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(Securities Code: 9824)

January 8, 2021

To our shareholders:

Motohide Nishimura  
Representative Director, President  
**SENSHU ELECTRIC CO., LTD.**  
1-4-21 Minami-Kaneden, Suita City, Osaka Pref.

## **Notice of the 71st Annual General Meeting of Shareholders**

We are pleased to announce the 71st Annual General Meeting of Shareholders of SENSHU ELECTRIC CO., LTD. (the “Company”), which will be held as indicated below.

**If you are unable to attend the meeting in person, you may exercise your voting rights in writing or electronically (via the internet, etc.). Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights through either of the following methods:**

### **[Exercise of voting rights in writing]**

**Indicate your approval or disapproval of the proposals in the enclosed voting form and then return the form to the Company by postal mail so that your vote is received by 5:00 p.m. on Wednesday, January 27, 2021 (JST).**

### **[Exercise of voting rights electronically (via the internet, etc.)]**

**Access the Company’s website for exercising voting rights (<https://www.web54.net>), enter your *voting rights exercise code* and *password* printed on the voting form, and indicate your approval or disapproval of the proposals by 5:00 p.m. on Wednesday, January 27, 2021.**

- 1. Date and Time:** Thursday, January 28, 2021, at 10:00 a.m. (JST)
- 2. Venue:** 3rd floor Ball Room of Shin-Osaka Esaka Tokyu REI Hotel,  
9-6 Toyotsu-cho, Suita City, Osaka Pref.

**In view of preventing potential infection with the novel coronavirus disease (COVID-19), you are highly recommended to exercise your voting rights, in advance, in writing or electronically (via the internet, etc.). Shareholders attending this meeting in person are asked to check their physical condition and take measures to prevent infection, such as wearing a face mask.**

**On the date of the General Meeting of Shareholders, we are also taking measures to prevent the spread of COVID-19, including the measurement of your body temperature at the entrance, a reduction in the number of available seats, as well as a reduction in the number of staff at the venue. We appreciate your understanding.**

**Please note that we will not provide souvenirs to attendees at the General Meeting of Shareholders this year. Thank you for your understanding.**

### 3. Purpose of the Meeting

#### Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 71st fiscal year (from November 1, 2019 to October 31, 2020), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 71st fiscal year (from November 1, 2019 to October 31, 2020)

#### Matters to be resolved:

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Partial Amendments to Articles of Incorporation
- Proposal No. 3** Election of 12 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 4** Election of Three Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 5** Election of One Substitute Director Who Is an Audit and Supervisory Committee Member
- Proposal No. 6** Determination of Amount of Remuneration, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 7** Determination of Amount of Remuneration, etc. for Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 8** Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

- When you attend the meeting in person, please hand in the enclosed voting form at the reception.
- Should revisions arise to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements or the Consolidated Financial Statements, the revised versions will be posted on the Company's website (<https://www.senden.co.jp/>).

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Information

#### Proposal No. 1      Appropriation of Surplus

The Company maintains a basic policy of paying stable dividends, and having given comprehensive consideration to matters including the business performance of the fiscal year and the level of internal reserves, it proposes the payment of year-end dividends and appropriation of surplus as follows:

##### 1. Year-end dividends

- (1) Type of dividend property  
To be paid in cash.
- (2) Allotment of dividend property and their aggregate amount  
The Company proposes to pay a dividend of ¥35 per common share of the Company.  
In this event, the total dividends will be ¥328,122,620.
- (3) Effective date of dividends of surplus  
January 29, 2021

##### 2. Appropriation of surplus

- (1) Item of surplus to be increased and amount of increase  
General reserve: ¥1,778,000,000
- (2) Item of surplus to be decreased and amount of decrease  
Retained earnings brought forward: ¥1,778,000,000

## Proposal No. 2 Partial Amendments to Articles of Incorporation

### 1. Reasons for amendments

- (1) We are committed to strengthening the supervisory function of the Board of Directors by making the Audit and Supervisory Committee Members, who are to be responsible for auditing and supervising the execution of duties by Directors, the Board members; and also to enhancing our corporate governance by further reinforcing our monitoring system. To achieve these commitments, we have decided to transition to a company with an Audit and Supervisory Committee from a company with an Audit & Supervisory Board, and thus, will establish new provisions concerning Directors who are Audit and Supervisory Committee Members and the Audit and Supervisory Committee and make necessary adjustments, including the removal of provisions concerning the Audit & Supervisory Board and its members, which are required for the transition.
- (2) For the amendments above, the Company will also make necessary revisions, such as rewriting words and phrases.

### 2. Details of amendments

Details of the amendments to the Articles of Incorporation are as follows:

This proposal shall become effective at the conclusion of this General Meeting of Shareholders.

(Amended portions are underlined.)

Current Articles of Incorporation	Proposed amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Articles 1 – 3 (Text omitted)	Articles 1 – 3 (Unchanged)
(Organs)	(Organs)
Article 4 In addition to the General Meeting of Shareholders and Directors, the Company shall establish the following organs.	Article 4 In addition to the General Meeting of Shareholders and Directors, the Company shall establish the following organs.
(1) Board of Directors	(1) Board of Directors
(2) <u>Audit &amp; Supervisory Board Members</u>	(2) <u>Audit and Supervisory Committee</u>
(3) <u>Audit &amp; Supervisory Board</u>	(Deleted)
(4) Financial Auditor	(3) Financial Auditor
Article 5 (Text omitted)	Article 5 (Unchanged)
Chapter 2 Shares of the Company	Chapter 2 Shares of the Company
Articles 6 – 12 (Text omitted)	Articles 6 – 12 (Unchanged)
Chapter 3 General Meeting of Shareholders	Chapter 3 General Meeting of Shareholders
Articles 13 – 18 (Text omitted)	Articles 13 – 18 (Unchanged)
Chapter 4 Directors and Board of Directors	Chapter 4 Directors and Board of Directors
(Number of Directors)	(Number of Directors)

Current Articles of Incorporation	Proposed amendments
<p>Article 19 The number of Directors of the Company shall not exceed 12.</p> <p>(Newly established)</p> <p>(Election of Directors)</p> <p>Article 20 Directors shall be elected by resolution of a General Meeting of Shareholders.</p> <p>2 – 3 (Text omitted)</p> <p>(Dismissal of Directors)</p> <p><u>Article 21 A Director shall be dismissed by resolution of a General Meeting of Shareholders by two-thirds of votes of the shareholders present at the meeting who hold not less than one-third of the voting rights of the shareholders who are entitled to exercise voting rights.</u></p> <p>(Term of Office of Directors)</p> <p>Article 22 The term of office of Directors shall expire at the conclusion of the annual general meeting of shareholders with respect to the latest business year ending within <u>two years</u> after their election.</p> <p><u>2 The term of office of a Director appointed to increase the number of Directors or as a substitute Director shall be the remaining term of existing Directors.</u></p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>Article 19 The number of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> of the Company shall not exceed 12.</p> <p><u>2. The number of Directors who are Audit and Supervisory Committee Members shall not exceed four.</u></p> <p>(Election of Directors)</p> <p>Article 20 Directors shall be elected by resolution of a General Meeting of Shareholders, <u>with Directors who are Audit and Supervisory Committee Members being distinguished from the other Directors.</u></p> <p>2 – 3 (Unchanged)</p> <p>(Deleted)</p> <p>(Term of Office of Directors)</p> <p>Article 21 The term of office of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall expire at the conclusion of the annual general meeting of shareholders with respect to the latest business year ending within <u>one year</u> after their election.</p> <p>(Deleted)</p> <p><u>2 The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the conclusion of the annual general meeting of shareholders with respect to the latest business year ending within two years after their election.</u></p> <p><u>3 The term of office of a Director who is an Audit and Supervisory Committee Member appointed as a substitute to fill the vacancy of a Director serving as Audit and Supervisory Committee Member who resigned prior to his/her term of office shall be the remaining term of office of such resigned Director.</u></p>

Current Articles of Incorporation	Proposed amendments
(Newly established)	<u>4 The resolution pertaining to the election of a substitute Director who is an Audit and Supervisory Committee Member shall be effective until the commencement of the annual general meeting of shareholders with respect to the latest business year ending within two years after his/her election.</u>
Articles <u>23</u> – <u>24</u> (Text omitted)	Articles <u>22</u> – <u>23</u> (Unchanged)
(Notice of Convocation of Board of Directors' Meetings) Article <u>25</u> A notice of convocation of a meeting of the Board of Directors shall be dispatched to each Director <u>and each Audit &amp; Supervisory Board Member</u> at least three days prior to the date of the meeting; provided, however, that this period may be shortened at times of urgent necessity. 2 The Board of Directors' meeting may be held without following the convocation procedures if so agreed by all Directors <u>and Audit &amp; Supervisory Board Members</u> .	(Notice of Convocation of Board of Directors' Meetings) Article <u>24</u> A notice of convocation of a meeting of the Board of Directors shall be dispatched to each Director at least three days prior to the date of the meeting; provided, however, that this period may be shortened at times of urgent necessity. 2 The Board of Directors' meeting may be held without following the convocation procedures if so agreed by all Directors.
(Newly established)	<u>(Delegation of Decision on Execution of Important Operations)</u> <u>Article 25 The Board of Directors may delegate all or part of decisions regarding execution of important operations (excluding the matters set forth in each item of Article 399-13, paragraph (5) of the Companies Act) by resolution of the Board of Directors, in accordance with the provisions of Article 399-13, paragraph (6) of the Companies Act.</u>
Articles 26 – 28 (Text omitted)	Articles 26 – 28 (Unchanged)
(Remuneration, etc. for Directors) Article 29 Financial benefits received from the Company as consideration for the execution of duties, such as Director remuneration and bonuses ( <u>hereinafter referred to as "Remuneration, etc."</u> ) shall be determined by resolution of a General Meeting of Shareholders.	(Remuneration, etc. for Directors) Article 29 Financial benefits received from the Company as consideration for the execution of duties, such as Director remuneration and bonuses shall be determined by resolution of a General Meeting of Shareholders, <u>with Directors who are Audit and Supervisory Committee Members being distinguished from the other Directors.</u>
Article 30 (Text omitted)	Article 30 (Unchanged)
<u>Chapter 5 Audit &amp; Supervisory Board Members and the Audit &amp; Supervisory Board</u>	(Deleted)

Current Articles of Incorporation	Proposed amendments
<p><u>(Number of Audit &amp; Supervisory Board Members)</u></p> <p><u>Article 31 The number of the Audit &amp; Supervisory Board Members of the Company shall not exceed four.</u></p>	(Deleted)
<p><u>(Election of Audit &amp; Supervisory Board Members)</u></p> <p><u>Article 32 Audit &amp; Supervisory Board Members shall be elected by resolution of a General Meeting of Shareholders.</u></p> <p><u>2 Audit &amp; Supervisory Board Members shall be elected by resolution of a general meeting of shareholders by the majority of votes of the shareholders present at the meeting who hold not less than one-third of the voting rights of the shareholders who are entitled to exercise voting rights.</u></p>	(Deleted)
<p><u>(Term of office of the Audit &amp; Supervisory Board Members)</u></p> <p><u>Article 33 The term of office of Audit &amp; Supervisory Board Members shall expire at the conclusion of the annual general meeting of shareholders with respect to the latest business year ending within four years after their election.</u></p> <p><u>2 The term of office of an Audit &amp; Supervisory Board Member appointed as a substitute to fill the vacancy of an Audit &amp; Supervisory Board Member who resigned prior to his/her term of office shall be the remaining term of office of such resigned Audit &amp; Supervisory Board Member.</u></p>	(Deleted)
<p><u>(Effectiveness of Resolution for Election of Substitute Audit &amp; Supervisory Board Member)</u></p> <p><u>Article 34 Resolution pertaining to election of a substitute Audit &amp; Supervisory Board Member shall be effective until the commencement of the annual general meeting of shareholders with respect to the latest business year ending within four years after his/her election.</u></p>	(Deleted)
<p><u>(Full-time Audit &amp; Supervisory Board Members)</u></p> <p><u>Article 35 The Audit &amp; Supervisory Board shall appoint full-time Audit &amp; Supervisory Board Members by resolution.</u></p>	(Deleted)
<p><u>(Notice of Convocation of Audit &amp; Supervisory Board Meetings)</u></p>	(Deleted)

Current Articles of Incorporation	Proposed amendments
<p><u>Article 36 A notice of convocation of a meeting of the Audit &amp; Supervisory Board shall be dispatched to all Audit &amp; Supervisory Board Members at least three days prior to the date of the meeting; provided, however, that this period may be shortened at times of urgent necessity.</u></p> <p><u>2 The Audit &amp; Supervisory Board Meeting may be held without following the convocation procedures if so agreed by all Audit &amp; Supervisory Board Members.</u></p>	
<p><u>(Rules of the Audit &amp; Supervisory Board)</u></p> <p><u>Article 37 In addition to applicable laws and regulations and these Articles of Incorporations, Rules of the Audit &amp; Supervisory Board established by the Audit &amp; Supervisory Board shall apply to matters relating to the Audit &amp; Supervisory Board.</u></p>	(Deleted)
<p><u>(Remuneration, etc.)</u></p> <p><u>Article 38 Remuneration, etc. for Audit &amp; Supervisory Board Members shall be determined by resolution of a General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>(Limited Liability Agreement with Audit &amp; Supervisory Board Members)</u></p> <p><u>Article 39 Pursuant to the provisions of the Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with each of Audit &amp; Supervisory Board Members, to the effect that any liability under Article 423, paragraph (1) of said Act shall be limited; provided, however, that the maximum amount of damages under such agreement shall be as prescribed by laws and regulations.</u></p>	(Deleted)
<p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p><u>Chapter 5 Audit and Supervisory Committee</u></p> <p><u>(Full-time Audit and Supervisory Committee Members)</u></p> <p><u>Article 31 The Audit and Supervisory Committee shall, by its resolution, appoint full-time Audit and Supervisory Committee Members.</u></p> <p><u>(Notice of Convocation of the Audit and Supervisory Committee Meetings)</u></p>



Current Articles of Incorporation	Proposed amendments
<p>(Newly established)</p> <p>Chapter 6 Accounting</p> <p>Articles <u>40</u> – <u>43</u> (Text omitted)</p>	<p><u>Article 32 A notice of convocation of a meeting of the Audit and Supervisory Committee shall be dispatched to all Audit and Supervisory Committee Members at least three days prior to the date of the meeting; provided, however, that this period may be shortened at times of urgent necessity.</u></p> <p><u>2 The Audit and Supervisory Committee meetings may be held without following the convocation procedures if so agreed by all Audit and Supervisory Committee Members.</u></p> <p><u>(Rules of the Audit and Supervisory Committee)</u></p> <p><u>Article 33 In addition to applicable laws and regulations and these Articles of Incorporations, Rules of the Audit &amp; Supervisory Committee established by the Audit &amp; Supervisory Committee shall apply to matters relating to the Audit and Supervisory Committee.</u></p> <p>Chapter 6 Accounting</p> <p>Articles <u>34</u> – <u>37</u> (Unchanged)</p>

**Proposal No. 3** Election of 12 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The Company will transition to a company with an Audit and Supervisory Committee on condition that Proposal No. 2 “Partial Amendments to Articles of Incorporation” is approved as originally proposed, and all 12 Directors will resign as their term of office expires when the amendments to the Articles of Incorporation takes effect. It is therefore proposed that 12 Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter) after the transition to a company with an Audit and Supervisory Committee be elected.

This proposal shall become effective on condition that Proposal No. 2 “Partial Amendments to Articles of Incorporation” comes into effect.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<div>Reelection</div> Motohide Nishimura (July 6, 1955)	Apr. 1978      Joined Okasan Securities Co., Ltd. Aug. 1995      Advisor of the Company Jan. 1996      Director, Deputy General Manager of Marketing Div. & General Manager of International Dept. Jan. 1997      Managing Director, Deputy General Manager of Administration Div. & General Manager of Administration Dept. Jan. 1998      Senior Managing Director, General Manager of Marketing Div. & General Manager of Marketing Administration Dept. Jan. 2000      Representative Director, President May 2007      Representative Director, Chairman of STEC Co., Ltd. Apr. 2009      Representative Director, President & General Manager of Marketing Div. of the Company Nov. 2010      Representative Director, Chairman of Sanko Shoji Co., Ltd. Jan. 2012      Representative Director, President, General Manager of Marketing Div. & General Manager of International Div. of the Company Jan. 2013      Representative Director, President & General Manager of International Div. Mar. 2015      Representative Director, Chairman of ASHI ELECTRIC Co., Ltd. June 2015      Representative Director, Chairman of Taiyo Tsushin Kogyo Co., Ltd. Jan. 2016      Representative Director, Chairman & Representative Director, President of STEC Co., Ltd. June 2016      Representative Director, President of the Company (current position) May 2018      Representative Director of Kansai Cable Wholesalers Association (current position) June 2018      Director (Audit and Supervisory Committee Member) of KURABO INDUSTRIES LTD. (current position)	787,341 shares

[Reasons for nomination]

Motohide Nishimura has extensive experience and a proven performance record, having been responsible for overall management of the Company for many years as its Representative Director, President. Having judged that he can appropriately perform his role in decision making of management and supervision of business execution, the Company once again nominates him as a candidate for Director.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
2	<div>Reelection</div> <p>Takao Tahara (January 5, 1951)</p>	Mar. 1969 Nov. 2000 Jan. 2002 Jan. 2005 May 2005 Feb. 2007 Jan. 2008 Jan. 2012 Jan. 2012 Oct. 2014 Jan. 2016 June 2016 Nov. 2016 Apr. 2017 Nov. 2017 Apr. 2019 Oct. 2019	Joined the Company General Manager of Nagoya Branch Director & General Manager of Nagoya Branch Managing Director & General Manager of Nagoya Branch Managing Director, Deputy General Manager of Marketing Div. & General Manager of Nagoya Branch Managing Director, Executive Officer, Deputy General Manager of Marketing Div. & General Manager of Nagoya Branch Senior Managing Director, Executive Officer, Deputy General Manager of Marketing Div. & General Manager of Nagoya Branch Senior Managing Director, Executive Officer, Deputy General Manager of Marketing Div., Deputy General Manager of International Div. & General Manager of Nagoya Branch Representative Director, Chairman of SENSU ELECTRIC INTERNATIONAL CO., LTD. (current position) Representative Director, President of SENSU ELECTRIC PHILIPPINES CORPORATION Director, Vice President, Executive Officer, Deputy General Manager of Marketing Div., Deputy General Manager of International Div. & General Manager of Nagoya Branch of the Company Director, Vice President, Executive Officer, General Manager of International Div. & Deputy General Manager of Marketing Div. Director, Vice President, Executive Officer & General Manager of International Div. Director, Vice President, Executive Officer, General Manager of International Div. & General Manager of International Dept., International Div. Representative Director, Chairman of SENSU ELECTRIC PHILIPPINES CORPORATION (current position) Director, Vice President, Executive Officer & General Manager of International Div. of the Company (current position) Representative Director, Chairman of SENSU ELECTRIC VIETNAM CO., LTD. (current position)	13,120 shares
<p>[Reasons for nomination]</p> <p>Takao Tahara has extensive experience and a proven performance record in the overall marketing division and the overall international division of the Company. Having judged that he can appropriately perform his role in decision making of management and supervision of business execution, the Company once again nominates him as a candidate for Director.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
3	<div>Reelection</div> Atsuhiko Yoshida (September 15, 1955)	Mar. 1974 July 2006 Oct. 2010 Jan. 2012  Jan. 2016  Jan. 2016  Nov. 2016  Jan. 2018  Jan. 2020	Joined the Company General Manager of Saitama Office General Manager of Sendai Branch Director, Executive Officer, Deputy General Manager of Marketing Div. & General Manager of Sendai Branch Managing Director, Executive Officer, Deputy General Manager of Marketing Div. & General Manager of Tokyo Branch Representative Director, President of ISUZU ELECTRIC Co., Ltd. Managing Director, Executive Officer & General Manager of Tokyo Branch of the Company Managing Director, Executive Officer, Deputy General Manager of Marketing Div. & General Manager of Tokyo Branch Senior Managing Director, Executive Officer, Deputy General Manager of Marketing Div. & General Manager of Tokyo Branch (current position)	6,000 shares
[Reasons for nomination] Atsuhiko Yoshida has extensive experience and a proven performance record in the marketing division of the Company. Having judged that he can appropriately perform his role in decision making of management and supervision of business execution, the Company once again nominates him as a candidate for Director.				
4	<div>Reelection</div> Kazuto Narita (January 18, 1960)	Mar. 1982 Jan. 2009 Jan. 2012  Jan. 2016  Jan. 2018  Jan. 2020	Joined the Company General Manager of General Affairs Dept. Executive Officer & General Manager of General Affairs Dept. Director, Executive Officer, Deputy General Manager of Administration Div. & General Manager of General Affairs Dept. Managing Director, Executive Officer, Deputy General Manager of Administration Div. & General Manager of General Affairs Dept. Senior Managing Director, Executive Officer, General Manager of Administration Div. & General Manager of General Affairs Dept. (current position)	8,100 shares
[Reasons for nomination] Kazuto Narita has extensive experience and a proven performance record in the administration division of the Company. Having judged that he can appropriately perform his role in decision making of management and supervision of business execution, the Company once again nominates him as a candidate for Director.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
5	<div>Reelection</div> <p>Toyo Usho (May 1, 1969)</p>	<p>Mar. 1988      Joined the Company</p> <p>June 2010      General Manager of Sapporo Branch</p> <p>Jan. 2014      Executive Officer &amp; General Manager of Sapporo Branch</p> <p>Jan. 2016      Director, Executive Officer, Deputy General Manager of Marketing Div. &amp; General Manager of Sapporo Branch</p> <p>Nov. 2016      Director, Executive Officer &amp; General Manager of Sapporo Branch</p> <p>Jan. 2020      Managing Director, Executive Officer &amp; General Manager of Sapporo Branch</p> <p>Nov. 2020      Managing Director &amp; Executive Officer of the Company (current position)</p>		2,800 shares
<p>[Reasons for nomination]</p> <p>Toyo Usho has extensive experience and a proven performance record in the marketing division of the Company. Having judged that he can appropriately perform his role in decision making of management and supervision of business execution, the Company once again nominates him as a candidate for Director.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	<div> <div>R reelection</div> <div>Mitsuaki Tominaga (May 31, 1949)</div> </div>	Apr. 1973      Joined the Company Jan. 2000      General Manager of 1st Marketing Dept., Main Office Nov. 2005      Deputy General Manager of Marketing Div. & General Manager of Direct Sales Dept., Main Office Feb. 2007      Executive Officer, Deputy General Manager of Marketing Div. & General Manager of Direct Sales Dept., Main Office May 2007      Chairman of SHANGHAI SENSU ELECTRIC INTERNATIONAL CO., LTD. Jan. 2009      Director, Executive Officer, Deputy General Manager of Marketing Div. & General Manager of Direct Sales Dept., Main Office of the Company Jan. 2012      Director, Executive Officer, Deputy General Manager of Marketing Div., Deputy General Manager of International Div. & General Manager of Direct Sales Dept., Main Office May 2013      Representative Director, Chairman of NBS Co., Ltd. May 2014      Director, Executive Officer, Deputy General Manager of Marketing Div., Deputy General Manager of International Div. & General Manager of International Dept. of the Company Nov. 2014      Representative Director, President of NBS Co., Ltd. (current position) Nov. 2014      Director, Executive Officer, Deputy General Manager of Marketing Div. & Deputy General Manager of International Div. of the Company Jan. 2016      Managing Director, Executive Officer, Deputy General Manager of Marketing Div. & Deputy General Manager of International Div. Jan. 2016      Chairman of SHANGHAI SENSU ELECTRIC INTERNATIONAL CO., LTD. Nov. 2016      Managing Director & Executive Officer of the Company (current position)	10,500 shares
[Reasons for nomination] Mitsuaki Tominaga has extensive experience and a proven performance record in the marketing division of the Company. Having judged that he can appropriately perform his role in decision making of management and supervision of business execution, the Company once again nominates him as a candidate for Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
7	<div>Reelection</div> <p>Kiyoto Fukada (September 26, 1955)</p>	Mar. 1974 Apr. 2004 Nov. 2010 Jan. 2012 Jan. 2016 Nov. 2016 Jan. 2020 Jan. 2020	Joined the Company President of SHANGHAI SENSU ELECTRIC INTERNATIONAL CO., LTD. General Manager of Fukuoka Branch of the Company Executive Officer & General Manager of Fukuoka Branch Director, Executive Officer, Deputy General Manager of Marketing Div. & General Manager of Fukuoka Branch Director, Executive Officer & General Manager of Fukuoka Branch Managing Director, Executive Officer & General Manager of Fukuoka Branch (current position) Chairman of SHANGHAI SENSU ELECTRIC INTERNATIONAL CO., LTD. (current position)	9,000 shares
[Reasons for nomination] Kiyoto Fukada has extensive experience and a proven performance record in the marketing division of the Company. Having judged that he can appropriately perform his role in decision making of management and supervision of business execution, the Company once again nominates him as a candidate for Director.				
8	<div>Reelection</div> <p>Nobuko Shimaoka (March 30, 1957)</p>	Mar. 1979 May 2013 Jan. 2016 Jan. 2020	Joined the Company General Manager of Accounting Dept. Executive Officer & General Manager of Accounting Dept. Director, Executive Officer, Deputy General Manager of Administration Div., General Manager of Accounting Dept. & General Manager of Export Administration Office (current position)	6,700 shares
[Reasons for nomination] Nobuko Shimaoka has extensive experience and a proven performance record in the accounting division of the Company. Having judged that she can appropriately perform her role in decision making of management and supervision of business execution, the Company once again nominates her as a candidate for Director.				
9	<div>Reelection</div> <p>Masanori Hanayama (March 6, 1957)</p>	Mar. 1975 Jan. 2009 May 2015 Jan. 2016 Nov. 2018 Jan. 2020	Joined the Company General Manager of 3rd Marketing Dept., Main Office General Manager of Hiroshima Branch Executive Officer & General Manager of Hiroshima Branch Executive Officer, Deputy General Manager of Osaka Main Office & General Manager of 3rd Marketing Dept. Director, Executive Officer, General Manager of Osaka Main Office & General Manager of 3rd Marketing Dept. (current position)	500 shares
[Reasons for nomination] Masanori Hanayama has extensive experience and a proven performance record in the marketing division of the Company. Having judged that he can appropriately perform his role in decision making of management and supervision of business execution, the Company once again nominates him as a candidate for Director.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
10	<div>New election</div> Motokazu Nishimura (April 15, 1976)	Apr. 2001 May 2006 Sept. 2009 July 2014 Apr. 2019 Feb. 2020	Joined Hosiden Corporation Joined Nidec Corporation Joined the Company Representative Director, President of SENSHU ELECTRIC INTERNATIONAL CO., LTD. General Manager of International Dept., International Div. of the Company Executive Officer, General Manager of International Dept., International Div. (current position)	76,994 shares
[Reasons for nomination] Motokazu Nishimura has extensive experience and a proven performance record in the international division of the Company. Having judged that he can appropriately perform his role in decision making of management and supervision of business execution, the Company nominates him as a new candidate for Director.				
11	<div>Reelection</div> <div>Independent outside</div> Tooru Muneoka (June 27, 1957)	Sept. 1984 Feb. 1988 Sept. 1990 Apr. 2003 Apr. 2005 Apr. 2006 Mar. 2011 Jan. 2016 Jan. 2019 June 2019	Joined Osaka Office, Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC) Registered as a certified public accountant Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.), Deputy Manager of Credit Department Joined Sony Corporation, General Manager in Charge of Pension Planning Department Research fellow of Kansai University Professor of Graduate School of Kansai University, School of Accountancy (current position) Audit & Supervisory Board Member of DDS, Inc. (current position) Director of the Company (current position) Provisional Audit & Supervisory Board Member of KYOEI STEEL LTD. Audit & Supervisory Board Member of KYOEI STEEL LTD. (current position)	0 shares
[Reasons for nomination] Tooru Muneoka has never in the past been involved in the management of a company except as an outside officer. However, he has extensive experience and broad knowledge as a certified public accountant and a university professor, and he has appropriately fulfilled his duties as an outside Director through providing guidance and advice for the management of the Company. Having judged that he can continue to appropriately fulfill his duties in the same manner, the Company once again nominates him as a candidate for outside Director. At the conclusion of this meeting, his tenure as outside Director of the Company will have been five years.				



Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
12	<div>Reelection</div> <div>Independent outside</div> Tsuyoshi Kondo (November 19, 1963)	Apr. 1991      Joined the Legal Training and Research Institute of the Supreme Court of Japan Apr. 1993      Registered as an attorney at law Apr. 1993      Joined Chiaki & Tsuyoshi Kondo Law Office Apr. 2001      President of KONDO LAW OFFICE (current position) Apr. 2003      Registered as a patent attorney Apr. 2010      Specially Appointed Professor of Graduate School of Kansai University, School of Law June 2016      Audit & Supervisory Board Member of Nippon Shinyaku Co., Ltd. (current position) Jan. 2018      Director of the Company (current position)	0 shares
[Reasons for nomination] Tsuyoshi Kondo has never in the past been involved in the management of a company except as an outside officer. However, he has sufficient knowledge of corporate legal affairs and corporate management as an attorney at law, and he has appropriately fulfilled his duties as an outside Director through providing guidance and advice for the management of the Company. Having judged that he can continue to appropriately fulfill his duties in the same manner, the Company once again nominates him as a candidate for outside Director. At the conclusion of this meeting, his tenure as outside Director of the Company will have been three years.			

Notes:

- The Company has a trading relationship including the buying/selling of products with SENSU ELECTRIC INTERNATIONAL CO., LTD., where Takao Tahara concurrently serves as Representative Director and Chairman.
- Other than the above mentioned, there is no special interest between any of the candidates and the Company.
- Tooru Muneoka and Tsuyoshi Kondo are candidates for outside Director.
- The Company has submitted notification to the Tokyo Stock Exchange that Tooru Muneoka and Tsuyoshi Kondo have been appointed as independent officers as provided for by the aforementioned exchange. If their reelection is approved, the Company plans for their appointments as independent officers to continue.
- Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Tooru Muneoka and Tsuyoshi Kondo to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. Under these agreements, the maximum amount of liability for damages is the amount provided for under laws and regulations. If their reelection is approved, the Company plans to renew the aforementioned agreements with them.

**Proposal No. 4** Election of Three Directors Who Are Audit and Supervisory Committee Members

The Company will transition to a company with an Audit and Supervisory Committee on condition that Proposal No. 2 “Partial Amendments to Articles of Incorporation” is approved as originally proposed. It is therefore proposed that three Directors who are Audit and Supervisory Committee Members be elected.

The consent of the Audit & Supervisory Board has been obtained regarding this proposal.

This proposal shall become effective on condition that Proposal No. 2 “Partial Amendments to Articles of Incorporation” comes into effect.

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

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<div style="text-align: center;"> <div>New election</div> <div>Independent outside</div> </div> <div style="text-align: center;">                     Hiromichi Yamajo (May 2, 1956)                 </div>	Apr. 1979      Joined The Daiwa Bank, Ltd. (currently Resona Bank, Limited). Apr. 2004      Executive Officer of Resona Trust & Banking Co., Ltd. (currently Resona Bank, Limited) June 2004      Director of Japan Investor Solutions & Technologies Co., Ltd. June 2006      Director and Executive Officer of Resona Trust & Banking Co., Ltd. (currently Resona Bank, Limited) June 2007      Director and Managing Executive Officer of Resona Trust & Banking Co., Ltd. (currently Resona Bank, Limited) Apr. 2009      Managing Executive Officer of Resona Bank, Limited May 2011      Director and Vice President of Resona Kessai Service Co., Ltd. June 2012      Full-time Audit & Supervisory Board Member of The Kinki Osaka Bank, Ltd. (currently Kansai Mirai Bank, Limited) June 2013      Director and Vice President of D&I Information Systems Inc. Jan. 2019      Advisor of D&I Information Systems Inc. Jan. 2019      Full-time Audit & Supervisory Board Member of the Company (current position) June 2020      Director (who is an Audit and Supervisory Committee Member) of Shikibo Ltd. (current position)	0 shares

[Reasons for nomination]

Hiromichi Yamajo currently serves as outside Full-time Audit & Supervisory Board Member of the Company. He has garnered extensive experience and a proven performance through years of service at financial institutions. He has appropriately audited and supervised the execution of duties by Directors of the Company, leveraging his strong financial expertise. Having judged that he can appropriately perform his role in strengthening the Company's corporate governance after the Company transitions to a company with an Audit and Supervisory Committee, the Company nominates him as a new candidate for outside Director who is an Audit and Supervisory Committee Member. At the conclusion of this meeting, his tenure as Audit & Supervisory Board Member of the Company will have been two years.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<div>New election</div> <div>Independent outside</div> Shinichi Mori (October 17, 1948)	Apr. 1972      Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.). Jan. 1992      General Manager of Shin-urayasu Branch of The Fuji Bank Limited June 2002      Executive Officer of Mizuho Investors Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.) June 2005      Director, General Manager of Management Information Dept. of KEYENCE CORPORATION Jan. 2010      Audit & Supervisory Board Member of the Company (current position) June 2010      Audit & Supervisory Board Member of Yoshida Printing Co., Ltd. June 2014      Audit & Supervisory Board Member of TOBA, INC. (current position)	100 shares
[Reasons for nomination] Shinichi Mori currently serves as outside Audit & Supervisory Board Member of the Company. He has garnered extensive experience and a proven performance through years of service at financial institutions. Also, he currently serves as outside Audit & Supervisory Board Member of the other listed company, and thus, has appropriately audited and supervised the execution of duties by Directors of the Company, leveraging the broad expertise he has garnered through his experience as outside Audit & Supervisory Board Member. Having judged that he can appropriately perform his role in strengthening the Company's corporate governance after the Company transitions to a company with an Audit and Supervisory Committee, the Company nominates him as a new candidate for outside Director who is an Audit and Supervisory Committee Member. At the conclusion of this meeting, his tenure as Audit & Supervisory Board Member of the Company will have been 11 years.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<div>New election</div> <div>Independent outside</div> Masaki Hirata (October 31, 1954)	Apr. 1978      Joined The Daiwa Bank, Ltd. (currently Resona Bank, Limited). July 1995      General Manager of Ibaraki-Nishi Branch of The Daiwa Bank, Ltd. Mar. 2002      General Manager of Head Office Sales Department No. 4 of The Daiwa Bank, Ltd. Dec. 2003      General Manager of Osaka Sales Department No. 3 of Resona Bank, Limited) Apr. 2004      Regional CEO of Western Osaka Region, and General Manager of Osaka-Nishiku Branch of Resona Bank Limited June 2007      Executive Officer of Resona Trust & Banking Co., Ltd. (currently Resona Bank, Limited) Apr. 2009      Representative Director and President of HACHIBUSE DEVELOPMENT CO., LTD. (current position) Oct. 2009      Director of Kinki Kanri Co., Ltd. (current position) Nov. 2011      Director of Youthland Co., Ltd. (current position) June 2014      Representative Director and President of HACHIBUSE REAL ESTATE CO., LTD. (current position) Jan. 2019      Audit & Supervisory Board Member of the Company (current position)	0 shares

[Reasons for nomination]

Masaki Hirata currently serves as outside Audit & Supervisory Board Member of the Company. He has garnered extensive experience and a proven performance record through years of service at financial institutions. Also, he has appropriately audited and supervised the execution of duties by Directors of the Company, leveraging his broad expertise in management of companies. Having judged that he can appropriately perform his role in strengthening the Company's corporate governance after the Company transitions to a company with an Audit and Supervisory Committee, the Company nominates him as a new candidate for outside Director who is an Audit and Supervisory Committee Member. At the conclusion of this meeting, his tenure as Audit & Supervisory Board Member of the Company will have been two years.

Notes:

1. There is no special interest between any of the candidates and the Company.
2. They are all candidates for outside Directors.
3. The Company has submitted notification to the Tokyo Stock Exchange that Hiromichi Yamajo, Shinichi Mori and Masaki Hirata have been appointed as independent officers as provided for by the aforementioned exchange. If their reelection is approved, the Company plans for their appointments as independent officers to continue.
4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Hiromichi Yamajo, Shinichi Mori and Masaki Hirata to limit their liability for damages under Article 423, paragraph (1) of the Companies Act as outside Audit & Supervisory Board Members. Under these agreements, the maximum amount of liability for damages is the amount provided for under laws and regulations. If their election is approved, the Company plans to newly enter into a similar agreement to limit their liability for damages as Directors who are Audit and Supervisory Committee Members.
5. Upon the approval of the "Abolishment of Officers' Retirement Benefits Plan for Directors and Audit & Supervisory Board Members" proposed at the 69th Annual General Meeting of Shareholders held on January 30, 2019, it was resolved that the Company pay the final retirement benefits to Audit & Supervisory Board Members at the times of their retirement as Audit & Supervisory Board Member. However, the payment shall be made at the times of their retirement as Directors who are Audit and Supervisory Committee Members.

**Proposal No. 5**      Election of One Substitute Director Who Is an Audit and Supervisory Committee Member

The Company will transition to a company with an Audit and Supervisory Committee on condition that Proposal No. 2 “Partial Amendments to Articles of Incorporation” is approved as originally proposed. The Company therefore requests approval for the election of one substitute Director who is an Audit and Supervisory Committee Member, in order to provide for cases where the number of Directors who are Audit and Supervisory Committee Members falls under the number required by laws and regulations.

The consent of the Audit & Supervisory Board has been obtained regarding this proposal.

This proposal shall become effective on condition that Proposal No. 2 “Partial Amendments to Articles of Incorporation” comes into effect.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Shinobu Miyaishi (January 9, 1951)	<p>Apr. 1974      Joined SHOWA ELECTRIC WIRE AND CABLE CO., LTD. (currently SWCC SHOWA HOLDINGS CO., LTD.)</p> <p>Jan. 1996      Assistant General Manager of Human Resources Division of SHOWA ELECTRIC WIRE AND CABLE CO., LTD. Seconded to the Company as Managing Director &amp; General Manager of Administration Div.</p> <p>Nov. 2001      Managing Director &amp; General Manager of Administration Div.</p> <p>Sept. 2002      Managing Director, General Manager of Administration Div. &amp; General Manager of Export Administration Office</p> <p>Nov. 2004      Managing Director, General Manager of Administration Div., General Manager of General Affairs Dept. &amp; General Manager of Export Administration Office</p> <p>May 2005      Managing Director, General Manager of Administration Div. &amp; General Manager of Export Administration Office</p> <p>Feb. 2007      Managing Director, Executive Officer, General Manager of Administration Div. &amp; General Manager of Export Administration Office</p> <p>Jan. 2012      Senior Managing Director, Executive Officer, General Manager of Administration Div. &amp; General Manager of Export Administration Office</p> <p>July 2015      Senior Managing Director, Executive Officer, General Manager of Administration Div., General Manager of Export Administration Office &amp; General Manager of Administration Dept.</p> <p>May 2019      Senior Managing Director, Executive Officer, General Manager of Administration Div. &amp; General Manager of Export Administration Office</p> <p>Jan. 2020      Advisor of the Company (current position)</p>	7,700 shares

[Reasons for nomination]

Shinobu Miyaishi has extensive experience and a proven performance record in overall administration operations of the Company. Having judged that he can appropriately perform his role in auditing and supervising the execution of duties by Directors and strengthening the corporate governance of the Company, the Company nominates him as a candidate for substitute Director who is an Audit and Supervisory Committee Member.

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

**Proposal No. 6** Determination of Amount of Remuneration, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The amount of remuneration, etc. for Directors of the Company was set to be no more than ¥350 million annually (including the amount of no more than ¥20 million annually for outside Directors, and excluding a portion of employee salaries of Directors who concurrently serve as employees) by the resolution of the 65th Annual General Meeting of Shareholders held on January 29, 2015. However, the Company will transition to a company with an Audit and Supervisory Committee subject to the approval of Proposal No. 2 “Partial Amendments to Articles of Incorporation” as originally proposed. In line with this transition, the Company requests approval that the amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this Proposal) is set to be no more than ¥350 million annually (including the amount of no more than ¥20 million annually for outside Directors) by taking various factors into account such as recent economic situation, and that the specific amounts to be paid to respective Directors and the timing of payments shall be determined by the resolution of the Board of Directors of the Company.

Please note that the amount of remuneration, etc. for Directors excludes a portion of employee salaries of Directors who concurrently serve as employees.

The current number of Directors is 12 (including two outside Directors), and the number of Directors shall remain the same at 12 (including two outside Directors), if Proposal No. 2 “Partial Amendments to Articles of Incorporation” and Proposal No. 3 “Election of 12 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved as originally proposed.

This proposal shall only take effect on the condition that Proposal No. 2 “Partial Amendments to Articles of Incorporation” is approved as originally proposed and those amendments to the Articles of Incorporation become effective.

**Proposal No. 7** Determination of Amount of Remuneration, etc. for Directors Who Are Audit and Supervisory Committee Members

In transitioning to a company with an Audit and Supervisory Committee subject to the approval of Proposal No. 2 “Partial Amendments to Articles of Incorporation” as originally proposed, the Company requests approval that the amount of remuneration, etc. for its Directors who are Audit and Supervisory Committee Members is set to be no more than ¥35 million annually by taking various factors into account such as increased responsibilities of the Directors who are Audit and Supervisory Committee Members and recent economic situation, and that the specific amounts to be paid to respective Directors who are Audit and Supervisory Committee Members and the timing of payments shall be determined by the resolution of the Directors who are Audit and Supervisory Committee Members. The number of Directors who are Audit and Supervisory Committee Members shall be three, if Proposal No. 2 “Partial Amendments to Articles of Incorporation” and Proposal No. 4 “Election of Three Directors Who Are Audit and Supervisory Committee Members” are approved as originally proposed.

This proposal shall only take effect on the condition that Proposal No. 2 “Partial Amendments to Articles of Incorporation” is approved as originally proposed and those amendments to the Articles of Incorporation become effective.

**Proposal No. 8** Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

The 69th Annual General Meeting of Shareholders held on January 30, 2019 resolved that the monetary compensations to be paid to the Directors (excluding outside Directors) for granting restricted shares shall be monetary claims (hereinafter referred to as “Monetary Compensation Claims”) and its total amount shall be no more than ¥100 million annually (excluding a portion of employee salaries of Directors who concurrently serve as employees). The Company will transition to a company with an Audit and Supervisory Committee subject to the approval of Proposal No. 2 “Partial Amendments to Articles of Incorporation” as originally proposed. In line with this transition, the Company requests approval that the amount of Monetary Compensation Claims for granting restricted shares to Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors; hereinafter referred to as “Eligible Directors”) is set to be no more than ¥100 million annually (excluding a portion of employee salaries of Directors who concurrently serve as employees) separate from the remuneration limit set in Proposal No. 6 “Determination of Amount of Remuneration, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members),” and that the specific amounts to be paid to respective Eligible Directors and the timing of payments are determined by the resolution of the Board of Directors. The purpose of the remuneration is to provide Eligible Directors with an incentive to commit to sustainable improvement of the corporate value of the Company as well as to promote further value sharing with shareholders, and this proposal is to substantially sustain the purpose.

The current number of Directors is 12 (including two outside Directors), and the number of Eligible Directors shall be ten, if Proposal No. 2 “Partial Amendments to Articles of Incorporation” and Proposal No. 3 “Election of 12 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved as originally proposed.

Eligible Directors shall pay all Monetary Compensation Claims to be provided under this proposal in the form of property contribution in kind, in accordance with the resolution of the Board of Directors of the Company, and shall, in return, receive shares of the Company’s common stock that shall be issued or disposed of by the Company. The total number of shares of the Company’s common stock to be issued or disposed of shall be no more than 50,000 shares annually (provided, however, that if the Company conducts a stock split of the Company’s common stock (including allotment of the Company’s common stock without contribution) or a stock consolidation after the date of approval and adoption of this proposal, the relevant total number shall be adjusted to the reasonable extent as necessary in accordance with the split or consolidation ratio, etc. after the effective date of such transactions).

The amount to be paid in 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 immediately before each date of resolution by the Board of Directors (or the closing price on the closest preceding trading day if there is no closing price on such date). For such issuance or disposal of the Company’s common stock thereby, an agreement on allotment of shares with transfer restrictions that includes the following provisions (hereinafter referred to as the “Allotment Agreement”) shall be entered into between the Company and each Eligible Director.

This proposal shall only take effect on the condition that Proposal No. 2 “Partial Amendments to Articles of Incorporation” is approved as originally proposed and those amendments to the Articles of Incorporation become effective.

(1) Transfer restriction period

Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of shares of the Company’s common stock allotted under the Allotment Agreement (hereinafter referred to as the “Allotted Shares”) for a period specified in advance by the Board of Directors of the Company within 30 years from the date of allotment (hereinafter referred to as the “Restriction Period”) in accordance with the said agreement (hereinafter referred to as the “Transfer Restrictions”).



(2) Treatment on retirement from the position

If an Eligible Director retires from the position of the Director of the Company before the Restriction Period expires, the Company shall automatically acquire the Allotted Shares without contribution, unless the reason of his/her retirement from office is the expiration of the term of his/her office, death or any other justifiable reason.

(3) Lifting of transfer restrictions

Notwithstanding the provision of Item (1) above, the Company shall lift the Transfer Restrictions of all of the Allotted Shares upon expiration of the Restriction Period, on the condition that an Eligible Director has remained in the position of the Director of the Company throughout the Restriction Period. However, if an Eligible Director retires from the position of the Director of the Company before the expiration of the Restriction Period due to the expiration of the term of his/her office, death or any other justifiable reason designated in the provision of Item (2) above, the Company shall rationally adjust the number of the Allotted Shares on which the Transfer Restrictions are to be lifted, and the timing of lifting as needed. Furthermore, pursuant to the provisions above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted.

(4) Treatment during reorganization, etc.

Notwithstanding the provision of Item (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation the reorganization, etc.), the Company shall lift the Transfer Restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the restrictions, etc. become effective, by resolution of the Board of Directors of the Company. In cases specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted.

(5) Other matters

Other matters with regard to the Allotment Agreement shall be determined by the Board of Directors of the Company.