

Securities Code: 7248
January 10, 2017

To Our Shareholders:

2-1917 Nisshin-cho, Kita-ku, Saitama-shi,
Saitama

Calsonic Kansei Corporation

Hiroshi Moriya, President & CEO, Director

Notice of the Extraordinary General Shareholders' Meeting

The Company would hereby like to request shareholders to attend the Company's Extraordinary General Shareholders' Meeting as described below.

If you are unable to attend the meeting on the date, you may also exercise your voting rights in writing. We kindly request you to read the following Reference Document for the Extraordinary General Shareholders' Meeting, indicate "for" or "against" on each agenda item on the voting form enclosed herewith, and return it no later than 5:30 p.m., January 24, 2017 (Tuesday).

Sincerely yours,

1. **Date:** 10:00 a.m., January 25 (Wednesday), 2017 (Reception starts at 9:00 a.m.)

2. **Venue:** Main Hall at the Headquarters
Calsonic Kansei Corporation
2-1917 Nisshin-cho, Kita-ku, Saitama-shi, Saitama

3. **Purposes:**

Items to be resolved:

Agenda No. 1: Partial Amendment to Articles of Incorporation

Agenda No. 2: Reduction of Amount of Capital

Agenda No. 3: Reduction of Amounts of Capital Reserve and Retained Earnings Reserve

1. When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue. Shareholders are requested to bring this Notice of the Extraordinary General Shareholders' Meeting with them to help conserve resources.

2. If there are any revisions to the Reference Document for the Extraordinary General Shareholders' Meeting, such revisions will be listed on the Company's website. (URL: <http://www.calsonickansei.co.jp/ir>)

Reference Document for the Extraordinary General Shareholders' Meeting

Introduction

According to the “Announcement Regarding the Tender Offer for the Shares of Calsonic Kansei Corporation (Securities Code 7248)” released by CK Holdings Co., Ltd. (the “Offeror”) on November 22, 2016 (the “Offeror Press Release”), the Offeror has decided to acquire the common stock of the Company (the “Company Shares”) through a tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended), as part of the series of transaction (the “Transaction”) to make the Company a wholly-owned subsidiary of the Offeror by the Offeror acquiring all of the Company Shares (excluding the treasury shares held by the Company). As stated in the “Announcement Concerning Opinion on Tender Offer by CK Holdings Co., Ltd.” dated November 22, 2016 (the “Opinion Press Release”), etc., regarding the Tender Offer, the Company resolved at a meeting of the board of directors held on November 22, 2016 that, as the opinion of the Company as of such date, it would express an opinion supporting the Tender Offer and recommend the shareholders of the Company to tender their shares in the Tender Offer when the Tender Offer is commenced.

According to the Offeror Press Release, the Tender Offer will commence following the fulfillment of the following conditions:

- (i) Receipt of necessary approvals and completion of procedures required by competition authorities and other related laws and regulations of various countries, including the laws of Japan, the United States of America, the People's Republic of China, the European Union and Russia, including the expiration of applicable waiting periods;
- (ii) Receipt of an opinion by the Company from those who do not have any interest in the Company, Nissan Motor Co., Ltd. (“Nissan”) or the Offeror to the effect that the resolution of the board of directors of the Company approving the Transaction would not be disadvantageous to the minority shareholders;
- (iii) Adoption of a resolution at a meeting of the board of directors of the Company with the affirmative vote of all directors present at the meeting (excluding any directors who have or would have an interest in the Transaction) to express an opinion to support the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer; and
- (iv) Fulfillment of certain other conditions (these items (i) to (iv), the “Conditions Precedent to the Tender Offer”) contained in a tender agreement executed between the Offeror and the parent company of the Company, Nissan, dated November 22, 2016.

In the event that one or more of the Conditions Precedent to the Tender Offer is not satisfied, the Offeror may, in its discretion, elect to waive such Conditions Precedent to the Tender Offer, in whole or in part, and proceed with the Tender Offer. The Offeror plans to commence the Tender Offer promptly after satisfaction (or waiver by the Offeror) of the Conditions Precedent to the Tender Offer. Presently, the Offeror aims to commence the Tender Offer during late February 2017, but, because the Offeror is unable to accurately predict the amount of time the domestic and foreign competition authorities will require for their review, the Company's board of directors above decided to re-express their opinion concerning the Tender Offer upon commencement of the Tender Offer, based on consultation with the independent committee established by the Company, which will examine whether there are any changes in the opinion they expressed to the board of directors on November 22, 2016, and if there is no change, they will state to such effect, and if there are changes, they will state their new opinion to the board of directors of the Company, and

based on such opinion.

In light of the proposal from the Offeror, and conditional on the completion of the Tender Offer, the Company, as part of the Transaction, plans to make a distribution of surplus (the “Special Dividend”) upon setting the record date on a date prior to the date of commencement of the Tender Offer (the “Tender Offer Commencement Date”). All of the agenda items, from Agenda No. 1 to Agenda No. 3, at the Extraordinary General Shareholders’ Meeting are proposed as the agenda items relating to the Special Dividend.

On Agenda No.1, the Company, in order to decide the timing of the Special Dividend and the dividend amount per share for the Special Dividend in a flexible and timely manner, proposes to make it possible for the Company’s board of directors to decide, for a limited period, the matters concerning dividends of surplus, pursuant to Article 459, Paragraph 1 of the Companies Act. The Company has expressed an opinion supporting the Tender Offer, on the premise that the Company become a wholly-owned subsidiary of the Offeror, and if there is no reasonable prospect that the Company will not become a wholly-owned subsidiary of the Offeror, the Company’ board of directors does not intend to decide the matters concerning dividends of surplus (in accordance with the Articles of Incorporation after the amendments described in Agenda No. 1 have been made). For details, please refer to the description in “Anticipated Schedule, Etc. (Plan)” and Agenda No. 1. below.

On Agenda No. 2 and Agenda No. 3, the Company, in order to procure the distributable amount necessary to issue the Special Dividend, proposes to reduce its capital, capital reserve, and retained earnings reserve, to transfer the entirety of the respective reduced amounts of capital and capital reserve to other capital surplus, and to transfer the entirety of the reduced amount of retained earnings reserve to retained earnings brought forward, pursuant to the provisions of Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act.

In connection with the Special Dividend, the details of other procedures, that have already been completed or will be conducted in the future, are as follows:

- (i) CKK Corporation and Calsonic Kansei North America, Inc., which are wholly-owned subsidiaries of the Company, resolved to make distributions of surplus to the Company, the effective date of which is December 20, 2016. The Company will receive the respective dividend amounts of ¥3,857 million from CKK Corporation and ¥29,839 million (\$256,902 thousand converted into yen at a rate of ¥116.15 per dollar (an exchange rate as of December 20, 2016)) from Calsonic Kansei North America, Inc;
- (ii) The Company is to conduct provisional settlement of accounts, in which the Company will recognize the dividends received, as described in (i) above, as non-operating income, setting the last day of December 2016 as the provisional settlement date (preparation and approval provisional financial statements);
- (iii) The board of directors of the Company is to adopt a resolution to set the record date (the “Special Dividend Record Date”) of the Special Dividend on a date prior to the Tender Offer Commencement Date; and
- (iv) Subject to the approval of Agenda No. 1 in its original form at the Extraordinary General Shareholders’ Meeting, the board of directors of the Company is to resolve that the Special Dividend will be made on the condition that the Tender Offer will be completed.

Please note that, although the dividend amount per share for the Special Dividend is expected to be

approximately ¥570 (provided that the maximum amount shall be ¥570) as of today, the final dividend amount will be determined based on (i) the procedures to reduce the amount of capital, the amount of capital reserve and the amount of retained earnings reserves, as described in Agenda No. 2 and Agenda No. 3; (ii) the procedures for provisional settlement of accounts (preparation and approval of provisional financial statements); and (iii) any other calculation, confirmation, etc. of distributable amount. Furthermore, the Company resolved at a meeting of the board of directors held on November 22, 2016 that it will not make distribution of surplus for the fiscal year ending March 2017.

Since the purchase price of the Tender Offer (the “Tender Offer Price”) for one common stock is the amount obtained by deducting the amount of the Special Dividend per share from ¥1,860, the Tender Offer Price will be determined, following the determination of the final dividend amount, at the commencement of the Tender Offer.

[Anticipated Schedule, Etc. (Plan)]

On the assumption that all of the agenda items, from Agenda No. 1 to Agenda No. 3, are approved in its original form, and the Tender Offer is commenced during late February 2017 as planned, the anticipated schedule, etc. following the Extraordinary General Shareholders' Meeting shall be as described below.

The anticipated schedule, etc. described below is based on certain assumptions. Please also refer to the Opinion Press Release and the Offeror Press Release for details regarding the Tender Offer, etc.

Early February 2017	Board resolution for setting the Special Dividend Record Date Board resolution for determining the actual dividend amount for the Special Dividend (planned to be ¥570 per share), etc.
Late February 2017	Special Dividend Record Date (planned to be the business day immediately preceding the Tender Offer Commencement Date) * Shareholders of the Company as of the Special Dividend Record Date have the rights to receive the Special Dividends. Please note that the record date to determine the shareholders eligible to exercise their voting rights at the Extraordinary General Shareholders' Meeting is different from the record date to determine the shareholders who may receive the Special Dividends. * Please also note that the shareholders who will purchase the Company Shares to be delivered on or after the day following the Special Dividend Record Date (the Company Shares purchased on the stock market no earlier than two (2) business days prior to the Special Dividend Record Date) will not be entitled to receive the Special Dividend in principle.
Late February to late March 2017	The Tender Offer Period is planned to be 20 business days. (The Tender Offer Price is planned to be ¥1,290 per share)
Late March 2017	Reductions in the amounts of capital and reserves will take effect Settlement of the Tender Offer will commence Special Dividend will take effect and payment will be made to the shareholders

Agenda No. 1: Partial Amendment to Articles of Incorporation

1. Reasons for Amending

As stated above, the Company has not been able to decide the expected timing of the Special Dividend and the final dividend amount per share for the Special Dividend, and in order to decide the timing of the Special Dividend and the dividend amount per share for the Special Dividend in a flexible and timely manner, the Company will add a provision to the Articles of Incorporation, pursuant to Article 459, Paragraph 1 of the Companies Act, if the Company intends to pay dividends of surplus by setting a record date on a date no later than September 29, 2017 (Article 37-2 of the Proposed Amendment).

The Company resolved at the meeting of the board of directors held on November 22, 2016 that it would not distribute the surplus for the fiscal year ending March 2017. Even if this proposal is adopted, the Company will not be prevented from making a decision to distribute surplus pursuant to the resolution of the general shareholders' meeting. Furthermore, since the authority of the board of directors of the Company concerning the decision regarding the distribution of surplus based on this proposal is limited to a certain period of time and certain circumstances, if the Transaction is not executed as planned and the Company does not become a wholly-owned subsidiary of the Offeror, the dividends of surplus for the period after the fiscal year ending March 2018 shall be decided only by a resolution of the general shareholders' meeting, same as before the amendment of the Articles of Incorporation relating to this proposal.

Accordingly, the amendment to the Articles of Incorporation relating to this proposal is limited to the minimum extent in order to facilitate the execution of the Transaction, and does not unreasonably expand the authority of the board of directors; thus, we would appreciate the shareholders' understanding regarding this matter.

The amendment to the Articles of Incorporation relating to this proposal shall be effective when it is adopted at the Extraordinary General Shareholders' Meeting.

2. Details of Amendment to Articles of Incorporation

The specific amendment is as set forth below.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendment
(Newly established)	<u>Article 37-2. (Organs that Decide Dividends of Surplus)</u> <u>In the event that the Company distributes surplus by setting the record date on a date no later than September 29, 2017, the Company may, unless otherwise provided for in laws or regulations, decide the matters concerning dividends of surplus set forth in Article 459, Paragraph 1, Item 4 of the Companies Act by a resolution of the Board of Directors.</u>

Agenda No. 2: Reduction of Amount of Capital

1. Reasons for Reducing the Amount of Capital

The Company, in order to procure the distributable amount necessary to issue the Special Dividend, proposes to reduce its capital, to transfer the entirety of the reduced amount of capital to other capital surplus, pursuant to the provisions of Article 447, Paragraph 1 of the Companies Act.

The reduction in the amount of capital relating to this proposal will take effect on the condition that, (a) the partial amendment of the Articles of Incorporation, as described in Agenda No. 1, is adopted in its original form at the Extraordinary General Shareholders' Meeting; and (b) the meeting of the board of directors regarding the Special Dividend is held (in accordance with the Articles of Incorporation after the amendments described in Agenda No. 1 have been made) prior to the effective date of the reduction in the amount of capital; and that this resolution remains in effect at the time of such effective date.

The Special Dividend will be conditional on the completion of the Tender Offer. Therefore, if the tender offer period of the Tender Offer (the "Tender Offer Period") has not expired by the effective date described in "3. Effective Date of Reduction in the Amount of Capital" below, the Company plans to change the effective date to a date after the Tender Offer Period expires, pursuant to Article 449, Paragraph 7 of the Companies Act.

The period for stating of objections by creditors regarding the reduction in the amount of capital will expire on January 12, 2017.

2. Details of Reduction in the Amount of Capital

Of the total amount of capital, ¥41,456,240,645, the Company will reduce ¥39,856,240,645 and transfer the entirety of the reduced amount of capital to other capital surplus. The amount of capital after reduction will be ¥1,600,000,000.

3. Effective Date of Reduction in the Amount of Capital March 29, 2017

Agenda No. 3: Reduction of Amounts of Capital Reserve and Retained Earnings Reserve

1. Reasons for Reducing the Amounts of Capital Reserve and Retained Earnings Reserve

The Company, in order to procure the distributable amount necessary to issue the Special Dividend, proposes to reduce its capital reserve and retained earnings reserve, to transfer the entirety of the reduced amount of capital reserve to other capital surplus, and to transfer the entirety of the reduced amount of retained earnings reserve to retained earnings brought forward, pursuant to the provisions of Article 448, Paragraph 1 of the Companies Act.

The reductions in the amounts of capital reserve and retained earnings reserve relating to this proposal will take effect on the condition that, (a) the partial amendment of the Articles of Incorporation, as described in Agenda No. 1, is adopted in its original form at the Extraordinary General Shareholders' Meeting; and (b) the meeting of the board of directors regarding the Special Dividend is held (in accordance with the Articles of Incorporation after the amendments described in Agenda No. 1 have been made) prior to the effective date of the reductions in the amounts of capital reserve and retained earnings reserve; and that this resolution remains in effect at the time of such effective date.

The Special Dividend will be conditional on the completion of the Tender Offer. Therefore, if the Tender Offer Period has not expired by the effective date described in "3. Effective Date of Reduction in the Amounts of Capital Reserve and Retained Earnings Reserve" below, the Company plans to change the effective date to a date after the Tender Offer Period expires, pursuant to Article 449, Paragraph 7 of the Companies Act.

The period for stating of objections by creditors regarding the reductions in the amounts of capital reserve and retained earnings reserve will expire on January 12, 2017.

2. Details of Reduction in the Amounts of Capital Reserve and Retained Earnings Reserve

(1) Amount by which Capital Reserve is to be Reduced

The Company will reduce the total amount of capital reserve, ¥59,638,172,926, and transfer the entirety of the reduced amount of capital reserve to other capital surplus. The amount of capital reserve after reduction will be ¥0.

(2) Amount by which Retained Earnings Reserve is to be Reduced

Of the total amount of retained earnings reserve, ¥4,438,219,046, the Company will reduce ¥4,038,219,046, and transfer the entirety of the reduced amount of retained earnings reserve to retained earnings brought forward. The amount of retained earnings reserve after reduction will be ¥400,000,000.

3. Effective Date of Reduction in the Amounts of Capital Reserve and Retained Earnings Reserve

March 29, 2017

End