

For the Fiscal Year Ended March 31, 2016

Annual Select[®] 2016

Tayca Corporation

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(Securities Code: 4027)

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Corporate Profile

The history of “Tayca Corporation” dates back to 1919, when the company was founded as “Teikoku Jinzo Fertilizer Co., Ltd.,” with sulfuric acid and superphosphate fertilizer as its key products. Ever since its foundation, based on the sulfuric acid-related technology, we have devoted ourselves to the production and marketing of various industrial chemical products, adapting ourselves to the changing needs of time and society. These products include items such as titanium dioxide, surfactants, and various types of phosphates.

At present, we utilize sulfonation, surface treatment, and dispersion technologies that we have perfected over many years to create specialty products, including conductive polymers and related products for high performance capacitors, and surface treatment products and micro titanium dioxide for cosmetics. We are likewise working actively to extend these technologies to expand our business. At the same time, we are striving to construct new businesses that will support Tayca in the future. Our targets include the environment and energy sector, the electrical and electronics sector, and the medical and health care sector, and we are working towards the early commercialization of new products in these sectors.

In 2019, Tayca will celebrate the 100th anniversary of its foundation. To mark this occasion, we defined what the ideal future for Tayca is in our “Challenge 100” vision, and ensured that it was common knowledge for all of our employees. Also, under the motto of “Let’s fly to our limitless future,” we plan on working towards revitalizing our personnel and organization and build a stronger management structure.

I. Summary of Selected Financial Data (Consolidated)

	146 th term Fiscal year ended March 31, 2012	147 th term Fiscal year ended March 31, 2013	148 th term Fiscal year ended March 31, 2014	149 th term Fiscal year ended March 31, 2015	150 th term Fiscal year ended March 31, 2016
Net sales (Millions of yen)	34,480	34,778	36,186	37,120	36,618
Ordinary income (Millions of yen)	3,413	2,817	2,682	3,920	4,873
Profit attributable to owners of parent (Millions of yen)	1,739	1,723	1,667	2,460	3,218
Comprehensive income (Millions of yen)	1,846	2,362	2,723	4,646	1,852
Net assets (Millions of yen)	25,765	27,826	30,131	33,113	34,344
Total assets (Millions of yen)	40,970	41,173	42,634	48,126	48,198
Net assets per share (Yen)	517.32	558.51	604.33	691.58	723.07
Basic earnings per share (Yen)	35.04	34.72	33.61	50.26	67.64
Diluted earnings per share (Yen)	—	—	—	—	—
Equity-to-asset ratio (%)	62.7	67.3	70.3	68.4	70.9
Rate of return on equity (ROE) (%)	7.0	6.5	5.8	7.8	9.6
Price-earnings ratio (PER) (Times)	8.4	8.2	8.7	8.6	7.8
Net cash provided by (used in) operating activities (Millions of yen)	3,377	(151)	6,429	4,675	5,743
Net cash provided by (used in) investing activities (Millions of yen)	(1,831)	(1,710)	(2,104)	(2,254)	(2,881)
Net cash provided by (used in) financing activities (Millions of yen)	(1,473)	(348)	(2,031)	(747)	(1,708)
Cash and cash equivalents at end of period (Millions of yen)	5,412	3,229	5,544	7,334	8,461
Number of employees (Persons)	589	595	603	617	628

Notes: 1. “Net sales” does not include consumption taxes.
2. “Diluted earnings per share” is not provided since there are no potential shares.
3. The “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013) and other standards have been applied, and “net income” has been changed to “profit attributable to owners of parent,” effective from the fiscal year under review.

II. Top Message



Tayca Corporation's 150th term (from April 1, 2015 to March 31, 2016) has ended and as such we hereby offer the following report regarding the settlement of accounts, etc.

Masao Nagita
President

III. Performance for the Current Fiscal Year

During the current fiscal year, Tayca worked to improve profitability by proactively promoting the opening of new markets both in Japan and abroad, expanding business with existing customers, etc., in addition to promoting the reduction of manufacturing costs and an increase in efficiency for overall management. As a result, sales were strong for specialty products such as surface treatment products for cosmetics, however, at the same time there was a drop in sales for a consolidated subsidiary after entering the second half of the fiscal year. Due to the above, net sales were ¥36,618 million (down 1.4% from the previous fiscal year), operating income was ¥4,731 million (up 24.4% from the previous fiscal year), ordinary income was ¥4,873 million (up 24.3% from the previous fiscal year), and profit attributable to owners of parent was ¥3,218 million (up 30.8% from the previous fiscal year). For the current fiscal year, Tayca plans to pay a year-end dividend of ¥5 per share, bringing the annual dividend to ¥10 per share when combined with the interim dividend of ¥5 per share.

Business Related to Titanium Dioxide

In regard to general usage titanium dioxide, there was firm demand for paints/inks in Japan, sales volume for exports increased in spite of being affected by the softening market conditions in Asia, and net sales in Japan and exports were on par with the previous fiscal year.

In regard to specialty use micro titanium dioxide, net sales were on par with the previous fiscal year after being impacted by terrorism in Europe. However, sales were strong for surface treatment products for cosmetics mainly due to inbound demand, and sales volume and net sales exceeded those of the previous fiscal year.

As a result of the above, net sales for this business were ¥20,191 million (up 2.8% from the previous fiscal year).

Other Business

In regard to surfactants, sales were generally steady for daily-use items such as detergents, the primary use of surfactants, and sales volume and net sales exceeded those of the previous fiscal year. On the other hand, net sales of surfactants at our consolidated subsidiary in Thailand were below that of the previous fiscal year after sales decreased at said subsidiary after entering the second half of the fiscal year.

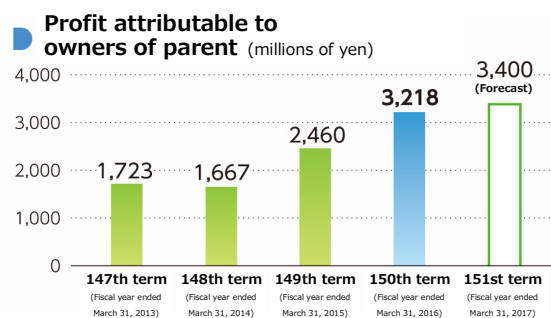
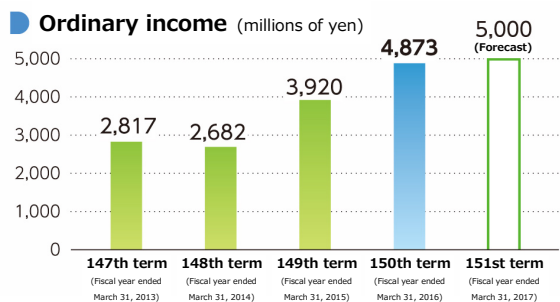
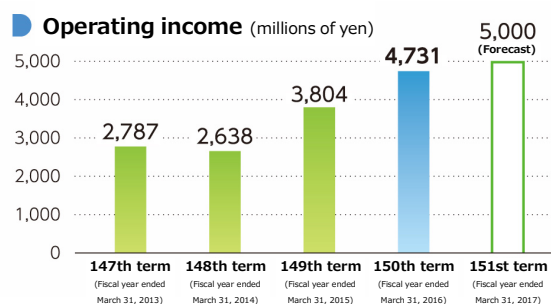
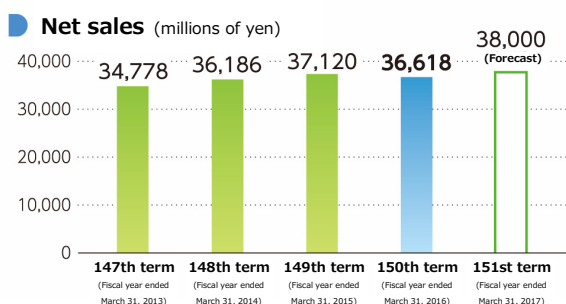
In regard to pollution-free anti-corrosive pigment, although sales in Japan were sluggish, exports were firm, and net sales were on par with the previous fiscal year.

Sales volume and net sales of sulfuric acid were below that of the previous fiscal year. In regard to conductive polymers and related products, sales for capacitors were steady and net sales exceeded those of the previous fiscal year.

Net sales in the warehousing business exceeded those of the previous fiscal year due to an increase in freight handling volume.

Net sales of electro-ceramic products were below those of the previous fiscal year due to a customer's inventory adjustment.

As a result of the above, net sales for this business were ¥16,426 million (down 6.0% from the previous fiscal year).



IV. Forecasts for the Next Fiscal Year

In regard to the business environment surrounding the TAYCA Group, firstly, although there were changes to the business environment such as a fall in resource prices for the titanium dioxide-related business, there was global oversupply and the economy in China slowed. As a result, the situation is expected to become more difficult on the earnings front.

In regard to specialty use micro titanium dioxide, micro zinc oxide, and surface treatment products, as global interest has increased for ultra-violet (UV) radiation protection and because demand was strong for the above-mentioned products as a treatment for preventing damage caused by UV radiation, the market for them, both in Japan and abroad, is expected to expand. The second plant in Kumayama Factory, which was completed in April of the previous year, is operating smoothly and Tayca is putting effort into further expansion of sales.

In regard to surfactants, while expansion of demand in the Japanese detergent market is not expected, growth of the detergent market in Southeast Asia has been considerable. In response to this, Tayca established a consolidated subsidiary in Vietnam as a new base in Southeast Asia, following the establishment of the consolidated subsidiary in Thailand. The opening ceremony for the consolidated subsidiary in Vietnam was finished in May of this year, and full-scale manufacturing began in June.

In regard to the consolidated performance for the next fiscal year, as a result of the circumstances described above, at this time, Tayca expects net sales of ¥38,000 million, operating income of ¥5,000 million, ordinary income of ¥5,000 million, and profit attributable to owners of parent of ¥3,400 million.

Furthermore, in regard to the dividend for the next fiscal year, at this time, Tayca is scheduled to increase the annual dividend by ¥2 per share compared to the current fiscal year, bringing the annual dividend to ¥12 per share: a combination of an interim dividend of ¥6 per share and a year-end dividend of ¥6 per share.

V. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Assets			
Current assets			
Cash and deposits	7,413	8,540	75,783
Notes and accounts receivable - trade	10,684	10,746	95,358
Merchandise and finished goods	5,262	4,703	41,733
Work in process	543	592	5,253
Raw materials and supplies	2,612	2,342	20,782
Deferred tax assets	247	261	2,316
Other	434	562	4,987
Allowance for doubtful accounts	(0)	—	—
Total current assets	27,197	27,749	246,241
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	3,713	4,064	36,063
Machinery, equipment and vehicles, net	3,645	4,425	39,267
Land	1,291	1,274	11,305
Construction in progress	1,694	1,675	14,863
Other, net	352	456	4,046
Total property, plant and equipment	10,697	11,896	105,563
Intangible assets			
Other	68	52	461
Total intangible assets	68	52	461
Investments and other assets			
Investment securities	9,379	7,665	68,018
Long-term prepaid expenses	368	343	3,043
Deferred tax assets	85	175	1,552
Other	352	338	2,999
Allowance for doubtful accounts	(23)	(23)	(204)
Total investments and other assets	10,162	8,499	75,419
Total non-current assets	20,928	20,449	181,462
Total assets	48,126	48,198	427,704

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Liabilities			
Current liabilities			
Notes and accounts payable - trade	3,531	3,479	30,872
Short-term loans payable	773	284	2,520
Current portion of long-term loans payable	689	625	5,546
Income taxes payable	906	907	8,048
Provision for bonuses	351	369	3,274
Other	2,328	2,490	22,096
Total current liabilities	8,580	8,156	72,375
Non-current liabilities			
Long-term loans payable	2,170	1,572	13,949
Lease obligations	—	203	1,801
Deferred tax liabilities	1,244	680	6,034
Long-term accounts payable - other	27	16	141
Provision for environmental measures	134	13	115
Net defined benefit liability	2,855	3,211	28,494
Total non-current liabilities	6,432	5,696	50,545
Total liabilities	15,012	13,853	122,930
Net assets			
Shareholders' equity			
Capital stock	9,855	9,855	87,452
Capital surplus	6,766	6,766	60,040
Retained earnings	12,864	15,654	138,912
Treasury shares	(1,440)	(1,627)	(14,437)
Total shareholders' equity	28,047	30,649	271,976
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	4,653	3,549	31,493
Foreign currency translation adjustment	302	240	2,129
Remeasurements of defined benefit plans	(76)	(285)	(2,529)
Total accumulated other comprehensive income	4,879	3,505	31,103
Non-controlling interests	187	189	1,677
Total net assets	33,113	34,344	304,765
Total liabilities and net assets	48,126	48,198	427,704

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net sales	37,120	36,618	324,944
Cost of sales	28,396	26,769	237,545
Gross profit	8,723	9,849	87,399
Selling, general and administrative expenses			
Transportation and warehousing expenses	1,741	1,758	15,600
Directors' compensations	241	237	2,103
Salaries and allowances	690	737	6,540
Provision for bonuses	73	76	674
Retirement benefit expenses	54	51	452
Welfare expenses	161	167	1,481
Rent expenses	178	192	1,703
Insurance expenses	10	9	79
Depreciation	66	66	585
Research and development expenses	1,057	1,074	9,530
Other	642	745	6,611
Total selling, general and administrative expenses	4,919	5,117	45,407
Operating income	3,804	4,731	41,982
Non-operating income			
Interest income	2	3	26
Dividend income	140	139	1,233
Reversal of provision for environmental measures	—	106	940
Foreign exchange gains	46	—	—
Other	33	73	647
Total non-operating income	222	323	2,866
Non-operating expenses			
Interest expenses	57	47	417
Loss on abandonment of inventories	36	20	177
Foreign exchange losses	—	97	860
Other	11	15	133
Total non-operating expenses	106	181	1,606
Ordinary income	3,920	4,873	43,242
Extraordinary income			
Gain on sales of investment securities	27	—	—
Total extraordinary income	27	—	—
Extraordinary losses			
Loss on retirement of non-current assets	84	108	958
Loss on valuation of investments in capital	25	—	—
Total extraordinary losses	109	108	958
Profit before income taxes	3,838	4,765	42,284
Income taxes - current	1,280	1,469	13,035
Income taxes - deferred	63	53	470
Total income taxes	1,344	1,523	13,514
Profit	2,494	3,241	28,760
Profit attributable to non-controlling interests	34	23	204
Profit attributable to owners of parent	2,460	3,218	28,556

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	(Thousands of U.S. dollars)	
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Profit	2,494	3,241	28,760
Other comprehensive income			
Valuation difference on available-for-sale securities	1,856	(1,104)	(9,796)
Foreign currency translation adjustment	257	(77)	(683)
Remeasurements of defined benefit plans, net of tax	38	(208)	(1,845)
Total other comprehensive income	2,151	(1,389)	(12,325)
Comprehensive income	4,646	1,852	16,434
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	4,592	1,844	16,363
Comprehensive income attributable to non-controlling interests	53	8	70

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,855	6,766	11,162	(542)	27,243
Cumulative effects of changes in accounting policies			(262)		(262)
Restated balance	9,855	6,766	10,900	(542)	26,981
Changes of items during period					
Dividends of surplus			(496)		(496)
Profit attributable to owners of parent			2,460		2,460
Purchase of treasury shares				(898)	(898)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	1,964	(898)	1,065
Balance at end of current period	9,855	6,766	12,864	(1,440)	28,047

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,797	64	(115)	2,746	141	30,131
Cumulative effects of changes in accounting policies						(262)
Restated balance	2,797	64	(115)	2,746	141	29,868
Changes of items during period						
Dividends of surplus						(496)
Profit attributable to owners of parent						2,460
Purchase of treasury shares						(898)
Net changes of items other than shareholders' equity	1,856	237	38	2,132	46	2,179
Total changes of items during period	1,856	237	38	2,132	46	3,245
Balance at end of current period	4,653	302	(76)	4,879	187	33,113

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,855	6,766	12,864	(1,440)	28,047
Changes of items during period					
Dividends of surplus			(428)		(428)
Profit attributable to owners of parent			3,218		3,218
Purchase of treasury shares				(186)	(186)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	2,789	(186)	2,602
Balance at end of current period	9,855	6,766	15,654	(1,627)	30,649

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	4,653	302	(76)	4,879	187	33,113
Changes of items during period						
Dividends of surplus						(428)
Profit attributable to owners of parent						3,218
Purchase of treasury shares						(186)
Net changes of items other than shareholders' equity	(1,104)	(61)	(208)	(1,374)	2	(1,371)
Total changes of items during period	(1,104)	(61)	(208)	(1,374)	2	1,230
Balance at end of current period	3,549	240	(285)	3,505	189	34,344

Fiscal year ended March 31, 2016

(Thousands of U.S. dollars)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	87,452	60,040	114,153	(12,778)	248,886
Changes of items during period					
Dividends of surplus			(3,798)		(3,798)
Profit attributable to owners of parent			28,556		28,556
Purchase of treasury shares				(1,650)	(1,650)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	24,749	(1,650)	23,089
Balance at end of current period	87,452	60,040	138,912	(14,437)	271,976

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	41,290	2,679	(674)	43,295	1,659	293,841
Changes of items during period						
Dividends of surplus						(3,798)
Profit attributable to owners of parent						28,556
Purchase of treasury shares						(1,650)
Net changes of items other than shareholders' equity	(9,796)	(541)	(1,845)	(12,192)	17	(12,166)
Total changes of items during period	(9,796)	(541)	(1,845)	(12,192)	17	10,914
Balance at end of current period	31,493	2,129	(2,529)	31,103	1,677	304,765

(4) Consolidated Statements of Cash Flows

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Cash flows from operating activities			
Profit before income taxes	3,838	4,765	42,284
Depreciation	1,814	1,886	16,736
Loss on retirement of non-current assets	84	108	958
Increase (decrease) in net defined benefit liability	(77)	59	523
Interest and dividend income	(143)	(143)	(1,268)
Interest expenses	57	47	417
Decrease (increase) in notes and accounts receivable - trade	(349)	(138)	(1,224)
Decrease (increase) in inventories	295	753	6,682
Increase (decrease) in notes and accounts payable - trade	(166)	(4)	(35)
Increase (decrease) in accrued consumption taxes	146	(262)	(2,324)
Other, net	(117)	80	709
Subtotal	5,382	7,152	63,466
Interest and dividend income received	143	143	1,268
Interest expenses paid	(57)	(47)	(417)
Income taxes paid	(792)	(1,504)	(13,346)
Net cash provided by (used in) operating activities	4,675	5,743	50,962
Cash flows from investing activities			
Purchase of property, plant and equipment	(2,213)	(2,786)	(24,722)
Purchase of investment securities	(11)	(12)	(106)
Proceeds from sales of investment securities	59	—	—
Other, net	(88)	(82)	(727)
Net cash provided by (used in) investing activities	(2,254)	(2,881)	(25,565)
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	255	(432)	(3,833)
Proceeds from long-term loans payable	1,900	40	354
Repayments of long-term loans payable	(1,503)	(686)	(6,087)
Purchase of treasury shares	(898)	(186)	(1,650)
Cash dividends paid	(494)	(427)	(3,789)
Dividends paid to non-controlling interests	(6)	(5)	(44)
Other, net	—	(10)	(88)
Net cash provided by (used in) financing activities	(747)	(1,708)	(15,156)
Effect of exchange rate change on cash and cash equivalents	117	(25)	(221)
Net increase (decrease) in cash and cash equivalents	1,790	1,127	10,000
Cash and cash equivalents at beginning of period	5,544	7,334	65,081
Cash and cash equivalents at end of period	7,334	8,461	75,082

VI. Segment Information

1. Overview of reportable segments

The reportable segments are constituent units of Tayca for which separate financial information is available. The Board of Directors periodically examines these segments for the purpose of deciding the allocation of management resources and evaluating operating performance.

Tayca's reportable segments are its core businesses: Business Related to Titanium Dioxide and Other Business. Business Related to Titanium Dioxide involves the production of products related to titanium dioxide, etc., at the factory in the Okayama region, and Other Business primarily involves the production of products, etc., centered on sulfonation at the Osaka Factory.

Main products belonging to each segment are as follows:

(1) Business Related to Titanium Dioxide:

Titanium dioxide, micro titanium dioxide, micro zinc oxide, surface treatment products, photocatalytic titanium dioxide, etc.

(2) Other Business:

Surfactants, sulfuric acid, pollution-free anti-corrosive pigment, conductive polymers and related products, electro-ceramic products, etc.

2. Calculation method for net sales, profit or loss, assets, liabilities, and other items by reportable segment

Segment profit of reportable segment is calculated on an operating income basis.

Inter-segment sales or transfers are based on actual market prices.

3. Information about net sales, profit or loss, assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2015

	Reportable segment			Adjustment (Note)	Amount recorded on the consolidated financial statements
	Business Related to Titanium Dioxide	Other Business	Total		
Net sales					
Net sales to external customers	19,646	17,473	37,120	—	37,120
Inter-segment sales or transfers	—	698	698	(698)	—
Total	19,646	18,172	37,818	(698)	37,120
Segment profit	2,178	1,625	3,804	(0)	3,804
Segment assets	19,503	12,639	32,142	15,984	48,126
Other items					
Depreciation	1,173	630	1,803	10	1,814
Increase in property, plant and equipment and intangible assets	1,495	1,131	2,627	(15)	2,611

Note: Details of "Adjustment" are as follows:

- (1) The adjustment of negative ¥0 million on segment profit represents inter-segment transaction eliminations.
- (2) The adjustment of ¥15,984 million on segment assets includes negative ¥212 million of elimination of inter-segment receivables by offsetting and ¥16,197 million of corporate assets that are not allocated to reportable segments.

Fiscal year ended March 31, 2016

(Millions of yen)

	Reportable segment			Adjustment (Note)	Amount recorded on the consolidated financial statements
	Business Related to Titanium Dioxide	Other Business	Total		
Net sales					
Net sales to external customers	20,191	16,426	36,618	—	36,618
Inter-segment sales or transfers	—	777	777	(777)	—
Total	20,191	17,204	37,395	(777)	36,618
Segment profit	2,966	1,781	4,747	(15)	4,731
Segment assets	19,346	12,686	32,033	16,165	48,198
Other items					
Depreciation	1,266	611	1,877	8	1,886
Increase in property, plant and equipment and intangible assets	2,004	1,251	3,256	7	3,263

Note: Details of “Adjustment” are as follows:

- (1) The adjustment of negative ¥15 million on segment profit represents inter-segment transaction eliminations.
- (2) The adjustment of ¥16,165 million on segment assets includes negative ¥268 million of elimination of inter-segment receivables by offsetting and ¥16,433 million of corporate assets that are not allocated to reportable segments.

VII. History

December 1919	Teikoku Synthetic Fertilizer Co., Ltd. was founded for the production of superphosphate fertilizers.
November 1920	Osaka Factory was built for the production of superphosphate fertilizers and lead-chamber sulfuric acid.
October 1938	Equipment was installed in Osaka Factory to produce sulfuric acid by the Lurgi Contact Process, and production of dilute sulfuric acid began.
June 1939	Production of fluorides, mainly artificial cryolite, began at Osaka Factory.
March 1942	Okayama Factory was built for the production of fluorides.
April 1942	Teikoku Synthetic Fertilizer Co., Ltd. was renamed Teikoku Kako Co., Ltd.
June 1944	A plant in Owada, where sulfuric acid was produced by the Monsanto Contact Process, was acquired.
August 1945	Production of fluorides at Osaka and Okayama Factories was discontinued.
April 1951	Production of titanium dioxide at Okayama Factory began.
June 1961	Production of surfactants at Osaka Factory began.
July 1965	Production of superphosphate fertilizers was discontinued.
April 1967	Warehousing business (Funamachi Warehousing) started in the Osaka Factory premises.
April 1969	Hyakushima Warehouse, now parts of Tayca Warehousing Co., Ltd., was built in the Owada Factory premises, where a warehousing business started.
November 1969	In order to join the Western Japan Sulfuric Acid Center of Dowa Mining Co., Ltd., Owada Factory discontinued its operation and removed its production equipment.
June 1973	To integrate warehousing operations, Tayca Warehousing Co., Ltd., wholly owned by the company, was established.
October 1981	Production of condensed phosphates (K-White, K-Bond and K-Fresh) at Osaka Factory began.
June 1984	Tayca Trading Co., Ltd., wholly owned by the company, was established with the principal objective of selling chemicals.
August 1989	Teikoku Kako Co., Ltd. was renamed Tayca Corporation, marking the 70th anniversary of its foundation.
February 1994	Tayca obtained ISO 9002 certification for the production of phosphoric acid (Osaka Factory), titanium dioxide products (Okayama Factory) and related products.
January 1996	In stride with advances in the surface treatment field, Tayca opened its Osafune, Okayama Factory (current Osafune, Kumayama Factory) and production commenced.
April 1997	Tayca's development division became a separate entity, and TFT Corporation, wholly owned by the company, was established to manufacture and sell electro-ceramic products.
August 2000	Tayca obtained ISO 14001 certification at Osaka Factory and Okayama Factory.
October 2001	TAYCA (Thailand) Co., Ltd. was established in Chonburi, Thailand to manufacture surfactants.
September 2006	To expand surface treatment business, Tayca opened its Kumayama Factory in Akaiwa-shi, Okayama and production commenced.
February 2014	TAYCA (VIETNAM) CO., LTD. was established in Dong Nai, Vietnam to manufacture surfactants.

VIII. Corporate Data

Basic Information (as of June 29, 2016)

Trade name:	Tayca Corporation
Established:	December 22, 1919
Listed market:	The First Section of the Tokyo Stock Exchange (Securities Code: 4027)
Listed:	May 1924
Business year:	From April 1 to March 31 of the following year
Capital stock:	9,855,953,999 yen
Number of employees:	470 persons
Head office:	3-6-13 Kitahama, Chuo-ku, Osaka
Telephone:	+81-6-6208-6400
Consolidated subsidiaries:	Tayca Warehousing Co., Ltd. Tayca Trading Co., Ltd. TFT Corporation Tayca M&M Corporation TAYCA (Thailand) Co., Ltd. TAYCA (VIETNAM) CO., LTD.

Directors and Audit & Supervisory Board Members (as of June 29, 2016)

Chairman, Board of Directors	Manabu Kiyono
President	Masao Nagita
Managing Director	Hirofumi Yamazaki
Managing Director	Takeshi Hemmi
Director	Takeshi Ikegami
Director	Masaaki Tozawa
Director	Masahiko Nishino
Director*	Hitoshi Tanaka
Director*	Mamiko Ozaki
Auditor (Standing)**	Norikatsu Okada
Auditor (Standing)	Akira Miyazaki
Auditor**	Hiroyuki Yamada
Auditor**	Koji Yamamoto

* Outside Director ** Outside Auditor

Stock Status (as of March 31, 2016)

Total number of authorized shares:	150,000,000 shares
Total number of issued shares:	51,428,828 shares
Number of shareholders:	3,789

Major shareholders (Top 10)

Name	Number of shares held (Thousands)	Shareholding ratio (%)
MITSUI & CO., LTD.	3,568	6.93
Mitsubishi Corporation	3,260	6.34
Yamada Sangyo Co., Ltd.	2,940	5.71
KBL EPB S.A. 107704	2,866	5.57
Trust & Custody Services Bank, Ltd. as trustee for Mizuho Bank Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	2,018	3.92
Tayca Corporation Trading-Partner Shareholding Association	1,838	3.57
NIPPON TOCHI-TATEMONO Co., Ltd.	1,389	2.70
Kansai Paint Co., Ltd.	1,224	2.38
Japan Trustee Services Bank, Ltd. (Trust account)	1,188	2.30
Sojitz Corporation	1,000	1.94

* In addition to shares described above, Tayca Corporation holds 4,192 thousand shares as treasury shares.

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* The financial statements in this Annual Select are stated in Japanese yen with amounts of less than one million yen omitted. As a result, the totals shown do not necessarily agree with the sums of the individual amounts. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of investors outside Japan. Such translation is carried out at the rate of ¥112.69 = U.S. \$1, the approximate rate of exchange at March 31, 2016, and the resultant amounts are shown with amounts of less than 1,000 U.S. dollars omitted.

* While every best effort has been made to provide a translation meeting the quality standards required of professionals, the Company does not guarantee it is 100% accurate. Therefore, please verify the original Japanese text for any final judgments made based on this information.