

Securities Code: 9086

June 6, 2016

Yasuo Nakatani
Representative Executive Officer
President and Chief Executive Officer
Hitachi Transport System, Ltd.
7-2-18 Toyo, Koto-ku, Tokyo

Notice of Convocation of the 57th Annual General Meeting of Shareholders

You are cordially invited to attend the 57th Annual General Meeting of Shareholders of Hitachi Transport System, Ltd. (the “Company”). The details of the meeting follow below.

If you are unable to attend the meeting on the day, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders described hereinafter, and exercise voting rights by no later than 5:00 p.m. on Thursday, June 23, 2016.

1. Date and Time: 10:00 a.m. on Friday, June 24, 2016
2. Place: Main Meeting Room, 1st floor of the Company Headquarters at
7-2-18 Toyo, Koto-ku, Tokyo, Japan
3. Meeting Agenda:
 - Matters to be reported: Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements for the 57th Business Year (from April 1, 2015 to March 31, 2016), and results of audits of the Consolidated Financial Statements by the Accounting Auditors and Audit Committee.
 - Matters to be resolved: Proposal: Election of eight directors due to the expiration of the term of office of all directors

- ◎ An excerpt from the Business Report (6. System and Policy of the Company (1) Corporate Governance System; (2) System for Securing the Appropriateness of Business and the State of Operation of the System Concerned; (3) Basic Policies for Control of the Company; and (4) Policies for Determining Allocation of Surplus) and the “Notes to the Consolidated Financial Statements,” and the “Notes to the Non-consolidated Financial Statements” are posted on the Company’s website (<http://www.hitachi-hb.co.jp/>) in accordance with applicable laws and regulations and Article 13 of the Articles of Incorporation of the Company, and are accordingly not provided in this notice of convocation. To dispel any possible doubt, the Business Report and the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit Committee and Accounting Auditors during the preparation of the Audit Report and Accounting Audit Report respectively include the excerpt from the Business Report, the Notes to the Consolidated Financial Statements, and the Notes to the Non-consolidated Financial Statements posted on the Company’s website, in addition to the documents provided in the attachment to this notice of convocation.
- ◎ In the event that any item in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements is amended, the Company will announce the amendment on the Company’s website described above.
- ◎ The Company has decided to discontinue the practice of sending the Report on the Annual General Meeting of Shareholders and Notice of Resolution to respective shareholders after the conclusion of an annual meeting. Instead, the Company will announce the results of the 57th Annual General Meeting of Shareholders on the Company’s website.

Reference Documents for General Meeting of Shareholders

Proposals and References

Proposal: Election of eight directors due to expiration of the term of office of all directors

The term of office of all seven incumbent directors will expire upon conclusion of this General Meeting of Shareholders.

In accordance with a decision of the Nominating Committee, the Company has decided an increase of one director to improve its corporate governance. On this occasion, the Company proposes the election of eight directors. The candidates for the directors are as follows. The Company has obtained prior approval of the respective candidates, on the condition that they are elected at this General Meeting of Shareholders.

To dispel any possible doubt, the resolution for the election of directors shall not be by cumulative voting.

Candidate number	Name	Current positions and assignments in the Company
1	【New appointment】 Shinjiro Iwata	
2	【Reappointment】 Mitsudo Urano	Outside Director
3	【Reappointment】 Tsunetoshi Harada	Outside Director
4	【New appointment】 Tetsu Fusayama	
5	【Reappointment】 Emiko Magoshi	Outside Director
6	【Reappointment】 Hiroshi Maruta	Outside Director (Chairman of Audit Committee)
7	【New appointment】 Takashi Jinguji	Senior Vice President and Executive Officer General Manager, Global Business Management Office
8	【Reappointment】 Yasuo Nakatani	Representative Executive Officer, President and Chief Executive Officer and Director (Chairman of Nominating Committee, Chairman of Compensation Committee)

1. Shinjiro Iwata (Born: June 6, 1948)

Number of the Company's shares owned: 0 shares

New appointment

Candidate for Outside Director

April 2016	Advisor, Hitachi Ltd. (currently in office)
June 2015	Chairman of the Board & Director, Hitachi Koki Co., Ltd. (currently in office)
October 2014	CIO and CTrO, Hitachi, Ltd. Concurrently serving as General Manager of Smart Transformation Project
June 2014	Outside Director, Benesse Holdings, Inc. (currently in office)
June 2013	Outside Director, Hitachi Transport System, Ltd. Outside Director, Hitachi Kokusai Electric Inc.
April 2013	Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd.
April 2011	Senior Vice President and Executive Officer, Hitachi, Ltd. Concurrently serving President and CEO, Information & Telecommunication Systems Company
April 2009	Vice President and Executive Officer, Hitachi, Ltd. Concurrently serving as CEO responsible for Global Services for Information & Telecommunication Group
October 2007	Executive Vice President, Hitachi Global Storage Technologies, Inc.
April 1972	Hitachi, Ltd.

【Important posts concurrently held】

Outside Director, Benesse Holdings, Inc.

Chairman of the Board & Director, Hitachi Koki Co., Ltd.

【Reason for the appointment of the candidate for Outside Director】

Mr. Shinjiro Iwata served as Executive Vice President and in other important posts in Hitachi, Ltd. Due to his extensive experience in corporate management, the Company has determined that his experience and competence will be of great help for the Company's business management. The Company therefore appoints him as a candidate for Outside Director.

【Special interest between the candidate and the Company】

No special interest exists between the Company and Mr. Shinjiro Iwata.

【Relations between the candidate and a specified related business operator】

Mr. Shinjiro Iwata currently serves as the Chairman of the Board & Director of Hitachi Koki Co., Ltd., which was a specified related business operator of the Company in the past. In addition, he previously served as executive officer of Hitachi, Ltd., which is a specified related business

operator of the Company, and as outside director of Hitachi Kokusai Electric Inc., which was a specified related business operator of the Company.

【Previous assignment as officer of the Company】

Mr. Shinjiro Iwata has served as Outside Director of the Company before.

【Limitation of liability agreement】

If the appointment of Mr. Shinjiro Iwata as Outside Director is approved, the Company will enter into a limitation of liability agreement with him to limit his liability referred to in Article 423(1) of the Companies Act of Japan for damages that may be suffered by the Company as a result of his neglect of duty. This arrangement is intended to encourage Mr. Iwata to fully exercise his roles as an Outside Director. The upper limit of liability under this agreement is equal to the minimum amount permitted under applicable laws of Japan.

【Facts about the case of violations of laws and the articles of incorporation and other improper business execution committed by a company where the candidate for Outside Director served as director, executive officer, or auditor in the past five years, which case occurred during the candidate's tenure in that company】

Benesse Corporation is a subsidiary of Benesse Holdings, Inc. where Mr. Shinjiro Iwata has been serving as outside director since June 2014. In September 2014, the Ministry of Economy, Trade and Industry of Japan issued a recommendation to Benesse Corporation to demand that Benesse Corporation exhaustively implement measures for preventing a recurrence of violation of the Act on the Protection of Personal Information. In this connection, Mr. Iwata has been properly fulfilling his duties in the capacity of an outside director in such a way to require enhancement of internal control in the Benesse Group including all subsidiaries and to offer suggestions for recurrence prevention. In addition, he has always made compliance-oriented management proposals for the Benesse Group.

2. Mitsudo Urano (Born: March 20, 1948)

Number of the Company's shares owned: 3,000 shares

Reappointment

Candidate for Outside Director

Candidate for Independent Officer

• Career summary, positions, assignments, and important posts concurrently held

June 2014	Outside Director, Hitachi Transport System, Ltd. (currently in office)
June 2013	Advisor, NICHIREI CORPORATION (currently in office) Outside Director, Resona Holdings, Inc. (currently in office) Outside Director, HOYA CORPORATION (currently in office)
June 2011	Outside Director, Yokogawa Electric Corporation (currently in office)
June 2007	Representative Director and Chairman, NICHIREI CORPORATION
April 2007	Director and Chairman, Nichirei Foods Inc.
January 2005	Representative Director and President, Nichirei Foods Inc.
June 2001	Representative Director and President, NICHIREI CORPORATION
June 1999	Director and General Manager, Strategic Planning Division, NICHIREI CORPORATION
April 1995	General Manager, Low Temperature Logistics Planning Division, NICHIREI CORPORATION
April 1971	Nippon Reizo Co., Ltd. (currently known as NICHIREI CORPORATION)

【Important posts concurrently held】

Outside Director, Yokogawa Electric Corporation, Outside Director, Resona Holdings, Inc.,
Outside Director, HOYA CORPORATION, and Adviser, NICHIREI CORPORATION

【Special interest between the candidate and the Company】

No special interest exists between the Company and Mr. Mitsudo Urano.

【Reason for the appointment of the candidate for Outside Director】

Mr. Mitsudo Urano has worked to enhance management efficiency as a top executive in manufacturing and logistics businesses and has experienced a number of positions as an outside officer at various corporations. The Company determines that his deep insight and extensive experience in top management will contribute to the management of the Company. Therefore, the Company appoints him as a candidate for Outside Director again this time.

【Independence of Outside Directors】

Since Mr. Mitsudo Urano fulfills the “Criteria for Independence of Outside Directors” prescribed by the Company, the Company has determined that he has sufficient independence and is

unlikely to involve any conflict of interest with general shareholders of the Company.

The Company has registered Mr. Urano as an independent officer as stipulated in the relevant rules of the Tokyo Stock Exchange.

【Limitation of liability agreement】

The Company has entered into a limitation of liability agreement with Mr. Mitsudo Urano to limit his liability referred to in Article 423(1) of the Companies Act of Japan for damages that may be suffered by the Company as a result of his neglect of duty. This arrangement is intended to encourage Mr. Urano to fully exercise his roles as an Outside Director. The upper limit of liability under this agreement is equal to the minimum amount permitted under applicable laws of Japan. If the appointment of Mr. Urano as Outside Director is approved, the Company will renew the limitation of liability agreement with him.

【Tenure as director】

The tenure of Mr. Mitsudo Urano as director will reach two years upon conclusion of this General Meeting of Shareholders.

【Number of Board of Directors meetings that the candidate attended during his/her tenure】

13/15

3. Tsunetoshi Harada (Born: February 12, 1947)

Number of the Company's shares owned: 0 shares

Reappointment

Candidate for Outside Director

Candidate for Independent Officer

• Career summary, positions, assignments, and important posts concurrently held

April 2013	Auditor-secretary, Japanese Institute of Certified Public Accountants Kanagawa Chapter (currently in office)
June 2012	Outside Director, Hitachi Transport System, Ltd. (currently in office)
June 2010	Vice Chairman, Japanese Institute of Certified Public Accountants Kanagawa Chapter External Auditor, Vantech Co., Ltd.
July 2009 - present	Tsunetoshi Harada Certified Public Accountant Office
May 1992	Representative Associate (currently called Senior Partner), Tetsuzo Ota Audit Office (currently known as Ernst & Young ShinNihon LLC)
March 1972	Tetsuzo Ota Audit Office

【Reason for the appointment of the candidate for Outside Director】

Mr. Tsunetoshi Harada has long been engaged in corporate accounting at auditing corporations. The Company determines that his knowledge and experience will contribute to the management of the Company, mainly in the auditing and supervision of business execution. Therefore, the Company appoints him as a candidate for Outside Director again this time.

【Special interest between the candidate and the Company】

No special interest exists between the Company and Mr. Tsunetoshi Harada.

【Previous assignment as officer of a Company's subsidiary】

Mr. Tsunetoshi Harada has served as External Auditor of Vantech Co., Ltd. before, which is a subsidiary of the Company.

【Independence of Outside Directors】

Since Mr. Tsunetoshi Harada fulfills the "Criteria for Independence of Outside Directors" prescribed by the Company, the Company has determined that he has sufficient independence and is unlikely to involve any conflict of interest with general shareholders of the Company. The Company has registered Mr. Harada as an independent officer as stipulated in the relevant rules of the Tokyo Stock Exchange.

【Limitation of liability agreement】

The Company has entered into a limitation of liability agreement with Mr. Tsunetoshi Harada to

limit his liability referred to in Article 423(1) of the Companies Act of Japan for damages that may be suffered by the Company as a result of his neglect of duty. This arrangement is intended to encourage Mr. Harada to fully exercise his roles as an Outside Director. The upper limit of liability under this agreement is equal to the minimum amount permitted under applicable laws of Japan. If the appointment of Mr. Harada as Outside Director is approved, the Company will renew the limitation of liability agreement with him.

【Tenure as director】

The tenure of Mr. Tsunetoshi Harada as director will reach four years upon conclusion of this General Meeting of Shareholders.

【Number of Board of Directors meetings that the candidate attended during his/her tenure】

15/15

4. Tetsu Fusayama (Born: June 21, 1952)

Number of the Company's shares owned: 0 shares

New appointment

Candidate for Outside Director

Candidate for Independent Officer

• Career summary, positions, assignments, and important posts concurrently held

December 2014 - present	Fusayama Law Office
April 2014	Chairman, Appeal Committee, Japan Football Association (currently in office)
January 2013	Founder and Partner, Tokyo Excel Law Firm
August 2012	Attorney-at-Law, Otani Law Office Registered as attorney-at-law with the Dai-Ichi Tokyo Bar Association
October 2010	Chief Prosecutor, Fukuoka District Public Prosecutors Office
January 2010	Chief Prosecutor, Nagano District Public Prosecutors Office
October 2008	Chief Prosecutor, Saga District Public Prosecutors Office
January 2008	Public Prosecutor, Supreme Public Prosecutors Office
August 2006	Director-General, Public Security Department, Tokyo High Public Prosecutors Office
April 2005	Director-General, Criminal Affairs Department, Nagoya High Public Prosecutors Office
April 1979	Public Prosecutor, Tokyo District Public Prosecutors Office

【Reason for the appointment of the candidate for Outside Director】

Mr. Tetsu Fusayama has a long career as a public prosecutor and attorney, while he has not been directly involved in corporate management. He therefore has a wealth of knowledge and experience in legal and compliance issues. Since the Company has determined that Mr. Fusayama will be able to contribute to the promotion of the Company's compliance-oriented business management, the Company appoints him as a candidate for Outside Director.

【Special interest between the candidate and the Company】

No special interest exists between the Company and Mr. Tetsu Fusayama. The Company obtained legal advice on some issues concerning law violation from Fusayama Law Office operated by Mr. Fusayama, and the amount of consideration paid therefor was less than one million yen.

【Independence of Outside Directors】

Since Mr. Tetsu Fusayama fulfills the "Criteria for Independence of Outside Directors" prescribed by the Company, the Company has determined that he has sufficient independence and

is unlikely to involve any conflict of interest with general shareholders of the Company. The Company will register Mr. Fusayama as an independent officer as stipulated in the relevant rules of the Tokyo Stock Exchange.

【Limitation of liability agreement】

If the appointment of Mr. Tetsu Fusayama as Outside Director is approved, the Company will enter into a limitation of liability agreement with him to limit his liability referred to in Article 423(1) of the Companies Act of Japan for damages that may be suffered by the Company as a result of his neglect of duty. This arrangement is intended to encourage Mr. Fusayama to fully exercise his roles as an Outside Director. The upper limit of liability under this agreement is equal to the minimum amount permitted under applicable laws of Japan.

5. Emiko Magoshi (Born: April 16, 1954)

(Name on Official Family Registry: Emiko Yamamoto)

Number of the Company's shares owned: 0 shares

Reappointment

Candidate for Outside Director

Candidate for Independent Officer

• Career summary, positions, assignments, and important posts concurrently held

March 2016	Outside Director, AXA Life Japan (currently in office)
October 2014	Member, Science Council of Japan (currently in office)
June 2014	Outside Director, Hitachi Transport System, Ltd. (currently in office)
October 2007	Visiting Professor, University of Tsukuba (currently in office)
March 2003	President, Transcultural Management Society (currently in office)
April 2002	Professor, Faculty of Management Policy (currently known as College of Business Management) and College and Graduate School of Business Administration, J. F. Oberlin University (currently in office)
April 2001	Professor, Department of British and American Culture, Faculty of Modern Culture, Tokyo Junshin Women's University
April 1991	Common Instructor, Department of English Studies, Faculty of Foreign Studies, Sophia University
December 1989	Representative Director, Interlink Inc.

【Reason for the appointment of the candidate for Outside Director】

Ms. Emiko Magoshi is a scholar in the field of business administration and well versed in international management. She has also served as a public member of the Tokyo Metropolitan Government Labor Relations Commission. The Company determines that her knowledge and experience will contribute to the management of the Company. Therefore, the Company appoints her as a candidate for Outside Director again this time.

【Special interest between the candidate and the Company】

No special interest exists between the Company and Ms. Emiko Magoshi.

【Independence of Outside Directors】

Since Ms. Emiko Magoshi fulfills the “Criteria for Independence of Outside Directors” prescribed by the Company, the Company has determined that she has sufficient independence and is unlikely to involve any conflict of interest with general shareholders of the Company. The Company has registered Ms. Magoshi as an independent officer as stipulated in the relevant rules of the Tokyo Stock Exchange.

【Limitation of liability agreement】

The Company has entered into a limitation of liability agreement with Ms. Emiko Magoshi to limit his liability referred to in Article 423(1) of the Companies Act of Japan for damages that may be suffered by the Company as a result of her neglect of duty. This arrangement is intended to encourage Ms. Magoshi to fully exercise her roles as an Outside Director. The upper limit of liability under this agreement is equal to the minimum amount permitted under applicable laws of Japan. If the appointment of Ms. Magoshi as Outside Director is approved, the Company will renew the limitation of liability agreement with her.

【Tenure as director】

The tenure of Ms. Emiko Magoshi as director will reach two years upon conclusion of this General Meeting of Shareholders.

【Number of Board of Directors meetings that the candidate attended during his/her tenure】

15/15

6. Hiroshi Maruta (Born: August 19, 1953)

Number of the Company's shares owned: 0 shares

Reappointment

Candidate for Outside Director

• Career summary, positions, assignments, and important posts concurrently held

June 2015	Director (a chairman of Internal Auditing Office), Hitachi Transport System, Ltd. (currently in office)
April 2014	Group CFO, Infrastructure Systems Group, Hitachi, Ltd.
April 2013	General Manager, Finance Group, Infrastructure Systems Company, Hitachi, Ltd.
June 2012	Representative Director, Senior Vice President and Executive Officer, Hitachi Plant Technologies, Ltd.
April 2012	Director, Senior Vice President and Executive Officer in charge of Management Strategy, Group Strategy, Finance and Hitachi Smart Transformation Project, Hitachi Plant Technologies, Ltd.
April 2011	Director, Vice President and Executive Officer in charge of Management Strategy, Group Strategy and Finance, Hitachi Plant Technologies, Ltd.
October 2009	General Manager, Finance Division, Hitachi Plant Technologies, Ltd.
October 2004	Executive Vice President and Chief Financial Officer, Hitachi America, Ltd.
June 2004	Senior Vice President and Chief Financial Officer, Hitachi America, Ltd.
August 1999	President & CEO, Hitachi Investment Management, Ltd.
April 1999	Deputy General Manager, Finance Department, Hitachi, Ltd.
April 1978	Hitachi, Ltd.

【Reason for the appointment of the candidate for Outside Director】

Mr. Hiroshi Maruta has extensive experience working overseas and has deep insights in the field of finance and accounting. The Company determines that his knowledge and experience will contribute to the management of the Company. Therefore, the Company appoints him as a candidate for Outside Director again this time.

【Special interest between the candidate and the Company】

No special interest exists between the Company and Mr. Hiroshi Maruta.

【Relations between the candidate and a specified related business operator】

Mr. Hiroshi Maruta has served as executive officer of Hitachi, Ltd. before, which is a specified related business operator of the Company.

【Limitation of liability agreement】

The Company has entered into a limitation of liability agreement with Mr. Hiroshi Maruta to limit his liability referred to in Article 423(1) of the Companies Act of Japan for damages that may be suffered by the Company as a result of his neglect of duty. This arrangement is intended to encourage Mr. Maruta to fully exercise his roles as an Outside Director. The upper limit of liability under this agreement is equal to the minimum amount permitted under applicable laws of Japan. If the appointment of Mr. Maruta as Outside Director is approved, the Company will renew the limitation of liability agreement with him.

【Tenure as director】

The tenure of Mr. Hiroshi Maruta as director will reach one year upon conclusion of this General Meeting of Shareholders.

【Number of Board of Directors meetings that the candidate attended during his/her tenure】

13/13

7. Takashi Jinguji (Born: October 13, 1955)

Number of the Company's shares owned: 3,000 shares

New appointment

• Career summary, positions, assignments, and important posts concurrently held

April 2016	General Manager, Global Business Management Office, Hitachi Transport System, Ltd. (currently in office)
April 2014	General Manager, Global Corporate Strategy Office, Hitachi Transport System, Ltd.
April 2013	Senior Vice President and Executive Officer, concurrently serving as General Manager of AEO & Corporate Export Regulation Office, Hitachi Transport System, Ltd. (currently in office)
April 2011	Vice President and Executive Officer, Hitachi Transport System, Ltd.
April 2008	Executive Officer (Chief Executive for Asia), Hitachi Transport System, Ltd. President, Hitachi Transport System (Asia) Pte. Ltd.
April 2006	Deputy General Manager, First Metropolitan Area Headquarters, Hitachi Transport System, Ltd.
February 2001	General Manager, General Affairs Department, First Metropolitan Area Headquarters, Hitachi Transport System, Ltd.
April 1979	Hitachi Transport System, Ltd.

【Reason for the appointment of the candidate for Director】

Since joining the Company, Mr. Takashi Jinguji has been engaged in a variety of operations including personnel management, labor management, marketing, capital alliance and business alliance, and operations outside Japan. At present, he serves as a senior executive officer responsible for business operations outside Japan. Since the Company has determined that his wide-ranging business experience and knowledge makes him qualified as a director who can contribute to the enhancement of the Company's value, the Company appoints Mr. Jinguji as a candidate for Director.

【Special interest between the candidate and the Company】

No special interest exists between the Company and Mr. Takashi Jinguji.

8. Yasuo Nakatani (Born: November 12, 1955)

Number of the Company's shares owned: 6,000 shares

Reappointment

• Career summary, positions, assignments, and important posts concurrently held

June 2013	Representative Executive Officer, President and Chief Executive Officer and Director (Chairman of Nominating Committee, Chairman of Compensation Committee), Hitachi Transport System, Ltd. (currently in office)
April 2013	Representative Executive Officer, Executive Vice President, Hitachi Transport System, Ltd.
July 2012	Deputy General Manager, UC Project Department, Hitachi Transport System, Ltd.
April 2012	Senior Vice President and Executive Officer, General Manager of Global Corporate Strategy Office and General Manager of AEO & Corporate Export Regulation Office, Hitachi Transport System, Ltd.
April 2010	Vice President and Executive Officer, Hitachi Transport System, Ltd.
April 2008	Chief Executive for North America, Hitachi Transport System, Ltd. President, Hitachi Transport System (America)
April 2007	General Manager of Global Business Office and Deputy General Manager of Global Sales Development Headquarters, Hitachi Transport System, Ltd.
April 2006	Executive Officer, General Manager of International Sales Headquarters, Hitachi Transport System, Ltd.
April 2005	Deputy General Manager, International Sales Headquarters, Hitachi Transport System, Ltd.
October 2004	General Manager, 1st Sales Division, International Sales Headquarters, Hitachi Transport System, Ltd.
October 2003	General Manager, 2nd Sales Division, International Sales Headquarters, Hitachi Transport System, Ltd.
February 1999	International Sales Headquarters, Hitachi Transport System, Ltd. (dispatched from Hitachi Transport System (America), Ltd.)
April 1978	Hitachi Transport System, Ltd.

【Reason for the appointment of the candidate for Director】

Since his assumption of office as President and Chief Executive Officer and Director of the Company in June 2013, Mr. Yasuo Nakatani has been exercising strong leadership to enhance the

Company's value. In light of his proven track record of successfully improving the Company's performance, the Company has determined that Mr. Nakatani has the competence to promote the Company's global management and ensure ongoing enhancement of its corporate value. The Company therefore appoints Mr. Nakatani as a candidate for Director again on this occasion.

【Special interest between the candidate and the Company】

No special interest exists between the Company and Mr. Yasuo Nakatani.

【Tenure as director】

The tenure of Mr. Yasuo Nakatani as director will reach three years upon conclusion of this General Meeting of Shareholders.

【Number of Board of Directors meetings that the candidate attended during his/her tenure】

15/15

[Reference] Criteria for Independence of Outside Directors

The Company has established its own “Criteria for Independence of Outside Directors” for determining the independence of Outside Directors objectively by referring to the “Securities Listing Regulations” of the Tokyo Stock Exchange and other criteria for independence provided by proxy advisors and others. The Company designates an Outside Director who is confirmed not to fall under any of the following items as an independent officer who is unlikely to involve any conflict of interest with general shareholders of the Company. To dispel any possible doubt, the Company may offer the position of Outside Director of the Company to a person who does not satisfy the Criteria, provided that the person satisfies the requirements of Outside Directors as prescribed by the Companies Act of Japan and the Company desires that the person assume the office of Outside Director of the Company and exert his/her knowledge and experience.

- (1) A person who is a director, company auditor, accounting advisor, executive officer, corporate officer, or manager or holds a position equivalent to any of the foregoing (hereinafter called a “Corporate Insider”) of a corporation or entity holding 10% (including indirect shareholding) of the total issued and outstanding shares of the Company at the end of the preceding business year, or a person who has been such Corporate Insider during the last five years.
- (2) A Corporate Insider of a subsidiary of the corporation or entity set forth in item (1) above.
- (3) A Corporate Insider of a corporation or entity whose total issued and outstanding shares are held by the Company at a ratio of 10% (including indirect shareholding), or a person who used to be such a Corporate Insider in the last five years.
- (4) A Corporate Insider of a company that occupies 2% or more of the consolidated sales of the Company in the preceding business year, or a person who used to be such a Corporate Insider in the last five years.
- (5) A Corporate Insider of a business partner of the Company in cases where 2% or more of the consolidated sales of the business partner in the preceding business year were sales to the Company and its consolidated subsidiaries, or a person who used to be such a Corporate Insider in the last five years.
- (6) A Corporate Insider of a financial institution that has lent the Company a sum equivalent to 2% or more of the consolidated total assets of the Company, or a person who used to be such a Corporate Insider in the last five years.
- (7) A consultant, accounting expert, or legal expert who has received any compensation or other economic advantage totaling 10 million yen or more per annum (or, in the case of any compensation or advantage for multiple business years, the average of such compensation or advantage for the relevant business years) from the Company other than executive compensation paid by the Company, during the past five years.

- (8) A person who has received any donation, cooperation money, or any similar payment totaling 10 million yen per annum or more from the Company in the preceding business year, or a person who belongs to an entity that received has such donation or other payment
- (9) A Corporate Insider of a company or the parent or consolidated subsidiary of such a company which accepts a director or company auditor from the Company or its consolidated subsidiary.
- (10) The spouse of, or a relative within the second degree of relationship with, a person listed in any of items (1) through (9) above (excluding persons who do not hold key positions such as corporate officers).
- (11) The spouse of, or a relative within the second degree of relationship with, a person who is an executive director, an executive officer, an operating officer, a manager, or an employee executing the business (hereinafter collectively called “Executing Person”) of the Company or its consolidated subsidiary or who used to be an Executing Person of the Company or its consolidated subsidiary in the last 10 years, or a person who is a Corporate Insider of the Company or its consolidated subsidiary.

End