

N.B. This is a summary translation of a notice in Japanese addressed to shareholders and is provided merely for the convenience and reference of our international shareholders.

(Securities Identification Code : 5195)

May 31, 2018

Dear Shareholders:

Mitsutaka Yoshii, President
Bando Chemical Industries, Ltd.
6-6, Minatojima Minamimachi 4-chome,
Chuo-ku, Kobe, 650-0047 Japan

**NOTICE OF
THE 95TH GENERAL MEETING OF SHAREHOLDERS**

We take pleasure in inviting you to attend the 95th Ordinary General Meeting of Shareholders of Bando Chemical Industries, Ltd. (the “Company”), which will be held as outlined below.

If you are unable to attend, you may exercise your voting rights by either of the following methods. Please review the Referential Documents for Exercising Your Voting Rights attached hereto and exercise your voting rights by 5:30 p.m., Wednesday, June 20, 2018:

Exercise of voting rights in written form:

Please indicate your approval or disapproval on the enclosed Exercise of Voting Rights Form and return it so that it will arrive at the Company by the exercise time limit as described above.

Exercise of voting rights via Internet:

Please access the website for the exercise of voting rights designated by the Company (<https://evote.tr.mufig.jp/>) and exercise your voting rights by the exercise time limit as described above.

1. Date and Time : Thursday, June 21, 2018, at 10:00 a.m.
2. Place : Head Office, 6-6, Minatojima Minamimachi 4-chome,
Chuo-ku, Kobe, 650-0047 Japan
3. Agenda
Reports :
 1. Business report and financial statements for the 95th business term (from April 1, 2017 to March 31, 2018)
 2. Auditing results of the consolidated financial statements for the 95th business term (from April 1, 2017 to March 31, 2018) by the Accounting Auditor and Audit and Supervisory Committee

Proposals :

- No.1 : Approval of the proposed appropriation (dividend) of retained earnings for the 95th business term (from April 1, 2017 to March 31, 2018)
- No.2 : Election of four (4) Directors who are not Audit and Supervisory Committee Members
- No.3 : Election of four (4) Directors who are Audit and Supervisory Committee Members

4. Information on Exercising Your Voting Rights :

(1) Exercising your voting rights by proxy

In the event that you are unable to attend the General Meeting of Shareholders, you may appoint another shareholder of the Company to act as proxy and attend on your behalf. Please note, however, that any delegation of your voting rights to a proxy must be presented to the Company in writing.

(2) Treatment of multiple exercise of voting rights

In the event that votes both in written form and via Internet are received from the same shareholder, the Internet vote will be considered as valid. When exercising voting rights via Internet, if multiple votes are made from the same shareholder, the last vote will be considered as valid.

(3) Announcement regarding modifications to financial statements and General Meeting documentation

Necessary notices of modifications to financial statements and documentation in relation to the General Meeting of Shareholders, if any, will be made available on the Company's homepage (<https://www.bandogrp.com>).

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Referential Documents for Exercising Your Voting Rights

1. Total number of voting rights held by shareholders:

462,517

2. Proposals and referential matters

Proposal 1: Approval of the proposed appropriation (dividend) of retained earnings for the 95th business term (from April 1, 2017 to March 31, 2018)

Our policy is to enhance the return of profits and aim for making stable dividend payments targeting presently the consolidated dividend payout ratio of 30%, while considering our profit and financial position. For this term, considering the amount of earnings, we propose that the dividends be 15.00 yen per share.


Our proposal for the dividends for this business term is as follows;

- (1) The dividends will be made in cash.
- (2) The amount of dividends will be 15.00 yen per share and the total amount of dividends will be 695,752,980 yen.
- (3) The effective date of payment of dividends shall be June 22, 2018.


Proposal 2: Election of four (4) Directors who are not Audit and Supervisory Committee Members


At the end of this meeting, the term of office of all four (4) Directors who are not Audit and Supervisory Committee Members will expire. Accordingly, the Company asks shareholders to elect four (4) Directors who are not Audit and Supervisory Committee Members.

The candidates for Directors who are not Audit and Supervisory Committee Members are as follows:

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
1	<p>Mitsutaka Yoshii (August 18, 1958)</p> <p>[Reelection]</p>  <p>Board of Directors meeting attendance: 16/16</p>	<p>Apr. 1981 Joined the Company</p> <p>Apr. 1999 General Manager, Automotive Parts Marketing Department, Power Transmission Belt Division</p> <p>May 2003 President, Bando Europe GmbH</p> <p>Apr. 2007 General Manager, Procurement Department, the Company</p> <p>Apr. 2009 General Manager, Corporate Planning Department</p> <p>Apr. 2011 General Manager, Industrial Products Division</p> <p> President and Director (Representative Director), Bando-Scholtz Corporation</p> <p>Jun. 2011 Director, the Company</p> <p>Apr. 2013 President and Director (Representative Director) (Present)</p>		49,900
<p>The reason for nominating as a candidate for Director</p> <p>While Mr. Mitsutaka Yoshii has been serving as President and Director since April 2013, he demonstrated strong leadership to promote medium- to long-term management plan, and as a chairman of Board of Directors, he has been striving to organize the Board of Directors meetings as a place of constructive and active discussion and exchange of opinion, such as by actively bringing out opinions from Outside Directors. To realize sustainable growth and increase of medium- to long-term corporate value of the Company group, his in-depth experience in the development of global belt business and insight as a corporate manager are required. Therefore, he is nominated continuously as a candidate for Director.</p>				

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
2	<p>Shinji Kashiwada (February 27, 1962)</p> <p>[Reelection]</p>  <p>Board of Directors meeting attendance: 16/16</p>	<p>Apr. 1985 Joined the Company</p> <p>Nov. 2002 General Manager, Automotive Parts Marketing Department, Tokyo Branch Office, Marketing Division</p> <p>Apr. 2007 General Manager, Osaka Branch Office, Marketing Division</p> <p>Apr. 2009 General Manager, Power Transmission Belt Division</p> <p>Jun. 2011 Director (Present)</p> <p>Apr. 2013 General Manager, Mid-Term Plan Promotion Department and Tokyo Branch Office</p> <p>Apr. 2018 Senior Managing Executive Officer (Present)</p> <p><Current responsibilities> Assistant to President, Management and Administration of Head Office, and in charge of Working Style Innovation</p>		8,900
<p>The reason for nominating as a candidate for Director</p> <p>While Mr. Shinji Kashiwada has been serving as a Director, he has performed his roles and responsibilities as a Director properly based on his broad experience and insight regarding transmission belt business and new business development, etc. To realize sustainable growth and increase of medium-to long-term corporate value of the Company group, his experience and insight are required. Therefore, he is nominated continuously as a candidate for Director.</p>				

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
3	<p>Atsushi Someda (February 28, 1963)</p> <p>[Reelection]</p>  <p>Board of Directors meeting attendance: 13/13</p>	<p>Apr. 1987 Joined the Company</p> <p>Apr. 2008 General Manager, Power Transmission Technical Research Center</p> <p>Apr. 2013 General Manager, Automotive Parts Division</p> <p>Jun. 2017 Director (Present)</p> <p>Apr. 2018 Senior Executive Officer (Present) General Manager, Manufacturing Planning Center (Present)</p> <p><Current responsibilities> In charge of Manufacturing, Manufacturing Technology, Quality Control and Logistics</p>		4,500
<p>The reason for nominating as a candidate for Director</p> <p>Mr. Atsushi Someda has broad experience and insight gained as an engineer working on power transmission belt products and has demonstrated his leadership and management skill while serving as the General Manager of the Automotive Parts Division. Furthermore, at Board of Directors meetings, he has performed his roles and responsibilities as a Director properly based on the aforementioned insight and capabilities. To realize sustainable growth and increase of medium- to long-term corporate value of the Company group, his experience and insight are required. Therefore, he is nominated continuously as a candidate for Director.</p>				

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
4	<p>Katsuhiko Hata (October 8, 1960)</p> <p>[New candidate]</p> 	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2009 General Manager, Research and Development Center</p> <p>Apr. 2013 General Manager, Elastomer Products Business Administrative Headquarters</p> <p>Apr. 2017 Senior Executive Officer (Present)</p> <p>Apr. 2018 General Manager, New Businesses Promotion Center (Present)</p> <p><Current responsibilities> In charge of New Businesses</p>		3,600

The reason for nominating as a candidate for Director

For many years, Mr. Katsuhiko Hata was in charge of the Company's research and development and development of new products as the General Manager of the Research and Development Center. In addition, he was in charge of the Elastomer Products Business as the General Manager of the Administrative Headquarters and contributed to the growth of the said business. To realize sustainable growth and increase of medium- to long-term corporate value of the Company group, his experience and insight as an engineer and a manager of operations of the Company group are required. Therefore, he is nominated as a candidate for Director.

Note: There is no special interest between the Company and the candidates.

Opinions of the Audit and Supervisory Committee


In regard to the election, remuneration of the Directors who are not Audit and Supervisory Committee Members, all three Outside Directors who are Audit and Supervisory Committee Members attended the Nominating Committee and the Compensation Committee and provided their respective opinions. After the discussion at the Audit and Supervisory Committee, the Committee has judged that there are no matters to be pointed out at the General Meeting of Shareholders.


Proposal 3: Election of four (4) Directors who are Audit and Supervisory Committee Members


At the end of this meeting, the term of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire. Also, the Company proposes to increase the number of Directors who are Audit and Supervisory Committee Members by one (1) to improve audit and supervising functions and further enhance corporate governance. Accordingly, the Company asks shareholders to elect four (4) Directors who are Audit and Supervisory Committee Members.


This proposal has been submitted with prior consent from the Audit and Supervisory Committee.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
1	<p>Takahiro Matsusaka (August 11, 1950)</p> <p>[Reelection] Candidate for Outside Director Candidate for Independent Officer</p>  <p>Board of Directors meeting attendance: 16/16 Audit and Supervisory Committee Members meeting attendance: 14/14</p>	<p>Apr. 1974 Joined Taiyo-Kobe Bank</p> <p>Oct. 2000 Sannomiya Corporate Marketing Manager, Sakura Bank</p> <p>Jun. 2002 Executive Officer and Himeji Corporate Marketing Manager, Mitsui-Sumitomo Bank (retired in June 2004)</p> <p>Jun. 2004 Senior Executive Officer, Ginsen Co., Ltd.</p> <p>Jun. 2012 Representative Secretary, Kobe Association of Corporate Executives</p> <p>Jun. 2014 Outside Corporate Auditor (full-time) of the Company</p> <p>Jun. 2016 Outside Director of the Company (Full-time Audit and Supervisory Committee Member) (Present)</p> <p>(Important current duties) Corporate Auditor, Bando Industrial Components & Services, Ltd.</p>		2,900
<p>The reason for nominating as a candidate for Outside Director</p> <p>Mr. Takahiro Matsusaka served as Outside Corporate Auditor from June 2014, and is serving as Outside Director who is an Audit and Supervisory Committee Member since June 2016. During this time, he has been auditing and supervising from a comprehensive and specialist perspective based on his longstanding work experience at financial institutions and insight cultivated as being a manager. He is an appropriate person to fulfill his role and take responsibility from an independent standpoint from Executive Directors, as an Audit and Supervisory Committee Member. Therefore, he is nominated continuously as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>				

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
2	<p>Takashi Shigematsu (November 3, 1949)</p> <p>[Reelection] Candidate for Outside Director Candidate for Independent Officer</p>  <p>Board of Directors meeting attendance: 15/16 Audit and Supervisory Committee Members meeting attendance: 14/14</p>	<p>Apr. 1975</p> <p>Jun. 2004</p> <p>Jun. 2005</p> <p>Jun. 2010</p> <p>Jun. 2014</p> <p>Jun. 2015</p> <p>Jun. 2016</p> <p>(Important current duties)</p>	<p>Joined Toyota Motor Co., Ltd. (Current Toyota Motor Corporation)</p> <p>Managing Officer (retired in June 2009)</p> <p>Outside Director, Fujitsu Ten Limited (Current DENSO TEN Limited)</p> <p>President and Director, Fujitsu Ten Limited (Representative Director)</p> <p>Chairman and Director, Fujitsu Ten Limited (Representative Director) (Present)</p> <p>Outside Director of the Company Outside Director, Murata Manufacturing Co., Ltd. (Present)</p> <p>Outside Director of the Company (Audit and Supervisory Committee Member) (Present)</p> <p>Chairman and Representative Director, DENSO TEN Limited</p> <p>Outside Director, Murata Manufacturing Co., Ltd.</p>	0
<p>The reason for nominating as a candidate for Outside Director</p> <p>Mr. Takashi Shigematsu served as Outside Director from June 2015, and is serving as Outside Director who is an Audit and Supervisory Committee Member since June 2016. During this time, he has actively made statements from a comprehensive and specialist perspective based on his experience and insight cultivated as an engineer and a manager at a manufacturing company over many years. He has also been auditing and supervising appropriately as an Audit and Supervisory Committee Member. He is an appropriate person to audit and supervise management from an independent standpoint from Executive Directors. Therefore, he is nominated continuously as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p> <p>Although Toyota Motor Corporation is a business partner of the Company, Mr. Takashi Shigematsu is not in a position to be influenced by the intentions of said corporation.</p>				

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
3	<p>Haruo Shimizu (January 7, 1947)</p> <p>[Reelection] Candidate for Outside Director Candidate for Independent Officer</p>  <p>Board of Directors meeting attendance: 15/16 Audit and Supervisory Committee Members meeting attendance: 14/14</p>	<p>Feb. 1970 Joined Daikin Mfg. Co., Ltd. (Current Exedy Corporation)</p> <p>Jun. 1994 Director</p> <p>Jun. 1996 General Director, Sales Division</p> <p>Jun. 2006 President and Chief Executive Officer</p> <p>Apr. 2015 Chairman</p> <p>Jun. 2016 Advisor Outside Director of the Company (Audit and Supervisory Committee Member) (Present)</p> <p>Aug. 2016 Outside Director, Suminoe Textile Co., Ltd. (Present)</p> <p>(Important current duties) Outside Director, Suminoe Textile Co., Ltd.</p>		0
<p>The reason for nominating as a candidate for Outside Director</p> <p>Mr. Haruo Shimizu has been serving as Outside Director who is an Audit and Supervisory Committee Member since June 2016, he has actively made statements from a comprehensive and specialist perspective based on his experience and insight cultivated as a manager at a manufacturing company over many years. He has also been auditing and supervising appropriately as an Audit and Supervisory Committee Member. He is an appropriate person to audit and supervise management from an independent standpoint from Executive Directors. Therefore, he is nominated continuously as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>				

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
4	<p>Kyosuke Nakamura (March 26, 1956)</p> <p>[New candidate]</p>  <p>Board of Directors meeting attendance: 16/16</p>	<p>Apr. 1981 Joined the Company</p> <p>Dec. 2003 General Manager, Personnel and General Affairs Department</p> <p>Apr. 2011 General Manager, Corporate Information Systems Department</p> <p>Apr. 2013 General Manager, Corporate Planning Department</p> <p>Apr. 2014 Senior Executive Officer (Present)</p> <p>Jun. 2014 Director (Present)</p> <p><Current responsibilities> Assistant to President</p>		23,500
<p>The reason for nominating as a candidate for Director</p> <p>Mr. Kyosuke Nakamura has broad experience and insight gained as the manager of head office departments such as the Corporate Planning Department and the Personnel and General Affairs Department, and as a Director. His experience and insight is expected to increase the information gathering ability of the Audit and Supervisory Committee, which is primarily composed of Outside Directors, and is expected to contribute to improving audit and supervising functions and further enhancing corporate governance. Therefore, he is nominated as a candidate for Director who is an Audit and Supervisory Committee Member.</p>				

Notes:

1. There is no special interest between the Company and the candidates.

2. Mr. Takahiro Matsusaka, Mr. Takashi Shigematsu and Mr. Haruo Shimizu are candidates for Outside Directors.

3. Mr. Takahiro Matsusaka has been in the position of Outside Director of the Company for two years.

4. Mr. Takashi Shigematsu has been in the position of Outside Director of the Company for three years.

5. Mr. Haruo Shimizu has been in the position of Outside Director of the Company for two years.

6. We have concluded a Limitation of Liability Agreement with Mr. Takahiro Matsusaka, Mr. Takashi Shigematsu and Mr. Haruo Shimizu to limit their liabilities set forth in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the Companies Act, to the minimum liability amount stated in the Companies Act. If Mr. Takahiro Matsusaka, Mr. Takashi

Shigematsu and Mr. Haruo Shimizu's elections are approved, the Company intends to continue Limitation of Liability Agreement with all of them. If Mr. Kyosuke Nakamura's election is approved, the Company intends to enter into the same Limitation of Liability Agreement with him.

7. Mr. Takahiro Matsusaka, Mr. Takashi Shigematsu and Mr. Haruo Shimizu are Independent Officers as stipulated by the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

These Consolidated Financial Statements were publicly released in the Japanese language on May 11, 2018.

(1) Consolidated balance sheet

(Millions of yen)

	2017/03/31	2018/03/31
Assets		
Current assets		
Cash and deposits	19,522	18,947
Notes and accounts receivable - trade	18,824	18,950
Electronically recorded monetary claims - operating	1,788	2,834
Merchandise and finished goods	6,754	7,099
Work in process	1,508	1,708
Raw materials and supplies	2,640	3,080
Deferred tax assets	550	569
Other	1,250	1,182
Allowance for doubtful accounts	— 38	— 37
Total current assets	52,801	54,336
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,005	9,724
Machinery, equipment and vehicles, net	9,965	9,839
Land	6,435	6,416
Construction in progress	1,168	1,794
Other, net	1,562	1,634
Total property, plant and equipment	29,137	29,409
Intangible assets		
Goodwill	74	64
Software	792	734
Other	681	764
Total intangible assets	1,548	1,563
Investments and other assets		
Investment securities	11,487	12,443
Deferred tax assets	403	177
Net defined benefit asset	0	—
Other	1,464	1,448
Allowance for doubtful accounts	— 149	— 142
Total investments and other assets	13,207	13,926
Total non-current assets	43,894	44,899
Total assets	96,695	99,236

(Millions of yen)

	2017/03/31	2018/03/31
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,259	9,966
Electronically recorded obligations - operating	3,406	4,441
Short-term loans payable	4,499	2,921
Income taxes payable	1,064	925
Provision for loss on liquidation of subsidiaries and associates	9	—
Stock-based compensation intends reserves	—	15
Other	6,533	6,773
Total current liabilities	24,773	25,043
Non-current liabilities		
Long-term loans payable	4,913	3,226
Bonds payable	6,000	6,000
Stock-based compensation reserve	29	39
Net defined benefit liability	2,006	1,123
Other	231	408
Total non-current liabilities	13,181	10,797
Total liabilities	37,954	35,841
Net assets		
Shareholders' equity		
Capital stock	10,951	10,951
Capital surplus	2,995	2,995
Retained earnings	45,922	49,371
Treasury shares	—1,356	—1,421
Total shareholders' equity	58,513	61,897
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,060	2,552
Deferred gains or losses on hedges	0	—
Foreign currency translation adjustment	—1,643	—1,545
Remeasurements of defined benefit plans	—409	257
Total accumulated other comprehensive income	7	1,265
Non-controlling interests	220	231
Total net assets	58,741	63,394
Total liabilities and net assets	96,695	99,236

(2) Consolidated statement of income

(Millions of yen)

	2016/04/01 2017/03/31	2017/04/01 2018/03/31
Net sales	88,387	91,263
Cost of sales	61,596	63,731
Gross profit	26,791	27,532
Selling, general and administrative expenses	20,895	21,196
Operating profit	5,896	6,336
Non-operating income		
Interest and dividend income	239	272
Share of profit of entities accounted for using equity method	591	476
Other	424	348
Total non-operating income	1,254	1,097
Non-operating expenses		
Interest expenses	232	207
Foreign exchange losses	41	339
Loss on retirement of non-current assets	63	112
Other	243	175
Total non-operating expenses	579	836
Ordinary profit	6,571	6,598
Extraordinary losses		
Impairment loss	17	184
Total extraordinary losses	17	184
Profit before income taxes	6,553	6,413
Income taxes - current	1,737	1,674
Income taxes - deferred	— 164	— 92
Total income taxes	1,573	1,582
Profit	4,980	4,831
Profit attributable to non-controlling interests	28	35
Profit attributable to owners of parent	4,951	4,795

(3) Consolidated statement of cash flows

(Millions of yen)

	2016/04/01 2017/03/31	2017/04/01 2018/03/31
Cash flows from operating activities		
Profit before income taxes	6,553	6,413
Depreciation	4,101	4,383
Amortization of goodwill and negative goodwill	9	9
Impairment loss	17	184
Increase (decrease) in allowance for doubtful accounts	19	—4
Increase (decrease) in Stock-based compensation reserve	29	26
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	—17	—10
Increase (decrease) in net defined benefit liability	277	80
Interest and dividend income	—239	—272
Interest expenses	232	207
Foreign exchange losses (gains)	—51	66
Share of loss (profit) of entities accounted for using equity method	—591	—476
Loss (gain) on sales and retirement of non-current assets	58	109
Decrease (increase) in notes and accounts receivable - trade	—2,519	—1,189
Decrease (increase) in inventories	—541	—1,032
Increase (decrease) in notes and accounts payable - trade	171	1,749
Other, net	682	193
Subtotal	8,190	10,438
Interest and dividend income received	284	672
Interest expenses paid	—236	—215
Income taxes paid	—1,523	—1,912
Income taxes refund	84	12
Net cash provided by (used in) operating activities	6,799	8,995
Cash flows from investing activities		
Decrease (increase) in time deposits	—50	125
Purchase of property, plant and equipment	—4,004	—4,464
Proceeds from sales of property, plant and equipment	104	30
Purchase of intangible assets	—514	—575
Purchase of investment securities	—19	—50
Proceeds from sales of investment securities	110	135
Other, net	—265	—2
Net cash provided by (used in) investing activities	—4,638	—4,802
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—114	—206
Proceeds from long-term loans payable	553	100
Repayments of long-term loans payable	—529	—3,048
Proceeds from issuance of bonds	5,957	—
Redemption of bonds	—3,000	—
Purchase of treasury shares	—1,642	—155
Proceeds from sales of treasury shares	367	95
Cash dividends paid from parent company	—1,119	—1,347
Dividends paid to non-controlling interests	—25	—9
Other, net	—23	—33
Net cash provided by (used in) financing activities	422	—4,605
Effect of exchange rate change on cash and cash equivalents	—82	—45
Net increase (decrease) in cash and cash equivalents	2,499	—458
Cash and cash equivalents at beginning of period	16,435	18,935
Cash and cash equivalents at end of period	18,935	18,476

(4) Consolidated statement of comprehensive income

(Millions of yen)

	2016/04/01 2017/03/31	2017/04/01 2018/03/31
Profit	4,980	4,831
Other comprehensive income		
Valuation difference on available-for-sale securities	629	495
Deferred gains or losses on hedges	0	—0
Foreign currency translation adjustment	—364	46
Remeasurements of defined benefit plans, net of tax	822	667
Share of other comprehensive income of entities accounted for using equity method	—112	33
Total other comprehensive income	975	1,243
Comprehensive income	5,955	6,074
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,928	6,053
Comprehensive income attributable to non-controlling interests	26	20

(5) Consolidated statements of change in net assets

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,951	2,995	45,922	-1,356	58,513
Changes of items during period					
Dividends of surplus			-1,347		-1,347
Profit attributable to owners of parent			4,795		4,795
Purchase of treasury shares				-156	-156
Disposal of treasury shares				91	91
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	3,448	-64	3,383
Balance at end of current period	10,951	2,995	49,371	-1,421	61,897

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,060	0	-1,643	-409	7	220	58,741
Changes of items during period							
Dividends of surplus							-1,347
Profit attributable to owners of parent							4,795
Purchase of treasury shares							-156
Disposal of treasury shares							91
Change in ownership interest of parent due to transactions with non-controlling interests							—
Net changes of items other than shareholders' equity	492	-0	98	667	1,257	11	1,269
Total changes of items during period	492	-0	98	667	1,257	11	4,653
Balance at end of current period	2,552	—	-1,545	257	1,265	231	63,394