losses on securities that were recorded as an extraordinary loss, this was offset by the combined impact of higher revenues and ongoing

cost-cutting measures. As a result, operating profit rose to 3.856 billion yen (Compared with 68th term 139.6%), ordinary profit rose to 4.002 billion yen (137.0%) and net profit for the current term rose to 2.314 billion yen (108.9%).

Continuing from the previous consolidated fiscal year, some three million shares of treasury stock were acquired in three parcels during the 69th term, as a means of building on the capital efficiency gains and also returning profits to our shareholders.

The dividend for the current period will be paid at 8.0 yen per share. This figure reflects a range of factors include the earnings performance of the Company during the current period as described above, future development plans, and the need to increase retained earnings.

### ■ Future Perspectives and Our Company Themes

Although Chugai Ro was spared direct damage to personnel and property during the earthquake and tsunami, the disaster caused severe disruption to the supply chain (mainly in parts and components), not to mention the ongoing impact of electricity shortages and the Fukushima nuclear power station crisis, which is expected to be felt for some time yet. Even taking into account new demand associated with the restoration effort, the disaster is set to have an unprecedented impact on the domestic economy and the outlook for the future remains bleak, with little prospect of improvement in the immediate future. Meanwhile, the global economy will be led by ongoing growth in the newly emerging nations, although the future is less clear due to concerns about inflation.

In light of the current business environment, Chugai Ro is dedicated to exploiting new markets by speeding up the development process to enable faster launching of new products in key growth fields such as alternative energy (particularly photovoltaic cells and rechargeable batteries), touch panels, and organic EL and 3D displays. At the same time, we are committed to capitalizing on demand generated by strong economic growth in newly emerging nations. We are working to enhance our competitive superiority in terms of cost, quality and delivery times as a means of boosting overseas orders and sales revenues.

It is important to have a solid understanding of trends in the marketplace so that we can modify and adapt our operational structures accordingly. Our goal is to create new forms of value by developing “Thermal Technology” that utilize the unique competence of Chugai Ro. As a technology-driven company, our aim is to generate consistent earnings in growth markets and construct a solid economic platform that will enable sustained growth into the future irrespective of fluctuations in the economic climate. We look forward to your continued understanding and support in our efforts.

June 2011



President  
Yoshihiko Satou

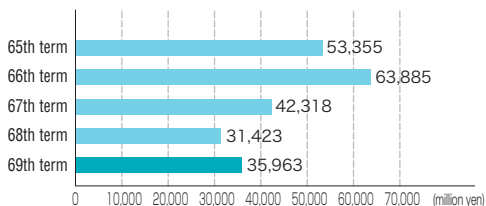
# Summary of Achievements

## Shifts in Consolidated Business Operation Performance

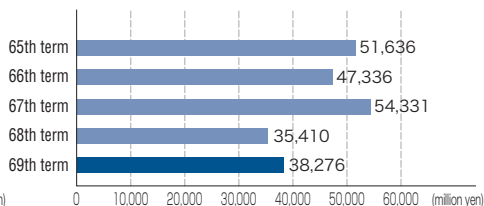
(Unit: million yen)

	65th term March 2007	66th term March 2008	67th term March 2009	68th term March 2010	69th term March 2011
<b>Orders received</b>	53,355	63,885	42,318	31,423	35,963
<b>Sales</b>	51,636	47,336	54,331	35,410	38,276
<b>Ordinary profits</b>	4,673	4,698	5,240	2,920	4,002
<b>Net profit for the current term</b>	2,355	2,788	2,820	2,126	2,314

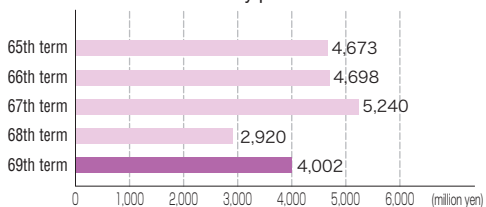
Orders received



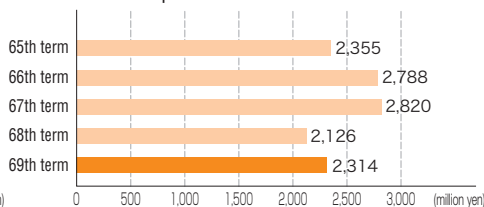
Sales



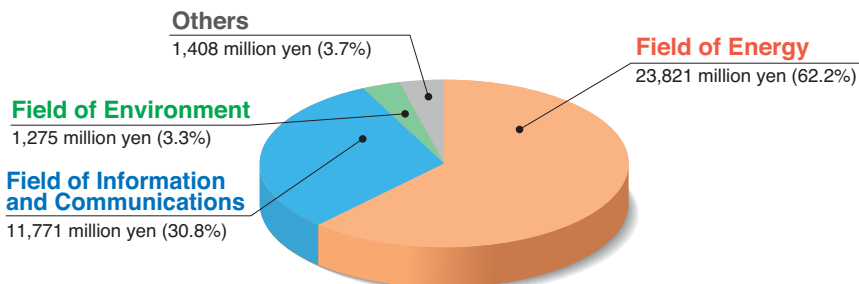
Ordinary profits



Net profit for the current term



## 69th term consolidated sales by field category (All fields Total 38,276 million yen)



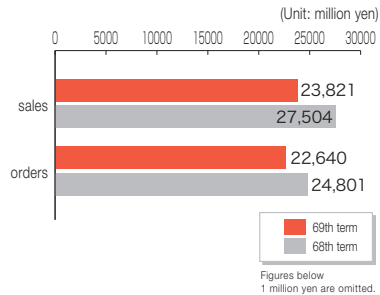


## Field of Energy

### Consolidated Net Sales 23,821 million yen

(Compared with 68th term 86.6%: Structural Ratio 62.2%)

The total value of orders in the energy field was 22.64 billion yen (Compared with 68th term 91.3%). Domestic orders were dominated by replacement and upgrades of aging reheating furnaces for steelmills and steelmaking dust recycling systems, while overseas contracts included a cold rolled steel strip continuous annealing and hot dip galvanizing lines in Vietnam and stainless steel strip processing lines in China. Sales reached 23.821 billion yen (Compared with 68th term 86.6%), with the drop in domestic plant and equipment investment in the automotive and machinery industries outweighing revenue from orders such as energy-saving modifications to reheating furnaces for steelmills, titanium heat treatment furnaces, photovoltaic cell production lines and carbon heat treatment systems.

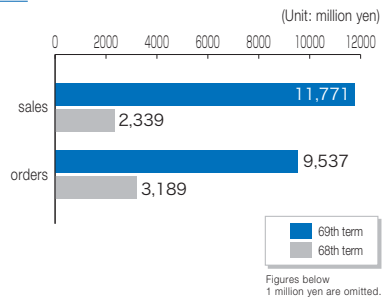


## Field of Information and Communications

### Consolidated Net Sales 11,771 million yen

(Compared with 68th term 503.3%: Structural Ratio 30.8%)

The total value of orders increased significantly to 9.537 billion yen (Compared with 68th term 299.1%), thanks to burgeoning demand for precision coating systems for touch panels and 3D display devices as well as a number of major orders for organic EL (electro-luminescence) production systems and spiral coaters for electronic components. Sales likewise rose sharply, reaching 11.771 billion yen (Compared with 68th term 503.3%) on the back of flat-screen panel production systems and touch panel precision coating systems for electrical manufacturers as well as vacuum film deposition systems.

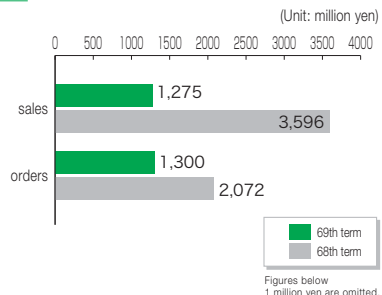


## Field of Environment

### Consolidated Net Sales 1,275 million yen

(Compared with 68th term 35.5%: Structural Ratio 3.3%)

Despite new orders for regenerative thermal oxidizers (from the chemical industry) and for vehicle body drying ovens (from the automotive industry), the total value of orders fell to 1.3 billion yen (Compared with 68th term 62.8%), due mainly to a general downturn in plant and equipment investment as the deadline for compliance with stricter VOC regulations under the amended Air Pollution Control Law finally expired. Sales also fell to 1.275 billion yen (Compared with 68th term 35.5%), with deliveries of regenerative thermal oxidizers in Taiwan and for chemical producers in Japan being offset by an overall contraction in the marketplace.



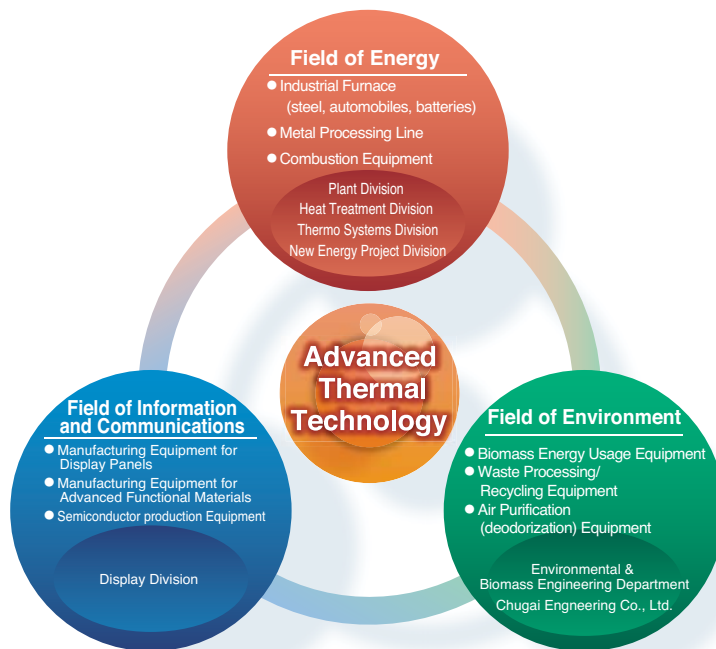
## Other

### Consolidated Net Sales 1,408 million yen (Compared with 68th term 71.5%: Structural Ratio 3.7%)

The Other segment, which includes operations of domestic and overseas subsidiaries, saw orders increase to 2.484 billion yen (Compared with 68th term 182.6%), thanks to aggressive plant and equipment investment by Japanese manufacturers in China as well as new contracts for heat treatment systems for auto parts and bearings. However sales reached only 1.408 billion yen (Compared with 68th term 71.5%), primarily because of the relative lack of order backlog at the start of the period.

## Energy, Information / Communications, Environmental preservation

We have concentrated our next-generation thermal technologies in these three fields, and continue to advance towards our goal of being a technology-driven company that will help create a bountiful future for mankind and our earth.



## Effective use of energy

### VPAX shaft type continuous powder baking furnace unveiled at “Battery Japan”

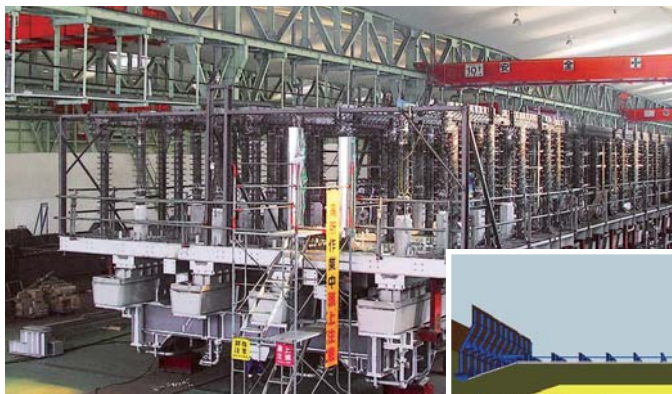
Chugai Ro held an exhibit for the first time at the 2nd International Rechargeable Battery Expo (Battery Japan), held in March 2011 at the Tokyo Big Sight exhibition center. The Chugai Ro exhibit attracted some 250 visitors over three days. In recent years, auto makers have been pursuing next-generation vehicles such as hybrid vehicles, plug-in hybrid vehicles and fully electric vehicles in markets around the world. In the power generation infrastructure field, meanwhile, power storage systems are being developed as a means of enhancing the stability of power distribution networks to accommodate a higher proportion of renewable energy sources such as wind and photovoltaic power. To this end, research is focusing on lithium-ion rechargeable batteries and post-lithium-ion rechargeable batteries made from advanced new materials that can help to promote the usage of large battery installations.

Battery Japan was attended by many of our clients from this fast-growing field, and Chugai Ro was keen to display manufacturing systems in a bid to establish a strong presence in the battery market, which is expected to see a considerable amount of plant and equipment investment in the future. The exhibit showcased the VPAX shaft type continuous powder baking furnace, vertical type flour calciner, carbonizing-baking system, and coating systems. Many expressions of interest were received, and Chugai Ro is confident of acquiring a new clientele in the fast-growing field of rechargeable batteries.

## Developing the method of upgrading existing reheating furnaces, introducing energy-saving features in Japan

Chugai Ro supplies leading steelmills in Japan and around the world with the latest and most sophisticated equipment installations. Since delivering the first walking beam type reheating furnace in 1967, Chugai Ro has supplied more than 150 installations in total. During the current fiscal period, Chugai Ro completed the development of a revolutionary new upgrade method for reheating furnaces aged 30 years and over. The upgrade method involves replacement of the entire furnace underbody and drive system using optimized module designs and prefabricated components made at the Kokura Factory for faster changeover. The upgrade process includes conversion to a regenerative combustion system that drastically reduces greenhouse gas emissions associated with furnace operation.

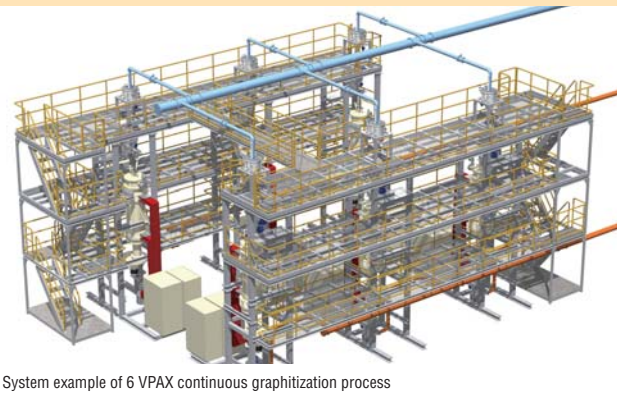
Chugai Ro is committed to servicing rising demand from domestic blast furnace steel manufacturers for upgrades to aging equipment while also enabling substantial energy savings.



◀ Lower drive unit of reheating furnace assembled at Kokura Factory



▶ Drive unit modules inserted in sequence from the ceiling hatch of the furnace



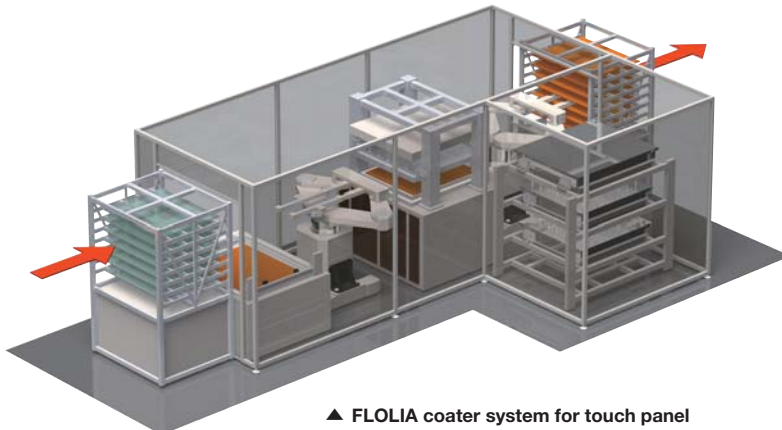
System example of 6 VPAX continuous graphitization process

## Advanced functionalization of information and communications

### Ongoing strong demand for coater systems driven by increased production of touch panels

Touch panels (display screens that are operated by finger gestures) have been adopted in a wide variety of digital devices and systems including ATM machines, ticket dispensers at railway stations, photocopiers, car navigation systems, mobile phones, digital cameras and portable music players. Smartphones (mobile phones with computer-like functionality) and tablet devices have been a worldwide hit since spring 2010, and this is expected to generate ongoing growth in global demand for glass substrates and electrostatic capacitive touch panels for some time.

Chugai Ro boasts considerable expertise in precision coating systems based on extensive experience with production systems for flat-screen television panels, and over the past few years we have supplied a number of FLOLIA coater systems, mainly to touch panel manufacturers in Taiwan. More recently, in recognition of our superior technical standards and track record in the industry, we have received many orders for additional production line capacity, particularly from those manufacturers in Taiwan who have been quick to embrace mass production of electrostatic capacitive touch panels. In order to capitalize on the burgeoning demand for equipment investment in the Asia sphere, Chugai Ro set up a local office in Jungli in Taiwan during the second half of FY2010. The new office will enable a more comprehensive local technical support service by providing a base for deploying engineering staff to the southern region of Zhuhai in China as well as Shanghai.



▲ FLOLIA coater system for touch panel

## Preservation of the Earth's Environment

### New rooftop photovoltaic system at Kokura Factory reduces annual CO<sub>2</sub> emissions by 21 tons

Installation of the new photovoltaic power generation system at the Kokura Factory at Kita-Kyushu in Fukuoka prefecture was completed on October 28, 2010. The system, which is now in operation and producing power, consists of 590 next-generation CIS (copper indium selenide) thin-film photovoltaic panels. Developed by Chugai Ro client Solar Frontier Ltd. (based in Minato-ku, Tokyo), these panels contain no silicon or harmful substances and the company realized the first commercial application of CIS type in the world. The system was installed on the roof of the southernmost building at the factory complex.

The new photovoltaic system has a generation capacity of 50 kW, and power is supplied to factory buildings and offices on the site. Total power generation between November 2010 and March 2011 reached 20,000 kWh, equivalent to 15% of the overall power needs of the Kokura Factory site. The renewable energy generated by the system contributes to global warming by reducing power consumption by the equivalent of 21 tons of carbon dioxide per year.



▲ CIS thin-film photovoltaic panels on the Kokura Factory rooftop

# Consolidated Financial Statements

## Consolidated Balance Sheet

(Unit: million yen)

Subject	By Fiscal Period	Prior Consolidated Accounting Fiscal Period (As of March 31, 2010)	Current Consolidated Accounting Fiscal Period (As of March 31, 2011)
<b>Assets</b>			
<b>Current assets</b>		<b>29,708</b>	<b>33,604</b>
Cash and deposits		8,253	17,643
Notes receivable and accounts receivable		20,336	14,043
Cash disbursed for work in progress, etc.		821	1,543
Deferred tax assets		169	247
Others		147	137
Allowance for doubtful debts		△19	△9
<b>Fixed assets</b>		<b>11,731</b>	<b>10,940</b>
<b>Tangible fixed assets</b>		<b>6,021</b>	<b>5,861</b>
Buildings and structures		3,118	2,956
Machinery and transportation equipment		571	552
Land		2,090	2,090
Construction in progress		—	9
Others		241	252
<b>Intangible fixed assets</b>		<b>23</b>	<b>17</b>
<b>Investments and other assets</b>		<b>5,686</b>	<b>5,061</b>
Investment in securities		5,280	4,663
Others		444	436
Allowance for doubtful debts		△37	△38
<b>Total assets</b>		<b>41,440</b>	<b>44,545</b>

Subject	By Fiscal Period	Prior Consolidated Accounting Fiscal Period (As of March 31, 2010)	Current Consolidated Accounting Fiscal Period (As of March 31, 2011)
<b>Liabilities</b>			
<b>Current liabilities</b>		<b>16,778</b>	<b>19,849</b>
Notes payable and accounts payable		11,129	11,303
Short-term loans		3,274	3,308
Unpaid corporate taxes, etc.		477	1,482
Advance received for work in progress		291	1,700
Reserve for bonus payment		349	291
Construction losses reserve		4	199
Others		1,251	1,562
<b>Fixed liabilities</b>		<b>2,219</b>	<b>2,064</b>
Long-term loans		720	741
Extended tax liabilities		1,184	1,148
Accrued retirement benefit cost		285	112
Negative goodwill		29	16
Others		—	46
<b>Total liabilities</b>		<b>18,997</b>	<b>21,913</b>
<b>Net assets</b>			
<b>Owners' equity</b>		<b>20,644</b>	<b>21,273</b>
Capital		6,176	6,176
Capital surplus		3,849	3,849
Retained earnings		10,940	12,551
Treasury stock		△323	△1,304
<b>Accumulated other comprehensive income</b>		<b>1,716</b>	<b>1,296</b>
Other estimated differences for securities		1,723	1,333
Foreign currency translation adjustments		△6	△36
<b>Minority interest</b>		<b>82</b>	<b>62</b>
<b>Total net assets</b>		<b>22,443</b>	<b>22,631</b>
<b>Total liabilities and net assets</b>		<b>41,440</b>	<b>44,545</b>

Notes) Figures are rounded down to the nearest million yen.

## Consolidated Profit and Loss Statement

(Unit: million yen)

Subject	By Fiscal Period	Prior Consolidated Accounting Fiscal Period April 1, 2009 – March 31, 2010	Current Consolidated Accounting Fiscal Period April 1, 2010 – March 31, 2011
<b>Net sales</b>		<b>35,410</b>	<b>38,276</b>
Cost of sales		28,394	29,904
Selling, general and administrative expenses		4,252	4,515
<b>Operating profit</b>		<b>2,763</b>	<b>3,856</b>
Non-operating profit		250	207
(Interest received and dividends)		(89)	(104)
(Others)		(160)	(102)
Non-operating expenses		93	61
(Interest paid)		(55)	(50)
(Others)		(37)	(11)
<b>Ordinary profit</b>		<b>2,920</b>	<b>4,002</b>
Extraordinary profit		21	129
(Gain on allotment of investment securities)		(—)	(62)
(Gain on sale of shares in affiliates)		(—)	(30)
(Gain on transfer of business)		(—)	(22)
(Reversal of allowance for doubtful accounts)		(21)	(10)
(Gain on sale of investment securities)		(—)	(4)
Extraordinary loss		21	199
(Loss from write-down of securities)		(21)	(199)
<b>Pretax net profit for the current term</b>		<b>2,920</b>	<b>3,931</b>
Total corporate taxes, etc.		775	1,610
Minority shareholder profit		18	6
<b>Net profit for the current term</b>		<b>2,126</b>	<b>2,314</b>

## Consolidated Cash Flow Summary

(Unit: million yen)

Subject	By Fiscal Period	Prior Consolidated Accounting Fiscal Period April 1, 2009 – March 31, 2010	Current Consolidated Accounting Fiscal Period April 1, 2010 – March 31, 2011
Cash flow from business activities		3,023	11,341
Cash flow from investments		△1,004	△303
Cash flow from financial activities		△1,213	△1,631
Effect of exchange rate change on cash and cash-equivalent items		5	△16
Amount of increase/decrease in cash and cash-equivalent items		811	9,390
Balance of cash and cash-equivalent items at beginning of period		7,441	8,253
<b>Balance of cash and cash-equivalent items at end of period</b>		<b>8,253</b>	<b>17,643</b>

## Consolidated Statements of Changes in Net Assets

(from April 1, 2010 to March 31, 2011)

(Unit: million yen)

	Stockholders' equity					Accumulated other comprehensive income			Minority shareholder loss	Total net assets
	Capital	Capital surplus	Retained earnings	Treasury stock	Total Stockholders' equity	Other estimated differences for securities	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance at the end of the preceding term	6,176	3,849	10,940	△323	20,644	1,723	△6	1,716	82	22,443
<b>Change for the Current Period</b>										
Dividend distribution of surplus money			△704		△704					△704
Current period net profit			2,314		2,314					2,314
Purchase of treasury stock				△981	△981					△981
Current period changes (net value) for items other than Stockholders' equity					—	△390	△30	△420	△19	△440
<b>Total current period change</b>	—	—	1,610	△981	628	△390	△30	△420	△19	188
<b>Balance at the end of the current term</b>	<b>6,176</b>	<b>3,849</b>	<b>12,551</b>	<b>△1,304</b>	<b>21,273</b>	<b>1,333</b>	<b>△36</b>	<b>1,296</b>	<b>62</b>	<b>22,631</b>

Notes) Figures are rounded down to the nearest million yen.

# Parent-alone Financial Statements

## Balance Sheet (Summary)

(Unit: million yen)

Subject	By Fiscal Period	Previous accounting year (As of March 31, 2010)	Current accounting year (As of March 31, 2011)
<b>Assets</b>			
Current assets		28,491	32,247
Fixed assets		11,778	10,974
<b>Total assets</b>		<b>40,269</b>	<b>43,222</b>
<b>Liabilities</b>			
Current liabilities		16,282	19,145
Fixed liabilities		2,153	2,020
<b>Total liabilities</b>		<b>18,436</b>	<b>21,165</b>
<b>Net assets</b>			
Owners' equity		20,109	20,724
Valuation and translation adjustments		1,723	1,332
<b>Total net assets</b>		<b>21,833</b>	<b>22,057</b>
<b>Total liabilities and net assets</b>		<b>40,269</b>	<b>43,222</b>

## Profit and Loss Statement (Summary)

(Unit: million yen)

Subject	By Fiscal Period	Previous accounting year (April 1, 2009 - March 31, 2010)	Current accounting year (April 1, 2010 - March 31, 2011)
<b>Net sales</b>		33,440	36,868
Cost of sales		26,953	28,834
Selling, general and administrative expenses		3,820	4,141
<b>Operating profit</b>		2,666	3,891
Non-operating profit		254	227
Non-operating expenses		65	65
<b>Ordinary profit</b>		2,856	4,053
Extraordinary profit		19	87
Extraordinary loss		31	232
<b>Net profit for the current period before taxes</b>		2,844	3,908
Corporate taxes, etc.		699	1,607
<b>Net profit for the current term</b>		<b>2,145</b>	<b>2,300</b>

## Statement of Changes in Net Assets (Summary) (from April 1, 2010 to March 31, 2011)

(Unit: million yen)

	Stockholders' equity					Valuation and translation adjustments	Total net assets
	Capital	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity	Other estimated differences for securities	
<b>Balance at the end of the preceding term</b>	<b>6,176</b>	<b>3,849</b>	<b>10,406</b>	<b>△323</b>	<b>20,109</b>	<b>1,723</b>	<b>21,833</b>
<b>Change for the current period</b>							
Dividend distribution of surplus money			△704		△704		△704
Current period net profit			2,300		2,300		2,300
Purchase of treasury stock				△981	△981		△981
Current period changes (net value) for items other than Stockholders' equity					—	△390	△390
<b>Total current period change</b>	<b>—</b>	<b>—</b>	<b>1,596</b>	<b>△981</b>	<b>614</b>	<b>△390</b>	<b>224</b>
<b>Balance at the end of the current term</b>	<b>6,176</b>	<b>3,849</b>	<b>12,002</b>	<b>△1,304</b>	<b>20,724</b>	<b>1,332</b>	<b>22,057</b>

Notes) Figures are rounded down to the nearest million yen.

# Stock Condition (as of March 31, 2011)

- Total number of shares that can be issued: 250,000,000
- Total number of shares already issued: 89,230,015 (Includes 4,283,061 shares of treasury stock)
- Number of shareholders: 11,879
- Major shareholders (ten largest)

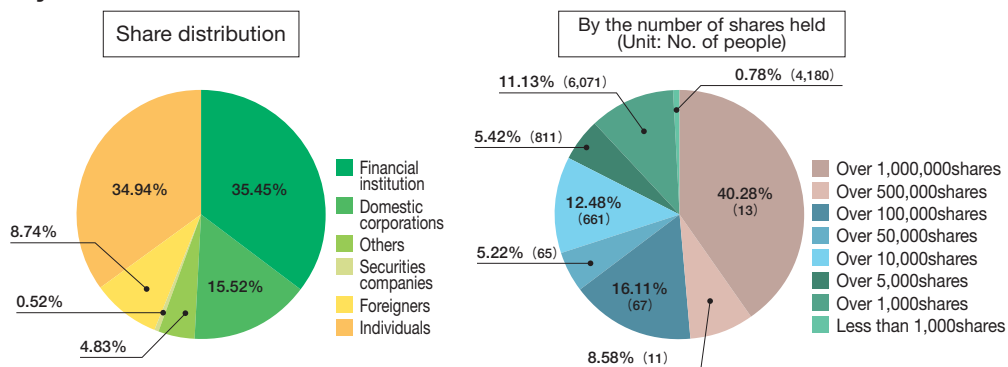
(Units below a thousand shares have been truncated)

Major shareholder	Number of shares held	Investment ratio
The Dai-ichi Life Insurance Company, Limited	4,641 thousand	5.46 %
Resona Bank, Ltd.	4,247	5.00
Mizuho Bank, Ltd.	3,785	4.46
Japan Trustee Services Bank, Ltd. (trust account)	3,609	4.25
Mitsubishi Corporation	3,545	4.17
The Master Trust Bank of Japan, Ltd. (trust account)	2,805	3.30
Nippon Life Insurance Company	2,136	2.52
The Zenitaka Corporation	1,750	2.06
Chugai Ro Affiliate Company Holdings	1,547	1.82
Shizue Tanikawa	1,248	1.47

Notes) 1. The investment ratio has been calculated with the common stock for treasury omitted.

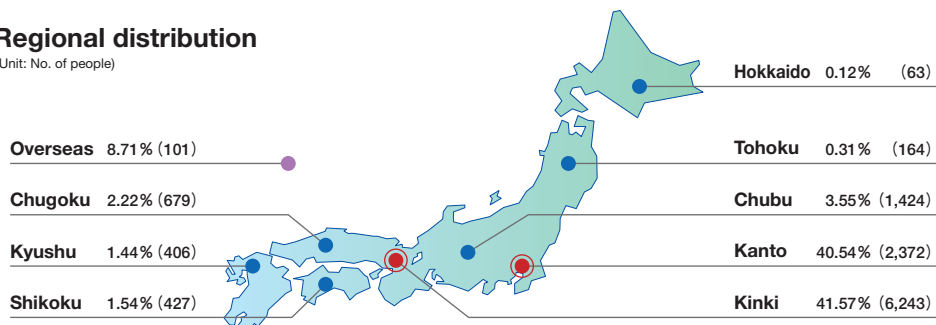
2. In addition to the major shareholders listed above, the Company holds 4,283,000 shares in treasury stock.

## ■ By owner



## ■ Regional distribution

(Unit: No. of people)



# Outline of The Company (as of March 31, 2011)

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	2-12-7, Higashi-Shinbashi, Minato-ku, Tokyo 105-0021, Japan Phone: +81-3-3578-4741 Facsimile: +81-3-3578-4754
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
Shanghai Office	26F, Shanghai International Trade Center, 2200 Yan-An Road(W.), Shanghai, China Phone: +86-21-6295-0081 Facsimile: +86-21-6295-5338
Foreign Subsidiaries	Taiwan:Kaohsiung China:Shanghai

## ■ Board of Directors (as of June 24, 2011)

Chairman	Tadashi Tanigawa
President	Yoshihiko Satou
Managing Directors	Yuji Nishimoto Tetsuo Akiyama
Directors	Kiyoshi Tsujino Kinya Kisoda Kenichirou Nanba Kengo Ichizen

## ■ Supervisory Board (as of June 24, 2011)

Yoshio Kaji  
Fumio Motoi  
Takashi Iwao

## ■ Executive Officers (as of June 24, 2011)

Senior Executive Officers	Koji Inuki Tadayuki Choshi
Executive Officers	Kazuhisa Fujita Isamu Ikeda

## ■ Employee's conditions (as of March 31, 2011)

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

Number of Employees	Average age	Average length of employment
451 <small>(Compared with 68th term: 1 decrease)</small>	42.2	17.4years

