

**Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.**

Securities Code: 6277

December 2, 2020

To Our Shareholders

1-9, Shodaitajika, Hirakatashi, Osaka

**HOSOKAWA MICRON  
CORPORATION**

Representative Director, Chairman &  
President, Chief Executive Officer  
Yoshio Hosokawa

**Notice of the 76th Annual General Meeting of Shareholders**

The Company would hereby like to announce the Company's 76th Annual General Meeting of Shareholders as described below.

**In lieu of attendance to the meeting on the date, you may also exercise your voting rights in writing or via the Internet. We kindly request you to read the following Reference Document for the Annual General Meeting of Shareholders, exercise your voting rights in accordance with the "Guide on How to Exercise Your Voting Rights" on page 3, and return it no later than the end of business at 5 p.m. on Wednesday, December 16, 2020.**

Sincerely yours,

- 1. Date:** 10 a.m., Thursday, December 17, 2020
- 2. Venue:** 1-9, Shodaitajika, Hirakatashi, Osaka  
HOSOKAWA MICRON CORPORATION Headquarters  
Building, 12th floor
- 3. Purposes**
  - Items to be reported**
    1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Board of Corporate Auditors for the 76th business period (October 1, 2019 to September 30, 2020)
    2. The non-consolidated financial statements for the 76th business period (October 1, 2019 to September 30, 2020)
  - Items to be resolved**
    - Item No. 1** Appropriation of Retained Earnings
    - Item No. 2** Election of Seven (7) Directors
    - Item No. 3** Determination of Remuneration for Granting Restricted Shares to Directors

- 
- When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue. To conserve resources, please bring the Notice of the 76th Annual General Meeting of Shareholders.
  - The following documents are listed on the Company's website (<https://www.hosokawamicron.co.jp>) in accordance with laws, regulations and the Articles of Incorporation, Article 15, and are not included in the Reference Document for the Annual General Meeting of Shareholders.
    - (1) Consolidated financial statements (Consolidated statement of changes in equity and notes to consolidated financial statements)
    - (2) Non-consolidated financial statements (Statement of changes in equity and notes to non-consolidated financial statements)
  - Consolidated and non-consolidated financial statements audited by Accounting Auditors and Corporate Auditors are each documents listed in the Reference Document for the Annual General Meeting of Shareholders, consolidated statement of changes in equity, notes to consolidated financial statements, statement of changes in equity and notes to non-consolidated financial statements.
  - If there are any revisions to the Reference Document for the Annual General Meeting of Shareholders, the business report, and/or the consolidated and the non-consolidated financial statements, such revisions will be listed on the Company's website. (<https://www.hosokawamicron.co.jp>)

## Guide on How to Exercise Your Voting Rights

Voting rights may be exercised in any of the three methods below.

Please review the Reference Document for the Annual General Meeting of Shareholders which is attached later, and exercise your rights.

### When you attend Annual General Meeting of Shareholders



When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue.

In addition, to conserve resources, please bring the Notice of the 76th Annual General Meeting of Shareholders.

Date

Thursday, December 17, 2020 10 a.m.

(Reception starts at 8:30 a.m.)

### When you exercise your voting rights using the voting form



Please indicate “for” or “against” on each agenda item on the voting form enclosed herewith, and post it without affixing a stamp.

When there is no indication of “for” or “against”, it will be considered as “for”.

Exercise  
period

By Wednesday, December 16, 2020 5 p.m.

### When you conduct online voting



Access “Voting Right Exercise Website” via a smartphone, computer, etc., and indicate “for” or “against” on each agenda item following the guidance on screen.

For more details, please refer to “How to Process Online Voting” on the following page.

Exercise  
period

By Wednesday, December 16, 2020 5 p.m.

**Items for resolution and reference material**

**Item No. 1      Appropriation of Retained Earnings**

Keeping in mind that it should appropriately redistribute profits based on the earning status, the Company redistributes profits considering the need to reinforce corporate culture and ensure future development of the company. Based on this policy, we propose to pay 55 yen per share as the year-end dividend.

**Matters related to year-end dividend**

**1)      Type of dividend assets**

It shall be cash.

**2)      Matters related to the allocation of dividend property and total amount**

We propose to pay 55 yen per share of common stock as the year-end dividend.

The total amount of dividend in this case is 445,083,815 yen.

**3)      Effective date of distribution of surplus**

December 18, 2020

## Item No. 2 Election of Seven (7) Directors

The term of all eight (8) Directors will expire at the conclusion of the Annual General Meeting of Shareholders. To allow the Board of Directors to make more flexible decisions, the Company requests shareholders to reduce the number of Directors by one (1) and elect a total of seven (7) Directors.

The candidates for Directors are as follows:

Candidate number	Name	Current position and responsibilities in the Company	Status of attendance at the Board of Directors
1	Yoshio Hosokawa Re-elected	Representative Director, Chairman & President, Chief Executive Officer	14/14 (100%)
2	Kohei Hosokawa Re-elected	Representative Director, Vice President, Vice Executive Officer, Director Business Segment	10/10 (100%)
3	Tetsuya Inoue Re-elected	Director, Vice President, Vice Executive Officer, Director Administration Segment	14/14 (100%)
4	Masahiro Inoki Re-elected	Director & Managing Executive Officer, Director R&D Segment	14/14 (100%)
5	Satoshi Akiyama Re-elected Outside Director	Director	10/10 (100%)
6	Katsuhiko Takagi Re-elected Outside Director Independent Director	Director	14/14 (100%)
7	Tatsuo Fujioka Re-elected Outside Director Independent Director	Director	14/14 (100%)

Note: The status of attendance at the Board of Directors for Mr. Kohei Hosokawa and Mr. Satoshi Akiyama differs from that for the rest of the Directors, as they were appointed at the 75th Annual General Meeting of Shareholders on December 17, 2019.

Candidate number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
1	Yoshio Hosokawa (Born April 10, 1951)  Re-elected	<p>April 1974      Joined the Company</p> <p>July 1983      Director, Deputy Manager of Tokyo Branch, Assistant Division Director of Tokyo Business Division, Manager of Sales Department</p> <p>December 1995      Representative Director and President</p> <p>December 2003      Standing Auditor (resigned in December 2004)</p> <p>February 2010      Advisor</p> <p>April 2010      Representative Director and President, Juno International Inc. (resigned in May 2011)</p> <p>December 2010      Director of the Company</p> <p>October 2014      Representative Director and President</p> <p>October 2015      Representative Director, President, Chief Executive Officer</p> <p>December 2017      Representative Director, Chairman &amp; President, Chief Executive Officer (present)</p> <p><b>Reasons for electing the candidate for Director</b></p> <p>With his abundant experience and broad knowledge as a manager, he has been contributing to the growth of the Company by understanding the business operations of the entire group. Since his inauguration as Representative Director and President in October 2014, he has been supervising overall management of the Company, and steadily executing the growth strategies stated in the mid-term management plan. His insight as a manager and broad view is essential for the Company to reinforce its global management and grow. The Company requests shareholders to re-elect him as Director for him to continuously serve as the chairperson of the Board of Directors and effectively strengthen the decision-making and supervision functions of the Board of Directors.</p>	210,208 shares

Candidate number	Name (Date of birth)	Background, current position and responsibilities in the Company		Number of shares owned in the Company
2	Kohei Hosokawa (Born February 8, 1984)  Re-elected	<p>April 2009      Joined the Company</p> <p>July 2009      Test Center, Technology Development Department, Sales Division, Osaka Headquarters</p> <p>October 2011    The Powder Technology Research Institute</p> <p>March 2014      Completed Doctor's Program of Material Science Course, Division of Materials and Manufacturing Science, Graduate School of Engineering, Osaka University</p> <p>October 2014    Stationed at Hosokawa Alpine Aktiengesellschaft (Germany)</p> <p>October 2017    Stationed at Hosokawa Micron International Inc., Vice President (U.S.A)</p> <p>October 2018    Operating Officer, Assistant Division Director of Powder Processing System Division, Senior General Manager of Technology</p> <p>October 2019    Vice President &amp; Operating Officer, Business Management, in charge of Hosokawa Kaizen Team</p> <p>December 2019   Representative Director, Vice President, Vice Executive Officer, Business Management, in charge of Hosokawa Kaizen Team</p> <p>October 2020    Representative Director, Vice President, Vice Executive Officer, Director Business Segment (present)</p> <p><b>Reasons for electing the candidate for Director</b></p> <p>Through his experience in Research and Development and Technology Departments and group companies in Europe and the U.S., he has accumulated knowledge and skills on general management issues. In addition, he has a wide range of insight in powder technology. As a member of a founder's family, with a broad perspective and a strong ability to take action, he has been demonstrating leadership in the domains of research and development as well as technology development and business improvement in our Group. From the viewpoint of the sustainable growth of the Company and the improvement of mid- and long-term corporate value, the Company requests shareholders to re- elect him as Director for him to effectively strengthen the decision-making and supervision functions of the Board of Directors.</p>		8,305 shares

Candidate number	Name (Date of birth)	Background, current position and responsibilities in the Company		Number of shares owned in the Company
3	Tetsuya Inoue (Born December 3, 1963)  Re-elected	<p>April 1986      Joined the Company</p> <p>April 2004      Operating Officer, Assistant Division Director of Finance &amp; Accounting Div.</p> <p>October 2010    Managing Executive Officer, Division Director of Finance &amp; Accounting Div.</p> <p>December 2011   Director &amp; Managing Executive Officer, Division Director of Finance &amp; Accounting Div.</p> <p>October 2014    Director &amp; Managing Executive Officer, General Affairs &amp; Finance Operations, Division Director of Finance &amp; Accounting Div.</p> <p>October 2017    Director &amp; Managing Executive Officer, General Affairs &amp; Finance Operations</p> <p>April 2020       Director, Vice President, Vice Executive Officer, General Affairs &amp; Finance Operations</p> <p>October 2020    Director, Vice President, Vice Executive Officer, Director Administration Segment (present)</p> <p><b>Reasons for electing the candidate for Director</b></p> <p>He has been playing an active role mainly in the area of accounting and finance-related matters in administration departments of the Company and overseas group companies. He has acquired abundant experience. He has a wealth of experience and broad knowledge which enable him to decide the policies for the Company and subsidiaries and execute proper management. From the viewpoint of continuous growth of the Company and the improvement of mid- and long-term corporate value, the Company requests shareholders to re-elect him as Director to effectively strengthen the decision-making and supervision functions of the Board of Directors.</p>		4,800 shares



Candidate number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
4	Masahiro Inoki (Born February 25, 1958)  Re-elected	<p>April 1983      Joined The Powder Technology Research Institute</p> <p>September 1986      Joined the Company</p> <p>October 2002      Supervisor, Hosokawa Powder Technology Research Institute</p> <p>October 2008      Senior General Manager, Technology Development Department, Sales Division, Osaka Headquarters</p> <p>October 2011      Operating Officer, Division Director of Powder Technology Research Institute</p> <p>December 2017      Director &amp; Managing Executive Officer, Division Director of Powder Technology Research Institute</p> <p>October 2019      Director &amp; Managing Executive Officer, Division Director of Powder Technology Research Institute, General Manager of Hosokawa Kaizen Team</p> <p>April 2020      Director &amp; Managing Executive Officer, Division Director of Powder Technology Research Institute, Division Director of Technical Development Department, General Manager of Hosokawa Kaizen Team</p> <p>October 2020      Director &amp; Managing Executive Officer, Director R&amp;D Segment (present)</p> <p><b>Reasons for electing the candidate for Director</b></p> <p>As the Director of The Powder Technology Research Institute, he has abundant experience and knowledge in the area of research and development of new products and technologies. In addition, as Chairperson of the International R&amp;D Conference, he has been promoting technological development of the entire group. From the viewpoint of continuous growth in the domain of technological development of the Company and the improvement of mid- and long-term corporate value, the Company requests shareholders to re-elect him as Director to effectively strengthen the decision-making and supervision functions of the Board of Directors.</p>	400 shares

Candidate number	Name (Date of birth)	Background, current position and responsibilities in the Company		Number of shares owned in the Company
5	Satoshi Akiyama (Born August 18, 1963)  Re-elected Outside Director	<p>April 1988      Joined Nisshin Seifun Co., Ltd. (current headquarters of Nisshin Seifun Group Inc.)</p> <p>June 2015      Director, General Manager of No. 2 Plant, Nisshin Engineering Inc.</p> <p>June 2017      Director, General Manager of Corporate Planning Department and General Manager of Purchasing Department, Nisshin Engineering Inc.</p> <p>June 2018      Director, General Manager of Corporate Planning Department, Nisshin Engineering Inc.</p> <p>December 2019      Director of the Company (present)</p> <p>June 2020      Managing Director, General Manager of Corporate Planning Department, Nisshin Engineering Inc. (present)</p> <p><b>Important positions held at another company</b> Managing Director, General Manager of Corporate Planning Department, Nisshin Engineering Inc.</p> <p><b>Reasons for electing the candidate for Outside Director</b> He has a wealth of experience and broad knowledge. The Company requests shareholders to elect him as Outside Director for him to play an active role in determining critical management matters of the Company and supervising the execution of duties.</p>		0 shares

Candidate number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
6	Katsuhiko Takagi (Born January 14, 1943)  Re-elected Outside Director Independent Director	<p>April 1965      Joined Daikin Industries, Ltd.</p> <p>October 1988    General Manager of Sales Planning Department, International Sales Division, Daikin Industries, Ltd.</p> <p>May 1993        Deputy Division Manager of International Sales Division, General Manager of Sales Planning Department, General Manager of Sales Department, Daikin Industries, Ltd.</p> <p>June 1996        Director &amp; General Manager of Global Operations Division, Daikin Industries, Ltd.</p> <p>June 1999        Managing Director &amp; General Manager of Global Operations Division, Daikin Industries, Ltd.</p> <p>June 2001        Senior Managing Director &amp; General Manager of Global Operations Division, Daikin Industries, Ltd.</p> <p>June 2002        Senior Managing Director, in charge of Global Air-Conditioning Strategy, Chairman of DT Affiliation Committee</p> <p>June 2004        Director, Vice President, Executive Officer in charge of Global Air-Conditioning and Low Temperature Business, Daikin Industries, Ltd.</p> <p>June 2007        Director, Daikin Industries, Ltd., Member of the Board Chairman &amp; CEO, O.Y.L. Group</p> <p>June 2008        Senior Executive Officer, Daikin Industries, Ltd., Chairman &amp; CEO, O.Y.L. Group</p> <p>June 2011        Executive Advisor, Daikin Industries, Ltd., Chairman &amp; CEO, O.Y.L. Manufacturing, Chairman &amp; President, McQuay International Group, Executive advisor, McQuay US (current: Daikin Applied Americas)</p> <p>July 2015        Advisor, Daikin Industries, Ltd., Executive Advisor, Daikin Applied Americas</p> <p>December 2015   Director of the Company (present)</p> <p>July 2018        Executive Advisor, Applied Solution Business Division, Daikin Industries, Ltd., Executive Advisor, Daikin Applied Americas</p> <p>July 2019        Executive Advisor, Applied Solution Business Division, Daikin Industries, Ltd. (present)</p> <p><b>Important positions held at another company</b> Executive Advisor, Applied Solution Business Division, Daikin Industries, Ltd.</p> <p><b>Reasons for electing the candidate for Outside Director</b> He has a wealth of experience, etc. related to the promotion of businesses overseas. The Company requests shareholders to re-elect him as Outside Director not only so he can reinforce the monitoring and supervision functions, but also for him to utilize his insight and knowledge, etc. for the general management of the Company.</p>	5,400 shares

Candidate number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
7	Tatsuo Fujioka (Born January 25, 1952)  Re-elected Outside Director Independent Director	<p>April 1975      Joined The Hyakujushi Bank, Ltd.</p> <p>February 2000      Manager, Kuko-guchi Branch, The Hyakujushi Bank, Ltd.</p> <p>January 2002      Manager, Kujo Branch, The Hyakujushi Bank, Ltd.</p> <p>July 2005      Manager, Kobe Branch, The Hyakujushi Bank, Ltd.</p> <p>January 2008      Manager, Imabari Branch, The Hyakujushi Bank, Ltd.</p> <p>July 2008      Assistant Manager, Sales Management Department, The Hyakujushi Bank, Ltd. (resigned from the bank in March 2010)</p> <p>December 2009      Standing Auditor, Chuo Tatemono Co., Ltd. (dispatched from The Hyakujushi Bank, Ltd.)</p> <p>June 2015      Deputy Manager, Administration Department, Chuo Tatemono Co., Ltd. (resigned from Chuo Tatemono Co., Ltd. in January 2016)</p> <p>December 2015      Director of the Company (present)</p> <p><b>Reasons for electing the candidate for Outside Director</b></p> <p>He has abundant experience and broad knowledge in financial matters. For him to utilize these and give advice and proposals for the management of the Company, the Company requests shareholders to re-elect him as Outside Director.</p>	600 shares

Notes:

1. Mr. Satoshi Akiyama, Mr. Katsuhiko Takagi and Mr. Tatsuo Fujioka are candidates for Outside Directors.
2. The Company has concluded an agreement with Mr. Satoshi Akiyama, Mr. Katsuhiko Takagi and Mr. Tatsuo Fujioka to limit their liability pursuant to the provisions of Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the said law. The amount of liability under the agreement shall be limited to the minimum amount provided for by laws and regulations. The Company will continue the above liability limitation agreement in the event that Mr. Satoshi Akiyama, Mr. Takagi and Mr. Fujioka are re-elected.
3. Mr. Satoshi Akiyama is a person who executes business at Nisshin Engineering Inc., which has a special relationship with the Company.
4. The Company is scheduled to appoint Mr. Katsuhiko Takagi and Mr. Tatsuo Fujioka as independent directors as set forth by the Tokyo Stock Exchange, Inc. and provide a notice to that effect.
5. Mr. Katsuhiko Takagi and Mr. Tatsuo Fujioka will have been in office as Outside Director of the Company for five (5) years at the conclusion of the Annual General Meeting of Shareholders. Mr. Satoshi Akiyama will have been in office as Outside Director of the Company for one (1) year at the conclusion of the Annual General Meeting of Shareholders.
6. Mr. Kohei Hosokawa is the eldest son of Yoshio Hosokawa, Representative Director, Chairman & President, Chief Executive Officer.
7. There are no special relationships between each candidate and the Company.

### **Item No. 3      Determination of Remuneration for Granting Restricted Shares to Directors**

Remuneration for Directors was set at a maximum of 400 million yen per year (not including salaries for services as employees for those Directors who concurrently serve as employees) at the 62nd Annual General Meeting of Shareholders on December 21, 2006. The Company hereby proposes paying remuneration for granting restricted shares to Directors of the Company (excluding Outside Directors; hereinafter referred to as the “Eligible Directors”), other than the foregoing Directors’ remuneration limitations. The purpose is to provide the Eligible Directors with an incentive to continuously improve the Company’s corporate value and ensure further shared value between the Eligible Directors and shareholders. Furthermore, if this Annual General Meeting of Shareholders approves the introduction of this policy, the Company will discontinue the granting of new stock compensation-type stock options under the current policy, and shall not issue any stock acquisition rights as stock compensation-type stock options henceforth.

The total monetary compensation to be paid to the Eligible Directors for granting restricted shares based on this proposal shall be no more than 50 million yen as a reasonable amount in light of the foregoing objectives.

All monetary compensation claims payable to the Eligible Directors based on this proposal shall be delivered as property contributed in-kind, and the Eligible Directors shall receive common stock in the Company that is issued or disposed of. The total number of common shares in the Company to be issued or disposed of shall not exceed 5,000 shares per year (provided, however, that if the Company’s common shares are subject to a stock split (including allotment of the Company’s common shares without contribution) or a reverse split of stocks on or after the date of approval of this proposal, the Company shall adjust the said total number of shares in proportion to the ratio of the said split, allotment, or reverse split). The amount to be paid per share shall be determined based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day preceding the date of the resolution of the Board of Directors (or the closing price of the most recent trading day if no share of the Company’s common stock is traded on the said date). The specific timing of payments and distributions to each of the Eligible Directors shall be determined by the Board of Directors. Incidentally, if Item No.2 “Election of Seven (7) Directors” is approved and resolved as proposed, the Eligible Directors will consist of four (4) Directors. The Company also plans to apply a similar remuneration policy of granting restricted shares to Operating Officers if this Annual General Meeting of Shareholders approves the introduction of this policy.

When the Company issues or disposes of its common stock, the Company and Eligible Directors shall conclude a restricted stock allocation agreement (hereinafter referred to as the “Allocation Agreement”), which includes an overview as well as the following items.

#### **(1) Transfer Restriction Period**

The Eligible Directors shall not transfer, establish a security interest on, or otherwise dispose of (hereinafter referred to as the “Transfer Restriction”) any shares of the Company’s common stock allotted under the Allocation Agreement (hereinafter referred to as the “Allotted Stock”) during the period from the date of the allocation thereunder to the date of retirement (hereinafter referred to as the “Transfer Restriction Period”). The term “retirement” herein refers to retirement from the position of Director, and does not include cases where any person

retires from the position of Director and at the same time assumes the position of Operating Officer, and where any person concurrently serving as Director and Operating Officer retires from the position of Director but remains as Operating Officer.

(2) Removal of Transfer Restriction

The Company shall remove the Transfer Restriction on all the Allotted Stock upon the expiry of the Transfer Restriction Period on condition that the Eligible Directors retire due to any reason deemed appropriate by the Board of Directors of the Company.

(3) Acquisition of the Allotted Stock without Contribution

The Company shall rightfully, without consideration, acquire the Allotted Stock, for which the Transfer Restriction has not been removed based on the provision under (2) above at the time of the expiration of the Transfer Restriction Period.

The Company shall also rightfully, without consideration, acquire part or all of the Allotted Stock in the event a Director commits an illegal act or any certain cause set forth under the Allocation Agreement arises.

(4) Handling at the Time of Organizational Restructuring, Etc.

Notwithstanding the provision under (1) above, in the event a General Meeting of Shareholders of the Company approves, during the Transfer Restriction Period, a merger contract in which the Company becomes an absorbed company; a share exchange contract in which the company becomes a wholly-owned subsidiary; or a share transfer plan; or any other matters associated with organizational restructuring, etc. (or the Board of Directors approves any of these matters associated with the said organizational restructuring, which requires no approval at a General Meeting of Shareholders of the Company), the Company shall remove the Transfer Restriction with respect to a certain number of shares of the Allotted Stock which is reasonably determined in consideration of the period from the commencement date of the Transfer Restriction Period until the effective date of the said organizational restructuring. In this case, the Company shall also rightfully, without consideration, acquire part of the Allotted Stock, for which the Transfer Restriction has not been removed, at the time immediately after the Transfer Restriction was removed.

(5) Other Matters Determined by the Board of Directors

Other than those described above, the manner of declaring intent and giving notice under the Allocation Agreement, the manner of amending the Allocation Agreement, and other matters determined by the Board of Directors shall constitute part of the Allocation Agreement.

Shares allotted to the Eligible Directors under this policy shall be managed in dedicated accounts opened by the Eligible Directors at a securities company designated by the Company so that they cannot transfer, establish a security interest on, or otherwise dispose of them during the Transfer Restriction Period.

(Reference) Composition of the Board of Directors, and Their Specialties and Experience When Item No.2 Passes

The following table outlines the specialties and experience of the candidate Directors and Auditors, which the Company expects them to demonstrate.

Name			Independence (Outside only)	Specialties and Experience (Expected Fields)								
				Corporate Management	Manufacturing • Technology • Research & Development	Sales • Marketing	Overseas Experience • International Business	Finance • Accounting	Legal • Risk Management	Personnel and Labor	ESG	IT Digital
Director	Yoshio Hosokawa			●	●	●	●		●	●	●	
	Kohei Hosokawa			●	●	●	●				●	●
	Tetsuya Inoue			●			●	●	●	●	●	●
	Masahiro Inoki			●	●		●				●	●
	Satoshi Akiyama	Outside		●	●	●					●	
	Katsuhiko Takagi	Outside	●	●		●	●					
	Tatsuo Fujioka	Outside	●	●		●		●				
Auditor	Yuji Fukui			●	●		●		●	●	●	
	Hiroshi Kokubu	Outside	●					●	●			
	Kouzo Arai	Outside	●						●	●		

(Reference)

**Criteria for Independence of Independent Outside Directors and Independent Outside Auditor**

The Company deems an Outside Director and Outside Auditor (hereinafter “Outside Officer”) or a candidate for the Outside Officer to have sufficient independence from the Company in the event that the person does not fall under any of the following categories, as determined in the Company’s research to the practically possible and reasonable extent.

1. A person who executes business for the Company or an affiliate company of the Company (hereinafter collectively “the Group Company”)  
However, a person who did not execute business at the Company for ten years prior to the inauguration is excluded.  
For the purpose of the criteria, “a person who executes business” means an executive director, executive officer, operating officer, manager and other employees.
2. A party which has transactions principally with the Group Company or a person who executes business for the party  
“A party which has transactions principally with the Group Company” means a party which received payment which is 2% or more than the consolidated Annual sales of the party, from the Group Company in the most recent fiscal year or any of three precedent fiscal years.
3. A Group Company’s major customer or a person who executes business for the party  
“A Group Company’s major customer” means a party which provides payment which is 2% or more than the consolidated Annual sales of the Company, to the Group Company in the most recent fiscal year or any of three precedent fiscal years.
4. A major shareholder of the Company or a person who executes business for a major shareholder  
“A major shareholder of the Company” means a person who directly or indirectly holds 10% or more of the total voting rights of the Company.
5. A party in which 10% or more of the total voting rights is directly or indirectly held by the Group Company
6. A consultant, accountant or lawyer who receives a large amount of cash or other financial assets besides officer remuneration from the Group Company (when a party is an organization such as a company and a union, a person who belongs to the party)  
“A large amount of cash or other financial assets” means cash or other financial profit which has been on average 10 million yen or more a year in the past three years.
7. A person who executes business for a major creditor of the Group Company  
“A major creditor” means a party that financed an amount which is 2% or more of the Group Company’s consolidated total asset in the most recent fiscal year.
8. A person who executes business for the Company that accept a director or an auditor from the Group Company.
9. A spouse or any family member within the second degree of a person who falls under 1 to 8 of the above or any family member living in the same domicile as such person