

May 26, 2016

Company name: Freund Corporation  
Representative: Iwao Fusejima, President & CEO  
Listing: Tokyo Stock Exchange (JASDAQ)  
Stock code: 6312  
Contact: Yuji Takanami, General Manager,  
Corporate Administration Division  
Tel: +81-3-5292-0240

### **Notice of Recognition of Extraordinary Loss Associated with Special Merit Bonus**

Freund Corporation announces the recognition of an extraordinary loss as follows, for the first quarter of the fiscal year ending February 28, 2017.

#### 1. Detail and amount of the extraordinary loss

Freund will record a special merit bonus of 250 million yen as an extraordinary loss in the first quarter under review.

#### 2. Reason for the recognition of the extraordinary loss

The 52nd Annual General Meeting of Shareholders held on May 26, 2016 approved a resolution to award a special merit bonus to Yasutoyo Fusejima the founder of the company in recognition of his service to the company since its founding. The 250 million yen award will be recognized as an extraordinary loss in the consolidated and non-consolidated financial statements for the fiscal year ending February 28, 2017.

#### 3. Effect on results of operations

There are no revisions to the first-half and fiscal-year forecasts for the fiscal year ending February 28, 2017 that was announced on April 5, 2016.

End