

Securities Code: 4631
March 13, 2014

To Our Shareholders:

(Registered Office) 35-58, Sakashita 3-chome, Itabashi-ku, Tokyo
(Corporate Headquarters) 101, Kanda Awajicho 2-chome, Chiyoda-ku, Tokyo

DIC Corporation
Yoshiyuki Nakanishi, Representative Director

Notice of Convocation of the 116th Annual General Meeting of Shareholders

The 116th Annual General Meeting of Shareholders of DIC Corporation (the "Company") will be held as described below and you are cordially invited to attend.

If you cannot attend the Meeting in person, you may exercise your voting rights in writing or by electromagnetic means (the Internet etc.). Upon review of the "Reference Documents for the General Meeting of Shareholders" (on pages 38 through 44), please exercise your voting rights in accordance with the "Guidance Notes on the Exercise of Voting Rights" (on pages 3 and 4) by 5:00 p.m., Thursday, March 27, 2014 (Japan time).

Date and time

10:00 a.m., Friday, March 28, 2014 (Japan time)

* The date of the Meeting is apart from that corresponding to the date of the previous Annual General Meeting of Shareholders (June 20, 2013) due to the change in the Company's fiscal year-end from March 31 to December 31.

Place

Headquarters of the Company, 11th Floor Conference Room
WATERRAS TOWER, 101, Kanda Awajicho 2-chome, Chiyoda-ku, Tokyo

Agenda of the Meeting

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 116th Fiscal Year (from April 1, 2013 to December 31, 2013), and Audit Reports of the Independent Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the 116th Fiscal Year (from April 1, 2013 to December 31, 2013)

Matters to be resolved:

- Proposal 1.** Appropriation of Surplus
Proposal 2. Election of 8 Directors
Proposal 3. Election of 1 Substitute Corporate Auditor

Matters decided upon the convocation of the Meeting

- (1) If you exercise your voting rights redundantly both by mail and via the Internet or other electromagnetic means, the vote cast via the Internet or other electromagnetic means shall be considered the valid vote.
- (2) If you exercise your voting rights on the same agenda more than once via the Internet or other electromagnetic means, the latest vote cast shall be considered the valid vote.

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- In the event that revisions are made to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, or the Consolidated Financial Statements, the revised items will be posted on the Company's website (<http://www.dic-global.com/en/ir/stocks/meeting.html>).

Materials disclosed via the Internet

Pursuant to the applicable laws and regulations and Article 15 of the Articles of Incorporation of the Company, the following materials are disclosed on the Company's website and not included in the attachment to this notice:

- ① **Notes to Consolidated Financial Statements**
- ② **Notes to Non-consolidated Financial Statements**




IR Information

<http://www.dic-global.com/en/ir/stocks/meeting.html>

Consolidated Financial Statements and Non-consolidated Financial Statements audited by corporate auditors and independent auditors include, in addition to the materials contained in the attachment to this notice, the Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements disclosed on the Company's website.

Guidance Notes on the Exercise of Voting Rights

You may exercise your voting rights by the following means:

- 1 Attend the Meeting**  Please present your Exercise of Voting Rights Form to the reception desk at the place of the Meeting to be held **at 10:00 a.m., Friday, March 28, 2014 (Japan time).**
- 2 Mail your Exercise of Voting Rights Form**  Please indicate your approval or disapproval of each proposal on the Form and mail it so that it reaches us **by 5:00 p.m., Thursday, March 27, 2014 (Japan time).**
- 3 Exercise your voting rights via the Internet etc. (through a personal computer, smartphone or mobile phone)**  Please enter your approval or disapproval of each proposal on the website for the exercise of voting rights at **<http://www.evotep.jp/> by 5:00 p.m., Thursday, March 27, 2014 (Japan time).**

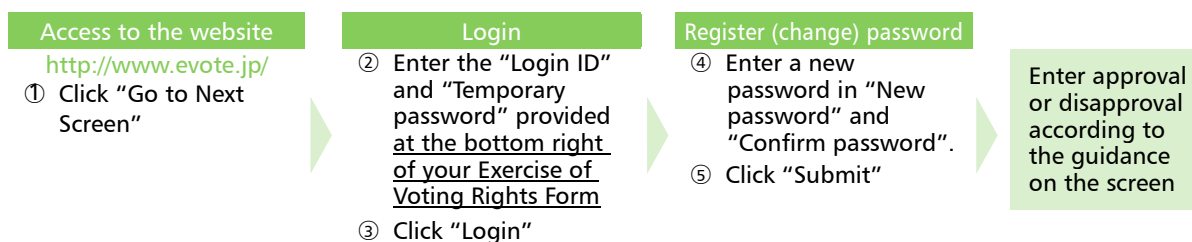
Electronic Voting Platform for Institutional Investors

For custodian banks or other nominee shareholders (including standing proxies), in addition to the abovementioned means for the exercise of voting rights, the electronic voting platform for institutional investors operated by ICJ, Inc. which was formed by Tokyo Stock Exchange, Inc. and others is available for the exercise of voting rights by electromagnetic means at the General Meetings of Shareholders of the Company if the application for utilization of the platform is filed in advance.

Guidance Notes on the Exercise of Voting Rights via the Internet etc.

If you exercise your voting rights via the Internet, you may do so by accessing the website for the exercise of voting rights designated by the Company (<http://www.evotep.jp/>) through a personal computer, smartphone or mobile phone. (Please note that you will not be able to access the website from 2:00 a.m. to 5:00 a.m. (Japan time) every day.)

■ Example: Access through Personal Computer



Cautionary Notes

In exercising voting rights through a mobile phone, please use the service provided by i-mode, EZweb or Yahoo! Keitai. For security reasons, the website is only compatible with mobile phones capable of encrypted communication (SSL communication) and transmission of mobile phone information.

* "i-mode", "EZweb" and "Yahoo!" are trademarks or registered trademarks of NTT DoCoMo, Inc., KDDI Corporation, and Yahoo! Inc. in the United States, respectively.

Depending on your specific Internet connection settings which include, but are not limited to, the use of a firewall, antivirus software, or a proxy server, you may not be able to use the website for the exercise of voting rights.

Any costs arising from access to the website for exercising voting rights (such as Internet connection fees, phone charges, etc.) shall be borne by the individual shareholder. In addition, with respect to access to the website by mobile phone, packet communication fees and any other mobile phone charges shall be also borne by the individual shareholder.

<p>Inquiries regarding Electronic Voting System etc.</p>	<p>Stock Transfer Agency Department (Help Desk) Mitsubishi UFJ Trust and Banking Corporation Telephone 0120-173-027 (Toll Free) Operating Hours: 9:00 a.m. - 9:00 p.m. (Japan time)</p>
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(Attachment)

BUSINESS REPORT FOR THE 116TH FISCAL YEAR (April 1, 2013- December 31, 2013)

Effective from fiscal year 2013, DIC Corporation and its domestic subsidiaries, with the exception of one company, adopted a December 31 fiscal year-end. Accordingly, for these companies fiscal year 2013 is a transitional irregular period. This document presents consolidated results for fiscal year 2013, comprising the accounts for the nine months ended December 31, 2013, of DIC and its domestic subsidiaries but one and the 12 months ended December 31, 2013, of its overseas subsidiaries and one domestic subsidiary. For the purpose of comparison, figures for fiscal year 2012 have been adjusted to represent the nine months ended December 31, 2012. Percentage changes represent increases or decreases from the adjusted fiscal year 2012 figures.

1. Operating Results of the DIC Group for the Fiscal Year Ended December 31, 2013

(1) Overview of Operating Results

With the U.S. economy on a gentle upswing, fiscal year 2013 brought clear indications of a global economic recovery, despite the fact that improvements in Europe lacked strength. In key emerging economies, namely, the People's Republic of China (PRC) and India, growth continued to slow, but signs of a gradual return to economic health were evident. In Japan, government economic policies—dubbed “Abenomics” after the current prime minister, Shinzo Abe—continued to support a weak yen and strong share prices. Against this backdrop, results in core industries, notably automobiles, civil engineering and construction, were firm.

In this environment, consolidated net sales rose 12.8%, to ¥705.6 billion. Reasons for this result included an increase in shipments on domestic sales and the positive impact of the depreciation of the yen.

Operating income, at ¥40.2 billion, was up 15.5%, bolstered by rationalization measures and the sagging yen, among others.

Ordinary income advanced 15.1%, to ¥37.1 billion.

Net income increased 51.6%, to ¥26.8 billion.

	Fiscal year 2013	Fiscal year 2012 (Adjusted)	Change (Adjusted)	Change excluding the impact of foreign currency fluctuations (Adjusted)
Net sales	¥705.6	¥625.4	12.8%	0.1%
Operating income	40.2	34.8	15.5%	5.6%
Ordinary income	37.1	32.2	15.1%	—
Net income	26.8	17.7	51.6%	—

Notes:

- The exchange rates used to translate the results of overseas DIC Group companies for the fiscal years 2012 and 2013, respectively, are as follows:
 Fiscal year 2013: ¥97.06/US\$1.00 (average for the year ended December 31, 2013)
 Fiscal year 2012: ¥79.93/US\$1.00 (average for the year ended December 31, 2012)
- Figures for fiscal year 2012 in this table have been adjusted to represent the nine months ended December 31, 2012.

Results of operations by segment are as follows:

(Billions of yen)

	Net sales				Operating income			
	Fiscal year 2013	Fiscal year 2012 (Adjusted)	Change (Adjusted)	Change excluding the impact of foreign currency fluctuations (Adjusted)	Fiscal year 2013	Fiscal year 2012 (Adjusted)	Change (Adjusted)	Change excluding the impact of foreign currency fluctuations (Adjusted)
Printing Inks	¥373.6	¥333.9	11.9%	-4.5%	¥18.4	¥14.9	23.8%	10.7%
Fine Chemicals	116.9	96.5	21.1%	6.0%	11.4	10.3	10.7%	1.2%
Polymers	141.2	123.8	14.0%	7.9%	9.2	9.8	-5.7%	-10.0%
Application Materials	105.2	102.6	2.5%	-3.1%	6.1	4.0	52.4%	39.2%
Others	2.3	2.8	-17.9%	-26.5%	(1.4)	(1.0)	Loss increased	Loss increased
Corporate and eliminations	(33.6)	(34.2)	—	—	(3.5)	(3.2)	—	—
Total	¥705.6	¥625.4	12.8%	0.1%	¥40.2	¥34.8	15.5%	5.6%

Notes: Effective from April 1, 2013, DIC revised its segmentation in line with its medium-term management plan, "DIC105."

Certain figures for fiscal year 2012 have been restated to conform to the new segmentation and to represent the nine months ended December 31, 2012.

Segment results in key markets are as follows. Year-on-year percentage changes in squared parentheses represent increases or decreases excluding the impact of foreign currency fluctuations. Interregional transactions within the Printing Inks segment are included. Accordingly, the aggregates of regional net sales and operating income figures for the Printing Inks segment differ from the figures presented above.

Net Sales
Composition
Ratio
50.7%

Printing Inks

Net Sales ¥373.6 billion
Change **11.9%** [-4.5%]

Operating Income ¥18.4 billion
Change **23.8%** [10.7%]

● Net Sales

	(Billions of yen)	
	Fiscal Year 2012 (Adjusted)	Fiscal Year 2013
Japan	¥67.2	¥66.2
The Americas and Europe	218.6	254.9
Asia and Oceania	59.5	68.2
Total	¥333.9	¥373.6

● Operating Income

	(Billions of yen)	
	Fiscal Year 2012 (Adjusted)	Fiscal Year 2013
Japan	¥5.3	¥4.9
The Americas and Europe	4.0	7.2
Asia and Oceania	5.5	6.3
Total	¥14.9	¥18.4

Japan

Net Sales ¥66.2 billion
Change **-1.5%**

Operating Income ¥4.9 billion
Change **-7.6%**

Sales of gravure inks rose, as demand remained solid. Sales of offset inks and news inks declined, owing to an existing downward trend in demand. As a result, overall sales in Japan were on a par with fiscal year 2012.

Operating income decreased, reflecting such factors as the aforementioned sales results.

The Americas and Europe

Net Sales ¥254.9 billion
Change **16.6%** [-4.4%]

Operating Income ¥7.2 billion
Change **80.6%** [50.3%]

Sales in North America and Europe declined, despite firm sales of packaging inks, as sales of publishing inks and news inks fell, a consequence of shrinking print runs for magazines and newspapers and other factors. In Central and South America, sales remained level with the previous fiscal year, hampered by sluggish sales of mainstay packaging inks. For these reasons, overall sales in the Americas and Europe were up after translation as a result of yen depreciation, despite declining in local currency terms.

Operating income increased substantially, owing to ongoing rationalization efforts and an improvement in the segment's product mix, among others.

Asia and Oceania

Net Sales ¥68.2 billion
Change **14.5%** [-2.5%]

Operating Income ¥6.3 billion
Change **14.8%** [-2.6%]

Sales in the PRC declined, despite brisk sales of gravure inks, as faltering economic growth and other factors caused sales of offset inks and news inks to tumble. Sales in Southeast Asia were up, bolstered by solid results in all product categories. Although sales of offset inks were robust, sales in Oceania were on a par with the previous fiscal year, as sales of news ink floundered. Sales in India declined, with offset inks and gravure inks, in particular, struggling under slowing economic growth. As a result, overall sales in Asia and Oceania decreased in local currency terms, but increased after translation, thanks to yen depreciation.

Despite being down in local currency terms, operating income rose after translation, supported by the weak yen.

Net Sales
 Composition
 Ratio
15.9%

Fine Chemicals

Net Sales ¥116.9 billion
 Change **21.1%** [6.0%]

Operating Income ¥11.4 billion
 Change **10.7%** [1.2%]

● Net Sales

(Billions of yen)

Fiscal Year 2012 (Adjusted)	Fiscal Year 2013
¥96.5	¥116.9

● Operating Income

(Billions of yen)

Fiscal Year 2012 (Adjusted)	Fiscal Year 2013
¥10.3	¥11.4

Sales of organic pigments were up both in Japan and overseas, spurred by healthy sales for use in inks, coatings, plastics and color filters in Japan and in coatings, plastics and inks in the Americas and Europe. Despite a sharp increase in shipments to new customers, sales of TFT LCs edged down, as shipments to existing customers slipped. These and other factors supported an increase in segment sales.

Segment operating income advanced. Reasons for this result included the aforementioned sales results.

Net Sales
 Composition
 Ratio
19.2%

Polymers

Net Sales ¥141.2 billion
 Change **14.0%** [7.9%]

Operating Income ¥9.2 billion
 Change **-5.7%** [-10.0%]

● Net Sales

(Billions of yen)

Fiscal Year 2012 (Adjusted)	Fiscal Year 2013
¥123.8	¥141.2

● Operating Income

(Billions of yen)

Fiscal Year 2012 (Adjusted)	Fiscal Year 2013
¥9.8	¥9.2

In Japan, sales of resins for coatings and epoxy resins rose, primarily reflecting robust sales to civil engineering and construction industries, as did sales of polystyrene, a result of expanded marketing efforts. Sales of unsaturated polyester resins also increased, shored up by the acquisition of a controlling stake in a domestic affiliate in October 2013. Overseas sales also rose, bolstered by the solid results of subsidiaries in the PRC and Southeast Asia, among others. As a consequence, segment sales increased.

Segment operating income declined, with causes including a deterioration of the segment's product mix.

Net Sales
 Composition
 Ratio
14.3%

Application Materials

Net Sales ¥105.2 billion
 Change **2.5%** [-3.1%]

Operating Income ¥6.1 billion
 Change **52.4%** [39.2%]

● **Net Sales**

(Billions of yen)

Fiscal Year 2012 (Adjusted)	Fiscal Year 2013
¥102.6	¥105.2

● **Operating Income**

(Billions of yen)

Fiscal Year 2012 (Adjusted)	Fiscal Year 2013
¥4.0	¥6.1

Sales of high-performance optical materials fell, owing to falling demand. In contrast, sales of polyphenylene sulfide (PPS) compounds increased, sustained by strong demand for automotive applications, as did sales of industrial adhesive tapes, which benefited from expanded shipments, primarily for use in smartphones. A higher market share was one of several factors that boosted sales of jet inks. These factors combined with yen depreciation pushed up segment sales.

Segment operating income rose, thanks to an improved product mix, among others.

(2) Financing Activities

1) Methods of Financing

In fiscal year 2013, the DIC Group continued working to reduce interest-bearing debt with the aim of establishing a sound financial foundation.

During the period under review, the DIC Group funded investment in facilities and met other investment needs through ordinary financing methods and the sale of a painting from the Kawamura Memorial DIC Museum of Art's collection, among others, while at the same time it took steps to lower its interest-bearing debt. As a consequence, as of December 31, 2013, total interest-bearing debt amounted to ¥299.1 billion (including leases), a decrease of ¥16.5 billion from the previous fiscal year-end.

■ Balance of Interest-bearing Debt

								(Billions of yen)
109th Fiscal Year	110th Fiscal Year	111th Fiscal Year	112th Fiscal Year	113th Fiscal Year	114th Fiscal Year	115th Fiscal Year	116th Fiscal Year	
¥413.4	393.0	387.1	377.7	337.6	328.5	315.6	299.1	

2) Investment in Facilities

In addition to placing a high priority on product development and research themes that promise long-term growth, the DIC Group invests in increasing labor efficiency, rationalizing operations, promoting preservation and environmental safety. In the fiscal year ended December 31, 2013, the DIC Group invested ¥27.1 billion in facilities. Principal investments to build new or expand existing facilities, by segment, were as follows:

Printing Inks	Russia PRC	Construction of new production facilities for gravure inks Construction of new production facilities for gravure inks
Fine Chemicals	Indonesia PRC	Expansion of production facilities for organic pigments Construction of new production facilities for LC materials
Polymers	Japan PRC	Expansion of production facilities for synthetic resins Expansion of production facilities for synthetic resins
Application Materials	Japan Austria	Expansion of production facilities for PPS polymers Construction of new production facilities for PPS compounds
Others and Corporate	Japan	Development of next-generation ERP system



Production facilities for LC materials (PRC)



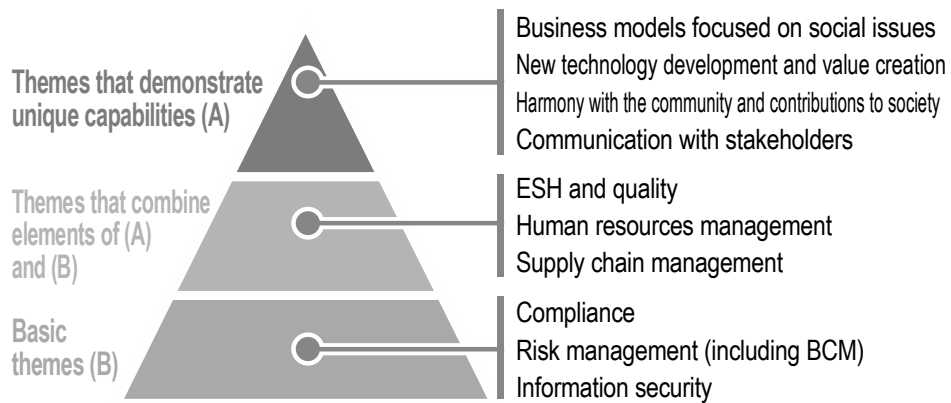
Production facilities for PPS polymers (Japan)

(3) Sustainability

The DIC Group launched its CSR (corporate social responsibility) program in fiscal year 2007, ended March 31, 2008. In recent years, the need to achieve sustainability in a manner that takes into account, among others, the environment, ecosystems and socioeconomic issues has been increasingly recognized. The DIC Group has consistently promoted a program of initiatives that reflect its awareness of these and other key imperatives. Having clarified its overall policy, effective from fiscal year 2014, the Group has changed the designation used across this program from “CSR” to “sustainability,” which it feels more appropriate for a globally active corporate entity.

The DIC Group is dedicated to conducting its business while retaining a strong commitment to five key concepts: 1) preserving safety and health, 2) ensuring fair business practices and respect for human rights, 3) maintaining harmony with the environment and advancing its protection, 4) managing risks and 5) creating value for society through innovation. Through the unceasing implementation of initiatives in line with these concepts, the Group will strive to remain an organization that contributes to sustainable development for society and the global environment, as well as ensures its own sustainability, thereby earning the trust of its stakeholders.

The DIC Group’s sustainability themes for fiscal year 2014 are as follows:



(4) Operating Results and Financial Position

Consolidated Operating Results and Financial Position

	113th Fiscal Year (April 1, 2010– March 31, 2011)	114th Fiscal Year (April 1, 2011– March 31, 2012)	115th Fiscal Year (April 1, 2012– March 31, 2013)	116th Fiscal Year (April 1, 2013– December 31, 2013)
Net sales (millions of yen)	¥778,964	¥734,276	¥703,781	¥705,647
Operating income (millions of yen)	37,152	34,960	38,484	40,181
Operating Margin (%)	4.8	4.8	5.5	5.7
Ordinary income (millions of yen)	31,701	30,802	35,137	37,123
Net income (millions of yen)	15,761	18,158	19,064	26,771
Earnings per share (yen)	17.60	19.79	20.80	29.23
Net assets (millions of yen)	130,379	124,496	160,731	218,947
Total assets (millions of yen)	703,760	675,067	692,991	761,690

Notes: For the DIC Corporation and its domestic subsidiaries, with the exception of one company, the 116th Fiscal Year was a nine-month period (April 1-December 31, 2013). For overseas subsidiaries and one domestic subsidiary, the 116th Fiscal Year was a twelve-month period (January 1-December 31, 2013).

(5) Key Management Issues



With the aim of realizing its “Color & Comfort by Chemistry” management vision, the DIC Group will concentrate its allocation of management resources in its business domains that will enable it to establish a new course for the future in line with DIC105, its medium-term management plan. Through such efforts, the Group will continue striving to respond to social imperatives and market change, while at the same time managing its businesses paying profound respect to sustainability, by implementing measures in line with the strategies below.

1. Restructure printing inks businesses in the Americas and Europe, with an emphasis on the optimization of production capabilities;
2. Expand businesses that will drive growth (TFT LCs, Pigments for color filters and PPS products); and
3. Create next-generation businesses, by combining our renowned organic materials technologies and inorganic materials (key concept: hybrid chemicals)

(The following information is as of December 31, 2013, unless otherwise noted.)

(6) Principal Businesses

Effective from April 1, 2013, DIC revised its segmentation in line with its current medium-term management plan, "DIC105". The following table presents the revised segment names, categories and principal products.

Segment	Category	Principal Products
Printing Inks	Printing Inks	Offset inks, Gravure inks, Flexo inks, Can coatings, News inks, Packaging adhesives, Presensitized (PS) plates, Printing supplies
Fine Chemicals	Fine Chemicals	Organic pigments for printing inks, Organic pigments for coatings and plastics, Organic pigments for color filters, Thin-film transistor (TFT) liquid crystals (LCs), Supertwisted nematic (STN) LCs, Alkylphenols, Metal carboxylates, Sulphur chemicals (lubricant additives)
Polymers	General Polymers Specialty Polymers	Synthetic resins for inks and coatings, molded products, adhesives and textiles (polyurethane, epoxy, polystyrene, polyester, acrylic and phenolic resins, plasticizers), Papermaking chemicals
Application Materials	Liquid Compounds	Ultraviolet (UV)-curable coatings and bonding adhesives for optical discs, Jet inks, Wood finishes
	Solid Compounds	Plastic colorants, Polyphenylene sulfide (PPS) compounds, High-performance optical materials, High-performance compounds, Coextruded multilayer films, Toners
	Processed Products	Decorative boards, Interior housing products, Industrial adhesive tapes, Labels, Stickers, Label stock for printing, Specialty magnetic foils, Plastic pallets, Containers, Hollow-fiber membranes, Hollow-fiber membrane modules, Bathtubs and bath units, Synthetic marble, Sheet molding compounds (SMCs)

(7) Principal Facilities

1) Principal Offices, Plants and R&D Facilities

① The Company

Corporate Headquarters

101, Kanda Awajicho 2-chome, Chiyoda-ku, Tokyo

Branch Offices

Osaka Branch (Osaka)

Nagoya Branch (Aichi)

Plants and R&D Facilities

Tokyo Plant (Tokyo)

Chiba Plant (Chiba)

Hokuriku Plant (Ishikawa)

Sakai Plant (Osaka)

Kashima Plant (Ibaraki)

Yokkaichi Plant (Mie)

Shiga Plant (Shiga)

Komaki Plant (Aichi)

Saitama Plant (Saitama)

Tatebayashi Plant (Gunma)

Central Research Laboratories (Chiba)

■ Global Network

(Number of Group Companies)

Japan	North America	Central and South America	Europe	Africa	Asia	Oceania
34	15	12	52	5	57	2

② Subsidiaries and Affiliates

Printing Inks (106 companies)

DIC Graphics Corporation (Tokyo, Japan)
Sun Chemical Group Coöperatief U.A. (Netherlands)
Nantong DIC Color Co., Ltd. (PRC)
DIC India Ltd. (India)
DIC Australia Pty Ltd. (Australia)
DIC (Malaysia) Sdn. Bhd. (Malaysia)
Shanghai DIC Co., Ltd. (PRC)
and 99 other companies

Fine Chemicals (7 companies)

Lianyungang DIC Color Co., Ltd. (PRC)
and 6 other companies

Polymers (24 companies)

SEIKO PMC CORPORATION (Tokyo, Japan)
DH Material Inc. (Tokyo, Japan)
DIC Kitanihon Polymer Co., Ltd. (Miyagi, Japan)
DIC Kyushu Polymer Co., Ltd. (Oita, Japan)
Siam Chemical Industry Co., Ltd. (Thailand)
Changzhou Huari New Material Co., Ltd. (PRC)
DIC Synthetic Resins (Zhongshan) Co., Ltd. (PRC)
DIC Zhangjiagang Chemicals Co., Ltd. (PRC)
DIC Performance Resins GmbH (Austria)
and 15 other companies

Application Materials (24 companies)

DIC EP Corp. (Chiba, Japan)
DIC Plastics, Inc. (Saitama, Japan)
DIC Kako, Inc. (Shiga, Japan)
DIC Filtec, Inc. (Saitama, Japan)
Fuji Label Co., Ltd. (Saitama, Japan)
DIC Compounds (Malaysia) Sdn. Bhd. (Malaysia)
Shanghai DIC Pressure-Sensitive Adhesive Materials Co., Ltd. (PRC)
and 17 other companies

Others (15 companies)

DIC Asia Pacific Pte Ltd (Singapore)
DIC (China) Co., Ltd. (PRC)
Qingdao DIC Finechemicals Co., Ltd. (PRC)
and 12 other companies

2) Workforce Statistics

Segment	Number of Employees
Printing Inks	10,905
Fine Chemicals	2,034
Polymers	2,852
Application Materials	2,374
Others	619
Corporate (shared)	1,250
Total	20,034

■ Number of Employees

	113th Fiscal Year	114th Fiscal Year	115th Fiscal Year	116th Fiscal Year
Japan	6,335	5,978	5,901	6,066
The Americas and Europe	9,509	8,636	8,677	8,311
Asia and Oceania	5,728	5,841	5,695	5,657
Total	21,572	20,455	20,273	20,034

(8) Principal Subsidiaries and Affiliates

Company Name	Location	Capital	Percent of Ownership	Principal Business
Sun Chemical Group Coöperatief U.A.	Netherlands	€1,501,852 thousand	100.0%	Investment in and financing for Sun Chemical Group companies
DIC Asia Pacific Pte Ltd	Singapore	S\$273,793 thousand	100.0%	Investment in and financing for DIC Group companies in the Asia and Oceania regions, and manufacture and sale of DIC products
DIC (China) Co., Ltd.	PRC	RMB620,731 thousand	100.0%	Investment in and financing for DIC Group companies in the PRC
DIC Graphics Corporation	Tokyo, Japan	¥500 million	66.6%	Manufacture and sale of printing inks and supplies
SEIKO PMC CORPORATION	Tokyo, Japan	¥2,000 million	53.8%	Manufacture and sale of papermaking chemicals and resins for printing inks and imaging and reprographic products
DIC Investments Japan, LLC.	Tokyo, Japan	¥91 million	100.0%	Investment in and financing for DIC Group companies
Renaissance, Inc.	Tokyo, Japan	¥2,210 million	47.7%	Planning and management of fitness clubs

Notes:

1. The figure for capital of Sun Chemical Group Coöperatief U.A. is equivalent to the company's capital reserve since the company has no figure equivalent to the capital.
2. Percentage of Ownership includes indirect investments.

(9) Principal Borrowings

Lender	Balance of Borrowings (Millions of yen)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥47,712
Mizuho Bank, Ltd.	41,635
Sumitomo Mitsui Banking Corporation	26,766

2. Stock Information

(1) Total Number of Authorized Shares	1,500,000,000
(2) Total Number of Issued Shares	919,372,048
(3) Number of Shareholders	40,936

■ Distribution of Shareholders by Investor Type

Investor Type	Percentage of Total Shares
Financial institutions	44.0%
Foreign entities	23.0
Other domestic entities	17.5
Individuals and others	13.8
Securities companies	1.3
Treasury stock	0.4

(4) Major Shareholders

Name of Shareholder	Number of Shares Owned (Thousands)	Shareholding Percentage
Japan Trustee Services Bank, Ltd. (Trust Account)	73,151	7.99%
The Master Trust Bank of Japan, Ltd. (Trust Account)	64,215	7.01
Nissei Real-Estate Co., Ltd.	53,104	5.80
Japan Trustee Services Bank, Ltd. (Trust Account 9)	52,019	5.68
Dainichi Can Co., Ltd.	42,561	4.65
The Dai-ichi Life Insurance Company, Limited	35,000	3.82
Nissin Trading Co., Ltd.	31,277	3.41
Aioi Nissay Dowa Insurance Co., Ltd.	25,907	2.83
The Chase Manhattan Bank, N.A. London S.L. Omnibus Account	22,605	2.47
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	19,782	2.16

Notes:

1. The above table lists the top 10 shareholders in order of shareholding.
2. The shareholding percentage is calculated by subtracting the number of shares of treasury stock from the total number of issued shares.

3. Matters Concerning Directors and Corporate Auditors

(1) Directors and Corporate Auditors

Position	Name	Responsibilities at DIC and Principal Concurrent Positions at Other Organizations
Director Chairman of the Board	Kazuo Sugie	Director of Renaissance, Inc. Outside Auditor of Sapporo Holdings Limited
Representative Director President and CEO	Yoshiyuki Nakanishi	
Representative Director Senior Managing Executive Officer	Masayuki Saito	Assistant to the President Responsible for Finance & Accounting Div. Chairman of the Board of Sun Chemical Corp. Chairman of the Supervisory Board of Sun Chemical Group Coöperatief U.A. Representative Executive Officer of DIC Investments Japan, LLC.
Director Managing Executive Officer	Yoshihisa Kawamura	Responsible for Sales & Marketing Support Div.
Director Managing Executive Officer	Akira Konishi	General Manager, Production Administrative Div.
Director Managing Executive Officer	Tetsuro Agawa	General Manager, Technical Administrative Div. General Manager, Product Innovation Center
Director	Eiko Kono	Outside director of Mitsui Sumitomo Insurance Company, Ltd.
Director	Takao Suzuki *	Director and Chairman of the Board of Hitachi Transport System, Ltd.
Corporate Auditor (full-time)	Jiro Mizutani	
Corporate Auditor (full-time)	Yoshiyuki Mase	
Corporate Auditor	Junji Tomita	Attorney
Corporate Auditor	Katsunori Takechi *	Attorney

Notes:

- Directors Eiko Kono and Takao Suzuki are outside directors.
- Corporate auditors Junji Tomita and Katsunori Takechi are outside auditors.
- Corporate auditor Yoshiyuki Mase is qualified as a certified public tax accountant, oversaw corporate accounts at the Company for many years, and has extensive expertise in finance and accounting.
- In addition to providing expertise in corporate law, outside auditor Katsunori Takechi provides tax accounting services pursuant to Article 51 of the Certified Public Tax Accountant Act and has extensive expertise in finance and accounting.
- Outside directors Eiko Kono and Takao Suzuki, and outside auditor Katsunori Takechi, are designated as independent directors/auditor in accordance with the rules of the Tokyo Stock Exchange.
- Asterisks indicate a director and an auditor who were newly elected and assumed office at the 115th Annual General Meeting of Shareholders held on June 20, 2013.
- At the conclusion of the 115th Annual General Meeting of Shareholders held on June 20, 2013, director Mineo Ono and corporate auditor Kenichi Nakano retired from their position.

(Reference)

As of January 1, 2014, a certain director's responsibilities at DIC and principal concurrent positions held at other organizations were amended as shown below.

Position	Name	Responsibilities at DIC and Principal Concurrent Positions at Other Organizations
Director	Yoshihisa Kawamura	Director and Chairman of the Board of DIC Graphics Corporation

(2) Remuneration and Other Payments for Directors and Corporate Auditors

Category	Number of Directors and Corporate Auditors	Total Amount (Millions of yen)
Directors	9	¥219
Outside directors (included in the above)	3	18
Corporate auditors	5	58
Outside auditors (included in the above)	3	18
Total	14	277

Notes:

1. The above data include one director and one corporate auditor who retired at the conclusion of the 115th Annual General Meeting of Shareholders held on June 20, 2013.
2. The maximum aggregate limit on remuneration and other payments for directors, which is determined by a resolution of the General Meeting of Shareholders, is 700 million yen annually, including bonuses.
3. The total amount to be paid for directors includes 53 million yen scheduled to be paid after the 116th Annual General Meeting of Shareholders.
4. The maximum aggregate limit on remuneration for corporate auditors, which is determined by a resolution of the General Meeting of Shareholders, is 100 million yen annually.

(3) Outside Directors and Auditors

1) Relation between the Organizations where Outside Directors concurrently hold principal positions and the Company

The Company has business relations with Mitsui Sumitomo Insurance Company, Ltd. at which outside director Eiko Kono concurrently holds a principal position. Mitsui Sumitomo Insurance Company, Ltd. underwrites part of the Company's non-life insurance. The premium amount the Company paid to Mitsui Sumitomo Insurance Company, Ltd. during the period is 13 million yen, which is an insignificant sum for Mitsui Sumitomo Insurance Company, Ltd. and the Company. The Company also has business relations with Hitachi Transport System, Ltd. for which outside director Takao Suzuki concurrently holds a principal position. Hitachi Transport System, Ltd. provides transport service for precision equipment to the Company. The fees the Company paid to Hitachi Transport System, Ltd. during the period are 2 million yen, which is an insignificant sum for Hitachi Transport System, Ltd. and the Company.

Except for the aforementioned, no special interests exist between the organizations at which outside directors concurrently hold principal positions and the Company.

2) Principal Activities of Outside Directors and Auditors

Position	Name	Attendance at Board of Directors Meetings	Attendance at Board of Corporate Auditors Meetings	Statements at the Meetings
Director	Eiko Kono	12/13	-	Proactively made statements on proposed resolutions based on long experience and expertise in corporate management
	Takao Suzuki	9/9	-	Proactively made statements on proposed resolutions based on long experience and expertise in corporate management
Corporate Auditor	Junji Tomita	13/13	13/13	Proactively made statements on proposed resolutions from his perspective as an attorney with specialized expertise
	Katsunori Takechi	9/9	9/9	Proactively made statements on proposed resolutions from his perspective as an attorney with specialized expertise

Notes:

1. With regard to outside director Takao Suzuki, the numbers above only include those related to the Board of Directors meetings held after his appointment on June 20, 2013.
2. With regard to outside auditor Katsunori Takechi, the numbers above only include those related to the Board of Directors meetings and the Board of Corporate Auditors meetings held after his appointment on June 20, 2013.

3) Summary of Liability Limitation Contracts

The Company entered into contracts for limitation of liability with all outside directors and auditors. Pursuant to the contracts, if the outside directors and auditors neglect their duties and cause damages to the Company, they shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, on the condition that they act in good faith and are not grossly negligent in performing their duties.

4. Matters Concerning the Independent Auditors

(1) Name of Audit Firm

Deloitte Touche Tohmatsu LLC

(2) Remuneration and Other Payments for the Independent Auditors

	Total Amount (Millions of yen)
Amount of remuneration paid by the Company	¥125
Total amount of money and other property benefits to be paid by the Company and its subsidiaries	186

Notes:

1. The audit agreement entered into by the Company and its independent auditors does not distinguish clearly between the amount derived from the audit under Japan's Companies Act and the amount derived from the audit under Japan's Financial Instruments and Exchange Act and the two amounts cannot be substantially distinguished from each other. Consequently, both are included in the amount of remuneration to be paid by the Company.
2. The accounts of principal overseas subsidiaries are audited by firms other than the firm named above (independent auditors or public accountants or other individuals or firms that hold a certification equivalent to that of independent auditors in Japan) in conformity with the requirements of laws in their respective countries of domicile that correspond to Japan's Companies Act or Financial Instruments and Exchange Act.

(3) Policy on Decisions Concerning Dismissal or Non-Reappointment of the Independent Auditors

The Company's Board of Corporate Auditors shall dismiss the independent auditors, with corporate auditors' unanimous consent, if it determines that any act or circumstance of the independent auditors falls under any of the events set forth in Article 340, Paragraph 1 of Japan's Companies Act.

In such cases that impair the independent auditors' competence or independence, thus making it difficult for the independent auditors to conduct an appropriate audit, directors shall, upon consent of the Board of Corporate Auditors, or at the request of the Board of Corporate Auditors, submit a proposal for dismissal or non-reappointment of the independent auditors to the General Meeting of Shareholders.

5. Summary of Resolutions regarding the Systems for Ensuring that the Performance of Duties by Directors Complies with Laws, Regulations and the Company's Articles of Incorporation and for Ensuring the Propriety of Other Operations

The Board of Directors of the Company resolved the above systems as follows:

I. Basic Concepts Regarding Internal Control

In order for DIC Corporation and its subsidiaries (referred to collectively as the "DIC Group") to achieve the four objectives of "the effectiveness and efficiency of business", "the reliability of financial reporting", "the strict observance of laws regarding business activities", and "the preservation of assets" in the conduct of management in accordance with "The DIC Way", DIC Corporation shall prepare and operate systems to ensure proper business activities as set forth below, based upon the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan (referred to as "Internal Control").

II. Content of the Internal Control Systems

① Systems for Ensuring that the Performance of Duties by Directors and Employees Complies with Laws, Regulations and the Articles of Incorporation

- 1) DIC shall prepare regulations for meetings of the Board of Directors and regulations for *Ringi* (approval by written circular) and shall clarify decision-making authority.
- 2) DIC shall appoint outside directors and shall work to bolster monitoring functions with regards to management.
- 3) DIC shall work to set forth a code of business conduct regarding compliance and disseminate the same.
- 4) DIC shall establish an internal auditing department and shall monitor the status of the preparation and operation of Internal Control on a periodic basis. Important matters that are discovered through such monitoring and the status of improvements shall be reported to the representative directors on a periodic basis, and counter-measures may also be considered based on necessity. Those matters of particular importance are to be reported to the Board of Directors.
- 5) DIC shall establish an internal notification system for compliance matters and set up multiple notification channels independent from channels for communication used in the conduct of business, including with outside legal counsel. DIC shall proceed with the preparation of a structure that can quickly respond to domestic and international notifications. In addition, a system shall be put into place so that any person making a notification will not suffer any detriment.
- 6) DIC shall sever any and all connection with antisocial elements and shall collaborate with legal counsel and the police in making firm responses to unwarranted demands made by such antisocial elements.

2 Systems for Ensuring that the Duties of Directors are Performed Efficiently

- 1) In order to ensure a system so that the duties of directors are performed properly and efficiently, DIC shall establish regulations regarding company organization and authority.
- 2) In order to speed up the conduct of business and clarify responsibilities, DIC shall introduce an executive officer system. As well as resolving important business affairs in accordance with the Articles of Incorporation and regulations of the Board of Directors, the Board of Directors shall also supervise the status of executive officers' business conduct.
- 3) DIC shall formulate medium-term management plans and the annual budget based upon management policies and management strategies and, through the dissemination of the same, the DIC Group shares the common goals. Reports are made to the Board of Directors outlining the status of progress.

3 Systems for the Preservation and Management of Information Pertaining to the Performance of Duties by Directors

- 1) Information pertaining to the performance of duties by directors shall be retained based upon the regulations for document management.
- 2) DIC shall establish regulations for systems of information management and shall prepare a system for preventing leakage of confidential information.

4 Regulations and Other Systems Relating to the Management of Risk of Loss

- 1) DIC shall identify and assess any risks that may have a significant impact on management and shall formulate a DIC Group Sustainability policy each fiscal year in the "Sustainability Committee".
- 2) Based on the "Basic Policy for Business Continuity Management (BCM)", DIC shall prepare a management system covering measures for business continuity and responses to occurrences such as accidents and disasters.

5 Systems for Ensuring Proper Operations of the Corporate Group Comprised of DIC and its Subsidiaries

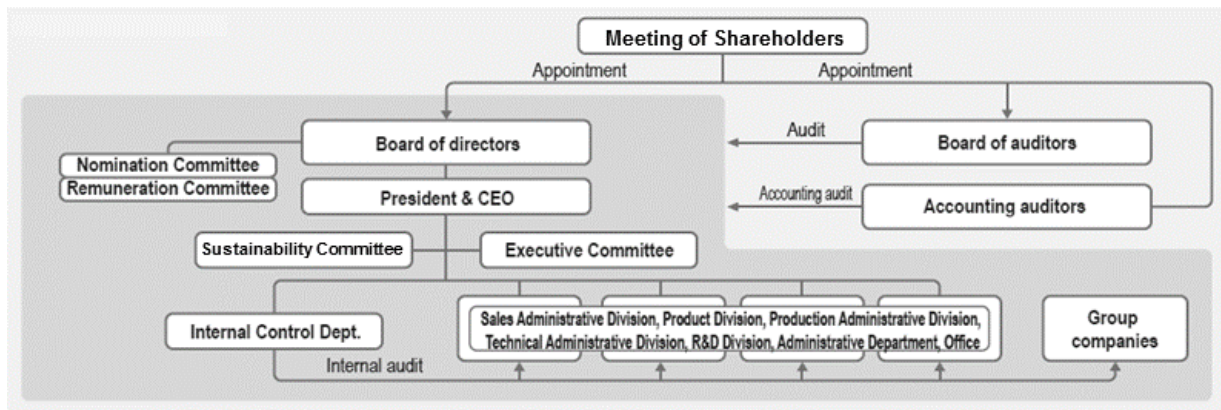
- 1) DIC shall determine an administrative department for each subsidiary from the standpoints of the conduct of business and business management, and shall supervise business affairs by dispatching a director to each subsidiary.
- 2) DIC shall clarify important matters pertaining to subsidiaries that require approval of or reporting to DIC, the parent company.
- 3) The internal auditing department shall conduct internal audits of the subsidiaries on a periodic basis.
- 4) Internal notifications from subsidiaries may be made directly to persons such as the DIC President, the officer in charge of legal affairs, corporate auditors or outside legal counsel.

6 Systems for Ensuring that Audits by the Corporate Auditors are Conducted Effectively

- 1) As well as attending meetings of the Board of Directors and other important meetings, corporate auditors may inspect the contents of *Ringi* approvals at any time.
- 2) Directors, executive officers and employees shall report facts that could cause substantial damage to the Company and matters designated by the Board of Corporate Auditors as "Matters to be Reported to the Corporate Auditors or the Board of Corporate Auditors" to the corporate auditors or the Board of Corporate Auditors.

- 3) In addition to meeting with the representative directors on a periodic basis to exchange information and opinions, corporate auditors shall strive to foster close cooperation by holding liaison meetings on a periodic basis with each of the internal auditing department, the independent auditors and the corporate auditors of the subsidiaries.
- 4) DIC shall establish an Office of the Corporate Auditors and shall assign dedicated personnel to assist the corporate auditors in their duties. Such personnel shall obey only the directions and orders of the corporate auditors. Evaluations shall be conducted by the corporate auditors and matters such as personnel changes and disciplinary actions will require the prior consent of the corporate auditors.

■ Corporate Governance Structure



* Effective from fiscal year 2014, “CSR Committee” and “CSR policy” have been changed to “Sustainability Committee” and “Sustainability activity plan”, respectively.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

Accounts	Current Fiscal Year As of December 31, 2013	Previous Fiscal Year As of March 31, 2013 (Reference)
(Assets)		
I Current assets	390,794	351,857
Cash and deposits	15,576	22,654
Notes and accounts receivable-trade	212,821	183,221
Merchandise and finished goods	86,402	75,184
Work in process	8,963	8,045
Raw materials and supplies	50,483	45,950
Deferred tax assets	10,230	8,456
Other	17,113	17,258
Allowance for doubtful accounts	(10,794)	(8,911)
II Noncurrent assets	370,896	341,134
Property, plant and equipment	233,759	214,043
Buildings and structures	92,001	83,490
Machinery, equipment and vehicles	70,609	59,907
Tools, furniture and fixtures	8,355	7,561
Land	55,027	53,396
Construction in progress	7,767	9,689
Intangible assets	15,561	14,799
Goodwill	1,666	1,227
Software	10,356	10,285
Other	3,539	3,287
Investments and other assets	121,576	112,292
Investment securities	41,615	36,663
Long-term loans receivable	211	269
Deferred tax assets	38,769	34,931
Net defined benefit asset	15,822	—
Other	27,854	44,678
Allowance for doubtful accounts	(2,695)	(4,249)
Total assets	761,690	692,991

Consolidated Balance Sheets

(Millions of yen)

Accounts	Current Fiscal Year As of December 31, 2013	Previous Fiscal Year As of March 31, 2013 (Reference)
(Liabilities)		
I Current liabilities	278,227	271,694
Notes and accounts payable-trade	116,023	109,058
Short-term loans payable	38,324	42,392
Current portion of long-term loans payable	41,486	45,538
Commercial papers	—	7,000
Current portion of bonds	5,000	3,000
Lease obligations	664	685
Accounts payable-other	37,326	34,869
Income taxes payable	7,613	5,770
Deferred tax liabilities	210	195
Provision for bonuses	3,977	2,955
Provision for loss on disaster	343	420
Other	27,261	19,812
II Noncurrent liabilities	264,516	260,566
Bonds payable	28,000	33,000
Long-term loans payable	180,262	178,367
Lease obligations	5,398	5,652
Deferred tax liabilities	2,517	1,781
Provision for retirement benefits	—	29,711
Provision for environmental measures	1,997	—
Net defined benefit liability	32,830	—
Asset retirement obligations	984	777
Other	12,528	11,278
Total liabilities	542,743	532,260
(Net assets)		
I Shareholders' equity	268,195	247,483
Capital stock	91,154	91,154
Capital surplus	88,758	88,758
Retained earnings	89,166	68,444
Treasury shares	(883)	(873)
II Valuation and translation adjustments	(72,977)	(110,562)
Valuation difference on available-for-sale securities	1,945	410
Deferred gains or losses on hedges	(438)	(837)
Foreign currency translation adjustment	(40,037)	(82,247)
Remeasurements of defined benefit plans	(34,447)	(27,888)
III Minority interests	23,729	23,810
Total net assets	218,947	160,731
Total liabilities and net assets	761,690	692,991

Consolidated Statements of Income

(Millions of yen)

Accounts	Current Fiscal year Ended December 31, 2013	Previous Fiscal Year Ended March 31, 2013 (Reference)
I Net sales	705,647	703,781
II Cost of sales	558,033	560,504
Gross profit	147,614	143,277
III Selling, general and administrative expenses	107,433	104,793
Operating income	40,181	38,484
IV Non-operating income	6,109	7,317
Interest income	1,396	1,511
Dividends income	225	272
Equity in earnings of affiliates	1,916	2,348
Other	2,572	3,186
V Non-operating expenses	9,167	10,664
Interest expenses	5,882	7,093
Foreign exchange losses	625	614
Other	2,660	2,957
Ordinary income	37,123	35,137
VI Extraordinary income	11,359	4,006
Gain on sale of art object	10,335	—
Gain on sales of noncurrent assets	683	2,079
Gain on step acquisitions	341	—
Reversal of provision for loss on disaster	—	1,308
Gain on bargain purchase	—	619
VII Extraordinary loss	8,366	4,937
Loss on disposal of noncurrent assets	3,059	2,022
Severance costs	2,523	728
Provision for environmental measures	1,997	—
Impairment loss	787	—
Provision of allowance for doubtful accounts	—	2,187
Income before income taxes and minority interests	40,116	34,206
Income taxes-current	10,735	8,873
Income taxes-deferred	875	4,116
Income before minority interests	28,506	21,217
Minority interests in income	1,735	2,153
Net income	26,771	19,064

Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital Surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2013	91,154	88,758	68,444	(873)	247,483
Change in FY 2013					
Dividends from surplus			(5,496)		(5,496)
Net income			26,771		26,771
Change of scope of consolidation			(553)		(553)
Purchase of treasury shares				(10)	(10)
Net changes of items other than shareholders' equity					—
Total change in FY 2013	—	—	20,722	(10)	20,712
Balance at December 31, 2013	91,154	88,758	89,166	(883)	268,195

	Valuation and translation adjustments					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Pension liabilities adjustments	Total valuation and translation adjustments		
Balance at April 1, 2013	410	(837)	(82,247)	(27,888)	(110,562)	23,810	160,731
Change in FY 2013							
Dividends from surplus							(5,496)
Net income							26,771
Change of scope of consolidation							(553)
Purchase of treasury shares							(10)
Net changes of items other than shareholders' equity	1,535	399	42,210	(6,559)	37,585	(81)	37,504
Total change in FY 2013	1,535	399	42,210	(6,559)	37,585	(81)	58,216
Balance at December 31, 2013	1,945	(438)	(40,037)	(34,447)	(72,977)	23,729	218,947

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

		(Millions of yen)			
Accounts	Current Fiscal Year As of December 31, 2013	Previous Fiscal Year As of March 31, 2013 (Reference)	Accounts	Current Fiscal Year As of December 31, 2013	Previous Fiscal Year As of March 31, 2013 (Reference)
(Assets)			(Liabilities)		
I Current assets	146,368	136,879	I Current liabilities	236,960	223,361
Cash and deposits	1,152	7,224	Notes payable-trade	1,293	2,674
Notes receivable-trade	9,384	5,894	Accounts payable-trade	75,056	62,017
Accounts receivable-trade	52,138	52,376	Short-term loans payable	120,669	119,064
Short-term investment securities	—	424	Commercial papers	—	7,000
Merchandise and finished goods	18,992	16,020	Current portion of bonds	5,000	3,000
Work in process	4,066	3,661	Accounts payable-other	25,013	20,220
Raw materials and supplies	7,976	8,634	Income taxes payable	3,753	951
Advance payments-trade	284	625	Accrued consumption taxes	—	26
Prepaid expenses	996	605	Accrued bonuses	—	2,991
Deferred tax assets	3,185	2,029	Provision for bonuses	2,397	1,822
Short-term loans receivable	14,449	14,321	Provision for directors' bonuses	51	51
Accounts receivable-other	33,126	24,643	Provision for loss on disaster	343	420
Other	662	464	Accrued expenses	1,125	1,022
Allowance for doubtful accounts	(42)	(41)	Advances received	128	200
II Noncurrent assets	507,920	499,670	Deposits received	1,407	1,111
Property, plant and equipment	93,145	88,207	Other	725	792
Buildings	32,064	31,350	II Noncurrent liabilities	192,009	198,860
Structures	4,840	4,288	Bonds payable	28,000	33,000
Machinery and equipment	23,976	18,559	Long-term loans payable	150,471	153,934
Vehicles	98	53	Provision for retirement benefits	6	4
Tools, furniture and fixtures	3,340	2,898	Provision for directors' retirement benefits	20	20
Land	28,250	28,227	Provision for loss on business of subsidiaries and affiliates	1,805	1,805
Construction in progress	576	2,833	Provision for environmental measures	1,997	—
Intangible assets	8,312	7,664	Asset retirement obligations	371	369
Leasehold right	21	21	Deferred tax liabilities	4,040	4,216
Industrial right	133	49	Other	5,300	5,510
Contribution of using facilities	75	105	Total liabilities	428,969	422,221
Software	7,888	7,323	(Net assets)		
Other	194	167	I Shareholders' equity	226,970	216,020
Investments and other assets	406,463	403,799	Capital stock	91,154	91,154
Investment securities	11,314	9,098	Capital surplus	88,758	88,758
Stocks of subsidiaries and affiliates	332,807	333,062	Legal capital surplus	88,753	88,753
Investments in capital of subsidiaries and affiliates	18,118	18,303	Other capital surplus	5	5
Long-term loans receivable	11,674	11,381	Retained earnings	47,940	36,980
Prepaid pension cost	15,003	14,414	Other retained earnings		
Other	17,725	17,725	Reserve for tax deferral of subsidies	34	35
Allowance for doubtful accounts	(179)	(186)	Reserve for tax deferral of insurance gains	2	3
			Reserve for special depreciation	1	14
			Reserve for tax deferral of capital gains from eminent domain	914	928
			Reserve for reduction entry of replaced property	6,022	6,250
			Reserve of special account for tax deferral of capital gains from replacement of property	—	1
			Retained earnings brought forward	40,967	29,749
			Treasury stock	(883)	(873)
			II Valuation and translation adjustments	(1,652)	(1,692)
			Valuation difference on available-for-sale securities	1,642	255
			Deferred gains or losses on hedges	(3,294)	(1,948)
Total assets	654,288	636,548	Total net assets	225,319	214,328
			Total liabilities and net assets	654,288	636,548

Non-consolidated Statements of Income

(Millions of yen)

Accounts	Current Fiscal Year Ended December 31, 2013	Previous Fiscal Year Ended March 31, 2013 (Reference)
I Net sales	198,626	250,353
II Cost of sales	162,278	203,862
Gross profit	36,348	46,491
III Selling, general and administrative expenses	24,161	31,991
Operating income	12,188	14,500
IV Non-operating income	5,465	7,544
Interest income	279	308
Dividends income	3,524	5,471
Other	1,662	1,765
V Non-operating expenses	4,384	6,616
Interest expenses	3,433	4,928
Other	950	1,688
Ordinary income	13,269	15,428
VI Extraordinary income	10,335	3,968
Gain on sale of art object	10,335	—
Gain on sales of land	—	1,769
Gain on extinguishment of tie-in shares	—	963
Reversal of provision for loss on disaster	—	1,236
VII Extraordinary loss	3,779	1,112
Loss on disposal of noncurrent assets	438	1,112
Loss on liquidation of subsidiaries and affiliates	1,344	—
Provision for environmental measures	1,997	—
Income before income taxes	19,826	18,283
Income taxes-current	4,643	2,388
Income taxes-deferred	(1,273)	2,024
Net income	16,456	13,872

Non-consolidated Statements of Changes in Net Assets

(Millions of yen)

	Shareholders' equity													Treasury stock	Total shareholders' equity
	Capital surplus				Retained earnings										
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Reserve for tax deferral of subsidies	Reserve for tax deferral of insurance gains	Reserve for special depreciation	Reserve for tax deferral of capital gains from eminent domain	Reserve for reduction entry of replaced property	Reserve of special account for tax deferral of capital gains from replacement of property	Retained earnings brought forward	Total retained earnings			
Balance at April 1, 2013	91,154	88,753	5	88,758	35	3	14	928	6,250	1	29,749	36,980	(873)	216,020	
Change in FY 2013															
Appropriation for reserve for reduction entry of replaced property									1		(1)	-		-	
Reversal of reserve for tax deferral of subsidies					(2)						2	-		-	
Reversal of reserve for tax deferral of insurance gains						(0)					0	-		-	
Reversal of reserve for special depreciation							(12)				12	-		-	
Reversal of reserve for tax deferral of capital gains from eminent domain								(14)			14	-		-	
Reversal of reserve for reduction entry of replaced property									(228)		228	-		-	
Reversal of reserve of special account for tax deferral of capital gains from replacement of property										(1)	1	-		-	
Dividends from surplus											(5,496)	(5,496)		(5,496)	
Net income											16,456	16,456		16,456	
Purchase of treasury stock													(10)	(10)	
Net changes of items other than shareholders' equity															
Total change in FY 2013	-	-	-	-	(2)	(0)	(12)	(14)	(227)	(1)	11,218	10,960	(10)	10,950	
Balance at December 31, 2013	91,154	88,753	5	88,758	34	2	1	914	6,022	-	40,967	47,940	(883)	226,970	

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at April 1, 2013	255	(1,948)	(1,692)	214,328
Change in FY 2013				
Appropriation for reserve for reduction entry of replaced property				-
Reversal of reserve for tax deferral of subsidies				-
Reversal of reserve for tax deferral of insurance gains				-
Reversal of reserve for special depreciation				-
Reversal of reserve for tax deferral of capital gains from eminent domain				-
Reversal of reserve for reduction entry of replaced property				-
Reversal of reserve of special account for tax deferral of capital gains from replacement of property				-
Dividends from surplus				(5,496)
Net income				16,456
Purchase of treasury stock				(10)
Net changes of items other than shareholders' equity	1,386	(1,346)	41	41
Total change in FY 2013	1,386	(1,346)	41	10,991
Balance at December 31, 2013	1,642	(3,294)	(1,652)	225,319

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

February 25, 2014

To the Board of Directors of
DIC Corporation:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Yuji Itagaki

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Takaya Otake

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of December 31, 2013 of DIC Corporation (the "Company") and its consolidated subsidiaries, and the related consolidated statements of income and changes in net assets for the fiscal year from April 1, 2013 to December 31, 2013, and the related notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

(TRANSLATION)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DIC Corporation and its consolidated subsidiaries as of December 31, 2013, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

February 25, 2014

To the Board of Directors of
DIC Corporation:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Yuji Itagaki

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Takaya Otake

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet as of December 31, 2013 of DIC Corporation (the "Company"), and the related statements of income and changes in net assets for the 116th fiscal year from April 1, 2013 to December 31, 2013, and the related notes and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free from material misstatement.

(TRANSLATION)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of DIC Corporation as of December 31, 2013, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

Audit Report of the Board of Corporate Auditors

AUDIT REPORT

With respect to the Directors' performance of their duties during the 116th fiscal year (from April 1, 2013 to December 31, 2013), the Board of Corporate Auditors of DIC Corporation has prepared this audit report after deliberations based on the audit reports prepared by each Corporate Auditor and hereby reports as follows:

1. Methods and Details of Audit by Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors has established the audit policies and the audit plans and received reports from each Corporate Auditor regarding the status of conduct of audits and results thereof. In addition, the Board of Corporate Auditors has received reports from the Directors, other relevant employees and the Independent Auditors regarding the status of performance of their duties, and requested them to provide explanations as necessary.

In conformity with the Corporate Auditors auditing standards established by the Board of Auditors, and in accordance with the audit policies and audit plans, each Corporate Auditor endeavored to communicate with the Directors, the internal audit division and other relevant employees, endeavored to collect information and maintain and improve the audit environment, attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and relevant employees and requested them to provide explanations as necessary, examined important documents regarding decisions and approvals made, and inspected the status of the business and property at the head office and other principal business locations. Also, concerning the contents of the Board of Directors' resolutions regarding the development and implementation of systems to ensure that the Directors' performance of their duties is in conformity with all laws, regulations and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act as being necessary for ensuring the appropriateness of the operations of a joint stock company, and the status of the systems (internal control systems) being established based on such resolutions, each Corporate Auditor regularly received reports from the Directors and relevant employees and requested them to provide explanations as necessary, and expressed opinions. With respect to the subsidiaries, each Corporate Auditor endeavored to communicate with and exchanged information with the Directors, the Corporate Auditors, and other employees of each subsidiary, received from subsidiaries reports on their respective business as necessary, and investigated the status of their business and property at certain subsidiaries. Based on the above-described methods, each Corporate Auditor examined the business report and annexed detailed statements for the fiscal year.

In addition, each Corporate Auditor monitored and verified whether the Independent Auditors maintained their independence and properly conducted their audits, received reports from the Independent Auditors on the status of their performance of duties, and requested them to provide explanations as necessary. Each Corporate Auditor was notified by the Independent Auditors that they had established a "system to ensure that the performance of the duties of the Independent Auditors was properly conducted" (the matters listed in the Items of Article 131 of the Company Accounting Regulations) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005), and requested them to provide explanations as necessary. Based on the above-described methods, each Corporate Auditor examined the non-consolidated financial statements and the annexed detailed statements, as well as the consolidated financial statements, for the fiscal year.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

① We acknowledge that the business report and annexed detailed statements fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.

② We discovered no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company in connection with the Directors' performance of their duties.

③ We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not discover any matter warranting comment with respect to the Directors' performance of their duties concerning the internal control systems.

(2) Results of Audit of Non-Consolidated Financial Statements and Annexed Detailed Statements

We acknowledge that the methods and results of the audit performed by the Independent Auditors, Deloitte Touche Tohmatsu LLC are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of the audit performed by the Independent Auditors, Deloitte Touche Tohmatsu LLC are appropriate.

February 27, 2014

The Board of Corporate Auditors of DIC Corporation

Corporate Auditor (Fulltime)	Jiro Mizutani	[Seal]
Corporate Auditor (Fulltime)	Yoshiyuki Mase	[Seal]
Corporate Auditor	Junji Tomita	[Seal]
Corporate Auditor	Katsunori Takechi	[Seal]

Note: Corporate Auditors Junji Tomita and Katsunori Takechi are Outside Auditors pursuant to Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.

[End of the Business Report for the 116th Fiscal Year]

Reference Documents for the General Meeting of Shareholders

Proposal 1 Appropriation of Surplus

The Company believes that it should pursue a basic policy on the appropriation of retained earnings by ensuring stable management fundamentals and bringing more satisfactory profit returns to the shareholders.

The Company endeavors to maintain the internal reserves and uses them effectively in order to promote the future interests of the shareholders by reinforcing the business essentials of the Company.

The Company proposes the year-end dividends as follows:

- ① **Type of Dividend Property**
Cash

- ② **Allocation of Dividend Property to Shareholders and Total Amount of Dividend**
¥3 per share of common stock
Total amount of dividend: ¥2,747,925,852
The Company previously paid out ¥3 per share as an interim dividend and the aggregate amount of annual dividends for the fiscal year under review will therefore amount to ¥6 per share.

- ③ **Effective Date of Dividend**
March 31, 2014

Proposal 2 Election of 8 Directors

With the expiration of the term of office of all 8 incumbent directors at the conclusion of the Meeting, the Company proposes the election of 8 directors.

The candidates for election as directors are as follows:

Candidate No.

1

Kazuo Sugie

[DOB: October 5, 1945]



■ Brief Personal History, Positions and Responsibility

- April 1970 Joined the Company as an employee
- June 2001 Director; General Manager of Corporate Strategic Planning Dept.
- June 2002 Managing Director; Responsible for Corporate Strategic Planning Div.
- June 2004 Senior Managing Director; Responsible for Corporate Strategy Div.
- June 2006 Representative Director; Vice President
- April 2008 Representative Director; Executive Vice President
- April 2009 Representative Director; President and CEO
- July 2011 Representative Director; President and CEO; President of Printing Inks & Supplies Business Operation
- April 2012 Director; Chairman of the Board to present

■ Principal Concurrent Positions Held at Other Organizations

- Director of Renaissance, Inc.
- Outside Auditor of Sapporo Holdings Limited

■ Number of the Company's Shares Held

252,000

Candidate No.
2

Yoshiyuki Nakanishi [DOB: November 3, 1954]



■ Brief Personal History, Positions and Responsibility

- April 1978 Joined the Company as an employee
- April 2008 Division President of Functional Polymers Div.
- April 2010 Executive Officer; Responsible for Corporate Strategy Div. and Kawamura Memorial Museum of Art
- June 2011 Director; Executive Officer; Responsible for Corporate Strategy Div. and Kawamura Memorial DIC Museum of Art
- April 2012 to present Representative Director; President and CEO

■ Number of the Company's Shares Held

60,000

Candidate No.
3

Masayuki Saito [DOB: November 8, 1954]



■ Brief Personal History, Positions and Responsibility

- April 1977 Joined the Company as an employee
- April 2007 General Manager of Finance Dept.
- April 2008 Executive Officer; Responsible for Finance & Accounting Div.
- June 2010 Director; Executive Officer; Responsible for Finance & Accounting Div.
- April 2011 Director; Managing Executive Officer; Responsible for Finance & Accounting Div.
- April 2012 to present Representative Director; Senior Managing Executive Officer; Assistant to the President; Responsible for Finance & Accounting Div.

■ Principal Concurrent Positions Held at Other Organizations

- Chairman of the Board of Sun Chemical Corp.
- Chairman of the Supervisory Board of Sun Chemical Group Coöperatief U.A.
- Representative Executive Officer of DIC Investments Japan, LLC.

■ Number of the Company's Shares Held

71,120

Candidate No.

4

Yoshihisa Kawamura [DOB: November 12, 1960]



- **Brief Personal History, Positions and Responsibility**
 - April 1984 Joined Mitsui & Co., Ltd. as an employee
 - April 1991 Joined the Company as an employee
 - June 2004 Executive Officer; General Manager of Strategic Global Purchasing Div.
 - June 2007 Director; General Manager of Corporate Strategic Planning Dept.
 - April 2008 Director; Managing Executive Officer; President of Graphic Arts Materials Business Operation
 - July 2011 Director; Managing Executive Officer; President of Neo-Graphic Arts Materials Business Operation
 - April 2012 Director; Managing Executive Officer
 - April 2013 Director; Managing Executive Officer; Responsible for Sales & Marketing Support Div.
 - January 2014 to present Director
- **Principal Concurrent Positions Held at Other Organizations**

Director and Chairman of the Board of DIC Graphics Corporation
- **Number of the Company's Shares Held**

852,520

Candidate No.

5

Akira Konishi [DOB: January 17, 1951]



- **Brief Personal History, Positions and Responsibility**
 - April 1978 Joined the Company as an employee
 - April 2000 General Manager of Epoxy Resins Technical Dept.
 - September 2006 General Manager of Technology & Production Management Dept.
 - April 2009 Executive Officer; Responsible for Technology & Production Management Dept., Intellectual Property Dept. and Responsible Care Dept.
 - April 2010 Executive Officer; General Manager of Production Administrative Div.
 - April 2011 Managing Executive Officer; General Manager of Production Administrative Div.
 - June 2012 to present Director; Managing Executive Officer; General Manager of Production Administrative Div.
- **Number of the Company's Shares Held**

32,000

Candidate No.
6

Tetsuro Agawa [DOB: August 17, 1953]



■ Brief Personal History, Positions and Responsibility

- April 1979 Joined the Company as an employee
- April 2005 General Manager of Resins Technical Dept. 1
- April 2007 General Manager of Industrial Materials Technical Administrative Dept.
- April 2010 Executive Officer; General Manger of Technical Administrative Div.
- April 2012 Managing Executive Officer; General Manger of Technical Administrative Div.
- June 2012 Director; Managing Executive Officer; General Manger of Technical Administrative Div.
- April 2013 to present Director; Managing Executive Officer; General Manager of Technical Administrative Div.; General Manager of Product Innovation Center

■ Number of the Company's Shares Held

28,000

Candidate No.
7

Takao Suzuki (Note 2) [DOB: January 12, 1946]

Outside Director
 Candidate

Independent
 Director



■ Brief Personal History, Positions and Responsibility

- April 1969 Joined Hitachi, Ltd. as an employee
- June 2003 Executive Officer of Hitachi, Ltd.
- January 2006 Vice President and Executive Officer of Hitachi, Ltd.
- April 2006 Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi Transport System, Ltd.
- June 2006 Representative Executive Officer, President and CEO, and Director of Hitachi Transport System, Ltd.
- June 2013 to present Director of the Company
- June 2013 to present Director and Chairman of the Board of Hitachi Transport System, Ltd.

■ Principal Concurrent Positions Held at Other Organizations

Director and Chairman of the Board of Hitachi Transport System, Ltd.

■ Number of the Company's Shares Held

0

Candidate No.

8

Yukako Uchinaga (Note 2)(Note 3)
[DOB: July 5, 1946]Outside Director
CandidateIndependent
DirectorNewly
Nominated

■ Brief Personal History, Positions and Responsibility

July 1971	Joined IBM Japan, Ltd. as an employee
April 1995	Director of IBM Japan, Ltd.
April 2000	Managing Director of IBM Japan, Ltd.
April 2004	Director and Senior Executive Officer of IBM Japan, Ltd.
April 2007	Technical Advisor of IBM Japan, Ltd.
June 2007	Outside director of Benesse Corporation
April 2008	Director and Vice Chairman of Benesse Corporation
	Chairman of the Board, President and CEO of Berlitz Corporation
October 2009	Director and Executive Vice President of Benesse Holdings, Inc.
April 2013	Honorary Chairman of Berlitz Corporation

■ Principal Concurrent Positions Held at Other Organizations

Board Chair, Japan Women's Innovative Network (J-Win, a non-profit organization)
 Outside director of Sony Corporation
 Outside director of Aeon Co., Ltd.
 Outside director of HOYA Corporation

■ Number of the Company's Shares Held

0

Notes:

- No special interests exist between any of the director candidates and the Company.
- Mr. Takao Suzuki and Ms. Yukako Uchinaga are candidates for outside directors, and the matters to be particularly mentioned in this connection are as follows:
 - Reasons for Being the Candidates for Outside Directors
 Mr. Takao Suzuki and Ms. Yukako Uchinaga, as stated in the Brief Personal History above, have been engaged in corporate management for a long time. Therefore, the Company requests the shareholders to elect them as outside directors so that their experience and insight can be applied to the management of the Company.
 - Number of Years since Candidates First Assumed the Office of Outside Director of the Company
 At the conclusion of the Meeting, Mr. Takao Suzuki will have served for 9 months as outside director of the Company.
 - Summary of Liability Limitation Contracts
 The Company entered into contracts for limitation of liability with outside directors. Pursuant to the contracts, if the outside directors neglect their duties and cause damages to the Company, they shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, on the condition that they act in good faith and are not grossly negligent in performing their duties. If Mr. Takao Suzuki is reelected, the Company will extend the contract with him. Furthermore, if Ms. Yukako Uchinaga is elected, the Company will enter into a similar contract with her.
 - Designation of Independent Director
 The Company designated Mr. Takao Suzuki as an independent director pursuant to the rules of the Tokyo Stock Exchange. Ms. Yukako Uchinaga will likewise be designated as an independent director.
- Ms. Yukako Uchinaga is a newly-nominated candidate.

Proposal 3 Election of 1 Substitute Corporate Auditor

With the expiration of the term of office of substitute corporate auditor Norifumi Tateishi at the start of the Meeting, the Company proposes the election of 1 substitute corporate auditor.

The Board of Directors asks your permission to allow the Board of Directors upon endorsement of the Board of Corporate Auditors to cancel his appointment if such cancellation is prior to the substitute corporate auditor taking the office of corporate auditor.

This proposal has been consented to by the Board of Corporate Auditors.

The candidate for election as substitute corporate auditor is as follows:

Norifumi Tateishi [DOB: September 21, 1953]

Outside Auditor
Candidate

Independent
Auditor

When
taking
the office



■ Brief Personal History

- April 1979 Admitted as attorney in Japan (Tokyo Bar Association)
Joined Fuji Law Office
- April 1981 Joined Konaka, Toyama & Hosoya Law Office
- June 1985 Joined Davis Polk & Wardwell LLP
- September 1986 Joined Anderson Mōri & Rabinowitz (presently Anderson Mōri & Tomotsune)
- September 1994 Established Tozai Sogo Law Office as the representative partner to present
- March 2001 Practicing-attorney-professor at Legal Training and Research Institute of Japan

■ Principal Concurrent Positions Held at Other Organizations

- Supervisory Director of Global One Real Estate Investment Corp.
- Outside auditor of Yashima Denki Co., Ltd.

■ Number of the Company's Shares Held

0

Notes:

1. No special interest exists between Mr. Norifumi Tateishi and the Company.
2. Mr. Norifumi Tateishi is a candidate for substitute outside auditor, and the matters to be particularly mentioned in this connection are as follows:
 - (1) Reasons for Being Candidates for Substitute Outside Auditor and Reasons for the Judgment of the Candidate's Adequate Capability as Outside Auditor
He has expertise and experience as attorney in the area of corporate legal affairs. The Company judged him to be capable of performing the duties as outside auditor.
 - (2) Summary of Liability Limitation Contract
If Mr. Norifumi Tateishi takes the office of outside auditor, the Company will enter into a contract for limitation of liability with him. Pursuant to the contract, if he neglects his duties and causes damages to the Company, he shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, on the condition that he acts in good faith and is not grossly negligent in performing his duties.
 - (3) Designation of Independent Director
If Mr. Norifumi Tateishi is elected, the Company will designate him as an independent auditor pursuant to the rules of the Tokyo Stock Exchange.