Financial Highlights

To Our Shareholders and Investors

Performance Overview
Looking at the world economy during the six-month period, the U.S. and East Asian as well as European economies were all buoyant despite uncertainties such as the possibility of a U.S. economy slowdown as a result of monetary tightening and soaring oil prices. In the Japanese economy, capital investment expanded and corporate profits remained robust with the help of rising exports in response to growing overseas demand.

The electronics industry enjoyed particularly healthy market conditions with worldwide growth in demand chiefly for cellular phones and new digital home appliances, despite the impact of sharp rises in oil and raw materials prices. Under these circumstances, our commitment to improving product quality and reducing costs resulted in higher profits compared with the same period a year earlier. Thanks to the steady performance of connectors for cellular phones supplied to overseas customers and remote control units for flat-panel televisions, etc.

Sixth Middle-Term Plan
We will kick off SMK’s Seventh Middle-Term Plan for three year in April 2007. With the aim of achieving sales of 100 billion yen while maintaining appropriate profits, we are working to develop new growth strategies. We are determined to meet our target by ensuring that every single employee understands and commits to this middle-term plan.

In the future, SMK will focus on stepping up the appeal of its products, primarily to the IT market, including cellular phones with multiple advanced functions, in which further demand growth is anticipated. Moreover, we will produce proprietary technologies and strategic products through closer collaboration between the product development sector and sales sector to enable us to enter new markets aggressively.

To Our Shareholders and Investors

Commitments to Shareholders

Performance Overview
Looking at the world economy during the six-month period, the U.S. and East Asian as well as European economies were all buoyant despite uncertainties such as the possibility of a U.S. economy slowdown as a result of monetary tightening and soaring oil prices. In the Japanese economy, capital investment expanded and corporate profits remained robust with the help of rising exports in response to growing overseas demand.

The electronics industry enjoyed particularly healthy market conditions with worldwide growth in demand chiefly for cellular phones and new digital home appliances, despite the impact of sharp rises in oil and raw materials prices. Under these circumstances, our commitment to improving product quality and reducing costs resulted in higher profits compared with the same period a year earlier. Thanks to the steady performance of connectors for cellular phones supplied to overseas customers and remote control units for flat-panel televisions, etc.

Sixth Middle-Term Plan
We will kick off SMK’s Seventh Middle-Term Plan for three year in April 2007. With the aim of achieving sales of 100 billion yen while maintaining appropriate profits, we are working to develop new growth strategies. We are determined to meet our target by ensuring that every single employee understands and commits to this middle-term plan.

In the future, SMK will focus on stepping up the appeal of its products, primarily to the IT market, including cellular phones with multiple advanced functions, in which further demand growth is anticipated. Moreover, we will produce proprietary technologies and strategic products through closer collaboration between the product development sector and sales sector to enable us to enter new markets aggressively.

That concludes this summary of our management policy. Your understanding and continued support to the Company would be greatly appreciated.

December 2006
Sales and Market Overview

### Audio-Visual

- **5-deck Jack Board**
- **Audio-visual parts** $12,345 million yen (31.4%)

### Car Electronics

- **Electronic instruments** $3,483 million yen (8.9%)
- **Camera modules**

### Communication

- **Communications parts** $15,063 million yen (38.3%)
- **Camera modules**

### Information

- **Information parts** $3,162 million yen (8.0%)

### Home Electronics

- **Electronic toys, home electronics and other parts** $3,162 million yen (8.0%)
- **DS-SS Modulation/Demodulation Engine for PLC**

## Net Sales (in millions of yen)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Audio-visual parts</td>
<td>20,933</td>
<td>24,248</td>
<td>19,294</td>
<td>21,913</td>
<td>24,666</td>
<td>24,248</td>
</tr>
<tr>
<td>Electronic instruments</td>
<td>6,621</td>
<td>7,075</td>
<td>6,248</td>
<td>6,948</td>
<td>7,739</td>
<td>7,075</td>
</tr>
<tr>
<td>Communications parts</td>
<td>19,294</td>
<td>23,117</td>
<td>19,294</td>
<td>20,302</td>
<td>24,500</td>
<td>23,117</td>
</tr>
<tr>
<td>Information parts</td>
<td>13,499</td>
<td>12,226</td>
<td>13,499</td>
<td>10,529</td>
<td>11,575</td>
<td>12,226</td>
</tr>
<tr>
<td>Electronic toys, etc.</td>
<td>5,706</td>
<td>6,347</td>
<td>5,706</td>
<td>5,029</td>
<td>5,799</td>
<td>6,347</td>
</tr>
<tr>
<td>DS-SS Modulation</td>
<td>3,162</td>
<td>3,877</td>
<td>3,162</td>
<td>3,125</td>
<td>3,877</td>
<td>3,877</td>
</tr>
<tr>
<td>Elec. toys, etc.</td>
<td>2,034</td>
<td>2,413</td>
<td>2,034</td>
<td>2,071</td>
<td>2,384</td>
<td>2,413</td>
</tr>
</tbody>
</table>

### Future Outlook

As LCD, PDP and other flat-panel televisions are increasing market penetration, sales expanded, principally with remote control units. Sales of set-top boxes on projectors exhibited strong sales performance in overseas markets. We will continue with the development of connectors for high-speed transfer and with expanding our array of interface connectors in response to full high-definition.

In the car audio and car navigation system market, the market for receptacles is expanding with rising demand for connection with portable audio equipment. In the North American market, digital radios showed steady growth in subscriptions, producing strong demand for coaxial connectors. In the future, we will continue to focus our efforts on new areas, such as components for car mounted cameras, Bluetooth modules and other new areas.

Demand for cellular phones in the BRICs markets expand and replacement demand in Europe showed steady development. Sales of cellular phone components for major overseas manufacturers saw solid growth. We will continue to expand our range of card connectors, operation switches and accessories in order to respond proactively to needs for multifunction music cellular phones and other devices with added functionality.

In the information market, the market was generally robust with growing sales of notebook PCs and rising demand for digital still cameras. Amid the powerful tide of markdowns, the operating environment remains difficult, but we will move ahead with the development of products suited to next-generation operating system for personal computers and other products by anticipating future needs by promoting sales of high frequency components to the ever-growing wireless LAN market.

In the home electronics and housing equipment market, SMK enjoyed sales growth in remote control units for air-conditioners and lighting fixtures. To satisfy market needs, we broadened the product line of terminal board connectors for air-conditioners. We will redouble our efforts in new areas with growth potential that reflect the trend towards environmental protection, and energy saving, such as Eco Cute water heaters and solar electric power generation.
SMK has developed an HDMI-compliant Type A receptacle and put it into mass production. This new product is an interface connector which is designed for use in flat panel televisions, DVD systems and other equipment, and enables fast transfer of all digital image signals, digital sound signals and control signals via a single cable. This receptacle, meeting the High Definition Multimedia Interface (HDMI) specification and attracting market attention as a next generation multimedia interface, permits a reduction in the number of input/output terminals of equipment, and simplification of connections. Stability of the shield is ensured as a counter-electromagnetic interference (EMI) measure by designing the structure of the shell to be a four-point contact and rear shield system. Efforts continue to be made to enhance options for different types. For instance, one of the types is designed with a flange on which panel mounting screws are to be secured will enhance strength against the stress that is applied when cables are inserted or extracted in unintended directions.

Note: HDMI is a trademark of HDMI Licensing, LLC.

SMK has been making intensive efforts to develop new products with the aim of expanding our switch business. Supplying products that anticipate the trend towards downsizing and the multi-functionality of cellular phones and digital cameras, we are contributing to the development of smaller-sized equipment and enhanced reliability.

1. Small horizontal MT switch-II
   Featuring the industry’s smallest size with a depth of 2.35 mm
2. Thin-type slide switch
   Featuring the industry’s smallest size with a mounting area of 29.33 mm²
3. 2-dome switch
   Employing a spring contact system for higher mounting strength

SMK has recently developed and started marketing a high-resolution LCD-applicable resistance sensitive system touch panel. This touch panel is our response to the market’s strong requirements. In recent years, in association with the progress of PC performance, opportunities to view TV programs, movies or images taken with digital cameras on a PC screen have become increasingly frequent, and LCD panels are fast becoming increasingly high resolution capable. The combination of a conventional film/glass type resistance sensitive touch panel and a high-resolution LCD panel will develop significant glare, causing something like a flicker with viewers’ eyes and substantial deterioration in look.

Our high-resolution LCD-applicable resistance sensitive touch panel has a smoother of touch panel surface, achieved by reducing the size of the filler contained in the coating agent. Moreover, adjustment of the amount of the filler to an appropriate level allows realization of a anti-glare finish touch panel without affecting the previously available Haze value—a function that prevents background reflection on the screen.

SMK has developed a 2.4 GHz band wireless communication module (IEEE 802.15.4 compliant), which will be introduced to the market in the spring of 2007. Growth in demand for RF communication modules has been seen in a number of market sectors in recent years. The IEEE 802.15.4 has attracted the attention of the market as a short distance wireless communication standard that will open the way to low current consumption and high cost effectiveness. This market trend has prompted us to develop this low current-consuming 2.4 GHz band wireless communication module, which is IEEE 802.15.4 compliant and successfully delivers ease of use and low current consumption. The addition of this module to our product line will broaden our repertoire of RF communication modules.
New products developed and released to meet growing demand for cellular phone components

Recent years have seen growth in cellular phone subscriber numbers all over the world. In line with this trend, SMK has been working hard to develop and release new products such as camera connectors, system connectors and others.

In the Japanese market, cellular phones are evolving into multi-functional mobile handsets with higher performance. SMK is striving to bolster its array of products, including earphone-microphones and Bluetooth™ receivers.

Sales offices launched in three overseas locations to strengthen sales activities

SMK has recently opened another three new sales offices in Germany, Chicago and Beijing with the aim of expanding its business and improving customer service. In South Korea, the sales office relocated to Scocho-gu in Seoul to broaden marketing operations, and also increased its workforce. These three offices will expand sales by stepping up sales promotion activities targeting local customers.

July 2006 marked the 10th anniversary of the foundation of SMK Electronics (Shenzhen) Co., Ltd. A commemorative ceremony to mark this occasion was held at Wuzhon Guest House, which is run by the Shenzhen City Government.

The celebration was a success, with 350 people attending, including some 30 guests of honor and representatives of the company’s staff. SMK Electronics (Shenzhen) Co., Ltd. was set up as a subsidiary of SMK in July 1996. Initially, it had around 70 employees and approximate annual net sales of 450 million yen. In the past few years, production has expanded each year with the help of strong demand, especially for cellular phone connectors. In line with this greater output, it executed a 1.6-fold enlargement of its factory area in July. The number of employees has now risen to more than 4,000.
### Consolidated Balance Sheets

**Corporation and Consolidated Subsidiaries**

**As of September 30**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Millions of yen</th>
<th>Thousands of U.S. dollars</th>
<th>Millions of yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>2006</td>
<td>2006</td>
<td>As of March 31 2006</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>¥ 7,243</td>
<td>¥ 7,146</td>
<td>$ 60,614</td>
</tr>
<tr>
<td>Time deposits</td>
<td>282</td>
<td>111</td>
<td>944</td>
</tr>
<tr>
<td>Notes and accounts receivable, trade</td>
<td>20,523</td>
<td>23,514</td>
<td>199,439</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(19)</td>
<td>(63)</td>
<td>(540)</td>
</tr>
<tr>
<td>Inventories</td>
<td>5,674</td>
<td>6,756</td>
<td>57,305</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>546</td>
<td>722</td>
<td>6,122</td>
</tr>
<tr>
<td>Other current assets</td>
<td>783</td>
<td>1,499</td>
<td>12,717</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>¥ 35,032</td>
<td>¥ 39,685</td>
<td>¥ 336,601</td>
</tr>
<tr>
<td><strong>Investments and long-term loans</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment securities</td>
<td>3,767</td>
<td>5,113</td>
<td>43,370</td>
</tr>
<tr>
<td>Long-term loans receivable</td>
<td>1,137</td>
<td>1,001</td>
<td>8,485</td>
</tr>
<tr>
<td>Other investments</td>
<td>1,699</td>
<td>1,719</td>
<td>14,562</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(395)</td>
<td>(425)</td>
<td>(3,605)</td>
</tr>
<tr>
<td><strong>Total investments and long-term loans</strong></td>
<td>6,208</td>
<td>7,408</td>
<td>62,832</td>
</tr>
<tr>
<td><strong>Property, plant and equipment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>3,594</td>
<td>4,365</td>
<td>37,026</td>
</tr>
<tr>
<td>Buildings</td>
<td>15,614</td>
<td>16,115</td>
<td>136,687</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>38,012</td>
<td>38,058</td>
<td>322,795</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>—</td>
<td>38</td>
<td>318</td>
</tr>
<tr>
<td>Less-Accumulated depreciation</td>
<td>(40,566)</td>
<td>(40,025)</td>
<td>(339,479)</td>
</tr>
<tr>
<td><strong>Total property, plant and equipment</strong></td>
<td>16,654</td>
<td>18,551</td>
<td>157,347</td>
</tr>
<tr>
<td><strong>Other assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>1,350</td>
<td>1,013</td>
<td>8,595</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>127</td>
<td>244</td>
<td>2,064</td>
</tr>
<tr>
<td><strong>Total other assets</strong></td>
<td>1,477</td>
<td>1,257</td>
<td>10,659</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>¥ 59,371</td>
<td>¥ 66,901</td>
<td>¥ 567,439</td>
</tr>
</tbody>
</table>

Note: The U.S. dollar amounts represent translations of Japanese yen, for convenience only, at the rate of ¥117.90 = U.S.$1.00.

<table>
<thead>
<tr>
<th>Liabilities and net assets</th>
<th>Millions of yen</th>
<th>Thousands of U.S. dollars</th>
<th>Millions of yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>2006</td>
<td>2006</td>
<td>As of March 31 2006</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term loans payable</td>
<td>¥ 7,756</td>
<td>¥ 13,728</td>
<td>$ 116,435</td>
</tr>
<tr>
<td>Notes and accounts payable, trade</td>
<td>5,252</td>
<td>5,611</td>
<td>47,587</td>
</tr>
<tr>
<td>Accrued income taxes</td>
<td>675</td>
<td>881</td>
<td>7,475</td>
</tr>
<tr>
<td>Accrued bonuses</td>
<td>804</td>
<td>874</td>
<td>7,144</td>
</tr>
<tr>
<td>Account payable, non trade</td>
<td>8,077</td>
<td>6,078</td>
<td>51,551</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>1,011</td>
<td>1,243</td>
<td>10,542</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>23,575</td>
<td>28,415</td>
<td>241,004</td>
</tr>
<tr>
<td><strong>Long-term liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate bond</td>
<td>300</td>
<td>300</td>
<td>2,545</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>4,369</td>
<td>2,868</td>
<td>24,322</td>
</tr>
<tr>
<td>Accrued employees’ retirement benefits</td>
<td>1,380</td>
<td>847</td>
<td>7,181</td>
</tr>
<tr>
<td>Accrued directors’ and officers’ retirement benefits</td>
<td>336</td>
<td>322</td>
<td>2,730</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>355</td>
<td>359</td>
<td>3,049</td>
</tr>
<tr>
<td><strong>Total long-term liabilities</strong></td>
<td>6,740</td>
<td>4,696</td>
<td>39,827</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorized: 195,061,274 shares</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued and outstanding: 79,000,000 shares</td>
<td>7,996</td>
<td>7,996</td>
<td>67,827</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>12,057</td>
<td>12,399</td>
<td>105,166</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>11,589</td>
<td>14,568</td>
<td>123,561</td>
</tr>
<tr>
<td>Treasury stock</td>
<td>(1,474)</td>
<td>(981)</td>
<td>(8,319)</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td>30,168</td>
<td>33,962</td>
<td>238,235</td>
</tr>
<tr>
<td><strong>Valuation and translation adjustments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net unrealized gains on available-for-sale securities</td>
<td>425</td>
<td>620</td>
<td>5,259</td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>(1,537)</td>
<td>(619)</td>
<td>(6,947)</td>
</tr>
<tr>
<td></td>
<td>(1,112)</td>
<td>(199)</td>
<td>(1,688)</td>
</tr>
<tr>
<td><strong>Minority Interests</strong></td>
<td>—</td>
<td>7</td>
<td>61</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>¥ 59,371</td>
<td>¥ 66,901</td>
<td>¥ 567,439</td>
</tr>
</tbody>
</table>

Note: The U.S. dollar amounts represent translations of Japanese yen, for convenience only, at the rate of ¥117.90 = U.S.$1.00.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Corporation and Consolidated Subsidiaries
Six months ended September 30

<table>
<thead>
<tr>
<th>Millions of yen</th>
<th>Thousands of U.S. dollars</th>
<th>Millions of yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>2006</td>
<td>Year ended March 31 2006</td>
</tr>
</tbody>
</table>

**Consolidated Statements of Income**

- **Net income**: ¥39,300
- **Minority interest**: ¥29.95
- **Other expenses**: ¥658
- **Operating income**: ¥2,549
- **Selling, general and administrative expenses**: ¥3,484
- **Net sales**: ¥29,064

**Other expenses**

- **Interest and dividend income**: ¥665
- **Rent income**: ¥328
- **Interest and dividend income**: ¥152
- **Other**: ¥323

**Net income before income taxes**: ¥2,884

**Income before income taxes**

- **Depreciation and amortization**: ¥1,482
- **Increase in accrued employees’ retirement benefits**: ¥24
- **Increase (decrease) in allowance for doubtful accounts**: ¥44
- **Interest and dividend income**: ¥1,050
- **Interest expenses**: ¥74
- **Loss on disposal of fixed assets**: ¥2,349
- **Increase (decrease) in notes and accounts receivable, trade**: ¥131
- **Increase in inventories**: ¥206

**Net cash provided by operating activities**: ¥2,961

**Cash flows from investing activities**

- **Proceeds from sale of treasury stock**: ¥1,681
- **Proceeds from sale of investment securities**: ¥80
- **Purchases of intangible fixed assets**: ¥67

**Net cash used in investing activities**: ¥1,093

**Cash flows from financing activities**

- **Proceeds from long-term debt**: ¥12,399
- **Proceeds from sale of treasury stock**: ¥97
- **Payments of long-term debt**: ¥1,154
- **Dividends paid**: ¥80

**Net cash used in (provided by) financing activities**: ¥2,673

**Effect of exchange rate changes on cash and cash equivalents**: ¥2,673

**Note**: The U.S. dollar amounts represent translations of Japanese yen, for convenience only, at the rate of ¥117.90 = U.S.$1.00.
Board of Directors and Corporate Auditors
(As of September 30, 2006)

DIRECTORS

Kenji Kobayashi
Director, Senior Executive Vice President
Sales Division

Tetsuya Nakamura
President and CEO

Terutaka Ikeda
Chairman and CEO

Yasumitsu Ikeda
Director, Executive Vice President
Corporate Planning

Tadashi Yamoto
Director, Senior Executive Vice President
Research and Development

Yuji Tanahashi
Director

AUDITORS

Jun Sugimoto
Auditor

Shigenobu Oyashiki
Auditor

Yoshio Tada
Auditor

Takeshi Nakamura
Auditor

CORPORATE EXECUTIVE OFFICERS

Hajime Yamada
Executive Vice President
Chief Financial Officer

Makoto Irisawa
Executive Vice President
Human Resources and General Affairs

Yuji Tanahashi
Director

Takeshi Nakamura
Auditor

Shigenobu Oyashiki
Auditor

Yoshio Tada
Auditor

Yasumitsu Ikeda
Director, Executive Vice President
Sales Division

Kenji Kobayashi
Director, Senior Executive Vice President
Sales Division

CORPORATE EXECUTIVE OFFICERS

Hajime Yamada
Executive Vice President
Chief Financial Officer

Makoto Irisawa
Executive Vice President
Human Resources and General Affairs

Shigenobu Oyashiki
Auditor

Yoshio Tada
Auditor

Yasumitsu Ikeda
Director, Executive Vice President
Sales Division

Kenji Kobayashi
Director, Senior Executive Vice President
Sales Division

Tadashi Yamoto
Director, Senior Executive Vice President
Research and Development

Corporate Data
(As of September 30, 2006)

Name: SMK Corporation
Established: January 15, 1929
Primary business: Manufacture and sale of various
electronic machinery and parts used
in power, communications and
electronic equipment, other industrial
machinery, information equipment,
etc.
Capital: 7,996,828,021 yen
Stock exchange listing: Tokyo Stock Exchange
Transfer agent: Mitsubishi UFJ Trust and Banking
Corporation
Independent auditors: Ernst & Young Shinnihon
Tokyo, Japan
Employees (SMK-Group): 12,678
Head office: 5-5, Togoshi 6-chome, Shinagawa-ku,
Tokyo 142-8511, Japan
TEL 81-3-3785-1111
FAX 81-3-3785-1878
Subsidiaries & Affiliates:
Domestic: Subsidiaries - 8 companies
Affiliates - 3 companies
Overseas: Subsidiaries - 19 companies
Website: http://www.smk.co.jp/

Shares and Shareholders
Authorized shares: 195,961,274
Issued shares: 79,000,000
Number of shareholders: 12,037

<table>
<thead>
<tr>
<th>Major Shareholders (top ten)</th>
<th>Shares Owned (1,000 shares)</th>
<th>Percentage of Shares (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Trustee Services Bank, Ltd.</td>
<td>6,626</td>
<td>3.39</td>
</tr>
<tr>
<td>Nippon Life Insurance Company</td>
<td>4,001</td>
<td>2.06</td>
</tr>
<tr>
<td>Mitsubishi UFJ Trust and Banking Corporation</td>
<td>3,722</td>
<td>1.91</td>
</tr>
<tr>
<td>Dai Nippon Printing Co., Ltd.</td>
<td>3,200</td>
<td>1.65</td>
</tr>
<tr>
<td>The Bank of Tokyo-Mitsubishi UFJ Ltd.</td>
<td>3,134</td>
<td>1.64</td>
</tr>
<tr>
<td>Mitsubishi UFJ Trust and Banking Corporation</td>
<td>2,630</td>
<td>1.35</td>
</tr>
<tr>
<td>Hirozumi Kawabata</td>
<td>1,962</td>
<td>1.28</td>
</tr>
<tr>
<td>Terutaka Ikeda</td>
<td>1,962</td>
<td>1.28</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd.</td>
<td>1,671</td>
<td>0.89</td>
</tr>
<tr>
<td>Meiji Yasuda Life Insurance Company</td>
<td>1,536</td>
<td>0.82</td>
</tr>
</tbody>
</table>

Note: Of the above shares owned by major shareholders, the following number of
shares are held in trust operations:
Japan Trustee Services Bank, Ltd.: 6,626 thousand shares
Mitsubishi UFJ Trust and Banking Corporation: 583 thousand
Meiji Yasuda Life Insurance Company: 54 thousand

Authorized shares: 195,961,274
Issued shares: 79,000,000
Number of shareholders: 12,037

Major Shareholders (top ten)
Shares Owned (1,000 shares)
Percentage of Shares (%)

Japan Trustee Services Bank, Ltd.: 6,626 thousand shares
Mitsubishi UFJ Trust and Banking Corporation: 583 thousand
Meiji Yasuda Life Insurance Company: 54 thousand

Authorized shares: 195,961,274
Issued shares: 79,000,000
Number of shareholders: 12,037