

**For the Fiscal Year Ended March 31, 2016**

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**Annual Select<sup>®</sup> 2016**

# Tanabe Management Consulting Co., Ltd.

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**3-3-41 Miyahara, Yodogawa-ku, Osaka**

**(Securities Code: 9644)**

**+81-6-7177-4000**

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“At Tanabe Management, we love our corporate clients,  
advance together with them, and contribute to their prosperity.

We aim to benefit the broad society  
as a first-rate pillar of trust.

With international perspective, we overcome the infinite challenges of change,  
and always the pioneer, we open up paths to the world.”

## **Corporate Profile**

Tanabe Management Consulting Co., Ltd. was established in Kyoto in 1957 as the Tanabe Management Consulting Office. The Company’s head office is presently located in Osaka City. Following the management philosophy of “love our corporate clients, advance together with them, and contribute to their prosperity,” its operating units—the Management Consulting Business and the Sales Promotion (SP) Consulting Business—mutually coordinate together. The Company boasts an office network covering 10 cities throughout Japan, from the northernmost island of Hokkaido to Okinawa in the south. Based on company-wide team consulting that aims to deliver the best for every client, the Company will continually assist in the creation of “first call companies” that will be the first choice even 100 years in the future.

## I. Summary of Selected Financial Data

		50 <sup>th</sup> term	51 <sup>st</sup> term	52 <sup>nd</sup> term	53 <sup>rd</sup> term	54 <sup>th</sup> term
		Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	(Thousands of yen)	6,709,251	7,331,189	7,582,765	7,865,452	8,297,846
Ordinary income	(Thousands of yen)	550,896	600,864	709,807	808,522	886,030
Profit	(Thousands of yen)	260,895	323,990	780,450	315,629	582,403
Equity in earnings of affiliates	(Thousands of yen)	–	–	–	–	–
Capital stock	(Thousands of yen)	1,772,000	1,772,000	1,772,000	1,772,000	1,772,000
Total number of shares issued	(Shares)	8,754,200	8,754,200	8,754,200	8,754,200	8,754,200
Net assets	(Thousands of yen)	8,596,295	8,778,467	9,343,394	9,552,238	9,833,677
Total assets	(Thousands of yen)	10,410,683	10,735,545	11,389,497	11,792,255	12,086,696
Net assets per share	(Yen)	992.22	1,013.26	1,078.50	1,102.60	1,135.09
Dividend per share (of the above, interim dividend per share)	(Yen)	22.00 (–)	26.00 (–)	30.00 (–)	33.00 (–)	38.00 (–)
Basic earnings per share	(Yen)	30.11	37.40	90.09	36.43	67.23
Diluted earnings per share	(Yen)	–	–	–	–	–
Equity ratio	(%)	82.6	81.8	82.0	81.0	81.4
Rate of return on equity	(%)	3.0	3.7	8.6	3.3	6.0
Price-earnings ratio	(Times)	16.11	18.72	7.99	26.24	16.85
Payout ratio	(%)	73.1	69.5	33.3	90.6	56.5
Net cash provided by (used in) operating activities	(Thousands of yen)	237,253	511,373	688,416	1,130,807	670,247
Net cash provided by (used in) investing activities	(Thousands of yen)	(573,460)	182,467	77,340	(760,654)	300,943
Net cash provided by (used in) financing activities	(Thousands of yen)	(189,458)	(190,317)	(225,002)	(259,234)	(284,800)
Cash and cash equivalents at end of period	(Thousands of yen)	3,061,194	3,564,717	4,105,471	4,216,389	4,902,779
Number of employees [Separately, average number of temporary employees]	(Persons)	276 [56]	280 [50]	289 [39]	295 [38]	293 [29]

- Notes: 1. The Company does not prepare consolidated financial statements.  
2. Net sales do not include consumption taxes.  
3. Equity in earnings of affiliates is not presented because there are no significant affiliates.  
4. Diluted earnings per share is not presented because there were no potentially dilutive shares.  
5. The dividend per share for the 51<sup>st</sup> term includes 2 yen of 55<sup>th</sup> anniversary memorial dividend.

## II. To Our Shareholders

First off, I would like to extend a warm greeting to our shareholders and other investors, and thank you all for your continued support of our Company.

On March 15, 2016, the Company changed its listing to the Second Section of the Tokyo Stock Exchange, from the Tokyo Stock Exchange JASDAQ (Standard) previously. I am sincerely grateful to our shareholders, business partners and other stakeholders who have long been lending us their support.

In the fiscal year under review, we carried out the following measures to realize our basic policy of “Vision 2020 Change and Growth.”

In our Management Consulting Business, we have been striving to expand our customer base through initiatives that have included enhancing themes of our strategic domain and management workshops and redoubling efforts to recruit participants to take part in our management strategy seminars and various other seminars. As a result, we have increased the number of team consulting contracts and have been able to generate stable revenues. In addition, we have been endeavoring to expand our alliances with regional financial institutions, accountant’s offices and other such entities nationwide, and have accordingly been working on enhancing our study workshops for training successors of regional businesses (management schools), human resource development services and other such offerings.

In the Sales Promotion (SP) Consulting Business, we expanded our customer base through initiatives involving a team approach to SP consulting, primarily focused on young women as well as the kindergarten and child-rearing markets. With respect to business in areas such as merchandising, OEM and business handbooks, we have been redoubling efforts geared to supporting development and production of original products, and establishing new sales channels and routes.

As for the economic environment, corporate earnings have held firm, while the employment and personal income environment continues to improve. Nevertheless, the pace of economic recovery has been sluggish due to prevailing downside concerns with respect to business conditions overseas, prompted by factors such as forex volatility, moves to return the U.S. monetary policy back to normalcy, slowing economies in China and other emerging countries, and slumping crude oil prices. Operating in this environment, we will keep striving to assist in the creation of “first call companies” that will be the first choice even 100 years in the future, by resolving customer challenges through an approach that involves team consulting on a company-wide basis, in line with our slogan of “All for Clients.”

On a separate note, we regret to inform you that the Company’s founder Shoichi Tanabe passed away at the end of last year. In the wake of this unfortunate development, each and every employee will remain committed to carrying forward the ideals and aspirations of Shoichi Tanabe, a man who since founding the company contributed to the success of countless businesses through his steadfast ambition to help enterprises, acting as a pioneer in helping to lay the foundations of the management consulting industry.

In closing, I would like to thank you in advance for your continued support and encouragement of our efforts.

June 2016

Takahiko Wakamatsu  
President and Chief Executive Officer

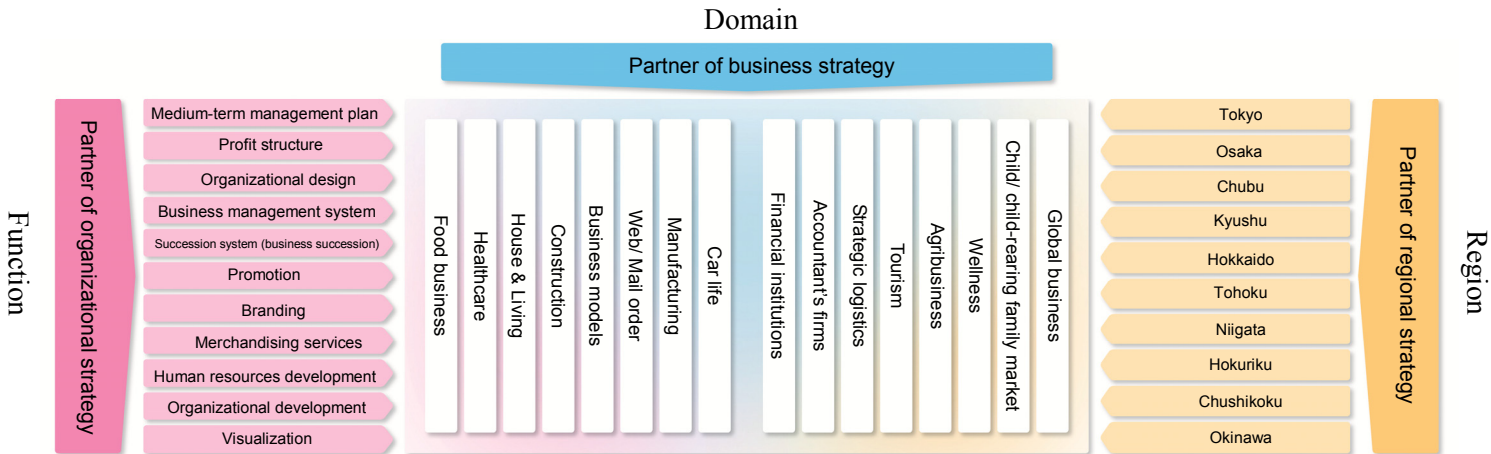


### III. Team Consulting

Domain (business strategy) × Function (organization strategy) × Region (geographic strategy)

We provide consulting services enlisting single teams made up of specialists who use an approach that comprehensively encompasses the three elements of industry domain, managerial function and geographic region.

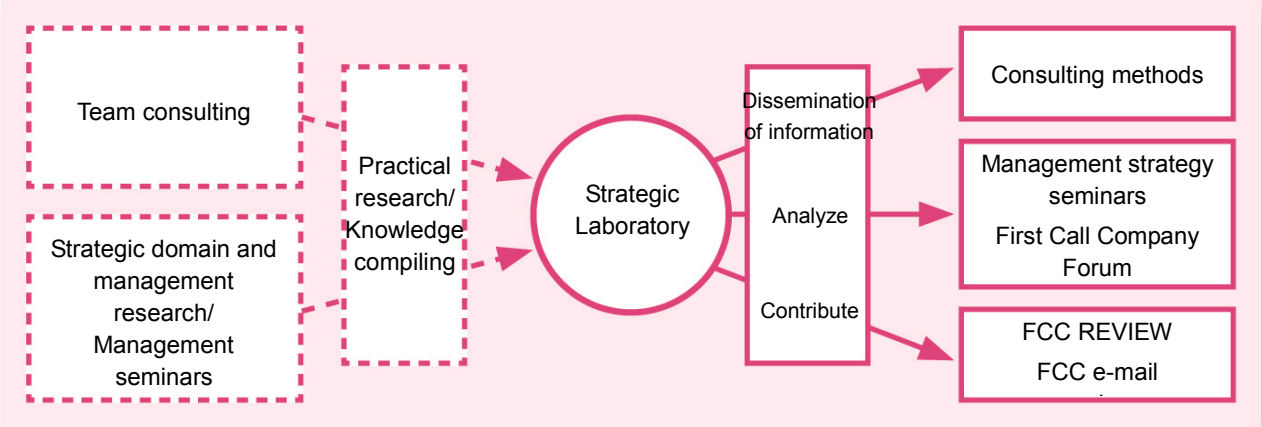
Domain × Function × Region



# IV. Profile of Operations

## 1. Strategic Laboratory

The Strategic Laboratory disseminates and contributes new values based on knowledge derived from its abundant experience amassed through consulting initiatives, workshops, seminars and other such activities to corporations and society through its FCC REVIEW business journal and other such means.



- Human resources development programs

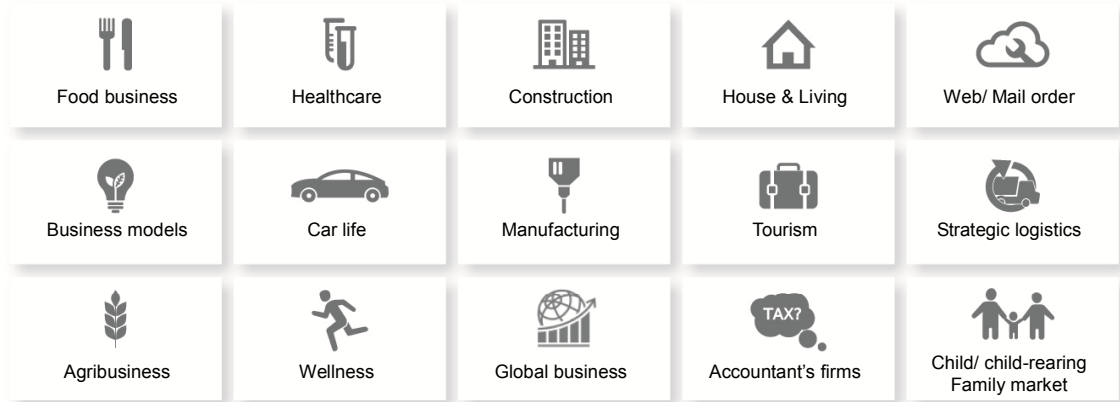
We provide support for human resources development through our own seminar programs designed for everyone from its president on down to its new employees.



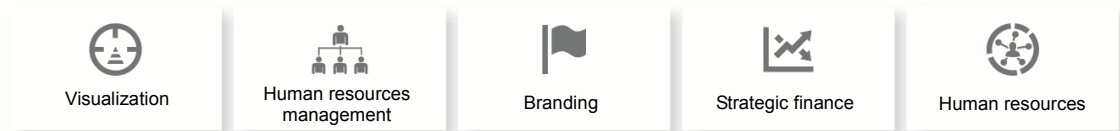
- Strategic domain & management research

We engage in studies of “first call companies” throughout Japan, and even worldwide.

**Strategic domain (industry)**



**Management (Managerial challenge)**



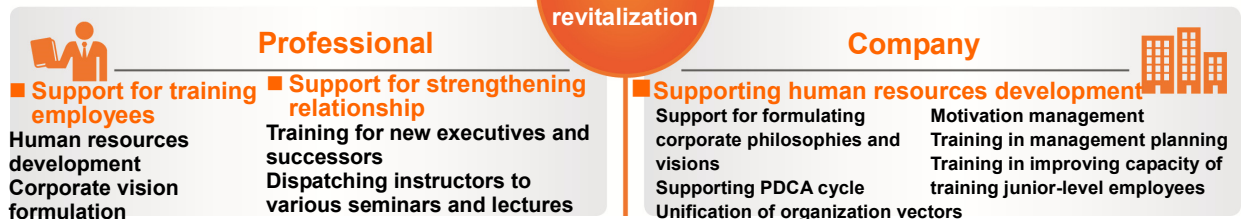
## 2. Consulting Strategy Department

Since being established in 1957, the Consulting Strategy Department has provided consulting services to more than 5,000 companies, thereby helping to resolve a wide range of managerial challenges. It offers consulting services that provide value to clients, using our “five doors leading to change and growth” approach, making the most of the clinical track record and methods it has amassed thus far.



### 3. Management Partners Department

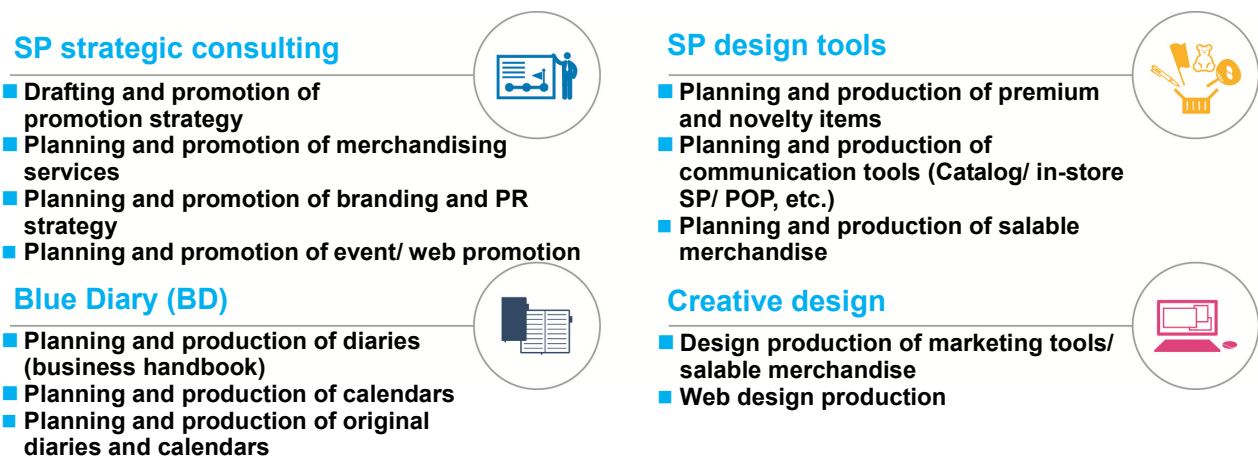
The Management Partners Department draws on its alliances with more than 150 financial institutions, accountant's offices and other such organizations nationwide in supporting the human resources development of alliance partners and of client companies introduced by such alliance partners. As such, the Management Partners Department facilitates the process of connecting such enterprises, thereby making a contribution to regional revitalization.



- The Management Partners Department operates the Company's member organizations for company executives, and provides management information derived from our accumulated consulting know-how and methods.

### 4. SP Consulting Department

The SP Consulting Department provides total support services, acting as an all-around sales promotions partner in areas encompassing everything from promotion strategy and branding strategy, to designing and producing marketing tools and salable merchandise.



# V. Tanabe Digest

## Establishment of Tanabe Consultant Academy

We have established the Tanabe Consultant Academy in order to further enhance training provided to members of our client-optimized consulting teams throughout the company. Accordingly, we intend to develop training curriculum that enables our consultants to acquire practical abilities with respect to 15 requisite skills over a three-year period, so that we can subsequently produce numerous professional consultants who will enable us to better address a more extensive range of challenges facing our clients.





## VI. Financial Statements

### (1) Balance Sheets

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	3,516,389	4,302,779
Notes receivable - trade	78,943	55,507
Accounts receivable - trade	529,873	560,235
Securities	1,500,000	1,719,166
Merchandise	47,086	64,388
Raw materials	13,971	13,603
Advance payments - trade	39,698	28,331
Prepaid expenses	68,887	80,346
Accrued income	7,305	6,669
Deferred tax assets	141,804	119,541
Advances paid	9,690	10,019
Other	8,159	8,082
Allowance for doubtful accounts	(1,630)	(956)
Total current assets	5,960,178	6,967,716
Non-current assets		
Property, plant and equipment		
Buildings	1,406,654	989,318
Accumulated depreciation	(767,005)	(316,889)
Buildings, net	639,648	672,428
Structures	13,193	13,193
Accumulated depreciation	(8,486)	(9,149)
Structures, net	4,706	4,043
Tools, furniture and fixtures	216,531	215,294
Accumulated depreciation	(184,613)	(154,893)
Tools, furniture and fixtures, net	31,917	60,400
Land	1,663,477	1,527,477
Total property, plant and equipment	2,339,749	2,264,350
Intangible assets		
Software	26,380	43,214
Telephone subscription right	2,936	2,906
Total intangible assets	29,317	46,121
Investments and other assets		
Investment securities	1,640,250	1,377,752
Shares of subsidiaries and associates	0	-
Long-term loans receivable from employees	1,450	420
Long-term prepaid expenses	1,911	2,691
Deferred tax assets	154,344	81,032
Prepaid pension cost	112,650	166,918
Long-term time deposits	1,000,000	600,000
Lease and guarantee deposits	244,947	216,783
Insurance funds for directors	307,458	362,911
Allowance for doubtful accounts	(2)	(0)
Total investments and other assets	3,463,009	2,808,509
Total non-current assets	5,832,076	5,118,980
<b>Total assets</b>	<b>11,792,255</b>	<b>12,086,696</b>

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	306,975	338,563
Accounts payable - other	343,490	268,185
Accrued expenses	75,681	72,507
Income taxes payable	114,264	155,625
Accrued consumption taxes	149,506	45,224
Advances received	466,789	549,694
Deposits received	16,925	21,532
Provision for bonuses	207,000	214,500
Provision for loss on liquidation of subsidiaries and associates	2,000	–
Other	15,134	16,734
Total current liabilities	1,697,768	1,682,569
Non-current liabilities		
Provision for retirement benefits	178,658	195,447
Provision for directors' retirement benefits	363,590	375,002
Total non-current liabilities	542,248	570,449
Total liabilities	2,240,016	2,253,019
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,772,000	1,772,000
Capital surplus		
Legal capital surplus	2,402,800	2,402,800
Other capital surplus	47	47
Total capital surpluses	2,402,847	2,402,847
Retained earnings		
Legal retained earnings	189,000	189,000
Other retained earnings		
General reserve	4,008,000	4,008,000
Retained earnings brought forward	1,113,133	1,409,646
Total retained earnings	5,310,133	5,606,646
Treasury shares	(39,291)	(39,319)
Total shareholders' equity	9,445,689	9,742,175
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	106,549	91,502
Total valuation and translation adjustments	106,549	91,502
Total net assets	9,552,238	9,833,677
Total liabilities and net assets	11,792,255	12,086,696

## (2) Statements of Income

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales		
Net sales of goods	3,537,812	3,684,834
Service revenue	4,327,640	4,613,011
Total net sales	7,865,452	8,297,846
Cost of sales		
Cost of goods sold	2,501,299	2,621,899
Cost of service revenue	1,765,194	1,823,522
Total cost of sales	4,266,493	4,445,422
Gross profit	3,598,958	3,852,423
Selling, general and administrative expenses		
Advertising expenses	238,495	229,390
Freightage and packing expenses	88,024	92,428
Directors' compensations	220,000	286,030
Salaries and allowances	940,280	905,002
Retirement benefit expenses	29,906	27,259
Supplies expenses	98,305	124,610
Traveling and communication expenses	203,022	213,646
Books and education expenses	101,728	103,489
Utilities expenses	42,292	36,955
Conference expenses	5,878	8,168
Repair and maintenance	57,620	53,859
Welfare expenses	226,869	269,988
Commission fee	37,864	66,402
Taxes and dues	44,211	55,770
Rents	225,395	218,949
Depreciation	79,501	73,061
Provision for directors' retirement benefits	34,352	39,412
Provision for bonuses	94,500	92,700
Provision of allowance for doubtful accounts	13	(677)
Other	67,994	99,801
Total selling, general and administrative expenses	2,836,258	2,996,249
Operating income	762,699	856,174

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Non-operating income		
Interest income	5,312	4,692
Interest on securities	14,289	11,236
Dividend income	23,934	15,649
Other	5,373	4,865
Total non-operating income	48,910	36,444
Non-operating expenses		
Loss on valuation of securities	2,862	4,666
Loss on insurance cancellation	–	1,913
Other	224	8
Total non-operating expenses	3,086	6,588
Ordinary income	808,522	886,030
Extraordinary income		
Gain on sales of non-current assets	–	3,352
Other	–	30
Total extraordinary income	–	3,382
Extraordinary losses		
Loss on sales and retirement of non-current assets	400	6,161
Impairment loss	224,496	–
Provision for loss on liquidation of subsidiaries and associates	2,000	–
Loss on liquidation of subsidiaries and associates	949	1,372
Total extraordinary losses	227,846	7,534
Profit before income taxes	580,676	881,878
Income taxes - current	102,450	194,000
Income taxes - deferred	162,597	105,474
Total income taxes	265,047	299,474
Profit	315,629	582,403

### (3) Statements of Changes in Equity

Fiscal year ended March 31, 2015

(Thousands of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of current period	1,772,000	2,402,800	47	2,402,847	189,000	4,008,000	1,059,986	5,256,986
Cumulative effects of changes in accounting policies							76,309	76,309
Restated balance	1,772,000	2,402,800	47	2,402,847	189,000	4,008,000	1,136,295	5,333,295
Changes of items during period								
Dividends of surplus							(259,900)	(259,900)
Profit							315,629	315,629
Purchase of treasury shares								
Reversal of revaluation reserve for land							(78,890)	(78,890)
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	-	-	(23,161)	(23,161)
Balance at end of current period	1,772,000	2,402,800	47	2,402,847	189,000	4,008,000	1,113,133	5,310,133

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of current period	(39,291)	9,392,542	29,742	(78,890)	(49,148)	9,343,394
Cumulative effects of changes in accounting policies		76,309				76,309
Restated balance	(39,291)	9,468,851	29,742	(78,890)	(49,148)	9,419,703
Changes of items during period						
Dividends of surplus		(259,900)				(259,900)
Profit		315,629				315,629
Purchase of treasury shares		–				–
Reversal of revaluation reserve for land		(78,890)		78,890	78,890	–
Net changes of items other than shareholders' equity			76,806		76,806	76,806
Total changes of items during period	–	(23,161)	76,806	78,890	155,697	132,535
Balance at end of current period	(39,291)	9,445,689	106,549	–	106,549	9,552,238

Fiscal year ended March 31, 2016

(Thousands of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of current period	1,772,000	2,402,800	47	2,402,847	189,000	4,008,000	1,113,133	5,310,133
Cumulative effects of changes in accounting policies								
Restated balance	1,772,000	2,402,800	47	2,402,847	189,000	4,008,000	1,113,133	5,310,133
Changes of items during period								
Dividends of surplus							(285,890)	(285,890)
Profit							582,403	582,403
Purchase of treasury shares								
Reversal of revaluation reserve for land								-
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	-	-	296,513	296,513
Balance at end of current period	1,772,000	2,402,800	47	2,402,847	189,000	4,008,000	1,409,646	5,606,646

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of current period	(39,291)	9,445,689	106,549	–	106,549	9,552,238
Cumulative effects of changes in accounting policies		–				–
Restated balance	(39,291)	9,445,689	106,549	–	106,549	9,552,238
Changes of items during period						
Dividends of surplus		(285,890)				(285,890)
Profit		582,403				582,403
Purchase of treasury shares	(27)	(27)				(27)
Reversal of revaluation reserve for land		–			–	–
Net changes of items other than shareholders' equity			(15,046)		(15,046)	(15,046)
Total changes of items during period	(27)	296,485	(15,046)	–	(15,046)	281,438
Balance at end of current period	(39,319)	9,742,175	91,502	–	91,502	9,833,677



#### (4) Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
<b>Cash flows from operating activities</b>		
Profit before income taxes	580,676	881,878
Depreciation	66,789	61,630
Impairment loss	224,496	–
Interest and dividend income	(29,247)	(20,342)
Interest income on securities	(14,289)	(7,791)
Loss (gain) on sales and retirement of property, plant and equipment	400	488
Increase (decrease) in allowance for doubtful accounts	13	(677)
Increase (decrease) in provision for bonuses	3,800	7,500
Increase (decrease) in provision for retirement benefits	370	16,789
Increase (decrease) in provision for directors' retirement benefits	34,352	11,412
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	2,000	(2,000)
Decrease (increase) in prepaid pension costs	(48,708)	(54,268)
Decrease (increase) in notes and accounts receivable - trade	(4,914)	(6,925)
Decrease (increase) in inventories	(5,994)	(16,933)
Increase (decrease) in notes and accounts payable - trade	12,978	31,587
Increase (decrease) in accounts payable - other	40,535	(64,516)
Increase (decrease) in accrued consumption taxes	113,573	(104,281)
Increase (decrease) in advances received	1,671	82,905
Other, net	(6,432)	(21,551)
Subtotal	972,072	794,903
Interest and dividend income received	44,065	32,214
Income taxes (paid) refund	114,668	(156,870)
Net cash provided by (used in) operating activities	1,130,807	670,247
<b>Cash flows from investing activities</b>		
Payments into time deposits	(900,000)	(100,000)
Proceeds from withdrawal of time deposits	500,000	400,000
Purchase of securities	(2,899,999)	(2,800,000)
Proceeds from sales and redemption of securities	2,800,000	2,800,000
Purchase of investment securities	(300,087)	(300,000)
Proceeds from sales and redemption of investment securities	100,000	300,000
Collection of loans receivable	670	1,120
Purchase of property, plant and equipment and intangible assets	(11,445)	(155,207)
Proceeds from sales of property, plant and equipment and intangible assets	–	139,382
Payments for guarantee deposits	(2,276)	(102,703)
Proceeds from collection of guarantee deposits	1,280	165,829
Purchase of insurance funds	(49,160)	(149,452)
Other, net	364	101,975
Net cash provided by (used in) investing activities	(760,654)	300,943

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from financing activities		
Purchase of treasury shares	–	(27)
Cash dividends paid	(259,234)	(284,773)
Net cash provided by (used in) financing activities	(259,234)	(284,800)
Net increase (decrease) in cash and cash equivalents	110,917	686,389
Cash and cash equivalents at beginning of period	4,105,471	4,216,389
Cash and cash equivalents at end of period	4,216,389	4,902,779

# VII. Tanabe Management in Numbers

Now  
in our 59<sup>th</sup> year

Established on  
October 16, 1957



More than  
5,000

Number of companies  
receiving consulting  
services since the  
Company's founding

More than  
26,000

Number of students  
that have completed  
our manager  
education program  
(aggregated)

155

Number of alliance  
partners  
(financial institutions,  
accountant's offices,  
etc.)

7,396

Number of people  
attending  
Tanabe seminars  
in fiscal 2015

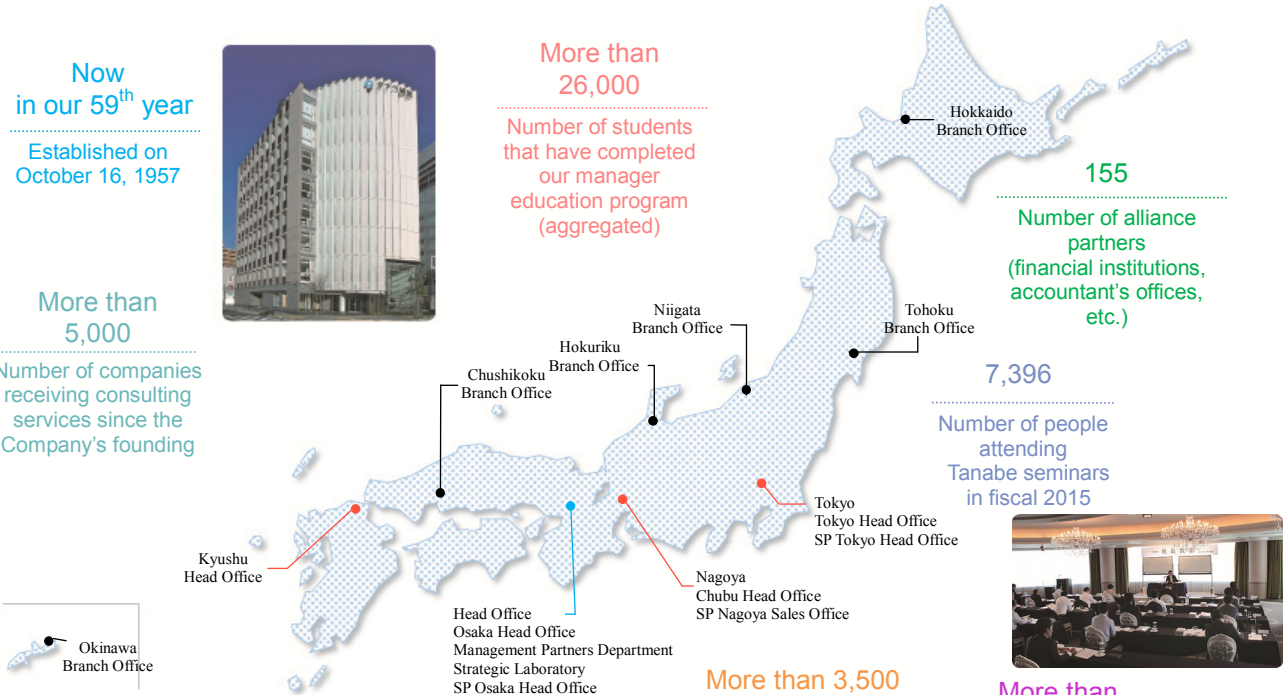


More than  
10,000

Number of companies  
enrolled as fee-paying  
customers for  
Management Partners  
Department

More than 3,500

Number of direct  
corporate clients for  
Sales Promotion (SP)  
Consulting Business



## VII. Corporate Data

### Basic Information (as of April 1, 2016)

Trade name:	Tanabe Management Consulting Co., Ltd.
Founded:	October 16, 1957
Established:	April 1, 1963
Listed market:	The second Section of Tokyo Stock Exchange (Securities Code: 9644)
Listed:	March 15, 2016
Business year:	From April 1 to March 31
Capital stock:	1,772 million yen
Number of employees:	306 persons
Head office:	3-3-41 Miyahara, Yodogawa-ku, Osaka
Telephone:	+81-6-7177-4000

### Directors and Corporate Auditors (as of June 28, 2016)

Representative Director and Chairman	Jiro Tanabe
President and Chief Executive Officer	Takahiko Wakamatsu
Executive Vice president	Yoshikuni Nagao
Managing Director	Masahiro Okawa
Managing Director	Toshiyuki Nakamura
Managing Director	Norihito Minamikawa
Director	Kazuo Nakahigashi
Director	Masanori Nakasone
Director	Masaru Warata
Director	Masahiro Matsunaga
Director*	Ryo Ichida
Director*	Jun Sumita
Corporate Auditor (Standing)	Hiroaki Nakano
Corporate Auditor**	Yoshinori Tani
Corporate Auditor**	Haruhisa Yazaki

\* Outside Director

\*\* Outside Corporate Auditor

## Stock Status

Total number of shares authorized:	35,000,000 shares
Total number of shares issued:	8,754,200 shares
Number of shareholders:	9,209

### Major shareholders (Top 10)

Shareholder name	Number of shares held (Thousands of shares)	Share-holding ratio (%)
Shoichi Tanabe	1,264	14.5
Jiro Tanabe	731	8.4
Yoichiro Tanabe	676	7.8
Toki Narazaki	589	6.7
Tanabe Management Consulting Client Share Ownership Scheme	256	2.9
Shinichi Ueda	250	2.8
Tanabe Management Consulting Employee Share Ownership Scheme	247	2.8
Hitoshi Kimoto	155	1.7
Toshio Denbara	144	1.6
Mitsubishi UFJ Trust and Banking Corporation	129	1.4

\* In addition to shares described above, the Company holds 90,889 shares as treasury shares.

\* The above-listed shareholder Shoichi Tanabe passed away on December 22, 2015. However, because inheritance proceedings were pending as of March 31, 2016, his name remains listed in the register of shareholders as of that date.

\* Annual Select is an English-language disclosure format developed by ZAIHON, INC. to increase the level of convenience of investors outside Japan based on Japanese-language statutory disclosure material, timely disclosure material prescribed by securities exchanges and voluntarily disclosed IR material. Annual Select is a registered trademark of ZAIHON, INC. Reproduction or copying without prior permission is prohibited.

\* While every best effort has been made to provide a translation meeting the quality standards required of professionals, the Company does not guarantee it is 100% accurate. Therefore, please verify the original Japanese text for any final judgments made based on this information.