

## To Our Shareholders and Investors

# Toward Further Increasing Corporate Value through Innovation

We firmly believe that solving social issues provides opportunities for business growth. By actively creating new value as a part of our efforts to address each challenge, we are committed to continuously contributing to the development of a sustainable society as a key management priority. In the fiscal year ended March 31, 2016 (FY2016/3), we established the Innovation & Strategy Planning Division (ISP) within the Corporate Planning Division to put in place the Group's R&D strategies. Through these and other initiatives, we are making steadfast efforts to build an organizational structure that is capable of creating new value. In addition to harnessing the strengths of this structure, we are determined to provide society with a steady stream of innovative products and services. To this end, we will make the most of our leading-edge, proprietary technologies as well as other attributes including our open, fair, and clear corporate culture. In this manner, we will maximize the benefits of such assets of the Group, which are the source of our corporate value.

In October 2015, the Company disclosed its Corporate Governance Guidelines. Under these guidelines, we have positioned corporate governance as an important management priority and our foundation to achieve sustainable growth and increase corporate value. To date, we have adopted an aggressive management approach undertaking swift and clear decision making as required under Japan's Corporate Governance Code. We have also taken steps to drastically restructure our business from a medium-to-long-term perspective. After completing these structural reforms, we are now entering a new phase in our ongoing development. In an effort to secure further growth, we are targeting a strategic leap forward. Looking ahead, we will continue to increase our corporate value through innovation while maintaining uninterrupted lines of communication with all stakeholders including shareholders and investors.

As we work toward achieving our goals, we kindly request your continued support.

July 2016

**Shigetaka Komori**  
Chairman and Chief Executive Officer

**Kenji Sukeno**  
President and Chief Operating Officer

