



## UNI-ASIA HOLDINGS LIMITED

Registration No: CR - 72229

(Incorporated in the Cayman Islands with limited liability on 17 March 1997)

### FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2016

#### PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FIRST QUARTER RESULTS

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	3 months ended 31 March		
		2016 US\$'000	2015 US\$'000	% Change
Charter Income	8(i)	8,302	6,021	38%
Fee income	8(ii)	1,813	2,397	(24%)
Hotel income	8(iii)	8,407	7,705	9%
Investment returns	8(iv)	(1,458)	(210)	N/M
Interest income		201	152	32%
Other income	8(v)	1,640	177	N/M
<b>Total income</b>		<b>18,905</b>	<b>16,242</b>	<b>16%</b>
Employee benefits expenses		(3,278)	(3,024)	8%
Amortisation and depreciation		(2,548)	(1,950)	31%
Vessel operating expenses		(4,570)	(2,435)	88%
Hotel lease expenses		(2,992)	(2,720)	10%
Hotel operating expenses		(3,500)	(3,253)	8%
Other expenses		(985)	(1,298)	(24%)
Net foreign exchange loss		(183)	(499)	(63%)
<b>Total operating expenses</b>		<b>(18,056)</b>	<b>(15,179)</b>	<b>19%</b>
<b>Operating profit</b>		<b>849</b>	<b>1,063</b>	<b>(20%)</b>
Finance costs – interest expense		(1,155)	(725)	59%
Finance costs – others		(121)	(47)	157%
Allocation to Tokumei Kumiai* investors		47	4	N/M
(Loss)/ profit before tax		(380)	295	N/M
Income tax expense		(236)	(10)	N/M
<b>(Loss)/ profit for the period</b>		<b>(616)</b>	<b>285</b>	<b>N/M</b>
Attributable to:				
Owners of the parent		(725)	201	N/M
Non-controlling interests		109	84	30%
		<b>(616)</b>	<b>285</b>	<b>N/M</b>

\* Tokumei Kumiai ("TK") refers to a form of silent partnership structure used in Japan. Allocation to TK investors refers to share of profit and loss attributable to other TK investors of the TK structure.

	3 months ended 31 March		
	2016 US\$'000	2015 US\$'000	% Change
(Loss)/ profit for the period	(616)	285	N/M
Other comprehensive income/ (expense) income for the period, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	1,161	399	191%
Net movement on cash flow hedges	(107)	(188)	(43%)
Other comprehensive income for the period, net of tax	1,054	211	N/M
Total comprehensive income for the period	438	496	(12%)
Attributable to:			
Owners of the parent	325	412	(21%)
Non-controlling interests	113	84	35%
	438	496	(12%)

N/M: Not meaningful

**1 (b) (i) A statement of financial position for the group and the issuer, together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	31 March 2016 US\$'000	31 December 2015 US\$'000	31 March 2016 US\$'000	31 December 2015 US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment properties	9,104	8,565	-	-
Intangible assets	69	69	-	-
Property, plant and equipment	211,472	171,715	368	408
Loans receivable	2,050	5,050	2,050	2,050
Loans to subsidiaries	-	-	9,441	8,186
Investments	46,606	46,946	21,879	24,190
Investments in subsidiaries	-	-	65,888	65,555
Rental deposit	2,794	2,445	-	-
Finance lease receivable	8,280	7,812	-	-
Derivative financial instruments	-	117	901	531
Deferred tax assets	42	33	-	-
Deposits for purchase of vessels	-	6,846	-	-
<b>Total non-current assets</b>	<b>280,417</b>	<b>249,598</b>	<b>100,527</b>	<b>100,920</b>
<b>Current assets</b>				
Investments	19	27	-	-
Loans receivable	1,250	200	1,250	200
Loans to subsidiaries	-	-	15,304	12,207
Derivative financial instruments	41	-	522	440
Finance lease receivable	330	279	-	-
Accounts receivable	3,833	3,811	15	65
Amounts due from subsidiaries	-	-	167	1,691
Prepayments, deposits and other receivables	5,260	5,488	648	523
Tax recoverable	402	379	-	-
Assets held for sale	-	18,028	-	-
Deposits pledged as collateral	6,820	6,008	4,810	4,006
Cash and bank balances	31,665	30,334	4,300	8,051
<b>Total current assets</b>	<b>49,620</b>	<b>64,554</b>	<b>27,016</b>	<b>27,183</b>
<b>Total assets</b>	<b>330,037</b>	<b>314,152</b>	<b>127,543</b>	<b>128,103</b>

	Group		Company	
	31 March 2016 US\$'000	31 December 2015 US\$'000	31 March 2016 US\$'000	31 December 2015 US\$'000
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	75,167	75,167	75,167	75,167
Share premium	31,319	31,319	31,319	31,319
Retained earnings	30,086	30,811	2,335	4,789
Hedging reserve	(121)	(14)	-	(1)
Exchange reserve	2,032	875	-	-
Share based compensation reserve	80	32	80	32
Capital reserve	(117)	(117)	-	-
<b>Total equity attributable to owners of the parent</b>	138,446	138,073	108,901	111,306
Non-controlling interests	2,214	2,101	-	-
<b>Total equity</b>	140,660	140,174	108,901	111,306
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	135,313	109,842	2,743	1,966
Due to Tokumei Kumiai investors	-	603	-	-
Deferred tax liabilities	1,240	1,236	-	-
Derivative financial instruments	901	414	901	531
Other payables	86	80	-	-
<b>Total non-current liabilities</b>	137,540	112,175	3,644	2,497
<b>Current liabilities</b>				
Borrowings	44,796	54,524	13,144	12,485
Due to Tokumei Kumiai investors	9	-	-	-
Accounts payable	2,718	2,784	-	5
Amounts due to subsidiaries	-	-	818	628
Other payables and accruals	3,251	3,657	554	741
Derivative financial instruments	735	484	482	441
Income tax payable	328	354	-	-
<b>Total current liabilities</b>	51,837	61,803	14,998	14,300
<b>Total liabilities</b>	189,377	173,978	18,642	16,797
<b>Total equity and liabilities</b>	330,037	314,152	127,543	128,103

**NOTES:-**

The Group's non-current assets increased by 12.3% from \$249.6 million on 31 December 2015 to \$280.4 million on 31 March 2016. Property, Plant and Equipment increased by \$39.8 million from \$171.7 million to \$211.5 million due to the (i) delivery of one vessel under Uni-Asia Shipping Limited ("Uni-Asia Shipping") group in 1Q2016, and (ii) the consolidation of the vessel under Joule Asset Management (Pte.) Limited ("Joule") following the acquisition of the remaining 50% shareholding interest in Joule on 31 March 2016 (see announcement dated 1 April 2016). On the other hand, with the delivery of the vessel under Uni-Asia Shipping group, the remaining Deposits for Purchase of Vessels were transferred to Property, Plant and Equipment, resulting in decline in Deposits for Purchase of Vessels from \$6.8 million to nil.

Current assets decreased from \$64.6 million on 31 December 2015 to \$49.6 million on 31 March 2016 due mainly to completion of transactions for "Assets held for sale".

Total liabilities increased to \$189.4 million on 31 March 2016 from \$174.0 million on 31 December 2015 due mainly to increase in borrowings for property and ship related investments.

While current liabilities had decreased 16.1% from \$61.8 million on 31 December 2015 to \$51.8 million on 31 March 2016, current assets decreased 23% due to usage of cash for purchase of non-current assets. As a result, there is a negative working capital of \$2.2 million.

1 (b) (ii) **Aggregate amount of group's borrowings and debt securities.**

	As at 31 March 2016		As at 31 December 2015	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	26,165	18,631	35,143	19,381
Amount repayable after one year	129,607	5,706	104,905	4,937
Total	155,772	24,337	140,048	24,318

**Details of any collateral**

The Group's borrowings are secured by means of:

- legal mortgages over certain cash deposits of the holding company
- legal mortgages over investment properties of a subsidiaries
- legal mortgages over vessels of the subsidiaries
- a legal mortgage over a freehold property under the category of "Property, plant and equipment" of a subsidiary

**1 (c) A statement of cash flows for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Note	3 months ended 31 March	
		2016 US\$'000	2015 US\$'000
<b>Cash flows from operating activities</b>			
(Loss)/ profit before tax		(380)	295
Adjustments for:			
Investment returns		1,458	210
Amortisation and depreciation		2,548	1,950
Gain from bargain purchase		(1,538)	-
Loss on disposal of property, plant and equipment		3	-
Reversal of provision for accounts receivable		(96)	(42)
Share based compensation		48	-
Net foreign exchange loss		183	499
Interest income		(201)	(152)
Finance costs – interest expense		1,155	725
Finance costs – others		121	47
Allocation to Tokumei Kumiai investors		(47)	(4)
Operating cash flows before changes in working capital		3,254	3,528
Changes in working capital:			
Net change in accounts receivable		190	(453)
Net change in prepayments, deposits and other receivables		530	(746)
Net change in accounts payable		(24)	(149)
Net change in other payables and accruals		(759)	(1,234)
Cash flows generated from operations		3,191	946
Interest received on bank balances		11	34
Tax paid		(286)	(188)
Net cash flows generated from operating activities	[A]	2,916	792
<b>Cash flows from investing activities</b>			
Purchase of investment properties		(521)	(3)
Purchase of investments		(2,183)	(876)
Proceeds from sale of an investment property		2,233	4,131
Proceeds from redemption/ sale of investments		-	2,008
Net cash inflow on acquisition of an investment		1	-
Investment in finance lease		54	-
Hotel lease deposit		(170)	-
Deposits for purchase of vessels		6,846	11,639
Purchase of property, plant and equipment		(24,362)	(48,253)
Proceeds from disposal of property, plant and equipment		15,836	-
Redemption of Tokumei Kumiai investors		(560)	-
Loans advanced		(5,400)	-
Loans repaid		3,000	300
Interest received from loans and finance leases		176	117
Net (increase)/ decrease in deposits pledged as collateral		(804)	380
Proceeds from investments		26	1,004
Settlement of derivative financial instruments		(44)	201
Proceeds from property rental		-	69
Net cash flows used in investing activities	[B]	(5,872)	(29,283)

	Note	3 months ended 31 March	
		2016 US\$'000	2015 US\$'000
<b>Cash flows from financing activities</b>			
New borrowings		19,957	41,171
Repayment of borrowings		(15,676)	(7,917)
Interest paid on borrowings		(1,040)	(593)
Other finance cost paid		(207)	(201)
Payment to non-controlling interest		-	(31)
Net cash flows generated from financing activities	[C]	3,034	32,429
Net increase in cash and cash equivalents		78	3,938
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the period		30,334	36,321
Net increase in cash and cash equivalents		78	3,938
Effects of foreign exchange rate changes, net		1,253	(160)
Cash and cash equivalents at end of the period		31,665	40,099

NOTES:

The Group's cash and cash equivalents increased by \$0.08 million in 1Q2016 due mainly to the followings:

- [A] Cash flows generated from operating activities amounted to \$2.9 million for 1Q2016 compared to \$0.8 million in 1Q2015. As the fleet under Uni-Asia Shipping increases, as well as the addition of a containership in the Group's portfolio, increase in charter income contributed to increase in operating cash flow.
- [B] Cash flows used in investing activities were \$5.9 million for 1Q2016 due mainly to payment for delivery and acquisition of vessels (under "Purchase of Property, Plant and Equipment"), investments in small residential property projects (under "Purchase of Investment Properties" and "Purchase of Investments") and investment in joint investment companies by shareholders' loan (under "Loan Advanced"). This was partially offset by proceeds from disposal of property, plant and equipment whereby a vessel was sold and leased back.
- [C] Cash flows generated from financing activities were \$3.0 million in 1Q2016 due mainly to new borrowings in 1Q2016 to finance the aforementioned investments offset by scheduled borrowings repayments.

**1 (d) (i) A statement for the group and the issuer showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>Group</b>	<b>Share capital US\$'000</b>	<b>Share premium US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Hedging reserve US\$'000</b>	<b>Exchange reserve US\$'000</b>	<b>Share based compensation reserve US\$'000</b>	<b>Capital reserve US\$'000</b>	<b>Total equity attributable to owners of the parent US\$'000</b>	<b>Non-controlling interests US\$'000</b>	<b>Total equity US\$'000</b>
At 1 January 2015	75,167	31,319	30,333	8	699	-	(117)	137,409	1,003	138,412
Profit for the period	-	-	201	-	-	-	-	201	84	285
Other comprehensive (expense)/ income	-	-	-	(188)	399	-	-	211	-	211
Total comprehensive income/ (expense)	-	-	201	(188)	399	-	-	412	84	496
Payment to non-controlling interest	-	-	-	-	-	-	-	-	(31)	(31)
At 31 March 2015	75,167	31,319	30,534	(180)	1,098	-	(117)	137,821	1,056	138,877
At 1 January 2016	75,167	31,319	30,811	(14)	875	32	(117)	138,073	2,101	140,174
(Loss)/ Profit for the period	-	-	(725)	-	-	-	-	(725)	109	(616)
Other comprehensive (expense)/ income	-	-	-	(107)	1,157	-	-	1,050	4	1,054
Total comprehensive (expense)/ income	-	-	(725)	(107)	1,157	-	-	325	113	438
Accrual of share based compensation	-	-	-	-	-	48	-	48	-	48
At 31 March 2016	75,167	31,319	30,086	(121)	2,032	80	(117)	138,446	2,214	140,660

<b>Company</b>	<b>Share capital US\$'000</b>	<b>Share premium US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Hedging reserve US\$'000</b>	<b>Share based compensation reserve US\$'000</b>	<b>Total equity US\$'000</b>
At 1 January 2015	75,167	31,319	4,567	(16)	-	111,037
Profit for the period	-	-	739	-	-	739
Other comprehensive income	-	-	-	-	4	4
Total comprehensive income	-	-	739	-	4	743
At 31 March 2015	75,167	31,319	5,306	(12)	-	117,780
At 1 January 2016	75,167	31,319	4,789	(1)	32	111,306
Loss for the period	-	-	(2,454)	-	-	(2,454)
Other comprehensive income	-	-	-	-	1	1
Total comprehensive (expense)/ income	-	-	(2,454)	-	1	(2,453)
Accrual of share based compensation	-	-	-	-	48	48
At 31 March 2016	75,167	31,319	2,335	-	80	108,901



- 1 (d) (ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the period ended 31 March 2016, there was no change in share capital.

The Company did not have any convertibles or treasury shares as at 31 March 2016, 31 December 2015 and 31 March 2015.

- 1 (d) (iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>As at 31 March 2016</b>	<b>As at 31 December 2015</b>
Total number of issued shares	46,979,280	46,979,280

- 1 (d) (iv) **A statement showing all sales, transfers, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4 **Whether the same accounting policies and method of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and method of computation in the financial statements for the current financial period as compared with the audited financial statements for the financial year ended 31 December 2015.

- 5 **If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.**

There are no significant changes to the accounting policies and method of computation in the financial statements for the current financial period as compared with the audited financial statements for the financial year ended 31 December 2015. The adoptions of the new or revised IFRSs that are effective for the annual period beginning 1 January 2016 do not have a significant impact on the Group's results of operations and financial position.

- 6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	3 months ended 31 March		
	2016	Adjusted 2015 <sup>(1)</sup>	2015
(Loss)/ profit attributable to owners of the parent (US\$'000)	(725)	201	201
Weighted average number of ordinary shares in issue ('000)	46,979	46,979	469,793
(Loss)/ earnings per share (US cents per share) - basic and diluted	(1.54)	0.43	0.04

<sup>(1)</sup> The adjusted number is based on or is calculated based on the number of shares after 10-to-1 share consolidation.

- 7 **Net asset value for the group per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	31 March 2016	31 December 2015
Net asset value per ordinary share based on issued share capital at the end of (in US\$)	2.99	2.98

- 8 **A review of the group performance, to the extent necessary for a reasonable understanding of the group's business. It must include discussion of any significant factors that affected the turnover, costs, and earnings for the current financial period report on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow, working capital, assets or liabilities of the group during current financial period reported on:**

#### Review of Income Statement

##### Total Income

Total income of the Group was \$18.9 million for 1Q2016, a 16% increase from 1Q2015. Changes in major components of total income, including charter income, fee income, hotel income, investment returns and other income are explained below.

- (i) Charter Income

Charter income increased by 38% from \$6.0 million in 1Q2015 to \$8.3 million in 1Q2016. In 1Q2015, 8 vessels under the Group's ship owning subsidiary, Uni-Asia Shipping contributed to charter income. The delivery of 1 vessel in January 2016 increased the fleet size of Uni-Asia Shipping to 9 as at 31 March 2016, thereby increasing the charter income for 1Q2016. Further, a containership acquired in April 2015 by the Group also contributed to the increase in charter income. The increase is in line with the Group's strategy to build up recurring charter income.

(ii) Fee Income

Breakdown of Fee Income:	3 months ended 31 March		
	2016 US\$'000	2015 US\$'000	% Change
Asset management & administration fee	616	576	7%
Arrangement and agency fee	897	1,469	(39%)
Brokerage commission	112	350	(68%)
Incentive fee	188	2	N/M
	1,813	2,397	(24%)

Total fee income decreased by 24% to \$1.8 million in 1Q2016 from \$2.4 million in 1Q2015.

In 1Q2015, there were more ad hoc arrangement and brokerage transactions resulting in more arrangement and agency fee as well as brokerage commission fee recorded in 1Q2015 compared to 1Q2016.

(iii) Hotel Income

Hotel Income increased by 9% from \$7.7 million in 1Q2015 to \$8.4 million in 1Q2016 due mainly to increased average daily rates of the hotels as occupancy rates continue to be strong.

(iv) Investment Returns

Breakdown of Investment Returns:	3 months ended 31 March		
	2016 US\$'000	2015 US\$'000	% Change
Interest on bond	-	2	(100%)
Realised gain on disposal of investment property	405	1,485	(73%)
Realised gain on investments			
- shipping	26	79	(67%)
- hotel and residential	-	10	(100%)
- small residential property developments	-	525	(100%)
- distressed debt	-	397	(100%)
Property rental income	-	69	(100%)
Fair value adjustment on investment property	(367)	(1,338)	73%
Fair value adjustment on investments			
- shipping	(1,987)	(745)	(167%)
- hotel and residential	21	-	N/M
- small residential property developments	1,170	(544)	N/M
- listed shares	(8)	84	(110%)
Net loss on derivative financial instruments	(718)	(234)	N/M
	(1,458)	(210)	N/M

Investment returns for 1Q2016 was a loss of \$1.46 million. Fair value losses of \$1.99 million were recognised for shipping investments in 1Q2016 due to the continued weak shipping market. Fair valuation losses from interest rate swaps and foreign exchange derivatives were \$0.7 million for 1Q2016. These losses were offset by fair valuation gain from small residential property development projects.

(v) Other Income

As announced on 1 April 2016, the Company acquired the remaining 50% of the shareholding interest in Joule not owned by the Company on 31 March 2016 with a consideration of \$250,000. Preliminary assessment of the net tangible assets of Joule as at 31 March 2016 was \$1.79 million

resulting in a gain on bargain purchase that was recorded in Other Income, hence the increase in Other Income by \$1.5 million compared to same period last year. This gain on bargain purchase may be adjusted upon obtaining further information for further purchase price allocation analysis as well as review by the external auditor.

### **Total Operating Expenses**

Total operating expenses for the Group increased 19% from \$15.2 million in 1Q2015 to \$18.1 million in 1Q2016. Main increase contributors were Amortisation and Depreciation, and Vessel Operating Expenses due to new vessels delivered/acquired after 1Q2015.

### **Operating Profit**

Total income increased by 16% while operating expenses increased by 19% for 1Q2016. Accordingly, the Group posted an operating profit of \$0.8 million for 1Q2016 compared to \$1.1 million for 1Q2015.

### **Net Profit After Tax**

Finance costs increased from \$0.7 million 1Q2015 to \$1.2 million in 1Q2016 as a result of increase in borrowings to finance ship deliveries.

The Group posted a net loss of \$0.6 million for 1Q2016 compared to a net profit of \$0.3 million for 1Q2015.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, and variance between it and the actual results.**

Not applicable. The Group has not provided a forecast.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operated and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

In view of the current depressed shipping market resulting in low charter rates, the Group's performance in this segment is expected to remain weak. However, the Group is confident that it can weather the uncertainties ahead given the Group's diversified business model encompassing property as well as hotel operations, coupled with an experienced management team.

**11 Dividend**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on?**

No.

**(b) Corresponding period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12 If no dividend has been declared/ recommended, a statement to that effect.**

No dividend has been declared/ recommended by the Directors for the first quarter ended 31 March 2016.

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

As at 31 March 2016, the Group has not obtained a general mandate for IPTs from the Group's shareholders. Subsequent to 31 March 2016 on 29 April 2016, the Group has obtained a general mandate from shareholders for IPTs with Yamasa Co., Ltd (a controlling shareholder of the Company) and its associates.

**14 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that the undertakings under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

**BY THE ORDER OF THE BOARD**


Michio Tanamoto  
Chairman and CEO

13 May 2016

**CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended 31 March 2016 to be false or misleading in any material aspect.


On behalf of the Board of Directors



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Michio Tanamoto  
Chairman and CEO

Date: 13 May 2016



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Masaki Fukumori  
COO