




 **AS ONE**

ANNUAL
REPORT 2016


Supplying what researchers need
With speed and accuracy
This is the heart of our commitment to
“innovation and creation.”



AS ONE

[Our Name]

“AS ONE” is an expression of our business model of operating as a unified team with many partners. To succeed in a constantly changing market, we are working with users, dealers and suppliers for more progress by creating new forms of value.



AS ONE CORPORATION
ANNUAL REPORT 2016

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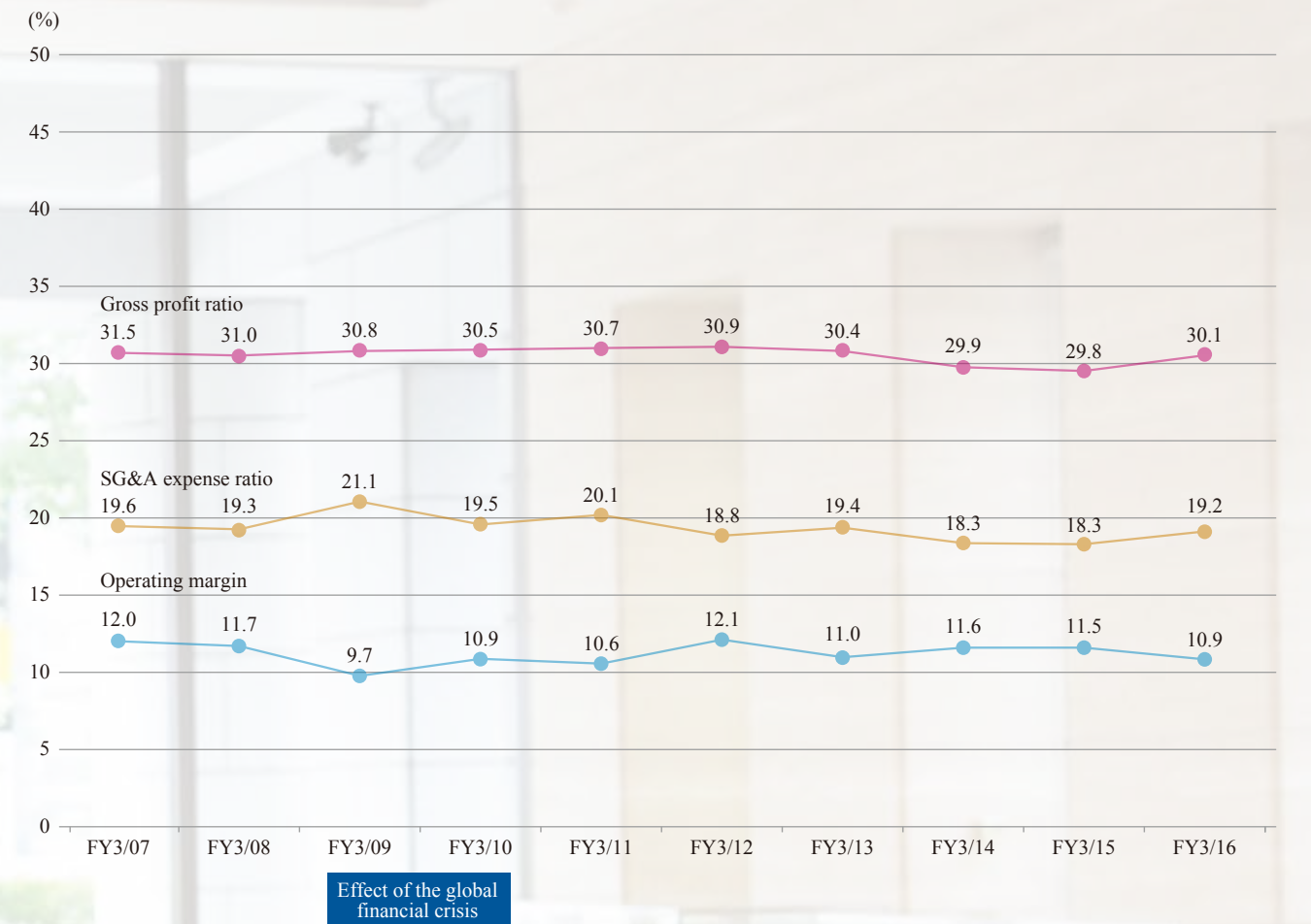
10-year Financial Summary

Consistent profitability and steady growth



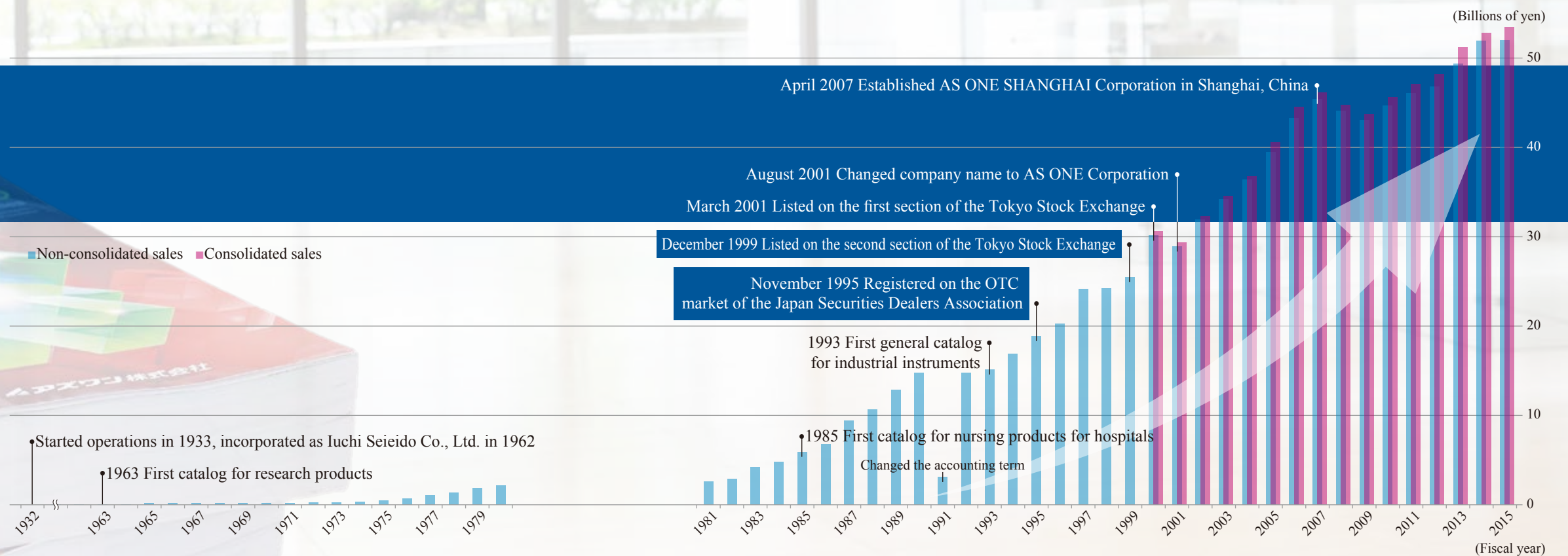
Profitability

Highly profitable operations with minimal variations



Financial Highlights

Growing year after year

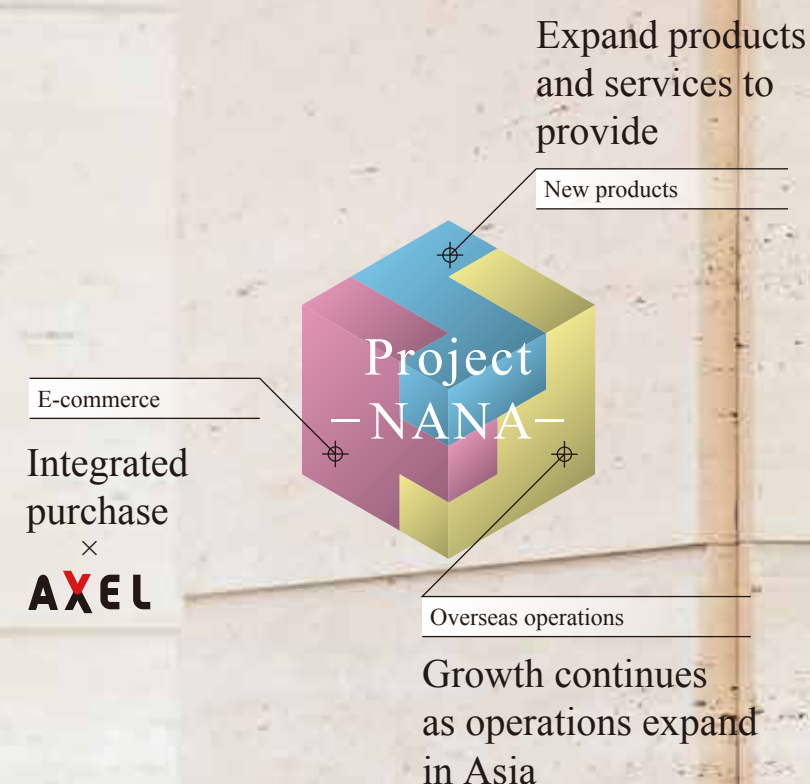


Medium-Term Management Plan Targeting Net Sales of ¥70 Billion

New Action Next AS ONE —NANA—

As a trading company specializing in scientific instruments, AS ONE has grown in tandem with Japan's development as a scientific technology-oriented country. We are currently the clear market leader in the wholesaling of scientific instrumentation, our main field, with a 31% share of the market. We maintain an operating margin of 10% or more, and capital efficiency is high, with return on equity (ROE) of 8% or more. Based on ongoing increases in sales and income, we continue to steadily augment dividends. A proactive management strategy is essential to our ability to grow both persistently and consistently as a company, as well as to enhance corporate value. In the past, we have raised performance through a focus on wholesaling in the specialized domains of science and medicine. In terms of size, the scientific instruments market has annual sales of ¥1 trillion while the medical instruments market has sales of ¥2.5 trillion, suggesting that ample room for business growth remains.

Setting our sights on the next stage and looking 10 to 20 years into the future, last



Employing Proactive Management Strategies to Further Accelerate Growth

Takuji Iuchi, President

year we unveiled a medium-term management plan, "Project NANA," which uses the keywords "Re-Acceleration Towards Growth." This five-year plan, which commenced in the fiscal year ended March 2016, targets net sales of ¥70 billion, an operating margin of 13% and ROE of 11% by the fiscal year ending March 2020. Based on our track record and the expertise we have cultivated to date, this plan defines our objective as becoming the top science and medical brand in Asia. We view the next stage of our business as becoming a waypoint to be a dominant high-margin distributor.

Three Pillars of Ongoing Growth as We Address New Challenges

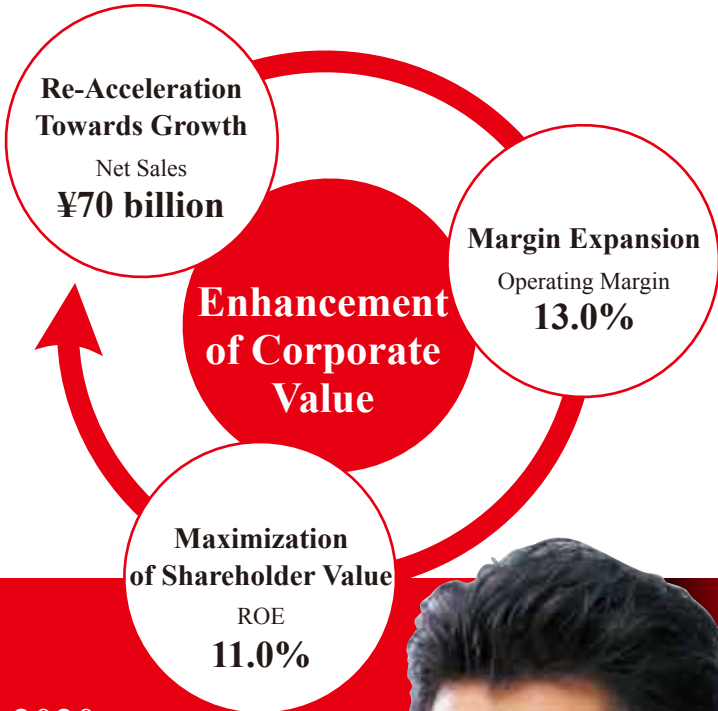
Our medium-term management plan, Project NANA, focuses on promoting activities surrounding three pillars of growth: e-commerce, overseas operations and new products.

Our e-commerce operations have made a big contribution to growth in the number of items listed. During the fiscal year under review, we created AXEL, a product search system. At the same time, we expanded the number of items from the 70,000 available on our paper catalog to 1,000,000 on the Web. In the fiscal year under review, sales in the e-commerce business amounted to ¥5,017 million—meeting the target under our medium-term management plan in its first year. We plan to encourage even more people to use the Web search system, expand product offerings and enhance user convenience as we build a service with our specialist expertise.

In overseas operations, sales at AS ONE SHANGHAI, our subsidiary in China, have grown to 100 million yuan (on a non-consolidated basis, from April 2015 to March 2016). AS ONE SHANGHAI is focusing to expand its business with Chinese companies last couple of years, while majority of its sales in China was

going forward.

To offer more services, we will add services that are associated with the sale of new products and launch other services that have no direct link to products. The first step was the start of our rental service in the previous fiscal year. Next, we opened the Special Order Laboratory in April 2015, which is an e-commerce website that accepts customized orders. In May 2016, we started facilitating service for labotest outsourcing. By supplying services that target a broad spectrum of needs at research facilities, we can enter peripheral markets for our products even faster. In April 2016, we formed a nursing care group that is now using many activities for increasing sales in this market sector.



Project –NANA– Targets for the Fiscal Year Ending March 2020

with Chinese subsidiaries of Japanese companies, and in consequences, such sales percentage with local Chinese companies is steadily increasing. Maintaining our efforts on this front, we aim to step up customer convenience by establishing logistics bases in Beijing—the main market for science—to quickly ramp up business in this market. We are considering specific plans for setting up offices in advanced countries as well as emerging markets, for more globalization

Reinforcing Unity to Make Steady Progress toward Our Targets

During the fiscal year ended March 2016, the first year of the medium-term management plan, we achieved consolidated net sales of ¥53,576 million (up 2.9% year on year). Despite upfront investments, profit attributable to owners of parent (below, “profit”) came to ¥3,878 million (up 0.2%). These figures corresponded to the fifth consecutive year of increases in consolidated net sales, and the fourth for profit, which reached new highs.

Based on these results, for the upcoming fiscal year we forecast consolidated net sales of ¥56,340 million (up 5.2% year on year), operating income of ¥5,880 million, ordinary income of ¥6,075 million and profit of ¥4,140 million (up 6.7%). We have adopted a policy of achieving an average total profit return ratio of 70% during the three-year period from the fiscal year ending March 2016 through 2018. To achieve this goal, we will consider purchases of treasury shares. We are also targeting a dividend payout ratio of 50%, and expect to increase dividends for the sixth consecutive fiscal year. While maintaining a management awareness of the cost of capital, we intend to augment capital efficiency.

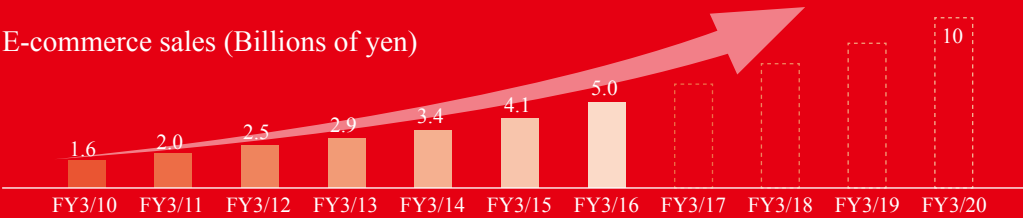
environment, connections between people and the importance of trust-based relationships are important constants. Our goal is to produce work that truly resonates with the other party. To achieve this goal, we believe it is important to continuously think of new ways to contribute to the people working every day on the front lines of R&D and medicine. I am convinced that by fostering spiritual richness among individual employees and conducting operations with a shared awareness toward reaching our goals will cultivate an even more tenacious corporate character.

Being the “Far and Away” Leader Ahead of the Changing Times

In a world beset by ultra-destructive changes, major transformations in corporate strategy are being called for, as well. In this era, I believe that being the “far and away” leader is key.

Our management philosophy espouses “innovation and creation,” and as a general trading company for scientific instruments we have sought to change continuously by always taking the initiative. Taking this ideal to a further level, we are taking the lead over our

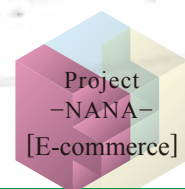
E-commerce sales (Billions of yen)



Furthermore, as part of our aim to enhance corporate value we will pursue a closer sense of unity between stakeholders and management.

As part of our quest for perpetual growth, we will pursue three types of value—reputational value, business value and financial value—as well as three areas of quality—product quality, management quality and employee character. We consider building “employee character” an essential part of establishing a foundation for growth. Regardless of changes in the social

competitors in dramatically increasing the number of products we handle. Furthermore, we aim to be the “far and away” leader supported by people working at R&D sites and that contributes to the development of society by proactively developing new businesses and generating services that are at the forefront of the industry. In the second year of Project NANA, we will take on the challenge of moving our three pillars onto a growth trajectory, undertaking initiatives that will connect clearly with AS ONE’s growth.



Integrated purchase× **AXEL**

Integrated purchasing for large users and the product search system for researchers

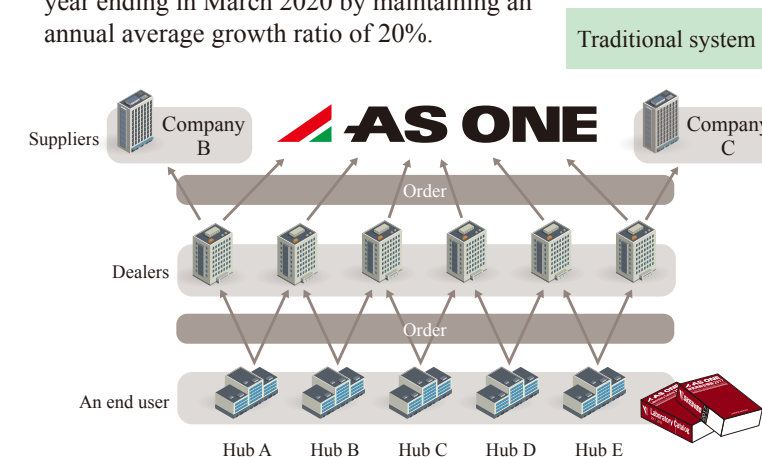
AS ONE launched e-commerce operations as this market category first emerged. Today, we have B-to-B and B-to-B-to-C operations that specialize in the science and medical field. This gives us two core components of e-commerce: integrated purchasing and partnerships with companies using the Internet to sell products. These activities require supplying the massive volume of product information needed for businesses with a wide product range and products in small numbers.

Our OCEAN corporate Internet purchasing system is structured for the integrated purchasing needs of large users. This system provides a direct link between our users' in-house purchasing systems and our e-catalog, which has the largest selection in our industry. By using OCEAN, a company can manage the purchase activities of each business hubs. On-demand measures to match the purchasing styles of individual companies are also possible. Furthermore, OCEAN has a link with logistics systems to deliver items faster after an order is received. This speeds up procurement activities while reducing the amount of work at client companies. We are now working on increasing the number of public-sector research institutes that use OCEAN in

speed. We are constantly and finely updating our services as the number of registered users continues to climb. We expect these activities to lead to more growth in the number of users.

More e-commerce growth backed by enhanced and expanded services

AS ONE's e-commerce sales were up 21.1% from the previous fiscal year, surpassing the first-year target of our plan by 0.3 percentage point. We continue to make progress with adding items to the database covered by AXEL. This database had 1.07 million items at the end of March 2016, which exceeded the target of one million. We also achieved growth in sales from newly added items listed only in Internet catalogs. Our goal is to raise e-commerce sales to ¥10 billion in the fiscal year ending in March 2020 by maintaining an annual average growth ratio of 20%.



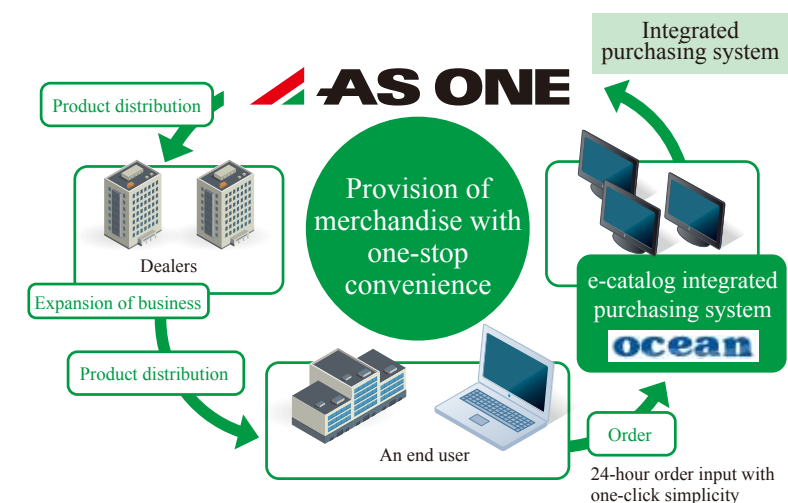
Pursuing more user convenience through an information strategy with foresight

Kenichi Fujinaka

Director, General Manager, Merchandising Division,
IT Division, Logistics Department

order to further increase our market share.

In December 2015, we started using AXEL, a product search system that we created ourselves. A comprehensive site for searches, AXEL encompasses everything from scientific instruments and replacement supplies for research activities to factory maintenance, repairs and operations as well as products used in hospitals and nursing care facilities. Our system can perform searches using specifications at a level of detail that users expect from a trading company specializing in scientific instruments. In addition, no competitor can match our product selection and search





Project
-NANA-
[Overseas operations]

Growth continues as operations expand in Asia

Upgrade catalogs, e-commerce and a logistics infrastructure for Asian growth starting in China

Full-scale operations in China reach the 100 million yuan milestone

AS ONE's operations outside Japan started in April 2007 with the establishment of a wholly owned subsidiary AS ONE SHANGHAI Corporation in Shanghai, China. At first, this subsidiary sold products directly to Japanese companies with operations in China's coastal regions. The company recorded its first profitable year in 2011 due to the success of this approach, building a sound foundation for growth at the early stage.

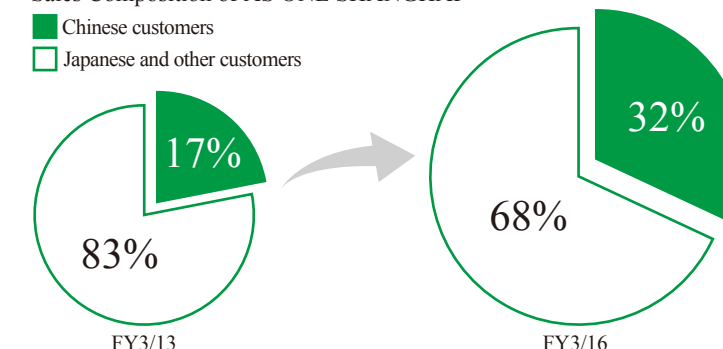
Beginning with the fourth Chinese-language catalog, which was issued in 2013, AS ONE SHANGHAI shifted its focus to selling products to Chinese universities, research institutes and companies. This change included a switch to the business model in Japan of catalog sales through agents. The fifth Chinese-language catalog, which came out in May 2015, had 40% more items. Currently, we are moving much faster with activities for the strategic addition of customers in China. In November 2015, we started operating an e-commerce site in China for agents and orders have been growing consistently since then. This growth along with a rapid increase in demand among users in China has

Speeding up overseas growth with a focus on China

To support growth of operations in China, AS ONE SHANGHAI will complete work on the Beijing Logistics Center in the autumn of 2016. More measures are planned to strengthen the logistics infrastructure.

To start selling products in other Asian countries through local agents, we issued an English-language catalog in April 2015 with the same number of items as in the Japanese-language catalog. Our plan is to use China as the base for enlarging sales channels, chiefly in other areas of Asia. Our goal is to use our expertise to expand quickly in other countries.

Sales Composition of AS ONE SHANGHAI



Yasuyuki Hoshino

Director, General Manager,
International Business Division and International Department

propelled sales of AS ONE SHANGHAI to more than 100 million yuan (April 2015 to March 2016, non-consolidated basis), a level viewed in China as an important step in a company's development.

AS ONE SHANGHAI now has a workforce of about 100 at six sales offices and the Shanghai Logistics Center. The medium-term management plan goal for this company is sales of ¥5 billion in the fiscal year ending in March 2020.



Shanghai Anting Logistics Center



Beijing Chaoyang Logistics Center
(to begin operating in autumn 2016)



Inside of the Shanghai Logistics Center



Expand products and services to provide

Add new products and services for targeting highly specialized niche markets

Seek new products for re-acceleration towards growth

Creating businesses and adding new products are key strategic goals of the medium-term management plan. The goal is to use these activities to generate new sales of ¥6 billion by the fiscal year ending in March 2020. To reach this goal, we will cover even more specialized market sectors and strengthen our lineup of merchandise and services.

To increase the number of specialized markets we serve, we already have teams targeting four specialized business domains: the equipment group (the ASSRE catalog), the SANIFOODS group (the SANIFOODS catalog), the biosciences group (the BioLab catalog) and the ASPURE cleaning items group (the ASPURE catalog). All four groups have launched catalog operations in new business sectors and each group now has annual sales of more than ¥1 billion. Total sales of all four groups exceeded ¥8 billion in the fiscal year ended March 2016.

In March 2015, we created a project team to search for new products as part of the current medium-term management plan. The project team has started new expansion in niche specialized markets while performing the required market

research. Activities are going beyond the traditional customary provision of services associated with products. The project team is also enlarging the lineup of services on their own in order to increase sales. AS ONE has earned a reputation as the leading distributor of scientific instruments. Now we are adding a diverse array of services for exacting requirements for making the AS ONE brand even stronger in our major market sectors. More services are also expected to enable us to accelerate development into markets for peripheral products even faster.

Use a broader service lineup to make the AS ONE brand more powerful

One new service is customized orders. We have an e-commerce website where users can place orders for custom-formed glass and resin products, products made using a 3D printer, products made by cutting metal, and other items. Another is the field services for the customer on-site repairs of large products sold using the AS ONE brand. We have also started an outsourcing service that encompasses a broad spectrum of services involving research, extending from the procurement of overseas products to analysis and inspection tasks. Our nursing care group started operating in April 2016. Members of this group are studying ways to use catalogs and e-commerce to sell products and services to operators of nursing care facilities. For all of these services, the objective is to use linkage with current products for raising awareness of the services so they can contribute to overall growth.



Kazuhito Yamada

Managing Director, General Manager, Marketing Division, Sales Division and Branch Manager, Tokyo Branch



Overseas product procurement service



Outsourced analysis and testing service



Outsourced food analysis and inspection service

Overview by Sector

AS ONE traces its origins to the ongoing development of science and technology in Japan.

The Company contributes to the development of science and technology in Japan through its sales, via its comprehensive catalog, of items used at laboratories in universities and institutions in the public and private sectors. Boasting the leading share of the Japanese market in this sector, AS ONE continues to grow in its core business.

Research and Industrial Instruments Division



Scientific Sector

By bringing “high quality” to workplaces, we support the manufacturing sector and food safety.

This business sector emerged through our application of expertise cultivated in the scientific instrument sector, serving the “*monozukuri*” (manufacturing) workplaces that support Japanese industry. By selling the measuring instruments and consumables that are essential to the manufacture of high-quality products, we contribute to the development of the manufacturing that underpins Japan’s future, as well as to food safety.

Research and Industrial Instruments Division



Industrial Sector

Transforming nursing and nursing care workplaces by using our experience and the perspective of users.

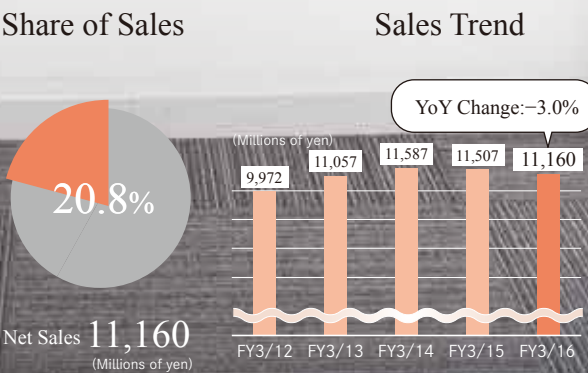
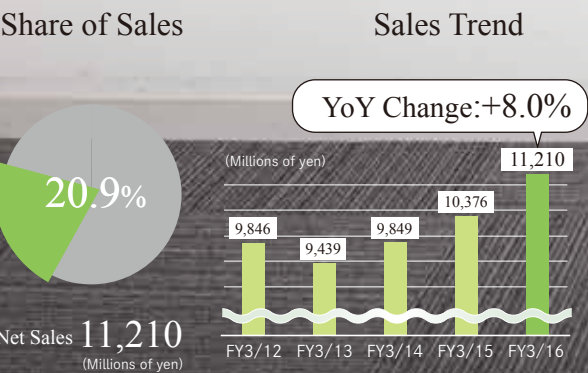
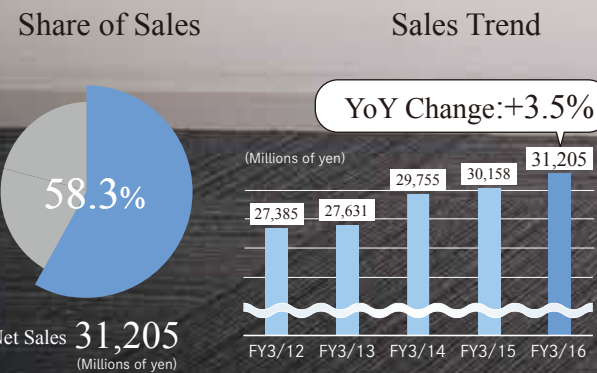
In this sector, under the “Navis” brand we provide essential equipment for medical sites, including lab coats and masks. Our broad-based product lineup extends to a host of nursing care products, such as wheelchairs and care beds. Our “products offered from the user’s perspective” help to make nursing and care environments more comfortable.

Hospitals and Nursing Care Division



Hospitals and Nursing Care Products

Japan’s foremost total supplier, supporting workplaces



Scientific Sector

Supporting R&D sites to create Japan's future

This field of business got its start in the early 1960s, during Japan's era of rapid economic growth. We recognized the future of R&D sites and the importance of using a catalog as a sales tool. Envisioning a distribution setup that met these two criteria, AS ONE published a catalog containing the instruments and equipment used in laboratories.

This unparalleled business model was the origin of AS ONE, and remains the essence of the Company's growth today.

From consumables such as glass slides and colored labels to laboratory tables, mixers and other research instruments, we offer products in this field that meet diverse on-site needs. In recent years, we have established the NEXAS series and other high-performance and stylish instrument brands. As Japan's foremost supplier for R&D sites, in this field we promote the development of science and technology and contribute to the bounty of people's lives.



The NEXAS series of constant-temperature dryers

Industrial Sector

By responding to changing needs, we help to ensure the development of manufacturing and the safety of food

In the industrial sector, we provide instruments and equipment that support manufacturing and quality control, thereby contributing to the development of industry and lifestyles that are safe and offer peace of mind.

In fields such as electronics, advanced materials, chemicals and food products, high-quality instruments and equipment are essential for achieving even high quality levels. By leveraging the expertise we have cultivated in the science and technology sector, we provide an all-encompassing range of the instruments and equipment needed at *monozukuri* sites.

The products we handle in this sector are varied, from rubber gloves and other consumables to environment measuring instruments, such as digital thermoregulators. We also offer safety- and protection-related products, as well as dust-free products, which are essential for clean rooms, and an extensive lineup of products for which modern-day demand is high. Consumer demand leads to manufacturer's needs. We have continued to grow in this field by remaining constantly sensitive to the changing needs of the times and responding flexibly.



Hospitals and Nursing Care Products

Contributing to society at large through improvements in the nursing and care environments

In this sector, we have launched the Navis brand ("Navis" being a word we created by combining "nurse" and "Venus"), through which we provide products needed at medical sites.

By reducing the burden on both the people who receive nursing and care as well as those who provide it and promoting highly efficient nursing and care, we provide products based on the concept of "products offered from users' perspective."

Our lineup ranges from lab coats and masks, gloves and other supplies to stretchers, sphygmomanometers and other instruments. By leveraging the expertise gained at medical sites, we also provide care beds, wheelchairs, bathing supplies, hygiene items and other nursing care products.

With Japan's elderly population forecast to increase, nursing and care sites are further expected to represent growing markets. Through our unique and extensive product lineup, we aim to improve nursing and care site environments and contribute to the benefits of overall Japanese society.



Corporate Social Responsibility



Environmental Activities Science Forest

Protecting Beautiful Global Environment for Our Children

A forest revitalization project called the Science Forest is one way that we use proceeds from catalog recycling. With the cooperation of the non-profit Environmental Relations Research Institute, we planted 450 trees in a forest in the city of Osaki in Miyagi prefecture in September 2015. The Science Forest sign at this site includes the names of the primary retail stores that provided cooperation for the collection of used catalogs.



Environmental Activities

ISO Certification and Catalog Recycling

Dedicated to Sustainable Business Operations

The AS ONE headquarters in Osaka, Tokyo Branch, and the logistics centers in Osaka and Tokyo have acquired ISO 14001 certification. This certification demonstrates that we have an environmental management system for minimizing the impact of our operations on the global environment that meets international standards.

When we publish a new catalog, we collect the previous catalogs from customers for processing by a paper mill for reuse as paper, packaging materials or fuel. In addition, we use environmentally responsible packaging that lowers the volume of waste materials and we have eco-cars with low levels of CO2 emissions.



Sports Activities

Black Eagles

Sponsors of an American Football Team Since 1997

To support amateur sports activities, AS ONE became the official sponsor in 1997 of the AS ONE Black Eagles, an American football team based in Osaka. During the 19 years since then, the team has had many accomplishments and provided opportunities for many people to enjoy this sport and the thrill of competition.

The Black Eagles started playing in 1970 and reached their 46th anniversary in 2016. This is Kansai area's only club team that belongs to the American Football X-League first division. In fiscal 2015, the Black Eagles played in the X-League first division West and finished in fourth place.

The team's motto is to "have the initiative to do your best for the team." Players include people with division 1 experience as well as others with a broad range of backgrounds. In addition to playing games, team members participate in social welfare activities like collecting charitable donations from spectators at games. Through these activities the Black Eagles have helped to make American



football more popular in Japan.

AS ONE will continue to support the Black Eagles and its members with strong passion and ambition in many ways. We look forward to the team's future success along with the joy and excitement the team brings to spectators and others.

Aiming to be a Company That Supports Society with a Broad Range of Activities

Social Contribution Activities

The Hatachi Fund



Support for Children after the 2011 Earthquake and Tsunami

AS ONE allows shareholders to make donations equal to the value of shareholder benefits. Shareholders can either donate directly instead of receiving benefits or donate the value of unused benefits. This program has been used to make donations to social contribution groups that participate in environmental preservation and social welfare activities.

Since the fiscal year ended in March 2014, we have made donations to the Hatachi Fund. This fund gives children affected by the 2011 Great East Japan Earthquake opportunities to study and become more self-reliant. The September 2015 benefits of 456 shareholders were donated. This resulted in donations of ¥1 million to the Hatachi Fund and ¥790,000 to the Japanese Red Cross to aid victims of the April 2016 Kumamoto Earthquake.



Other Activities

Corporate Citizenship

Citizenship in Osaka and Other Regions of Japan

AS ONE fulfills its obligations as a responsible corporate citizen in many other ways too. For example, we support a number of community and cultural activities in Osaka, where our headquarters is located. Midosuji Illumination, an Osaka winter tradition, and the Osaka Philharmonic Orchestra are two recipients of our support. Cooperating with activities like these contributes to the vitality of the entire Osaka region.

Our corporate citizenship activities also include disaster prevention and readiness, such as by donating masks for use in an emergency to municipal governments.

Corporate Governance System

1. Outline of Corporate Governance System

AS ONE (the “Company”)’s basic policy on corporate governance is to pursue management efficiency in the aim of maximizing corporate value, thoroughly ensure corporate ethics and strive to enhance management transparency. In these ways, we aim to increase our level of trust with our stakeholders.

As a company with auditors, we have in place as corporate institutions the general meeting of shareholders, Board of Directors and Board of Auditors. The Board of Directors comprises seven Directors (of whom two are Outside Directors). This small number is

intended to encourage lively debate and swift decision-making. The Board of Directors makes decisions related to management policy, matters provided by laws and regulations and other important matters related to management. The board also supervises the execution of duties by Directors. The Board of Auditors is composed of three Auditors (of whom two are Outside Auditors). This board audits and supervises the status of the execution of duties by Directors from an objective standpoint and seeks to enhance the management supervisory function.

2. Reason for the Adoption of the Corporate Governance System

The Company has appointed two Outside Directors and two Outside Auditors in the aim of reinforcing the supervisory function with regard to the execution of operations and enhancing the fairness of corporate activities. We have adopted the above-mentioned corporate governance system because we believe it to be appropriate given the scale of the Company and the content of its businesses.

3. Status of the Company’s Internal Control Systems

The Company’s internal control system is intended to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, as well as to ensure the appropriateness of other corporate operations. This system is put in place on the basis of resolutions by the Board of Directors.

Directors share the duties prescribed by the Board of Directors, overseeing individual operating divisions and concurrently conducting the everyday execution of operations, as well as supervising individual operation supervisory divisions. Internal regulations clarify responsibilities and authorities for everyday operations. The Management Strategy Committee and the General Managers’ Meeting, which are composed of general managers and other members at the level of president and below, receive monthly reports from each division and form a deliberative system whose activities include managing progress in the execution of operations.

5. Status of Systems in Place to Ensure the Appropriateness of Operations of the Filing Company’s Subsidiaries

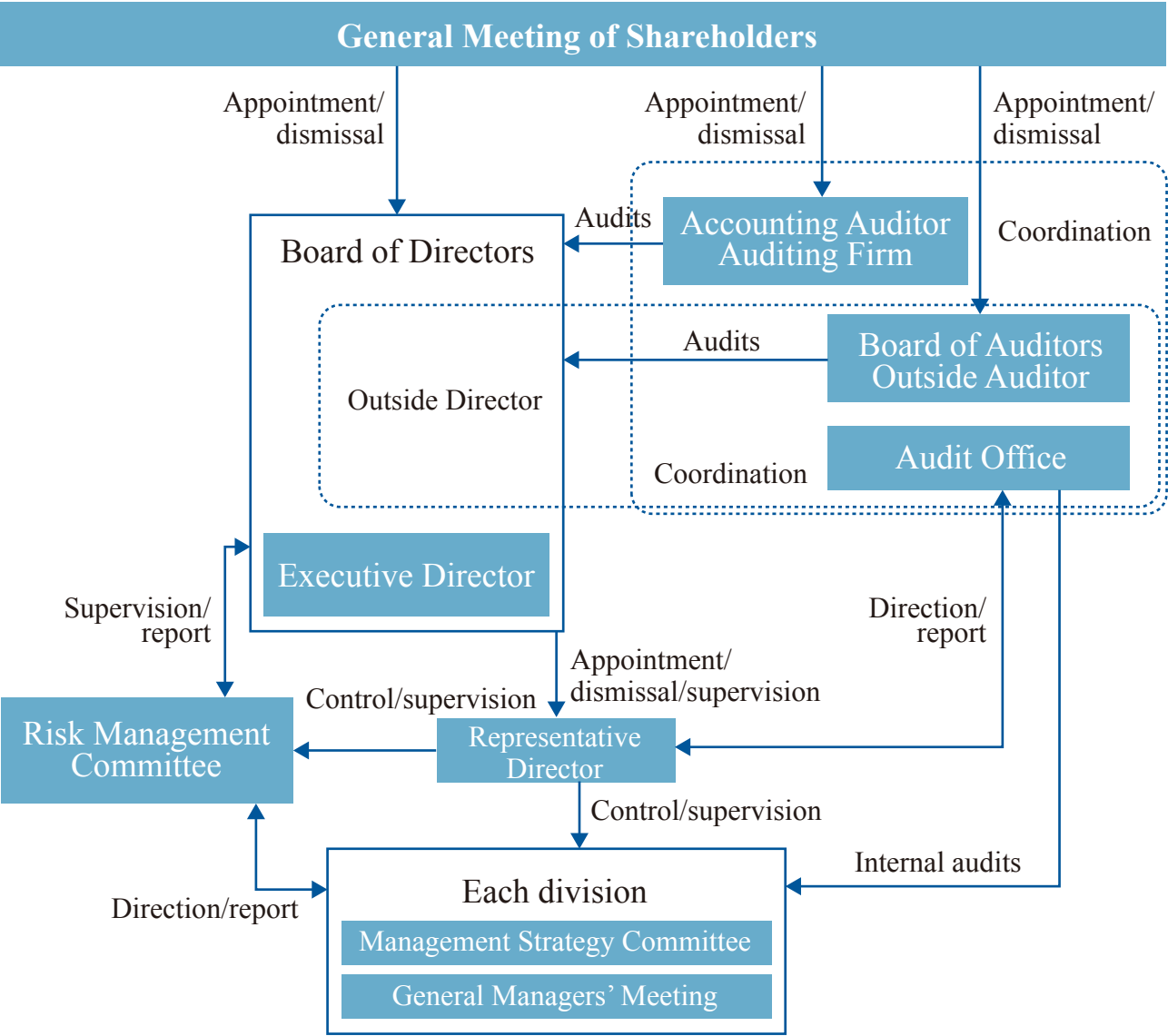
The Company’s Risk Management Committee oversees the risk management operations of its subsidiaries and determines their basic risk management policies, promotion systems and other important matters.

Through reports from subsidiaries’ directors, the Company ascertains, analyzes and evaluates the risks inherent to subsidiaries, enacts appropriate countermeasures, and conducts supervision and periodical review of the risk management status.

6. Overview of Content of Limited Liability Contracts

As provided for in Paragraph 1, Article 427 of the Companies Act, the Company has contracts with Outside Directors and Outside Auditors that limit their exposure to the liability in Paragraph 1, Article 423 of the Companies Act. The monetary limit on this liability based on the contracts is the amount prescribed by laws and regulations. This liability limitation is valid only when the Company’s Outside Directors and Outside Auditors perform their duties associated with these liabilities in good faith and without serious negligence.

Corporate Governance Structure



4. Status of the Company’s Risk Management System

The Risk Management Committee is in place to oversee the overall risk management system. The Information Security Committee is in place to enact various countermeasures on the information security front. With regard to risks related to product quality and other areas, the Company has obtained ISO 9001 certification and created a quality management system. The Company also maintains advisory agreements with multiple legal offices, from which we obtain advice on compliance-related issues if needed.

Internal Audits and Audits by Auditors

The Audit Office (two members) serves as the locus for promoting internal audits. The office conducts regular audits of each division based on the audit plan, and performs follow-up audits of specified divisions, as necessary. Through this process, the office performs audits to determine the appropriateness of operations, strives to promote operational improvements and liaises with the Corporate Planning Division—which serves as the internal control division—to verify the effectiveness of internal controls.

Audits by Auditors are performed by the three Auditors attending Board of Directors meetings, with the Board of Auditors determining the audit policy and sharing of tasks. In particular, Full-time Corporate Auditors conduct audits of individual divisions throughout the year and participate in important meetings, including those of the Management Strategy Committee and the General Managers’ Meeting. The Board of Auditors and the Audit Office engage in the appropriate exchange of opinions to ensure mutual coordination and augment audit effectiveness.

Outside Directors and Auditors

Interest-Based Relationships

The Company has two Outside Directors and two Outside Auditors.

Mr. Joji Suzuki, Outside Director, holds no shares in the Company. Furthermore, there are no business relationship or other special interests between Mr. Suzuki and the Company.

Mr. Masashi Mizunaga, Outside Director, holds no shares in the Company. Furthermore, there are no business relationship or other special interests between Mr. Mizunaga and the Company.

Mr. Kazutaka Suzuki, Outside Auditor, holds 100 shares of stock in the Company. He is a former employee of Resona Bank, Limited, with which the Company conducts business transactions. The Company's business relationship with Resona Bank includes the borrowing of funds. Resona Bank holds 926,425 shares in the Company.

Mr. Hideaki Mihara, Outside Auditor, holds no shares in the Company. Furthermore, there are no business relationship or other special interests between Mr. Mihara and the Company.

Functions and Roles from the Standpoint of Corporate Governance

Mr. Joji Suzuki, Outside Director, has a background in global business management as a corporate executive. He utilizes his extensive experience and broad-ranging insight as a manager to provide effective advice on management.

Mr. Masashi Mizunaga, Outside Director, utilizes his extensive experience and broad-ranging insight as a manager, gained through his experience as an entrepreneur and involvement in corporate management, to provide effective advice on management.

Mr. Kazutaka Suzuki, Outside Auditor, utilizes his extensive experience and insight in the financial sector to conduct supervision and provide effective advice on management.

Mr. Hideaki Mihara, Outside Auditor, utilizes his specialized knowledge and extensive experience as a certified public accountant and tax accountant to conduct supervision and provide effective advice on management.

Independence Criteria

To ensure the levels of objectivity and transparency necessary for appropriate governance of the Company, the Company considers it desirable to ensure, to the furthest extent possible, the independence of Outside

Directors and Outside Auditors (hereinafter, collectively referred to as "outside officers"). None of the following apply to the Company's outside officers who are called upon to be independent.

1. A person who does not meet prescribed laws and regulations
2. A person whose major business partner includes the Group (whose transactions with the Group in the most recent business year amount to 2% or more of the Group's annual consolidated net sales), or its parent company or important subsidiary or, if the business partner is a company, or an executive director, executive officer, executive employee, manager or other employee of such business partner
3. A major business partner of the Group (excluding 4) (whose transactions with the Group in the most recent business year amount to 2% or more of the Group's annual consolidated net sales), or its parent company or important subsidiary or, if the business partner is a company, an executive director, executive officer, executive employee, manager or other employee of such business partner
4. A director, auditor, accounting advisor, executive officer, executive employee, manager or other employee of a party indispensable to the Group's raising of funds, a financial institution on which the Group's dependence is so high as to preclude alternatives, or other large-scale lender, or of such an entity's parent company or important subsidiary
5. A consultant, certified public accountant or other accounting professional, attorney or other legal professional, or other specialist who has received money or other such assets averaging ¥10 million or more annually over the past three years other than as officer compensation from the Group
6. A person who receives contributions or subsidies totaling ¥10 million or more annually from the Group
7. A major shareholder (a shareholder directly or indirectly holding 10% or more of total voting rights) of the Company, or if such major shareholder is a company, a director, auditor, accounting advisor, executive officer,

commissioner, executive employee, manager or other employee of such major shareholder or its parent company or important subsidiary

8. An accounting auditor of the Group or an employee, partner or other person belonging to a tax accountant corporation of the Group
9. A director, auditor, accounting advisor, executive officer or executive employee of a company, or its parent company or subsidiary that accept directors (regardless of whether full-time or part-time) from the Group
10. A family member within two degrees of kinship with a director or auditor of the Group
11. A person to whom any of items 1 through 10 have applied in the most recent five years
12. Any other person who could be construed as having a conflict of interests with any of the Company's general shareholders with regard to matters other than items 2 through 11 above

The Company judges that the four members—Mr. Joji Suzuki, Mr. Masashi Mizunaga, Mr. Kazutaka Suzuki and Mr. Hideaki Mihara—conduct supervision and monitoring objectively and neutrally and have no conflicts of interests with the Company's general shareholders. Accordingly, the Company has designated the independent executives as provided by the Tokyo Stock Exchange and provided notification to this effect.

Status of Cooperation

In addition to gathering necessary information at Board of Directors meetings and asking appropriate questions, the Outside Directors exchange opinions with and maintain relations with Outside Auditors.

The Outside Auditors gather information through exchanges of opinion with Audit Office and accounting auditor at the Board of Auditors. In addition, the Outside Auditors frequently exchange opinions with the Corporate Planning Division, centered on Full-time Corporate Auditors, and coordinate closely with them.





Joji Suzuki, Outside Director

Aiming to be a global supplier of scientific instruments with “Japanese Quality”

Using personal experience to assist with strategies for overseas growth

After majoring in synthetic polymer chemistry at college, I joined a diversified trading company where I worked in the field of chemistry. From the experience, I believe that keeping up with the latest developments concerning market needs and business methods in the business domains of science and medical care and building infrastructure for the timely delivery of many items in very small quantities gives AS ONE a sound foundation for growth. I use my trading company experience to focus most of all on overseas operations, which is one of the three

elements of AS ONE’s growth strategy. For example, China has ranked first in patent applications for the past five years. As R&D in China continues to advance to higher levels, there will be even more opportunities for AS ONE to leverage its strengths in this important market. Immense potential exists for AS ONE in other Asian countries too as the share of high-tech industries increases. I will use my knowledge and access to information to provide support in every way possible for achieving the goals of the medium-term management plan.



Masashi Mizunaga, Outside Director

AS ONE’s culture should be the base for taking on new challenges

High expectations for multi-faceted growth that enhances AS ONE’s social stature

AS ONE has earned an image as a company with sincerity and vigor. In addition to having sound and powerful operations, AS ONE is clearly in a growing business domain as the need for medical care, nursing care and scientific technologies increases. As sales and earnings grow, AS ONE should aim for more than simply profits. I want AS ONE to become a company that is a source of pride for employees and all other stakeholders by playing a key role in society.

I have a variety of business experience. I worked at a trading company, received an MBA overseas, then worked at a consulting firm and investment bank, and started a company that became publicly owned. I believe that providing fresh perspectives that do not exist within a company is one role of an outside director. I intend to use my experience to help AS ONE continue to grow.

General Meeting of Shareholders and Exercise of Voting Rights

- Date when the meeting was held: June 29, 2016	Proposals		For	Against	Abstention	Requirements for approval	Results and ratio of “for”and“against”votes(%)	
- Voting rights	No. 1	Appropriation of retained earnings	169,780	1,724	0	(Note 1)	Approved	96.89
Number of shareholders with voting rights: 7,396	No. 2	Election of seven (7) directors						
Total number of voting rights: 190,756		Takuji Iuchi	169,094	2,392	17			96.50
		Mototaka Ono	169,802	1,684	17			96.90
		Kazuhito Yamada	169,807	1,679	17	(Note 2)	Approved	96.90
		Yasuyuki Hoshino	169,791	1,695	17			96.89
- Number of voting rights "for," "against" or "abstain" for each proposal; requirements for the approval and results are shown in table on the right.		Kenichi Fujinaka	170,365	1,121	17			97.22
		Joji Suzuki	170,694	793	17			97.41
		Masashi Mizunaga	170,687	800	17			97.41
	No. 3	Election of two (2) auditors						
		Makoto Matsuo	166,674	4,829	0	(Note 2)	Approved	95.12
		Hideaki Mihara	170,493	1,011	0			97.30
	No. 4	Election of one (1) substitute auditor	169,504	2,000	0	(Note 2)	Approved	96.73
Notes: 1. Resolutions are approved by a majority vote of the shareholders present. 2. Resolutions require the presence of shareholders holding not less than one-third of the voting rights of all shareholders entitled to vote, and resolutions are approved by a majority vote of the shareholders present.								

Shareholders (As of March 31, 2016)

Authorized shares: 44,000,000 shares

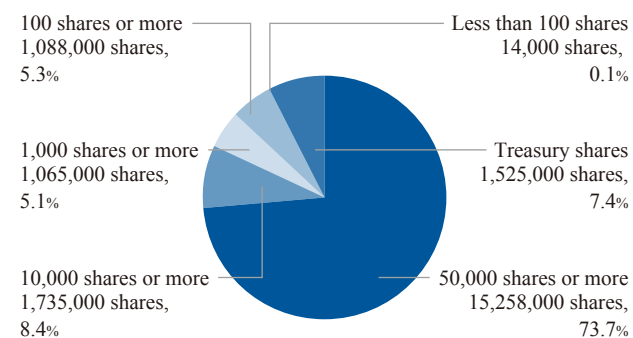
Shares outstanding: 20,688,135 shares

Number of shareholders: 7,986

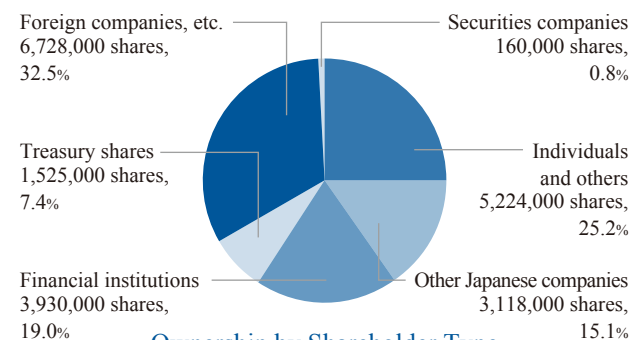
Major Shareholders (excluding treasury shares)

Name	Number of shares (thousands)	Shareholding ratio
Iuchi Seieido Co., Ltd.	2,391	11.6%
State Street Bank and Trust Company	2,159	10.4%
Resona Bank, Ltd.	926	4.5%
Goldman, Sachs & Co. Reg	761	3.7%
Taiyo Fund, L.P.	710	3.4%
Hideo Iuchi	593	2.9%

Shareholder Composition (As of March 31, 2016)



Ownership by Number of Shares Held



Ownership by Shareholder Type

Communications with Shareholders and Other Investors

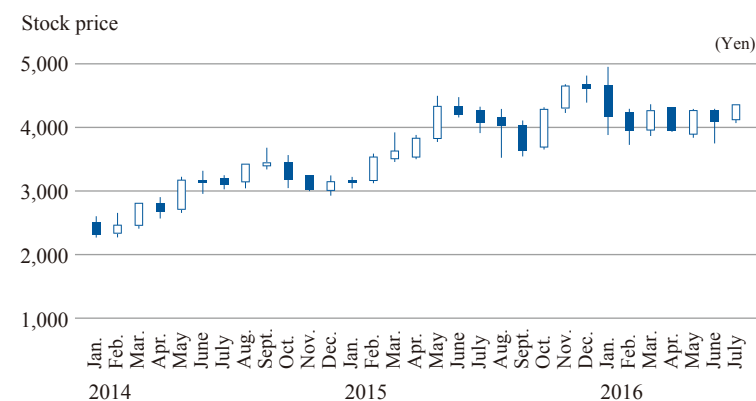
In the fiscal year ended March 2016, the AS ONE president or a managing director held first-half and fiscal-year earnings announcement information meetings and other IR events that had a total attendance of 212 analysts and fund managers.



May 21	FY15 Results Meeting and Medium-Term Management Plan Briefing (Tokyo)
26	FY15 Results Meeting (Osaka)
July 4	Presentation for individual investors hosted by Daiwa IR (Tokyo)
17	Presentation for individual investors hosted by IR BANK (Kyoto)
Aug. 28-29	Nikkei IR Fair 2015
Sept. 5	Presentation for individual investors hosted by IR BANK (Nagoya)
19	Presentation for individual investors hosted by Investment Bridge and Yomiuri Shimbun
Nov. 24	H FY16 Results Meeting (Osaka)
27	1H FY16 Results Meeting (Tokyo)
Dec. 11-12	Nomura IR Asset Management Fair (Tokyo)
17	Presentation for individual investors hosted by IR BANK
Feb. 5	Presentation for individual investors hosted by Daiwa IR (Sendai)
20	Presentation for individual investors hosted by Nomura IR (Tokyo)
26-27	IR Forum 2016 Osaka hosted by Magical Pocket
Mar. 5	Presentation for individual investors hosted by Pronexus and Radio Nikkei (Tokyo)
10	Presentation for individual investors hosted by Marusan Securities (Tokyo)



Stock Price Data



Stock Price for the Last Five Years

	Fiscal year ended				
	Mar. 2012	Mar. 2013	Mar. 2014	Mar. 2015	Mar. 2016
High	1,943	2,220	2,816	3,935	4,950
Low	1,444	1,379	1,842	2,578	3,505

(Yen)



A variety of expertise and experience for the sound oversight of strategies and goals



President
Takuji Iuchi
Mar. 1994 Joined the Company
Apr. 2002 General Manager,
International Department
June 2005 Director
Apr. 2008 Executive Director
June 2009 President (to present)



Managing Director
General Manager,
Administration Division
Mototaka Ono
June 2007 Corporate Auditor
of the Company
June 2008 General Manager, West
Japan Sales Department
Apr. 2009 General Manager, Sales
Division and West Japan
Sales Department
June 2009 Director
Apr. 2010 General Manager,
Administration Division
Apr. 2013 General Manager,
Corporate Planning Division
(to present)
Apr. 2014 Managing Director
(to present)



Managing Director, General Manager,
Marketing Division and Sales
Division, and Branch Manager,
Tokyo Branch
Kazuhito Yamada
Mar. 1990 Joined the Company
Apr. 2007 General Manager,
West Japan Sales
Department
Apr. 2011 General Manager,
Sales Division
June 2012 Director
June 2013 General Manager,
Marketing Division
(to present)
Apr. 2014 Managing Director
(to present)
Apr. 2015 General Manager,
Sales Division (to present)



Director,
General Manager,
International Business Division
and International Department
Yasuyuki Hoshino
Feb. 2006 Joined the Company
Apr. 2007 General Manager,
International Department
(to present)
Apr. 2011 General Manager,
International Business
Division (to present)
June 2012 Director (to present)



Director, General Manager,
Merchandising Division,
IT Division, and Logistics
Department
Kenichi Fujinaka
Nov. 1981 Joined the Company
Apr. 2006 General Manager,
Operation Sales
Department
Apr. 2007 General Manager,
Marketing Department
Apr. 2014 General Manager,
IT Department
Apr. 2015 General Manager,
Merchandising Division
and IT Division
(to present)
June 2016 Director (to present)



Outside Director
Joji Suzuki
Apr. 2006 Senior Managing
Executive Officer of
Sojitz Corporation
Apr. 2012 Executive Vice President
of Sojitz Corporation
Apr. 2015 Chairman & CEO of
Sojitz Infinity Inc.
(to present)
June 2016 Outside Director of the
Company (to present)



Outside Director
Masashi Mizunaga
July 1996 Joined Goldman Sachs
Japan Co., Ltd.
Mar. 2000 Representative Director
of PI Technology Co., Ltd.
(now Ichigo Group Holdings
Co., Ltd.)
Feb. 2002 Representative Director
of Star Mica Co., Ltd.
May 2016 Founder Chairman &
Representative Director
of Star Mica Co., Ltd.
(to present)
Visiting Professor,
Kyoto University
(to present)
June 2016 Outside Director of the
Company (to present)



Outside Corporate Auditor
Kazutaka Suzuki
Aug. 2001 Branch Manager,
Fukushima Branch of
The Asahi Bank, Limited
(now Resona Bank, Limited)
July 2003 General Manager,
Investment Department
of Resona Capital Co., Ltd.
Oct. 2007 Branch Manager,
Jyoto Branch of Resona
Bank, Limited
July 2009 General Manager,
Human Resources Service
Center of Resona Human
Resource Support K.K.
(now Resona Business
Service Co., Ltd.)
June 2013 Corporate Auditor of
the Company (to present)



Auditor
Makoto Matsuo
Oct. 2003 Corporate Executive
Officer of Resona Bank,
Limited
June 2004 Representative Director,
Managing Executive Officer
of Saitama Resona Bank,
Limited
June 2009 Director and Senior
Managing Executive Officer
of Resona Bank, Limited
June 2013 Corporate Auditor of
Naigai Energing Inc.
(to present)
Outside Director of the
Company
June 2016 Auditor (to present)



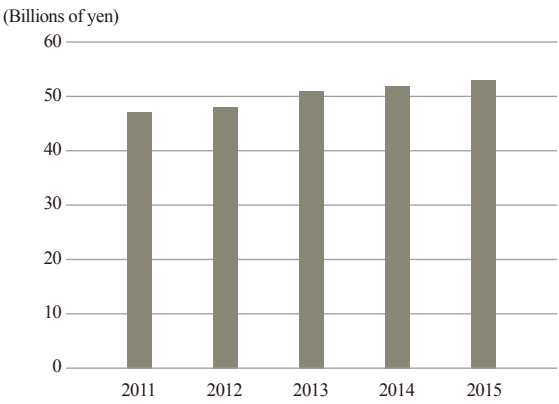
Outside Auditor
Hideaki Mihara
Nov. 1987 Joined Showa Ota & Co.
(now: Ernst & Young
ShinNihon LLC)
Aug. 1991 Registered as a certified
public accountant
Established Mihara
Accounting Firm
(to present)
June 2008 External Audit &
Supervisory Board Member
of ASICS Corporation
(to present)
June 2016 Outside Auditor of
the Company (to present)

Consolidated Financial Indicators for the Past Ten Years

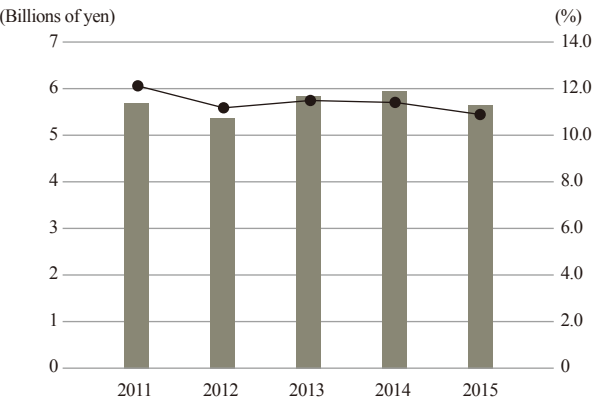
Fiscal years											(Millions of yen)	*1 (Thousands of US dollars)
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2015
Financial results												
Net sales	40,505	44,242	46,087	44,762	43,807	45,531	47,204	48,128	51,192	52,041	53,576	474,129
Scientific	23,997	26,173	27,284	25,960	25,012	26,192	27,385	27,631	29,755	30,158	31,205	276,157
Industrial	8,301	9,137	9,919	9,199	8,404	9,513	9,846	9,439	9,849	10,376	11,210	99,208
Hospitals/nursing care products	7,838	8,538	8,679	9,602	10,391	9,825	9,972	11,057	11,587	11,507	11,160	98,763
Others	369	392	204	—	—	—	—	—	—	—	—	—
Gross profit	12,737	13,945	14,270	13,791	13,320	13,970	14,581	14,620	15,301	15,493	16,151	142,933
Selling, general and administrative expenses	7,952	8,655	8,879	9,431	8,558	9,165	8,879	9,319	9,382	9,509	10,307	91,219
Operating income	4,784	5,290	5,391	4,359	4,761	4,805	5,701	5,300	5,919	5,984	5,843	51,713
EBITDA *2	5,339	5,804	5,973	4,996	5,365	5,591	6,391	6,147	6,761	6,892	6,673	59,060
Ordinary income	4,711	5,310	5,477	4,428	4,739	4,729	5,102	5,260	5,928	6,157	5,990	53,013
Profit before income taxes	4,711	5,176	5,427	4,714	4,801	4,325	5,117	5,260	5,911	6,157	6,012	53,205
Profit attributable to owners of parent	2,743	3,001	3,098	2,658	2,738	2,495	2,855	3,209	3,587	3,869	3,878	34,324
Capital expenditure	337	439	618	1,626	843	6,295	1,328	354	268	563	653	5,787
Depreciation	560	518	586	683	713	926	920	1,043	1,013	1,055	958	8,480
Financial position as of the end of the fiscal year												
Total assets	42,215	44,855	45,897	49,000	51,444	61,723	60,819	61,775	64,460	66,668	69,614	616,059
Net assets	27,759	29,720	31,373	32,024	33,836	34,629	36,880	39,681	42,660	45,850	48,614	430,220
Net cash *3	11,282	10,729	12,402	11,377	14,074	7,507	8,632	11,414	14,921	12,092	12,033	106,490
Cash flows												
Cash flows from operating activities	2,247	2,574	3,943	3,115	4,196	2,231	4,570	3,244	5,268	3,171	5,303	46,929
Cash flows from investing activities	(386)	(8,197)	(3,655)	(3,897)	(3,510)	1,592	(9,605)	1,702	1,141	(5,511)	(2,181)	(19,309)
Cash flows from financing activities	(1,488)	(1,135)	(1,897)	856	(1,218)	6,885	(4,446)	(1,695)	(3,728)	(2,424)	(2,579)	(22,831)
Net increase (decrease) in cash and cash equivalents	371	(6,758)	(1,606)	29	(522)	10,759	(9,941)	3,287	2,781	(4,737)	530	4,692
Cash and cash equivalents at end of period	11,717	4,958	3,352	3,382	2,859	13,619	3,677	6,965	9,746	5,008	5,538	49,015
Per share information											(Yen)	(Dollars)
Profit	144.84	162.09	167.52	134.34	140.77	128.54	149.00	167.50	187.18	201.91	202.41	1.79
Net assets	1,495.54	1,604.78	1,718.67	1,646.10	1,739.28	1,806.97	1,924.44	2,070.65	2,226.15	2,392.65	2,536.98	22.45
Dividend per share	43.00	48.00	50.00	45.00	47.00	39.00	45.00	60.00	66.00	71.00	101.00	0.89
Financial indicators												
Operating margin (%)	11.8%	12.0%	11.7%	9.7%	10.9%	10.6%	12.1%	11.0%	11.6%	11.5%	10.9%	10.9%
ROA (%) *4	6.6%	6.9%	6.8%	5.6%	5.5%	4.4%	4.7%	5.2%	5.7%	5.9%	5.7%	5.7%
ROE (%) *5	10.3%	10.4%	10.1%	8.4%	8.3%	7.3%	8.0%	8.4%	8.7%	8.8%	8.2%	8.2%
Shareholders' equity ratio (%)	65.8%	66.3%	68.4%	65.4%	65.8%	56.1%	60.6%	64.2%	66.2%	68.8%	69.8%	69.8%
Dividend payout ratio (%)	29.7%	29.6%	29.8%	33.5%	33.4%	30.3%	30.2%	35.8%	35.3%	35.2%	49.9%	49.9%
Other indicators												
No. of shares outstanding (Thousands)	18,807	18,807	18,807	20,688	20,688	20,688	20,688	20,688	20,688	20,688	20,688	20,688
No. of treasury shares at the end of the period (Thousands)	286	287	553	1,233	1,233	1,523	1,524	1,524	1,524	1,525	1,525	1,525
Foreign shareholding ratio (%)	25.0%	29.9%	28.5%	26.9%	26.2%	25.9%	25.8%	25.6%	34.1%	34.6%	32.5%	32.5%
Number of employees	308	327	337	351	369	388	419	421	424	449	463	463

Notes : *1. Yen figures have been converted into US dollars at the rate of US\$1=¥113 (as of March 31, 2016) solely for reference.
 *2. EBITDA = Operating income + Depreciation - Depreciation in non-operating expenses + Amortization of goodwill
 *3. Net cash = Cash and deposits – Short-term loans payable – Long-term loans payable
 *4. ROA = Ordinary income / Total assets (average at the beginning and the end of fiscal year)
 *5. ROE= Profit attributable to owners of parent / Shareholders' equity (average at the beginning and the end of fiscal year)

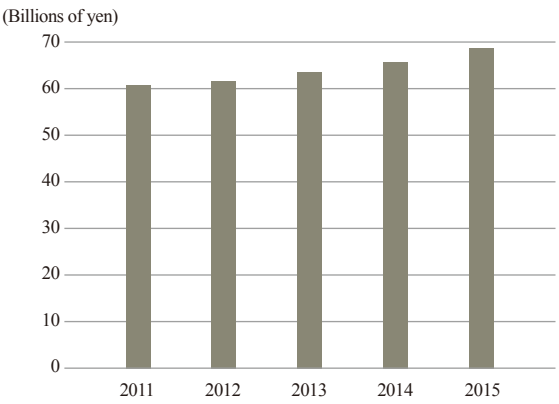
Net sales



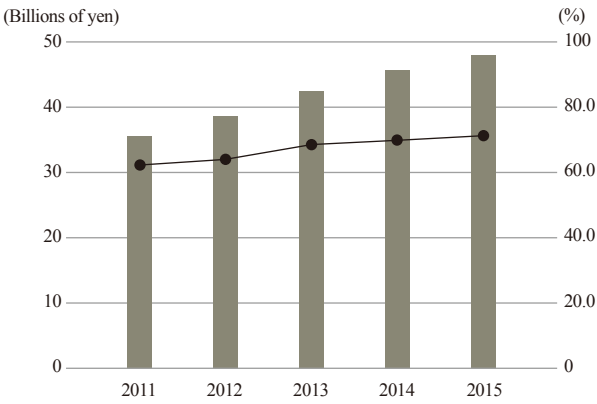
Operating income / Operating margin



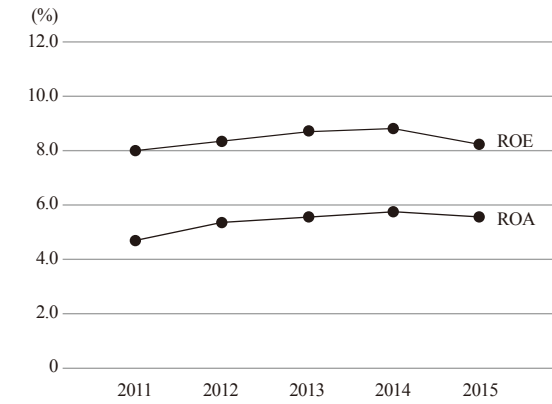
Total assets



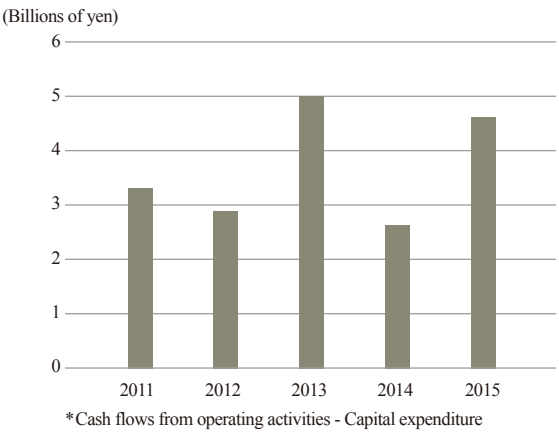
Shareholders' equity / Shareholders' equity ratio



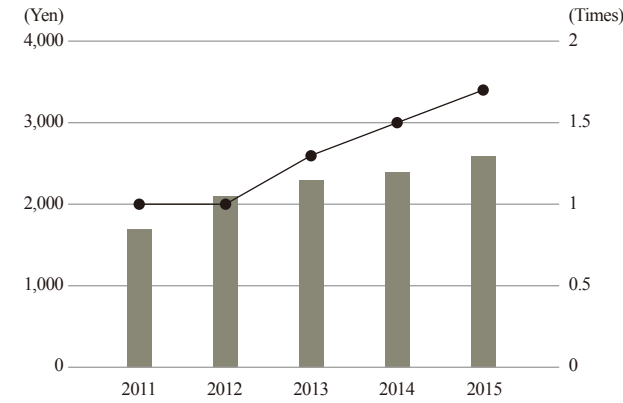
ROE / ROA



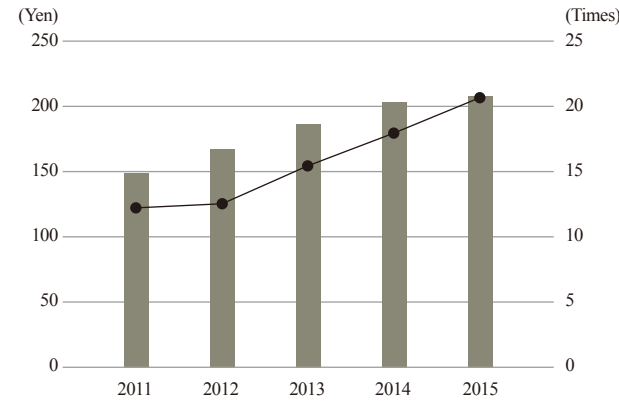
Free cash flows*



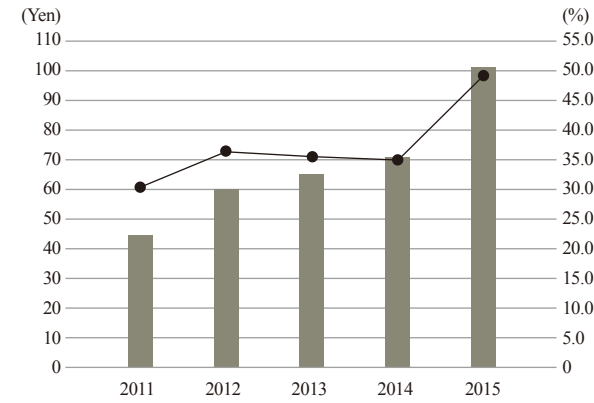
Net assets per share / PBR



Net income per share / PER



Dividend per share / Dividend payout ratio



Consolidated Balance Sheet

As of March 31, 2015 and 2016

	(Millions of yen)		(Thousands of US dollars)
	FY3/15	FY3/16	FY3/16
Assets			
Current assets			
Cash and deposits	17,437	16,468	145,738
Notes and accounts receivable-trade	17,359	17,001	150,456
Electronically recorded monetary claims-operating	2,652	2,979	26,371
Securities	1,000	5,800	51,335
Inventories	5,312	5,864	51,895
Deferred tax assets	309	323	2,864
Other	353	449	3,977
Allowance for doubtful accounts	(24)	(25)	(226)
Total current assets	44,402	48,862	432,412
Non-current assets			
Property, plant and equipment			
Buildings and structures	5,071	5,075	44,913
Accumulated depreciation	(3,135)	(3,271)	(28,955)
Buildings and structures, net	1,936	1,803	15,957
Machinery, equipment and vehicles	361	362	3,209
Accumulated depreciation	(289)	(305)	(2,703)
Machinery, equipment and vehicles, net	71	57	506
Tools, furniture and fixtures	2,245	2,356	20,853
Accumulated depreciation	(1,917)	(2,005)	(17,747)
Tools, furniture and fixtures, net	328	351	3,106
Land	3,397	3,397	30,068
Leased assets	385	479	4,247
Accumulated depreciation	(374)	(387)	(3,427)
Leased assets, net	10	92	819
Construction in progress	8	58	517
Total property, plant and equipment	5,753	5,760	50,975
Intangible assets			
Software	1,049	970	8,591
Software in progress	157	58	514
Other	41	6	55
Total intangible assets	1,248	1,035	9,160
Investments and other assets			
Investment securities	10,305	9,334	82,606
Net defined benefit asset	271	25	223
Deferred tax assets	4	5	46
Real estate for investment	5,012	5,014	44,378
Accumulated depreciation	(761)	(862)	(7,632)
Real estate for investment, net	4,251	4,152	36,745
Other	460	474	4,198
Allowance for doubtful accounts	(29)	(35)	(310)
Total investments and other assets	15,264	13,956	123,510
Total non-current assets	22,266	20,752	183,646
Total assets	66,668	69,614	616,059

	(Millions of yen)		(Thousands of US dollars)
	FY3/15	FY3/16	FY3/16
Liabilities			
Current liabilities			
Notes and accounts payable - trade	11,313	11,896	105,274
Short-term loans payable	1,070	1,060	9,380
Income taxes payable	1,017	1,273	11,266
Provision for bonuses	498	468	4,143
Other	1,245	1,318	11,667
Total current liabilities	15,144	16,015	141,732
Non-current liabilities			
Long-term loans payable	4,275	3,375	29,867
Deferred tax liabilities	475	605	5,354
Provision for directors' retirement benefits	107	6	56
Net defined benefit liability	13	15	133
Asset retirement obligations	431	439	3,885
Other	370	543	4,808
Total non-current liabilities	5,673	4,983	44,105
Total liabilities	20,818	20,999	185,838
Net assets			
Shareholders' equity			
Capital stock	5,075	5,075	44,911
Capital surplus	5,469	5,469	48,402
Retained earnings	36,238	38,450	340,267
Treasury shares	(3,216)	(3,217)	(28,475)
Total shareholders' equity	43,566	45,776	405,105
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	2,035	2,665	23,586
Deferred gains or losses on hedges	14	(36)	(326)
Foreign currency translation adjustment	232	188	1,666
Total accumulated other comprehensive income	2,283	2,816	24,927
Subscription rights to shares	—	21	187
Total net assets	45,850	48,614	430,220
Total liabilities and net assets	66,668	69,614	616,059

Assets, Liabilities and Net Assets

Current assets at the end of the fiscal year ended March 2016 increased ¥4,460 million from the end of the previous fiscal year to ¥48,862 million. This was mainly attributable to an increase of ¥4,800 million in securities due to transfer from investment securities. Non-current assets decreased ¥1,514 million to ¥20,752 million. Investment securities increased ¥4,015 million due to purchase but decreased ¥4,955 million due mainly to transfer to current assets. A decrease of ¥246 million in net defined benefit assets was another reason for the decrease.

Current liabilities increased ¥870 million to ¥16,015 million. This was mainly attributable to increases of ¥582 million in notes and accounts payable - trade and ¥255 million in income taxes payable. Non-current liabilities decreased ¥689 million to ¥4,983 million. This was mainly attributable to a decrease of ¥900 million in long-term loans payable. As a result, total liabilities were ¥20,999 million, an increase of ¥181 million.

Net assets increased ¥2,764 million to ¥48,614 million. This was mainly attributable to increases of ¥2,211 million in retained earnings and ¥629 million in valuation difference on available-for-sale securities.

Consolidated Statement of Income

Fiscal years ended March 31, 2015 and 2016

		(Millions of yen)	(Thousands of US dollars)
	FY3/15	FY3/16	FY3/16
Net sales	52,041	53,576	474,129
Cost of sales	36,548	37,425	331,195
Gross profit	15,493	16,151	142,933
Selling, general and administrative expenses	9,509	10,307	91,219
Operating income	5,984	5,843	51,713
Non-operating income			
Interest income	88	73	653
Dividend income	18	24	213
Real estate rent	372	375	3,326
Other	40	34	304
Total non-operating income	520	508	4,497
Non-operating expenses			
Interest expenses	75	63	561
Rent cost of real estate	242	221	1,962
Loss on retirement of non-current assets	7	55	494
Other	22	20	179
Total non-operating expenses	347	361	3,197
Ordinary income	6,157	5,990	53,013
Extraordinary income			
Gain on sales of investment securities	—	22	199
Total extraordinary income	—	22	199
Extraordinary losses			
Loss on sales of investment securities	—	0	6
Total extraordinary losses	—	0	6
Profit before income taxes	6,157	6,012	53,205
Income taxes - current	2,103	2,203	19,496
Income taxes - deferred	185	(69)	(614)
Total income taxes	2,288	2,133	18,881
Profit	3,869	3,878	34,324
Profit attributable to owners of parent	3,869	3,878	34,324

Consolidated Statement of Comprehensive Income

Fiscal years ended March 31, 2015 and 2016

		(Millions of yen)	(Thousands of US dollars)
	FY3/15	FY3/16	FY3/16
Profit	3,869	3,878	34,324
Other comprehensive income			
Valuation difference on available-for-sale securities	775	629	5,570
Deferred gains or losses on hedges	7	(51)	(453)
Foreign currency translation adjustment	106	(44)	(394)
Total other comprehensive income	889	533	4,722
Comprehensive income	4,759	4,412	39,046
Comprehensive income attributable to :			
Owners of parent	4,759	4,412	39,046
Non-controlling interests	—	—	—

Results of Operations in the Fiscal Year Ended March 2016

The Japanese economy during the fiscal year ended March 2016 recovered slowly along with higher corporate earnings and improvements in jobs and personal income backed by economic stimulus and monetary measures. However, the outlook remained uncertain because of concerns about slowing economic growth rates in China and other emerging countries and global economic instability caused by the drop in the price of crude oil. The AS ONE Group conducted aggressive sales activities centered on the initiatives of Project NANA, the medium-term management plan that started in the fiscal year under review. A variety of catalogs were issued to cover a broader range of market sectors, numerous services were upgraded and other actions were taken.

In May 2015, we updated a Chinese-language catalog for research and industrial products. The same month, we issued in Japan the new Research Materials & Fluoropolymers Catalog that contains resins, metals and other materials used for tests and research. In October 2015, we used our extensive knowledge of specialized fields to issue the new Process Solutions Catalog that contains solutions for increasing productivity at manufacturers of drugs, food products, cosmetics and chemical products. In November 2015, we issued the updated Navis Nursing and Medical General Catalog, which contains products for hospitals and nursing care facilities, and in December we issued the updated Research Facility Catalog as a specialized catalog. To enhance services, we increased the

number of products that customers can view on the Internet from the initial 70,000 to more than one million. In May 2015, we released AXEL to our dealers. AXEL is our original search engine that can easily locate specific products from among the massive number of items that we handle. In October 2015, we made AXEL available to our users, too. In May 2015, we began operating the Special Order Laboratory website that provides special processing using 3D printers and other equipment. This new service allows us to meet the demand for glass, rubber and other materials used for research activities as well as original AS ONE products fabricated with specialized processing.

Selling, general and administrative expenses increased ¥798 million to ¥10,307 million. The main reason was up-front expenses for growth strategy initiatives, including higher personnel expenses associated with logistics center expansion to handle an even larger lineup of products. A big increase in retirement benefit expenses was also responsible for the growth in selling, general and administrative expenses. This was caused by a decrease in pension plan assets because of the difficult asset management environment and an increase in retirement benefit obligations by a revision of the discount rate.

Consolidated net sales increased 2.9% to ¥53,576 million, operating income decreased 2.4% to ¥5,843 million, ordinary income decreased 2.7% to ¥5,990 million, and profit attributable to owners of parent increased 0.2% to ¥3,878 million.

Consolidated Statement of Cash Flows

Fiscal years ended March 31, 2015 and 2016

		(Millions of yen)	(Thousands of US dollars)			(Millions of yen)	(Thousands of US dollars)
	FY3/15	FY3/16	FY3/16		FY3/15	FY3/16	FY3/16
Cash flows from operating activities				Cash flows from investing activities			
Profit before income taxes	6,157	6,012	53,205	Payments into time deposits	(2,445)	(1,212)	(10,734)
Foreign exchange losses (gains)	(1)	1	12	Proceeds from withdrawal of time deposits	1,500	2,693	23,837
Depreciation	1,055	958	8,480	Purchase of investment securities	(7,012)	(4,015)	(35,530)
Increase (decrease) in allowance for doubtful accounts	(16)	7	62	Proceeds from redemption of investment securities	3,000	1,000	8,849
Increase (decrease) in provision for bonuses	(14)	(30)	(270)	Proceeds from sales of investment securities	—	38	339
Increase (decrease) in net defined benefit liability	(5)	1	10	Purchase of property, plant and equipment	(324)	(246)	(2,184)
Decrease (increase) in net defined benefit asset	(190)	246	2,177	Purchase of intangible assets	(239)	(407)	(3,603)
Share-based compensation expenses	—	21	187	Other, net	10	(31)	(283)
Loss on retirement of non-current assets	7	55	494	Net cash provided by (used in) investing activities	(5,511)	(2,181)	(19,309)
Other non fundable items	50	(6)	(57)	Cash flows from financing activities			
Interest and dividend income	(107)	(97)	(866)	Net increase (decrease) in short-term loans payable	(20)	(10)	(88)
Interest expenses	75	63	561	Repayments of long-term loans payable	(900)	(900)	(7,964)
Decrease (increase) in notes and accounts receivable - trade	(992)	14	130	Purchase of treasury shares	(1)	(1)	(13)
Decrease (increase) in inventories	(424)	(561)	(4,965)	Cash dividends paid	(1,455)	(1,668)	(14,764)
Increase (decrease) in notes and accounts payable - trade	115	589	5,219	Repayments of lease obligations	(47)	—	—
Increase (decrease) in accrued consumption taxes	185	(203)	(1,802)	Net cash provided by (used in) financing activities	(2,424)	(2,579)	(22,831)
Other, net	(174)	181	1,605	Effect of exchange rate change on cash and cash equivalents	26	(10)	(96)
Subtotal	5,721	7,253	64,188	Net increase (decrease) in cash and cash equivalents	(4,737)	530	4,692
Interest and dividend income received	118	95	845	Cash and cash equivalents at beginning of period	9,746	5,008	44,322
Interest expenses paid	(75)	(63)	(562)	Cash and cash equivalents at end of period	5,008	5,538	49,015
Income taxes paid	(2,593)	(1,982)	(17,541)				
Net cash provided by (used in) operating activities	3,171	5,303	46,929				

Consolidated Statement of Changes in Equity

Fiscal years ended March 31, 2015 and 2016

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of March 31, 2014	5,075	5,469	33,937	(3,214)	41,267
Cumulative effects of changes in accounting policies			(111)		(111)
Restated balance	5,075	5,469	33,825	(3,214)	41,155
Changes of items during period					
Dividends of surplus			(1,456)		(1,456)
Profit attributable to owners of parent			3,869		3,869
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	2,412	(1)	2,411
Balance as of March 31, 2015	5,075	5,469	36,238	(3,216)	43,566
Cumulative effects of changes in accounting policies					—
Restated balance	5,075	5,469	36,238	(3,216)	43,566
Changes of items during period					
Dividends of surplus			(1,667)		(1,667)
Profit attributable to owners of parent			3,878		3,878
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	2,211	(1)	2,209
Balance as of March 31, 2016	5,075	5,469	38,450	(3,217)	45,776

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of March 31, 2015	44,911	48,402	320,696	(28,462)	385,548
Cumulative effects of changes in accounting policies					—
Restated balance	44,911	48,402	320,696	(28,462)	385,548
Changes of items during period					
Dividends of surplus			(14,753)		(14,753)
Profit attributable to owners of parent			34,324		34,324
Purchase of treasury shares				(13)	(13)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	19,570	(13)	19,557
Balance as of March 31, 2016	44,911	48,402	340,267	(28,475)	405,105

(Millions of yen)					
Accumulated other comprehensive income				Subscription rights to shares	Total net assets
Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
1,259	6	126	1,393	—	42,660
					(111)
1,259	6	126	1,393	—	42,548
					(1,456)
					3,869
					(1)
775	7	106	889	—	889
775	7	106	889	—	3,301
2,035	14	232	2,283	—	45,850
					—
2,035	14	232	2,283	—	45,850
					(1,667)
					3,878
					(1)
629	(51)	(44)	533	21	554
629	(51)	(44)	533	21	2,764
2,665	(36)	188	2,816	21	48,614

(Thousands of US dollars)					
Accumulated other comprehensive income				Subscription rights to shares	Total net assets
Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
18,016	127	2,061	20,204	—	405,753
					—
18,016	127	2,061	20,204	—	405,753
					(14,753)
					34,324
					(13)
5,570	(453)	(394)	4,722	187	4,909
5,570	(453)	(394)	4,722	187	24,466
23,586	(326)	1,666	24,927	187	430,220

Company Overview

Headquarters : 2-1-27 Edobori, Nishi-ku, Osaka 550-8527 Japan
Date of Foundation : June 1, 1962
Capital Stock : ¥5,075 million (As of March 31, 2016)
President : Takuji Iuchi
Employees (Consolidated) : 463 (As of March 31, 2016)
Net Sales (Consolidated) : ¥53,576.61 million (Fiscal year ended March 2016)
Description of Business : Sale of research instruments and equipment, nursing and caring goods, and other scientific instruments
Affiliates : AS ONE SHANGHAI Corporation (Business operations: sale of scientific instruments for research, etc.)
Nikko Hansen & Co., Ltd. (Business operations: import sales of scientific instruments, etc.)
Iuchi Logistics Co., Ltd. (Business operations: warehouse management and shipping)
Company Website : <http://www.as-1.co.jp>



Main Trading Partners

ASAHI SEISAKUSHO CO., LTD.
AlphaPurchase Co., Ltd.
Alfresa Corporation
Ikeda Scientific Co., Ltd.
Endo Scientific Instrument Co., Ltd.
Ozawa Science Co., Ltd.
Shikoku Yashima Pure Chemicals Co., Ltd.
Sugimoto & Co., Ltd.
SUZUKEN CO., LTD.
SEIKO CO., LTD.
Daiichikikai Co., Ltd.
TAKAYAMA CHEMICAL CO., LTD.
Tohoku Chemical Co. Ltd.
TRUSCO NAKAYAMA CORPORATION
Nakayama Co. Ltd.
HOKKAIDO WAKO JUNYAKU CO., LTD.
Mutou Group
MEDIUS HOLDINGS Co.,Ltd.
MEDICEO CORPORATION
MonotaRO Co.,Ltd.
Yagami Co., Ltd.
YASHIMA PURE CHEMICALS CO.,LTD.
RIKAKEN CO., LTD.
WAKENYAKU CO.,LTD., among others

Main Suppliers

Ulvac Kiko, Inc.
OZU CORPORATION
OMRON COLIN Co.,Ltd.
Kikkoman Biochemifa Company
Thermo Fisher Scientific K.K.
Sakase Chemical Co.,Ltd.
SHIGEMATSU WORKS CO., LTD.
SIBATA SCIENTIFIC TECHNOLOGY LTD.
Shimadzu Corporation
3M Japan Limited
TANITA corporation
NIPRO CORPORATION
NIPPON PAPER CRECIA Co., LTD.
Nippon Becton, Dickinson and Company, Ltd.
Bio-Rad Laboratories, Inc.
Panasonic Healthcare Co., Ltd.
PARAMOUNT BED CO., LTD.
Fukushima Industries Corp.
HORIBA, Ltd.
Maruemu Corporation
Merck Ltd.
Yamato Scientific Co.,Ltd., among others

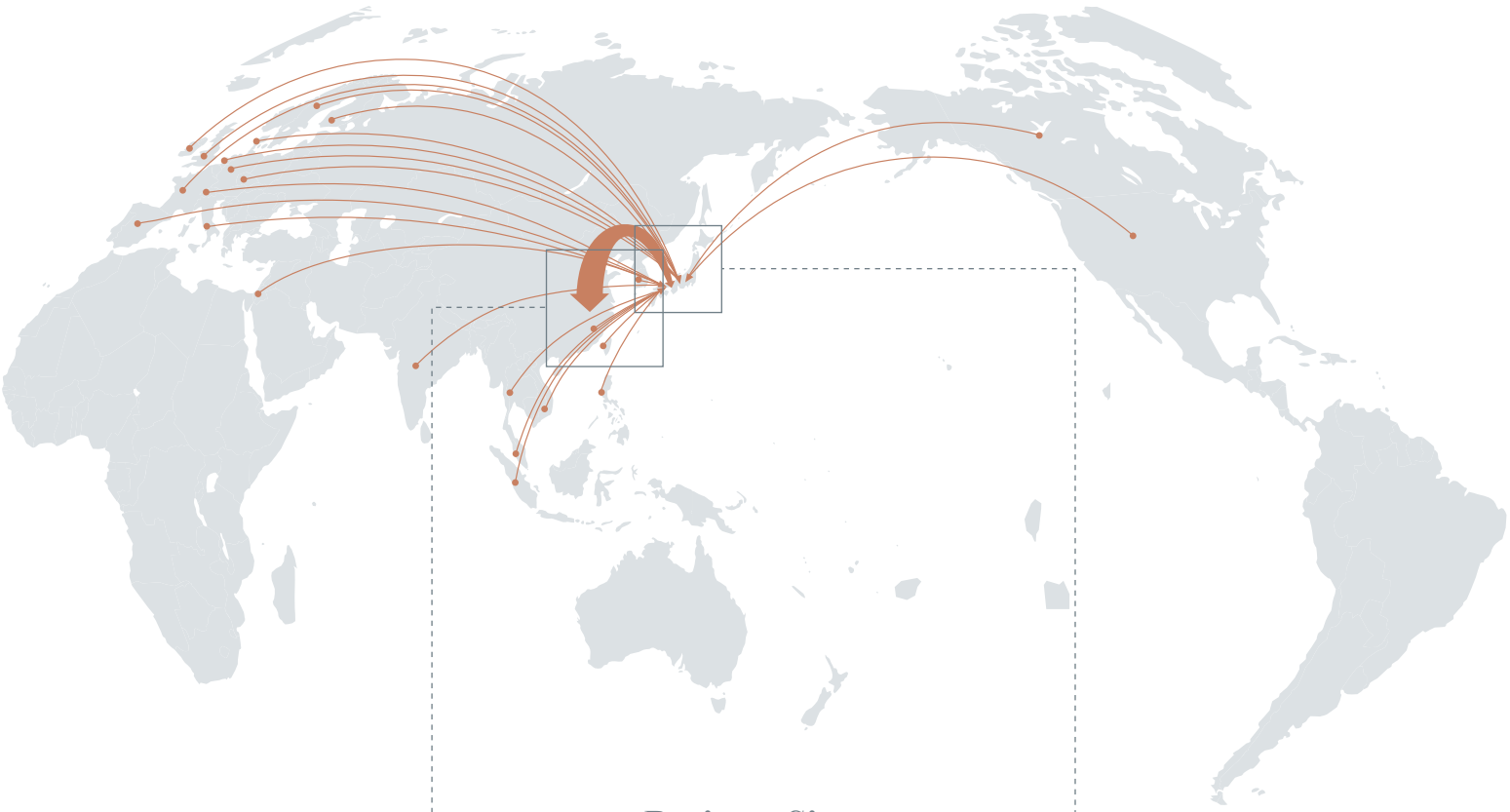
Main Banks

Resona Bank, Limited
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Banking Corporation

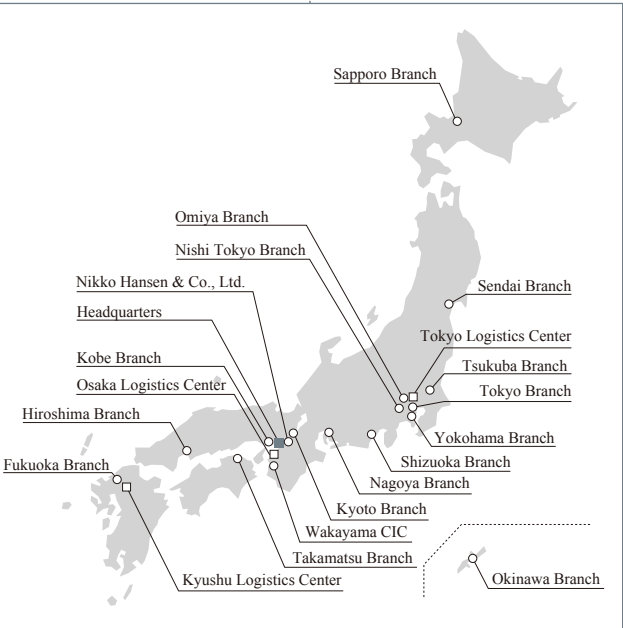
History

- 1933 Established as Iuchi Seieido Store.
- 1962 Incorporated as Iuchi Seieido Co., Ltd. in Kita-ku, Osaka for the sale of scientific instruments.
- 1963 Recognizing the importance of catalogs for marketing and the potential of plastic components in the scientific field, started publishing Polyethylene Ware catalog for research products.
- 1970 Accompanying expansion of business in the Tokyo region, established Tokyo Sales Office (now the Tokyo Branch).
- 1981 Established Osaka Logistics Center in Tenma, Kita-ku, Osaka.
- 1982 Started sale of clean room gloves; launched full-scale entry into the semiconductor-related product market.
- 1984 Established Tokyo Business Office in Adachi-ku, Tokyo (now the Tokyo Logistics Center).
- 1985 Started publishing catalogs for nursing products for hospitals; launched full-scale entry into the hospital and nursing care fields.
- 1989 Relocated Osaka Logistics Center to Konohana-ku, Osaka in order to develop logistics system.
- 1990 Adopted online systems for the entire company; integrated order submission/acceptance, warehousing/dispatching, and inventory management systems.
- 1991 Established Wakayama CIC in Nokamicho, Kaiso-gun, Wakayama to initiate full-scale entry into the special surface washing field. Started sale of high-quality dust-proof products.
- 1993 Relocated headquarters to Tenma, Kita-ku, Osaka.
- 1995 Relocated Tokyo Logistics Center to Iwatsuki, Saitama. Introduced automated equipment in order to streamline logistics. Registered on the over-the-counter market of the Japan Securities Dealers Association.
- 1997 Launched website; started interactive information communication over the Internet.
- 1998 All sites in Japan acquired the international standard for quality assurance ISO 9002 certification (revised to ISO 9001 in 2003).
- 1999 Listed in second sections of the Tokyo Stock Exchange and the Osaka Securities Exchange.
- 2001 Listed in first sections of the Tokyo Stock Exchange and the Osaka Securities Exchange. Changed company name to AS ONE Corporation. Relocated Tokyo Logistics Center to Kitakatsushika-gun, Saitama.
- 2002 Relocated headquarters to Edobori, Nishi-ku, Osaka.
- 2004 Relocated Osaka Logistics Center to Nishiyodogawa-ku, Osaka.
- 2005 Made Ernst Hansen Co., Ltd. (now Nikko Hansen & Co., Ltd.) a subsidiary (ownership percentage: 90%).
- 2007 Established AS ONE SHANGHAI Corporation in Shanghai, China (100% capital participation).
- 2010 Made Nikko Hansen & Co., Ltd. a wholly owned subsidiary.
- 2011 Established Kyushu Logistics Center in Asakura, Fukuoka.
- 2012 Adopted the ASCA core system.
- 2016 Acquired Privacy Mark certification.

Overseas Network



Business Sites





 **AS ONE CORPORATION**

