

Disclosure Policy

Chapter 1 General Provisions

Article 1 Objectives

- 1. The company shall promptly, accurately, fairly and continuously disclose its corporate information including management policy, management strategies, business performance and future prospects.**
- 2. The company shall presents its true status to investors and all parties participating in the market for the purposes of both gaining trust from the market and allowing the parties to fairly evaluate the value of the firm.**

Article 2 Definitions

Terms used in the Policy are defined as follows:

- 1. “Corporate Information” refers to information that needs to be disclosed to investors. Corporate Information includes the company’s business profile, management policy, business strategies, business performance and future outlook.**
- 2. “Press Release” refers to any publicly released document that contains Corporate Information.**
- 3. “Disclosure” means either i) important facts have been notified to institute concerned as defined by rules of such institute or issued house and the facts have been made available to public inspection on a web site established by the institute OR ii) corporate information has been disclosed to two or more news media (general daily papers, news services or broadcast stations) and twelve hours have passed since that release of information.**

Article 3 Basic Principles

In addition to legally enforced disclosure, disclosure of corporate information includes voluntary disclosure and the company shall strive to perform the latter in a positive manner. In either case of disclosure, disclosure of corporate information shall be performed with due consideration of promptness, accuracy, fairness and consistency of such act.

Article 4 Officers’ Rules to Observe

- 1. All officers must have adequate understanding of this policy, comply with related regulations and laws and strive to disclose corporate information in accordance**

with the basic principles defined in Article 3 above.

2. Upon request by spokesperson of the company (IR staff, etc) regarding provision and disclosure of corporate information, all officers must promptly cooperate with such personnel to expedite disclosure of the said information. .

Article 5 Revision

This Policy shall be reviewed once a year if it is deemed necessary, and it can be revised on a case-by-case basis should such change be required.

Chapter 2 Company Structure

Article 6 Spokesperson

1. Corporate information shall be disclosed by the spokesperson for the company.
2. An officer and administration manager shall serve as spokespersons. Should a non-spokesperson employee be contacted or questioned regarding corporate information, he or she must thus notify the spokesperson of such incidence. Upon such report, spokesperson must promptly respond to the inquiry.
3. Spokesperson must strive to always maintain the consistency and uniformity of information disclosed by the company.

Article 7 The Role of Spokesperson)

Each spokesperson shall be responsible for undertaking the following tasks.

1. Administration Manager

Correspondence with/attention to corporate investors and analysts

Correspondence with personal investors

Management of results briefing, etc.

Preparation, distribution and management of IR document

Preparation, distribution and management of press releases

Filing and management of corporate information

Preparation and management of IR targeting list

Correspondence with/attention to media and press

Correspondence with/attention to Ministry of Finance

Correspondence with/attention to JASDAQ

Chapter 3 The Contents of Corporate Information and Manner of Information Disclosure

Article 8 Important Corporate Policies

1. “Important corporate information” refers to any of the corporate information defined below.

1-1 Corporate information for which disclosure is requested

1-2 Corporate information which, in spokesperson’s judgment, is likely to affect the company’s share value

2. Important corporate information is disclosed by spokesperson in accordance with the basic principles. Note, however, that such disclosure is omitted should the company be obliged to protect the confidentiality of the said information due to an agreement entered in advance, etc.

3. In principle, important corporate information shall be provided to the listing control manager of Toyo Stock Exchange prior to its public disclosure. During such meeting, the best timing and method to disclose the said information shall be discussed as the need arises.

Article 9 Important Undisclosed Information

1. Officers shall exercise caution to handle undisclosed corporate information (hereafter referred to as “undisclosed information”) and may not disclose the said information to others without permission. Officers must also establish or maintain strict measures to prevent such leakage of undisclosed information. Similarly, officers may not leak the said information under seal of secrecy.

2. Spokesperson shall perform limited disclosure of important undisclosed information to outside the company. However, should it be revealed that the said information has been disclosed to a third party bound by confidentiality obligation stated in a contractual clause, spokesperson must immediately and fairly disclose the information in the form of a press release

Article 10 The Company’s View on Rumors

In principle, spokesperson shall not make comment on rumors. Should there be a possibility that such rumors may affect the investing decisions of the company’s investors, or should JASDAQ or another institution request the company to provide clarification of such rumors, the spokesperson must respond to the said rumors as necessary.

Article 11 Policies Regarding Disclosure of Business Forecast

1. In addition to earnings guidance of the company submitted to JASDAQ,

spokesperson shall disclose corporate information, organize results briefings and perform other correspondence tasks accordingly so that investors and analysts can make business forecast of the company by themselves.

2. In the company's view, business forecast is regarded as estimation and thus it shall be disclosed as profit (earnings) target. In principle, the said information is disclosed via the company's brief announcement of financial statement, news releases and individual correspondences with analysts and investors.

3. In addition to business forecast, spokesperson shall disclose price trends of its products, demand status, trends of related major industries and information regarding the development status of significant products or services.

Article 12 Revision of Business Forecast

Should it become clear that the actual business performance prior to the announcement of financial statements significantly deviates from the disclosed data, such deviation must be promptly reported to JASDAQ and an appropriate press release must be issued as well.

Article 13 Silence Period

For the purpose of preventing leakage of final accounts information, the two week period preceding financial results announcement date (excluding the first, third and fourth quarters) shall be treated as silence period. During the said period, officers may not disclose any corporate information concerning financial results to a third party. Note that the restriction above does not apply to inquiries unrelated to financial results.

Chapter 4 Rules Regarding Corporate Information

Article 14 Press Release

1. Except for the cases that require confidentiality, important corporate information must be promptly disclosed via press release distribution. Spokesperson shall determine whether or not the concerned information requires confidentiality.

2. In principle, the preparation and approval of press release shall be performed in the following steps.

2-1 Corporate Information Related to Financial Statements

Financial statements prepared by the manager of Finance/Accounting department (consolidated and non-consolidated financial statements) must be obtained and weekly financial statement must be prepared as well. The said financial data needs

to be approved by board of directors. After gaining approval from the board of directors, spokesperson must promptly submit the financial data to JASDAQ and disclose it to the public.

2-2 Important Corporate Information Unrelated to Financial Statements

In case any event occurs that might seriously affect the operation of the company, spokesperson shall summarize that incidence without delay and promptly submit it to JASDAQ and disclose the information.

Article 15 Other Tools of Disclosure

Disclosure of important corporate information via the Internet, web site (home page) or e-mail shall be carried out after the public release/disclosure of the same corporate information. Furthermore, corporate information shall be updated as often as possible to maintain consistency with IR-related document and IR communication data.

Article 16 Corporate Policies Regarding Analysts

1. Spokesperson must not practice favoritism toward analysts under any circumstances. At the same time, spokesperson must not seek advice of or request any change in recommendations from analysts on the condition that certain information is disclosed favorably.
2. Should spokesperson receive inquiries from analysts or should he or she be required to express the company's view on reports prepared by analysts, responses or comments may be made only orally and strictly on facts. Spokesperson must not comment on any other issues.

Article 17 Management of Reports Prepared by Analysts)

Analysis reports on the company issued by analysts are the property of relevant securities corporations. For this reason, any report must not be guaranteed or approved by the company. Similarly, the company must never distribute the said reports outside the company.