

Securities Code: 4631  
March 11, 2015

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 117th Annual General Meeting of Shareholders

The 117th 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 36 through 43), 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., Wednesday, March 25, 2015 (Japan time).**

#### Date and time

10:00 a.m., Thursday, March 26, 2015 (Japan time)

#### Place

Headquarters of the Company, 11th Floor Conference Room  
WATERRAS TOWER, 101, Kanda Awajicho 2-chome, Chiyoda-ku, Tokyo  
(Reception Desk: 3rd Floor)

#### Agenda of the Meeting

##### Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 117th Fiscal Year (from January 1, 2014 to December 31, 2014), 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 117th Fiscal Year (from January 1, 2014 to December 31, 2014)

##### Matters to be resolved:

- Proposal 1.** Appropriation of Surplus  
**Proposal 2.** Election of 7 Directors  
**Proposal 3.** Election of 1 Corporate Auditor

### Matters decided upon the convocation of the Meeting

- (1) If you exercise your voting rights 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.

- 
- 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., Thursday, March 26, 2015 (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., Wednesday, March 25, 2015 (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., Wednesday, March 25, 2015 (Japan time).**

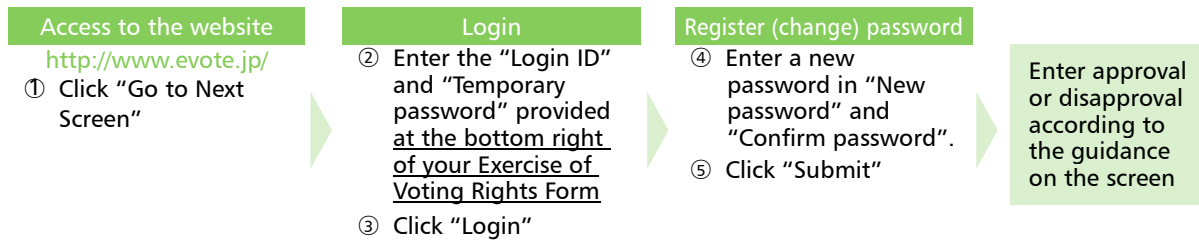
### Electronic Voting Platform for Institutional Investors

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 <b>0120-173-027</b> (Toll Free)                  Operating Hours: 9:00 a.m. - 9:00 p.m. (Japan time)</p>
--	---

(Attachment)

## BUSINESS REPORT FOR THE 117TH FISCAL YEAR (January 1, 2014 - December 31, 2014)

Effective from fiscal year 2013, DIC Corporation and its domestic subsidiaries, with the exception of one company, changed their fiscal year-end from March 31 to December 31. This document presents consolidated results for fiscal year 2014, comprising the accounts for the year ended December 31, 2014, of DIC and its domestic and overseas subsidiaries. For the purpose of comparison, figures for fiscal year 2013 have been adjusted to represent the same accounting period as fiscal year 2014. Percentage changes represent increases or decreases from the adjusted figures.

### 1. Operating Results of the DIC Group for the Fiscal Year Ended December 31, 2014

#### (1) Overview of Operating Results

In fiscal year 2014, ended December 31, 2014, the trend toward economic recovery in North America and Europe clarified. While instability lingered in Asia, reflecting, among others, slowing growth in the People's Republic of China (PRC) and Southeast Asia, signs of a revival in demand were seen in India through the second half. In Japan, demand remained weak, underscored by such factors as a protracted negative rebound in consumer demand following the sharp spike that preceded the recent consumption tax hike.

In this environment, consolidated net sales advanced 5.9% from fiscal year 2013, to ¥830.1 billion, as results benefited from the positive impact of higher shipments and the depreciation of the yen.

Operating income, at ¥41.1 billion, was down 6.9%, owing to a number of factors, including an increase in raw materials prices.

Ordinary income declined 2.3%, to ¥39.9 billion.

Net income declined 12.4%, to ¥25.2 billion.

	(Billions of yen)			
	Fiscal year 2014	Fiscal year 2013 (Adjusted)	Change (Adjusted)	Change excluding the impact of foreign currency fluctuations (Adjusted)
Net sales	¥830.1	¥784.0	5.9%	1.4%
Operating income	41.1	44.1	-6.9%	-9.7%
Ordinary income	39.9	40.9	-2.3%	—
Net income	25.2	28.8	-12.4%	—

Notes:

- The exchange rates used to translate the results of overseas DIC Group companies for fiscal years 2014 and 2013 are as follows:  
 Fiscal year 2014: ¥106.32/US\$1.00 (average for the year ended December 31, 2014)  
 Fiscal year 2013: ¥97.06/US\$1.00 (average for the year ended December 31, 2013)
- Figures for fiscal year 2013 in this table have been adjusted to represent the same accounting period as fiscal year 2014 (January 1 – December 31).

Results of operations by segment are as follows:

(Billions of yen)

Segments	Net sales				Operating income			
	Fiscal year 2014	Fiscal year 2013 (Adjusted)	Change (Adjusted)	Change excluding the impact of foreign currency fluctuations (Adjusted)	Fiscal year 2014	Fiscal year 2013 (Adjusted)	Change (Adjusted)	Change excluding the impact of foreign currency fluctuations (Adjusted)
Printing Inks	¥415.7	¥392.1	6.0%	-0.1%	¥17.3	¥19.0	-9.0%	-11.8%
Fine Chemicals	138.3	127.7	8.3%	2.4%	13.8	12.6	9.8%	7.0%
Polymers	190.8	176.8	7.9%	6.3%	7.8	10.4	-24.8%	-26.6%
Application Materials	123.0	121.0	1.7%	-0.8%	7.1	6.9	3.1%	0.0%
Others, Corporate and eliminations	(37.7)	(33.6)	—	—	(4.9)	(4.8)	—	—
<b>Total</b>	<b>¥830.1</b>	<b>¥784.0</b>	<b>5.9%</b>	<b>1.4%</b>	<b>¥41.1</b>	<b>¥44.1</b>	<b>-6.9%</b>	<b>-9.7%</b>

Note: Owing to changes in segmentation of some products effective from January 1, 2014, certain figures for fiscal year 2013 that have been adjusted to represent the same accounting period as fiscal year 2014 have also been restated.

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  
**47.9%**

## Printing Inks

**Net Sales ¥415.7 billion**  
 Change **6.0%** [-0.1%]

**Operating Income ¥17.3 billion**  
 Change **-9.0%** [-11.8%]

### ● Net Sales

	(Billions of yen)	
	Fiscal Year 2013 (Adjusted)	Fiscal Year 2014
Japan	¥85.9	¥81.5
The Americas and Europe	254.9	282.0
Asia and Oceania	68.2	70.7
<b>Total</b>	<b>¥392.1</b>	<b>¥415.7</b>

### ● Operating Income

	(Billions of yen)	
	Fiscal Year 2013 (Adjusted)	Fiscal Year 2014
Japan	¥5.4	¥3.8
The Americas and Europe	8.2	9.9
Asia and Oceania	5.4	3.6
<b>Total</b>	<b>¥19.0</b>	<b>¥17.3</b>

### Japan

**Net Sales ¥81.5 billion**  
 Change **-5.1%**

**Operating Income ¥3.8 billion**  
 Change **-29.6%**

Sales of offset inks and news inks fell, with a decline in demand among the contributing factors, while sales of gravure inks were level, owing to steady demand, among others. As a consequence, overall sales in Japan were down.

Higher raw materials prices and other factors combined to push operating income down.

### The Americas and Europe

**Net Sales ¥282.0 billion**  
 Change **10.6%** [2.3%]

**Operating Income ¥9.9 billion**  
 Change **20.8%** [18.0%]

Although sales of packaging inks were firm, overall sales in Europe declined, as demand for publishing inks remained soft. Overall sales in North America also decreased, despite healthy sales of packaging inks, as demand for publishing inks and news inks continued to fall. In Central and South America, brisk sales in all product categories supported an increase in overall sales. For these reasons, sales in the Americas and Europe combined were up.

An improvement in the segment's product mix and ongoing rationalization efforts, among others, brought about a gain in operating income.

### Asia and Oceania

**Net Sales ¥70.7 billion**  
 Change **3.8%** [-1.0%]

**Operating Income ¥3.6 billion**  
 Change **-32.5%** [-35.5%]

Overall sales in the PRC advanced, bolstered by robust results for gravure inks, which offset a slump in sales of offset inks. Despite sagging results for news inks, sales in Southeast Asia were also up, primarily reflecting healthy sales of gravure inks. Sales in Oceania declined, as floundering demand drove down sales of news inks. Sales in India rose, owing to brisk results in all product categories. While these and other factors led to a decline in sales in Asia and Oceania in local currency terms, yen depreciation supported an increase after conversion.

Operating income declined, with causes including high raw materials prices and rising costs.

Net Sales  
Composition  
Ratio  
**15.9%**

## Fine Chemicals

**Net Sales ¥138.3 billion**  
Change **8.3%** [2.4%]

**Operating Income ¥13.8 billion**  
Change **9.8%** [7.0%]

### ● Net Sales

(Billions of yen)

Fiscal Year 2013 (Adjusted)	Fiscal Year 2014
¥127.7	¥138.3

### ● Operating Income

(Billions of yen)

Fiscal Year 2013 (Adjusted)	Fiscal Year 2014
¥12.6	¥13.8

Sales of pigments in Japan were up, with contributing factors including a sharp increase in sales for use in color filters and steady sales for use in inks. Although demand for use in inks fell, sales of pigments in the Americas and Europe advanced, owing to firm sales for use in plastics and cosmetics and rising sales of effect pigments. Sales of TFT LCs declined, despite solid demand, as sales of new products were delayed. For these and other reasons, segment sales increased.

Segment operating income was up, owing to the aforementioned sales results and other factors.

Net Sales  
Composition  
Ratio  
**22.0%**

## Polymers

**Net Sales ¥190.8 billion**  
Change **7.9%** [6.3%]

**Operating Income ¥7.8 billion**  
Change **-24.8%** [-26.6%]

### ● Net Sales

(Billions of yen)

Fiscal Year 2013 (Adjusted)	Fiscal Year 2014
¥176.8	¥190.8

### ● Operating Income

(Billions of yen)

Fiscal Year 2013 (Adjusted)	Fiscal Year 2014
¥10.4	¥7.8

In Japan, sales of epoxy resins and resins for coatings increased, underpinned in part by solid demand from the civil engineering and construction industries. Sales of polystyrene were also up, with contributing factors including firm demand. Overseas, sales advanced, backed by steady demand in the PRC, among others. As a consequence, segment sales rose.

Segment operating income declined. Factors behind this result included a delay in efforts to revise sales prices upward to reflect high raw materials prices.



Net Sales  
 Composition  
 Ratio  
**14.2%**

## Application Materials

**Net Sales ¥123.0 billion**  
 Change **1.7%** [-0.8%]

**Operating Income ¥7.1 billion**  
 Change **3.1%** [0.0%]

### ● Net Sales

(Billions of yen)

Fiscal Year 2013 (Adjusted)	Fiscal Year 2014
¥121.0	¥123.0

### ● Operating Income

(Billions of yen)

Fiscal Year 2013 (Adjusted)	Fiscal Year 2014
¥6.9	¥7.1

Despite firm demand overseas for use in smartphones, sales of industrial adhesive tapes were down, owing largely to a decline in demand from certain customers. In contrast, sales of high-performance optical materials advanced, as demand for use in electrical and electronics equipment rallied. Sales of polyphenylene sulfide (PPS) compounds and jet inks also rose, the former sustained by robust demand for automotive applications and the latter by successful efforts to capitalize on expanded demand. For these reasons, segment sales were up after translation as a result of yen depreciation, despite declining in local currency terms.

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

## (2) Financing Activities

### 1) Methods of Financing

In fiscal year 2014, 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 public offering of new shares, among others, while at the same time it took steps to lower its interest-bearing debt. As a consequence, as of December 31, 2014, total interest-bearing debt amounted to ¥274.2 billion (including leases), a decrease of ¥25 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	117th Fiscal Year
413.4	393.0	387.1	377.7	337.6	328.5	315.6	299.1	274.2

## 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, 2014, the DIC Group invested ¥33.6 billion in facilities. Principal investments to build new or expand existing facilities, by segment, were as follows:

Printing Inks	Turkey	Construction of new production facilities for gravure inks
Fine Chemicals	Indonesia	Expansion of production facilities for organic pigments
	Japan	Expansion of production facilities for organic pigments
Polymers	Japan	Expansion of production facilities for synthetic resins
Application Materials	Japan	Expansion of production facilities for PPS polymers
	U.S.A.	Construction of new extraction facilities for natural blue food coloring
Others and Corporate	Japan	Development of next-generation ERP system



Production facilities for gravure inks (Turkey)



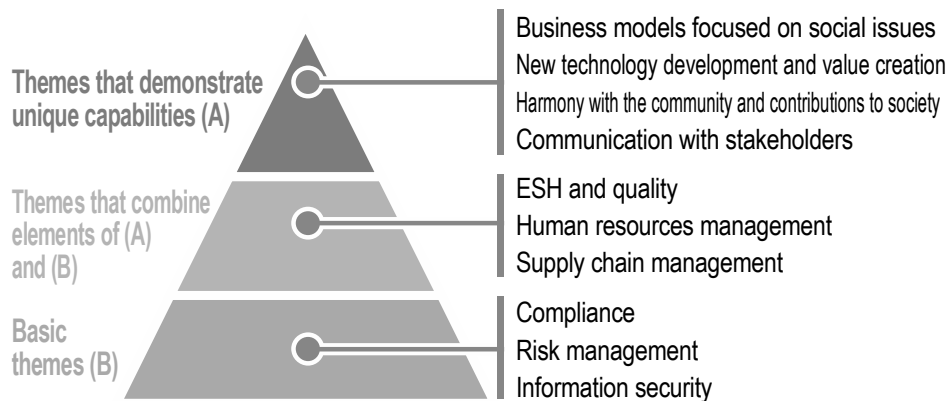
Production facilities for organic pigments (Indonesia)

### (3) Sustainability

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. In accordance with this recognition, The DIC Group launched its CSR (corporate social responsibility) program in fiscal year 2007, ended March 31, 2008. 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 are as follows:



#### (4) Operating Results and Financial Position

##### Consolidated Operating Results and Financial Position

	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)	117th Fiscal Year (January 1, 2014– December 31, 2014)
Net sales (millions of yen)	¥734,276	¥703,781	¥705,647	¥830,078
Operating income (millions of yen)	34,960	38,484	40,181	41,076
Operating Margin (%)	4.8	5.5	5.7	4.9
Ordinary income (millions of yen)	30,802	35,137	37,123	39,925
Net income (millions of yen)	18,158	19,064	26,771	25,194
Earnings per share (yen)	19.79	20.80	29.23	26.78
Net assets (millions of yen)	124,496	160,731	218,947	276,723
Total assets (millions of yen)	675,067	692,991	761,690	803,703

Notes: For 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, 2014, unless otherwise noted.)

**(6) Principal Businesses**

Segment	Product Division	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, Bathtubs and bath units, Synthetic marble, Sheet molding compounds (SMCs)
Application Materials	Liquid Compounds	Jet inks, Wood finishes
	Solid Compounds	Plastic colorants, Polyphenylene sulfide (PPS) compounds, High-performance optical materials, Coextruded multilayer films, Toners
	Processed Products	Decorative boards, Interior housing products, Industrial adhesive tapes, Labels, Stickers, Plastic pallets, Containers, Hollow-fiber membranes, Hollow-fiber membrane modules

**(7) Principal Facilities**

## 1) Principal Offices, Plants and R&amp;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)

Komaki Plant (Aichi)

Saitama Plant (Saitama)

Tatebayashi Plant (Gunma)

Central Research Laboratories (Chiba)

**■ Global Network (177 companies in 63 countries and territories)**

(Number of Group Companies)

Japan	North America	Central and South America	Europe	Africa	Asia	Oceania
33	14	16	50	5	57	2

② Subsidiaries and Affiliates

**Printing Inks (104 companies)**

DIC Graphics Corporation (Tokyo, Japan)  
Sun Chemical Group Coöperatief U.A. (Netherlands)  
Nantong DIC Color Co., Ltd. (PRC)  
PT. DIC GRAPHICS (Indonesia)  
DIC India Ltd. (India)  
DIC (Malaysia) Sdn. Bhd. (Malaysia)  
DIC Australia Pty Ltd. (Australia)  
and 97 other companies

**Fine Chemicals (7 companies)**

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

**Polymers (28 companies)**

SEIKO PMC CORPORATION (Tokyo, Japan)  
DH Material Inc. (Tokyo, Japan)  
DIC Kako, Inc. (Shiga, 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)  
Lidye Chemical Co., Ltd. (Taiwan)  
DIC Zhangjiagang Chemicals Co., Ltd. (PRC)  
and 18 other companies

**Application Materials (22 companies)**

DIC EP Corp. (Chiba, Japan)  
DIC Plastics, Inc. (Saitama, Japan)  
DIC Decor, Inc. (Saitama, Japan)  
DIC Compounds (Malaysia) Sdn. Bhd. (Malaysia)  
Earthrise Nutritionals, LLC. (U.S.A.)  
PT. DIC Astra Chemicals (Indonesia)  
and 16 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	10,499
Fine Chemicals	2,447
Polymers	3,255
Application Materials	2,339
Others	600
Corporate (shared)	1,271
<b>Total</b>	<b>20,411</b>

### ■ Number of Employees

	114th Fiscal Year	115th Fiscal Year	116th Fiscal Year	117th Fiscal Year
Japan	5,978	5,901	6,066	6,134
The Americas and Europe	8,636	8,677	8,311	8,432
Asia and Oceania	5,841	5,695	5,657	5,845
<b>Total</b>	<b>20,455</b>	<b>20,273</b>	<b>20,034</b>	<b>20,411</b>

## (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.
3. As a result of a share purchase program through public tender offering by Renaissance, Inc., the Company transferred part of its shares on January 13, 2015. The percent of ownership is 17.5% after the transfer but the Company deems it as affiliate because the percent of voting right is more than 20%.

## (9) Principal Borrowings

Lender	Balance of Borrowings (Millions of yen)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥48,202
Mizuho Bank, Ltd.	41,865
Development Bank of Japan Inc.	27,000

## 2. Stock Information

(1) Total Number of Authorized Shares	1,500,000,000
(2) Total Number of Issued Shares	965,372,048
(3) Number of Shareholders	42,777

### ■ Distribution of Shareholders by Investor Type

Investor Type	Percentage of Total Shares
Financial institutions	42.4%
Foreign entities	22.6
Other domestic entities	16.7
Individuals and others	14.8
Securities companies	3.1
Treasury stock	0.4

## (4) Major Shareholders

Name of Shareholder	Number of Shares Owned (Thousands)	Shareholding Percentage
Japan Trustee Services Bank, Ltd. (Trust Account)	92,319	9.60%
The Master Trust Bank of Japan, Ltd. (Trust Account)	71,218	7.40
Nissei Real-Estate Co., Ltd.	53,104	5.52
Dainichi Can Co., Ltd.	42,561	4.42
The Dai-ichi Life Insurance Company, Limited	35,000	3.64
Nissin Trading Co., Ltd.	31,277	3.25
Japan Trustee Services Bank, Ltd. (Trust Account 4)	26,592	2.76
Aioi Nissay Dowa Insurance Co., Ltd.	25,907	2.69
Nippon Life Insurance Company	19,000	1.98
BNP Paribas Securities Japan Ltd.	14,385	1.50

Notes:

- The above table lists the top 10 shareholders in order of shareholding.
- 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
Chairman of the Board	Kazuo Sugie	Outside Auditor, Sapporo Holdings Limited
Representative Director President & CEO	Yoshiyuki Nakanishi	
Representative Director Senior Managing Executive Officer	Masayuki Saito	Aid to President & CEO In Charge of Finance and Accounting Div. Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A. Representative Executive Officer, DIC Investments Japan, LLC.
Director	Yoshihisa Kawamura	Chairman of the Board, DIC Graphics Corporation
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	Takao Suzuki	Chairman of the Board, Hitachi Transport System, Ltd.
Director	Yukako Uchinaga *	Board Chair, Japan Women's Innovative Network (J-Win, a non-profit organization) Outside Director, AEON CO., LTD. Outside Director, HOYA CORPORATION
Corporate Auditor (full-time)	Jiro Mizutani	
Corporate Auditor (full-time)	Yoshiyuki Mase	
Corporate Auditor	Junji Tomita	Attorney Outside Auditor, MUGEN ESTATE Co., Ltd.
Corporate Auditor	Katsunori Takechi	Attorney

Notes:

- Directors Takao Suzuki and Yukako Uchinaga 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 Takao Suzuki and Yukako Uchinaga, and outside auditor Katsunori Takechi, are designated as independent directors/auditor in accordance with the rules of the Tokyo Stock Exchange.
- The asterisk denotes a director who was newly elected and assumed office at the 116th Annual General Meeting of Shareholders held on March 28, 2014.
- At the conclusion of the 116th Annual General Meeting of Shareholders held on March 28, 2014, director Eiko Kono retired from her position.

(Reference)

As of January 1, 2015, certain directors' positions and 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 Advisor	Akira Konishi	
Director Managing Executive Officer	Tetsuro Agawa	General Manager, Technical Administrative Div.

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

Category	Number of Directors and Corporate Auditors	Total Amount (Millions of yen)
Directors	9	¥256
Outside directors (included in the above)	3	24
Corporate auditors	4	79
Outside auditors (included in the above)	2	24
<b>Total</b>	<b>13</b>	<b>335</b>

Notes:

- The above data include one director who retired at the conclusion of the 116th Annual General Meeting of Shareholders held on March 28, 2014.
- 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.
- The total amount to be paid for directors includes bonuses of 46 million yen scheduled to be paid after the 117th Annual General Meeting of Shareholders.
- 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.
- At the conclusion of the 107th Annual General Meeting of Shareholders, held on June 28, 2005, the practice of paying directors retirement bonuses was abolished. As specified in the pertinent resolution of the 107th Annual General Meeting of Shareholders, however, retirement bonuses of ¥25 million were approved for one director who was on the Board at that time and who retires at the conclusion of the 117th Annual General Meeting of Shareholders.

## (3) Outside Directors and Auditors

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

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	Takao Suzuki	18/18	-	Proactively made statements on proposed resolutions based on long experience and expertise in corporate management
	Yukako Uchinaga	14/14	-	Proactively made statements on proposed resolutions based on long experience and expertise in corporate management
Corporate Auditor	Junji Tomita	18/18	15/15	Proactively made statements on proposed resolutions from his perspective as an attorney with specialized expertise
	Katsunori Takechi	18/18	15/15	Proactively made statements on proposed resolutions from his perspective as an attorney with specialized expertise

Notes: With regard to outside director Yukako Uchinaga, the numbers above only include those related to the Board of Directors meetings held after her appointment on March 28, 2014.

### 3) Summary of Liability Limitation Contracts

The Company entered into contracts for limitation of liability with all outside directors and outside auditors. Pursuant to the contracts, if the outside directors and outside 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	¥135
Total amount of money and other property benefits to be paid by the Company and its subsidiaries	215

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) Non-Audit Services

The Company provides remuneration to independent auditors for non-audit services other than those listed in Article 2, Paragraph 1 of the Certified Public Accountants Act. These include the preparation of comfort letters.

### (4) 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 regard 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 formulate a risk management policy and shall identify, assess, prioritize and address properly any risks that may have a significant impact on management of the DIC Group.
- 2) DIC shall establish a risk management system for the DIC Group and shall ensure its effectiveness by repeating the PDCA cycle.

### **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) DIC shall make contact point for internal notifications regarding compliance accessible directly by the DIC Group employees.

### **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.

(Partially revised in February 2015)

■ Corporate Governance Structure



## Consolidated Financial Statements

### Consolidated Balance Sheet

(Millions of yen)

Accounts	Current Fiscal Year As of December 31, 2014	Previous Fiscal Year As of December 31, 2013 (Reference)
<b>(Assets)</b>		
<b>I Current assets</b>	<b>412,480</b>	<b>390,794</b>
Cash and deposits	16,757	15,576
Notes and accounts receivable-trade	213,867	212,821
Merchandise and finished goods	91,614	86,402
Work in process	9,786	8,963
Raw materials and supplies	57,429	50,483
Deferred tax assets	10,873	10,230
Other	22,057	17,113
Allowance for doubtful accounts	(9,903)	(10,794)
<b>II Noncurrent assets</b>	<b>391,223</b>	<b>370,896</b>
<b>Property, plant and equipment</b>	<b>241,937</b>	<b>233,759</b>
Buildings and structures	96,416	92,001
Machinery, equipment and vehicles	72,883	70,609
Tools, furniture and fixtures	9,363	8,355
Land	53,272	55,027
Construction in progress	10,003	7,767
<b>Intangible assets</b>	<b>13,311</b>	<b>15,561</b>
Goodwill	1,365	1,666
Software	8,610	10,356
Other	3,336	3,539
<b>Investments and other assets</b>	<b>135,975</b>	<b>121,576</b>
Investment securities	39,475	41,615
Long-term loans receivable	154	211
Deferred tax assets	44,816	38,769
Net defined benefit asset	26,002	15,822
Other	26,117	27,854
Allowance for doubtful accounts	(589)	(2,695)
<b>Total assets</b>	<b>803,703</b>	<b>761,690</b>

## Consolidated Balance Sheet

(Millions of yen)

Accounts	Current Fiscal Year As of December 31, 2014	Previous Fiscal Year As of December 31, 2013 (Reference)
<b>(Liabilities)</b>		
<b>I Current liabilities</b>	<b>291,492</b>	<b>278,227</b>
Notes and accounts payable-trade	111,996	116,023
Short-term loans payable	30,637	38,324
Current portion of long-term loans payable	60,093	41,486
Current portion of bonds	10,000	5,000
Lease obligations	621	664
Accounts payable-other	38,356	37,326
Income taxes payable	3,252	7,613
Deferred tax liabilities	382	210
Provision for bonuses	6,659	3,977
Provision for loss on disaster	49	343
Provision for environmental measures	1,817	—
Other	27,630	27,261
<b>II Noncurrent liabilities</b>	<b>235,488</b>	<b>264,516</b>
Bonds payable	8,000	28,000
Long-term loans payable	159,772	180,262
Lease obligations	5,056	5,398
Deferred tax liabilities	8,924	2,517
Provision for environmental measures	—	1,997
Net defined benefit liability	39,380	32,830
Asset retirement obligations	1,042	984
Other	13,314	12,528
<b>Total liabilities</b>	<b>526,980</b>	<b>542,743</b>
<b>(Net assets)</b>		
<b>I Shareholders' equity</b>	<b>298,548</b>	<b>268,195</b>
Capital stock	96,557	91,154
Capital surplus	94,161	88,758
Retained earnings	108,726	89,166
Treasury shares	(896)	(883)
<b>II Valuation and translation adjustments</b>	<b>(48,799)</b>	<b>(72,977)</b>
Valuation difference on available-for-sale securities	2,914	1,945
Deferred gains or losses on hedges	(178)	(438)
Foreign currency translation adjustment	(14,817)	(40,037)
Remeasurements of defined benefit plans	(36,718)	(34,447)
<b>III Minority interests</b>	<b>26,974</b>	<b>23,729</b>
<b>Total net assets</b>	<b>276,723</b>	<b>218,947</b>
<b>Total liabilities and net assets</b>	<b>803,703</b>	<b>761,690</b>



## Consolidated Statement of Income

(Millions of yen)

Accounts	Current Fiscal year Ended December 31, 2014	Previous Fiscal Year Ended December 31, 2013 (Reference)
<b>I Net sales</b>	<b>830,078</b>	<b>705,647</b>
II Cost of sales	657,794	558,033
Gross profit	172,284	147,614
III Selling, general and administrative expenses	131,208	107,433
<b>Operating income</b>	<b>41,076</b>	<b>40,181</b>
<b>IV Non-operating income</b>	<b>8,457</b>	<b>6,109</b>
Interest income	1,764	1,396
Dividends income	353	225
Equity in earnings of affiliates	3,014	1,916
Foreign exchange gains	300	—
Other	3,026	2,572
<b>V Non-operating expenses</b>	<b>9,608</b>	<b>9,167</b>
Interest expenses	6,784	5,882
Foreign exchange losses	—	625
Other	2,824	2,660
<b>Ordinary income</b>	<b>39,925</b>	<b>37,123</b>
<b>VI Extraordinary income</b>	<b>5,153</b>	<b>11,359</b>
Gain on sales of subsidiaries and affiliates' stocks	4,163	—
Gain on sales of noncurrent assets	619	683
Gain on bargain purchase	371	—
Gain on sale of art object	—	10,335
Gain on step acquisitions	—	341
<b>VII Extraordinary loss</b>	<b>6,184</b>	<b>8,366</b>
Loss on disposal of noncurrent assets	3,870	3,059
Severance costs	1,263	2,523
Impairment loss	1,051	787
Provision for environmental measures	—	1,997
<b>Income before income taxes and minority interests</b>	<b>38,894</b>	<b>40,116</b>
Income taxes-current	8,562	10,735
Income taxes-deferred	4,034	875
<b>Income before minority interests</b>	<b>26,298</b>	<b>28,506</b>
Minority interests in income	1,104	1,735
<b>Net income</b>	<b>25,194</b>	<b>26,771</b>

## Consolidated Statement of Changes in Net Assets

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
<b>Balance at January 1, 2014</b>	<b>91,154</b>	<b>88,758</b>	<b>89,166</b>	<b>(883)</b>	<b>268,195</b>
Change in FY 2014					
Issuance of new shares	5,403	5,403			10,806
Dividends from surplus			(5,634)		(5,634)
Net income			25,194		25,194
Purchase of treasury shares				(13)	(13)
Net changes of items other than shareholders' equity					—
<b>Total change in FY 2014</b>	<b>5,403</b>	<b>5,403</b>	<b>19,560</b>	<b>(13)</b>	<b>30,353</b>
<b>Balance at December 31, 2014</b>	<b>96,557</b>	<b>94,161</b>	<b>108,726</b>	<b>(896)</b>	<b>298,548</b>

	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	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
<b>Balance at January 1, 2014</b>	<b>1,945</b>	<b>(438)</b>	<b>(40,037)</b>	<b>(34,447)</b>	<b>(72,977)</b>	<b>23,729</b>	<b>218,947</b>
Change in FY 2014							
Issuance of new shares							10,806
Dividends from surplus							(5,634)
Net income							25,194
Purchase of treasury shares							(13)
Net changes of items other than shareholders' equity	969	260	25,220	(2,271)	24,178	3,245	27,423
<b>Total change in FY 2014</b>	<b>969</b>	<b>260</b>	<b>25,220</b>	<b>(2,271)</b>	<b>24,178</b>	<b>3,245</b>	<b>57,776</b>
<b>Balance at December 31, 2014</b>	<b>2,914</b>	<b>(178)</b>	<b>(14,817)</b>	<b>(36,718)</b>	<b>(48,799)</b>	<b>26,974</b>	<b>276,723</b>

## Non-consolidated Financial Statements

### Non-consolidated Balance Sheet

(Millions of yen)

Accounts	Current Fiscal Year As of December 31, 2014	Previous Fiscal Year As of December 31, 2013 (Reference)	Accounts	Current Fiscal Year As of December 31, 2014	Previous Fiscal Year As of December 31, 2013 (Reference)
<b>(Assets)</b>			<b>(Liabilities)</b>		
<b>I Current assets</b>	<b>147,005</b>	<b>146,368</b>	<b>I Current liabilities</b>	<b>233,990</b>	<b>236,960</b>
Cash and deposits	303	1,152	Notes payable-trade	1,067	1,293
Notes receivable-trade	8,929	9,384	Accounts payable-trade	72,759	75,056
Accounts receivable-trade	52,570	52,138	Short-term loans payable	117,111	120,669
Merchandise and finished goods	20,865	18,992	Current portion of bonds	10,000	5,000
Work in process	4,021	4,066	Accounts payable-other	24,018	25,013
Raw materials and supplies	7,870	7,976	Income taxes payable	—	3,753
Advance payments-trade	257	284	Accrued consumption taxes	248	—
Prepaid expenses	1,159	996	Provision for bonuses	4,319	2,397
Deferred tax assets	4,157	3,185	Provision for directors' bonuses	44	51
Short-term loans receivable	12,043	14,449	Provision for loss on disaster	49	343
Accounts receivable-other	34,411	33,126	Provision for environmental measures	1,817	—
Other	456	662	Accrued expenses	840	1,125
Allowance for doubtful accounts	(37)	(42)	Advances received	141	128
			Deposits received	986	1,407
			Other	591	725
<b>II Noncurrent assets</b>	<b>503,593</b>	<b>507,920</b>	<b>II Noncurrent liabilities</b>	<b>174,284</b>	<b>192,009</b>
<b>Property, plant and equipment</b>	<b>91,291</b>	<b>93,145</b>	Bonds payable	8,000	28,000
Buildings	31,279	32,064	Long-term loans payable	149,283	150,471
Structures	4,659	4,840	Provision for retirement benefits	9	6
Machinery and equipment	22,207	23,976	Provision for directors' retirement benefits	—	20
Vehicles	83	98	Provision for loss on business of subsidiaries and affiliates	3,758	1,805
Tools, furniture and fixtures	3,515	3,340	Provision for environmental measures	—	1,997
Land	28,243	28,250	Asset retirement obligations	372	371
Construction in progress	1,307	576	Deferred tax liabilities	6,825	4,040
			Other	6,037	5,300
<b>Intangible assets</b>	<b>6,733</b>	<b>8,312</b>	<b>Total liabilities</b>	<b>408,274</b>	<b>428,969</b>
Leasehold right	17	21			
Industrial right	145	133	<b>(Net assets)</b>		
Contribution of using facilities	36	75	<b>I Shareholders' equity</b>	<b>245,008</b>	<b>226,970</b>
Software	6,380	7,888	<b>Capital stock</b>	<b>96,557</b>	<b>91,154</b>
Other	155	194	<b>Capital surplus</b>	<b>94,161</b>	<b>88,758</b>
			Legal capital surplus	94,156	88,753
<b>Investments and other assets</b>	<b>405,569</b>	<b>406,463</b>	Other capital surplus	5	5
Investment securities	12,033	11,314	<b>Retained earnings</b>	<b>55,186</b>	<b>47,940</b>
Stocks of subsidiaries and affiliates	333,716	332,807	Other retained earnings		
Investments in capital of subsidiaries and affiliates	18,118	18,118	Reserve for tax deferral of subsidies	31	34
Long-term loans receivable	3,745	11,674	Reserve for tax deferral of insurance gains	2	2
Prepaid pension cost	19,942	15,003	Reserve for special depreciation	—	1
Other	18,197	17,725	Reserve for tax deferral of capital gains from eminent domain	895	914
Allowance for doubtful accounts	(181)	(179)	Reserve for reduction entry of replaced property	5,709	6,022
			Retained earnings brought forward	48,550	40,967
			<b>Treasury shares</b>	<b>(896)</b>	<b>(883)</b>
			<b>II Valuation and translation adjustments</b>	<b>(2,684)</b>	<b>(1,652)</b>
			<b>Valuation difference on available-for- sale securities</b>	<b>2,511</b>	<b>1,642</b>
			<b>Deferred gains or losses on hedges</b>	<b>(5,195)</b>	<b>(3,294)</b>
<b>Total assets</b>	<b>650,598</b>	<b>654,288</b>	<b>Total net assets</b>	<b>242,324</b>	<b>225,319</b>
			<b>Total liabilities and net assets</b>	<b>650,598</b>	<b>654,288</b>

## Non-consolidated Statement of Income

(Millions of yen)

Accounts	Current Fiscal Year Ended December 31, 2014	Previous Fiscal Year Ended December 31, 2013 (Reference)
<b>I Net sales</b>	<b>258,186</b>	<b>198,626</b>
II Cost of sales	214,675	162,278
Gross profit	43,511	36,348
III Selling, general and administrative expenses	32,347	24,161
<b>Operating income</b>	<b>11,163</b>	<b>12,188</b>
<b>IV Non-operating income</b>	<b>8,468</b>	<b>5,465</b>
Interest income	241	279
Dividends income	6,650	3,524
Other	1,577	1,662
<b>V Non-operating expenses</b>	<b>5,184</b>	<b>4,384</b>
Interest expenses	3,956	3,433
Other	1,228	950
<b>Ordinary income</b>	<b>14,447</b>	<b>13,269</b>
<b>VI Extraordinary income</b>	<b>5,701</b>	<b>10,335</b>
Gain on sales of land	89	—
Gain on sales of subsidiaries and affiliates' stocks	5,612	—
Gain on sale of art object	—	10,335
<b>VII Extraordinary loss</b>	<b>2,749</b>	<b>3,779</b>
Loss on disposal of noncurrent assets	796	438
Provision for loss on business of subsidiaries and affiliates	1,953	—
Loss on liquidation of subsidiaries and affiliates	—	1,344
Provision for environmental measures	—	1,997
<b>Income before income taxes</b>	<b>17,399</b>	<b>19,826</b>
Income taxes-current	2,144	4,643
Income taxes-deferred	2,375	(1,273)
<b>Net income</b>	<b>12,880</b>	<b>16,456</b>

## Non-consolidated Statement of Changes in Net Assets

(Millions of yen)

	Shareholders' equity												
	Capital stock	Capital surplus			Retained earnings							Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings						Total retained earnings		
					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	Retained earnings brought forward			
Balance at January 1, 2014	91,154	88,753	5	88,758	34	2	1	914	6,022	40,967	47,940	(883)	226,970
Change in FY 2014													
Issuance of new shares	5,403	5,403		5,403									10,806
Reversal of reserve for tax deferral of subsidies					(3)					3	-		-
Reversal of reserve for tax deferral of insurance gains						(1)				1	-		-
Reversal of reserve for special depreciation							(1)			1	-		-
Reversal of reserve for tax deferral of capital gains from eminent domain								(19)		19	-		-
Reversal of reserve for reduction entry of replaced property									(313)	313	-		-
Dividends from surplus										(5,634)	(5,634)		(5,634)
Net income										12,880	12,880		12,880
Purchase of treasury shares												(13)	(13)
Net changes of items other than shareholders' equity													
Total change in FY 2014	5,403	5,403	-	5,403	(3)	(1)	(1)	(19)	(313)	7,583	7,246	(13)	18,038
Balance at December 31, 2014	96,557	94,156	5	94,161	31	2	-	895	5,709	48,550	55,186	(896)	245,008

	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 January 1, 2014	1,642	(3,294)	(1,652)	225,319
Change in FY 2014				
Issuance of new shares				10,806
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				-
Dividends from surplus				(5,634)
Net income				12,880
Purchase of treasury shares				(13)
Net changes of items other than shareholders' equity	869	(1,901)	(1,032)	(1,032)
Total change in FY 2014	869	(1,901)	(1,032)	17,006
Balance at December 31, 2014	2,511	(5,195)	(2,684)	242,324

(TRANSLATION)

## INDEPENDENT AUDITOR'S REPORT

February 24, 2015

To the Board of Directors of  
DIC Corporation:

Deloitte Touche Tohmatsu LLC

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

Yoshiaki Kitamura

---

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, 2014 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 January 1, 2014 to December 31, 2014, 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, 2014, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

**Emphasis of Matter**

As explained in Note VI to the consolidated financial statements, the Company made a contract to sell its real estate on February 13, 2015 and will record ¥12.2 billion as "Gain on sales of noncurrent assets" in the consolidated financial statements for the fiscal year ending December 31, 2015.

Our opinion is not qualified in respect of this matter.

**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 24, 2015

To the Board of Directors of  
DIC Corporation:

Deloitte Touche Tohmatsu LLC

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

Yoshiaki Kitamura

---

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, 2014 of DIC Corporation (the "Company"), and the related statements of income and changes in net assets for the 117th fiscal year from January 1, 2014 to December 31, 2014, 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, 2014, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

### **Emphasis of Matter**

As explained in Note IX to the financial statements, the Company made a contract to sell its real estate on February 13, 2015 and will record ¥11.9 billion as "Gain on sales of noncurrent assets" in the financial statements for the fiscal year ending December 31, 2015.

Our opinion is not qualified in respect of this matter.

### **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 117th fiscal year (from January 1, 2014 to December 31, 2014), 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 25, 2015

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 117th 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: ¥2,885,781,102  
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 27, 2015

## Proposal 2 Election of 7 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 7 directors.

The candidates for election as directors are as follows:

Candidate No.

1

**Yoshiyuki Nakanishi** [DOB: November 3, 1954]



### ■ Brief Personal History, Positions and Responsibility

- |                          |   |
|--------------------------|---|
| April 1978               | Joined the Company as an employee   |
| April 2008               | Division President, Functional Polymers Div.  |
| April 2010               | Executive Officer; In Charge of Corporate Strategy Div. and Kawamura Memorial Museum of Art               |
| June 2011                | Director; Executive Officer; In Charge of Corporate Strategy Div. and Kawamura Memorial DIC Museum of Art |
| April 2012<br>to present | Representative Director; President & CEO  |

### ■ Number of the Company's Shares Held

76,000

Candidate No.  
**2**

## Masayuki Saito [DOB: November 8, 1954]



### ■ Brief Personal History, Positions and Responsibility

April 1977 Joined the Company as an employee  
 April 2007 General Manager, Finance Dept.  
 April 2008 Executive Officer; In Charge of Finance and Accounting Div.  
 June 2010 Director; Executive Officer; In Charge of Finance and Accounting Div.  
 April 2011 Director; Managing Executive Officer; In Charge of Finance and Accounting Div.  
 April 2012 Representative Director; Senior  
 to present Managing Executive Officer; Aid to President & CEO; In Charge of Finance and Accounting Div.

### ■ Principal Concurrent Positions Held at Other Organizations

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

### ■ Number of the Company's Shares Held

81,120

Candidate No.  
**3**

## 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, Strategic Global Purchasing Div.  
 June 2007 Director; General Manager, Corporate Strategic Planning Dept.  
 April 2008 Director; Managing Executive Officer; President, Graphic Arts Materials Business Operation  
 July 2011 Director; Managing Executive Officer; President, Neo-Graphic Arts Materials Business Operation  
 April 2012 Director; Managing Executive Officer  
 April 2013 Director; Managing Executive Officer; In Charge of Sales & Marketing Support Div.  
 January 2014 Director  
 to present

### ■ Principal Concurrent Positions Held at Other Organizations

Chairman of the Board, DIC Graphics Corporation

### ■ Number of the Company's Shares Held

853,520

Candidate No.

4

## Tetsuro Agawa [DOB: August 17, 1953]



### ■ Brief Personal History, Positions and Responsibility

- April 1979 Joined the Company as an employee
- April 2005 General Manager, Resins Technical Dept. 1
- April 2007 General Manager, Industrial Materials Technical Administrative Dept.
- April 2010 Executive Officer; General Manger, Technical Administrative Div.
- April 2012 Managing Executive Officer; General Manger, Technical Administrative Div.
- June 2012 Director; Managing Executive Officer; General Manger, Technical Administrative Div.
- April 2013 Director; Managing Executive Officer; General Manager, Technical Administrative Div.; General Manager, Product Innovation Center
- January 2015 to present Director; Managing Executive Officer; General Manager, Technical Administrative Div.

### ■ Number of the Company's Shares Held

36,000

Candidate No.

5

## Hitoshi Wakabayashi [DOB: August 29, 1953]

(Note 1) (Note 2)

Newly Nominated



### ■ Brief Personal History, Positions and Responsibility

- April 1974 Joined the Company as an employee
- April 2008 Division President, Pigments Div.
- April 2011 Executive Officer; Division President, Pigments Div.
- April 2012 Executive Officer; General Manager, Fine Chemicals Product Div.
- January 2014 to present Managing Executive Officer; General Manager, Fine Chemicals Product Div.

### ■ Principal Concurrent Positions Held at Other Organizations

Representative Director; President, Japan Formalin Company, Inc.

### ■ Number of the Company's Shares Held

15,000

Candidate No.  
**6**

## Takao Suzuki

(Note 3)  
 [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, Hitachi, Ltd.  
 January 2006 Vice President and Executive Officer, Hitachi, Ltd.  
 April 2006 Representative Executive Officer; Executive Vice President and Executive Officer, Hitachi Transport System, Ltd.  
 June 2006 Representative Executive Officer; President and CEO; Director, Hitachi Transport System, Ltd.  
 June 2013 to present Director, DIC Corporation  
 June 2013 to present Chairman of the Board, Hitachi Transport System, Ltd.

### ■ Principal Concurrent Positions Held at Other Organizations

Chairman of the Board, Hitachi Transport System, Ltd.

### ■ Number of the Company's Shares Held

0

Candidate No.  
**7**

## Yukako Uchinaga

(Note 3)  
 [DOB: July 5, 1946]

Outside Director  
 Candidate

Independent  
 Director



### ■ Brief Personal History, Positions and Responsibility

July 1971 Joined IBM Japan, Ltd. as an employee  
 April 1995 Director, IBM Japan, Ltd.  
 April 2004 Director; Senior Executive Officer, IBM Japan, Ltd.  
 June 2007 Outside Director, Benesse Corporation  
 April 2008 Director; Vice Chairman, Benesse Corporation  
 Chairman of the Board; CEO; President, Berlitz Corporation  
 October 2009 Director; Executive Vice President, Benesse Holdings, Inc.  
 April 2013 Honorary Chairman, Berlitz Corporation  
 March 2014 to present Director, DIC Corporation

### ■ Principal Concurrent Positions Held at Other Organizations

Board Chair, Japan Women's Innovative Network (J-Win, a non-profit organization)  
 Outside Director, AEON CO., LTD.  
 Outside Director, HOYA CORPORATION

### ■ Number of the Company's Shares Held

0



Notes:

1. Mr. Hitoshi Wakabayashi, a director candidate, also concurrently serves as Representative Director and President of Japan Formalin Company, Inc. The Company has raw materials supply transactions and product purchases transactions. No special interests exist between any other director candidates and the Company.
2. Mr. Hitoshi Wakabayashi is a newly-nominated candidate.
3. 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:
  - (1) 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.
  - (2) 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 one year and nine months, and Ms. Yukako Uchinaga will have served for one year as outside director of the Company.
  - (3) Summary of Liability Limitation Contracts  
If Mr. Takao Suzuki and Ms. Yukako Uchinaga are reelected as the outside director, the Company will extend the contracts for limitation of liability with them. Pursuant to the contracts, if they 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) Designation of Independent Director  
The Company designates Mr. Takao Suzuki and Ms. Yukako Uchinaga as independent directors pursuant to the rules of the Tokyo Stock Exchange.

## Proposal 3 Election of 1 Corporate Auditor

With the expiration of the term of office of corporate auditor Junji Tomita at the conclusion of the Meeting, the Company proposes the election of 1 corporate auditor.

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

The candidate for election as corporate auditor is as follows:

### Cindy Yoshiko Shirata [DOB: December 2, 1952]

Outside Auditor  
Candidate

Independent  
Auditor

Newly  
Nominated



#### ■ Brief Personal History and Positions

- April 1996 Associate Professor, Tsukuba College of Technology
- April 2001 Associate Professor, Nihon University College of Economics
- April 2002 Professor, Nihon University College of Economics
- April 2005 Professor, Graduate School of Engineering Management, Shibaura Institute of Technology
- April 2007 Professor, Graduate School of Business Sciences, University of Tsukuba
- February 2010 Visiting Professor, University of Munich
- January 2012 Visiting Professor, University of Sheffield Management School
- October 2014 to present Professor, Bunkyo University Faculty of Business Administration

#### ■ Principal Concurrent Positions Held at Other Organizations

- Professor, Bunkyo University Faculty of Business Administration
- Outside Director, S.T. CORPORATION
- Outside Director, PCA CORPORATION

#### ■ Number of the Company's Shares Held

0

#### Notes:

- No special interest exists between Ms. Cindy Yoshiko Shirata and the Company.
- Ms. Cindy Yoshiko Shirata is a candidate for outside auditor, and the matters to be particularly mentioned in this connection are as follows:
  - Reasons for Being a Candidate for Outside Auditor  
She has extensive expertise as a professor in the area of finance, accounting and management. Therefore, the Company requests the shareholders to elect her as outside auditor so that the audit of the Company's management can be strengthened by virtue of her independence and financial and management expertise. For this reason, although she has not been engaged directly in the management of companies other than being an outside director/auditor, the Company judged her to be capable of performing the duties as outside auditor.
  - Summary of Liability Limitation Contract  
If Ms. Cindy Yoshiko Shirata is elected as outside auditor, the Company will enter into a contract for limitation of liability with her. Pursuant to the contract, if she neglects her duties and causes damages to the Company, she 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 she acts in good faith and is not grossly negligent in performing her duties.

- (3) Designation of Independent Auditor  
If Ms. Cindy Yoshiko Shirata is elected, the Company will designate her as an independent auditor pursuant to the rules of the Tokyo Stock Exchange.
3. Ms. Cindy Yoshiko Shirata is a newly-nominated candidate.