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(Stock Exchange Code 7510)
June 9, 2017

Notice to Shareholders

Hiroyuki Fujiwara
Representative Director & President
TAKEBISHI CORPORATION
29, Mameda-cho, Nishi-kyogoku,
Ukyo-ku, Kyoto, Japan

NOTICE OF THE 128TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 128th Annual General Meeting of Shareholders of TAKEBISHI CORPORATION (the “Company” or “we”). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing (the Voting Rights Exercise Form). In this case, please review the “Reference Documents for General Meeting of Shareholders,” indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:15 p.m. on Tuesday, June 27, 2017, Japan time. Thank you very much for your cooperation.

Details of the Meeting

- 1. Date and Time:** 10:00 a.m., Wednesday, June 28, 2017
- 2. Place:** 1st Floor Event Hall of Head office located at 29, Mameda-cho, Nishi-kyogoku, Ukyo-ku, Kyoto, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 128th Fiscal Year (April 1, 2016 - March 31, 2017) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 128th Fiscal Year (April 1, 2016 - March 31, 2017)
 - Proposals to be resolved:**
 - Proposal 1:** Partial Amendment to Articles of Incorporation
 - Proposal 2:** Election of Eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members)
 - Proposal 3:** Election of Three (3) Directors who are Audit and Supervisory Committee Members
 - Proposal 4:** Election of Two (2) Substitute Directors who are Audit and Supervisory Committee Members
 - Proposal 5:** Determination of Total Amount of Remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members)
 - Proposal 6:** Determination of Total Amount of Remuneration of Directors who are Audit and Supervisory Committee Members

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Should the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements and the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company's website (<http://www.takebishi.co.jp/>).
- Of the documents to be attached to the notice of convocation, the Notes to Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements are posted on our website (<http://www.takebishi.co.jp/company/ir/meeting.html>) in accordance with laws and regulations and Article 15 of Articles of Incorporation of the Company and accordingly are not included in this notice of convocation. The Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements have been audited as parts of the Consolidated Financial Statements and Non-consolidated Financial Statements in the preparation of the audit reports by the Statutory Auditors and the Accounting Auditor.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendment to Articles of Incorporation

1. Reasons for the amendment

- (1) The Company has decided to transition from the current Company with a Board of Auditors to a Company with an Audit and Supervisory Committee, subject to approval at the 128th Annual General Meeting of Shareholders to be held on June 28, 2017, in order not only to strengthen the supervisory function of the Board of Directors and further enhance corporate governance, but also to further increase the Company's corporate value by ensuring speedy decision-making and transparency of management. Accordingly, the Company proposes to make necessary amendments pertaining to the transition, such as establishing new provisions on the Audit and Supervisory Committee and Directors who are Audit and Supervisory Committee Members, and deleting provisions on Statutory Auditors and the Board of Auditors.
- (2) The Company proposes to partially amend the provisions of its Articles of Incorporation in order to review the amount of limit of liability for damages under a contract for restricting liability provided for in Article 30, Paragraph 2.
Of note, the Company has obtained the consent of all Statutory Auditors for said amendment.
- (3) In addition, the Company proposes to make necessary amendments such as partially modifying phrases and expressions and renumbering the Articles in line with the addition and deletion of clauses.

2. Description of the amendment

Description of the amendment is as follows:

(Amended parts are underlined.)

Current	Proposed Amendment
Chapter 1 General Provisions Articles 1. to 4. (Omitted)	Chapter 1 General Provisions Articles 1. to 4. (Unchanged)
Chapter 2: Shares Articles 5. to 12. (Omitted)	Chapter 2: Shares Articles 5. to 12. (Unchanged)
Chapter 3: General Meeting of Shareholders Articles 13. to 18. (Omitted)	Chapter 3: General Meeting of Shareholders Articles 13. to 18. (Unchanged)
Chapter 4: Directors and Board of Directors Article 19. (Omitted)	Chapter 4: Directors and Board of Directors Article 19. (Unchanged)
(Number of Directors) Article 20. The number of Directors of the Company shall be no more than fifteen (15) persons.	(Number of Directors) Article 20. The number of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> of the Company shall be no more than fifteen (15) persons.
(Newly established)	<u>2. The number of Directors who are Audit and Supervisory Committee Members of the Company shall be no more than five (5) persons.</u>
(Election of Directors) Article 21. Directors shall be elected by resolution of the General Meeting of Shareholders.	(Election of Directors) Article 21. Directors shall be elected by resolution of the General Meeting of Shareholders <u>by distinguishing between Directors</u>

Current	Proposed Amendment
<p>2. (Omitted) 3. (Omitted)</p> <p>(Term of Office of Directors) Article 22. The term of office of Directors shall be until the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year that ends within one (1) year of their election.</p> <p>(Newly established)</p> <p>2. The term of office of a Director who has been elected <u>due to the increase in the number of Directors</u> or as a substitute shall be until the expiry of the term of office of <u>other incumbent Directors</u>.</p>	<p><u>who are Audit and Supervisory Committee Members and other Directors.</u></p> <p>2. (Unchanged) 3. (Unchanged)</p> <p>(Term of Office of Directors) Article 22. The term of office of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall be until the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year that ends within one (1) year of their election.</p> <p><u>2. The term of office of Directors who are Audit and Supervisory Committee Members shall be until the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year that ends within two (2) years of their election.</u></p> <p>3. The term of office of a Director <u>who is an Audit and Supervisory Committee Member</u> who has been elected as a substitute <u>of a Director who is an Audit and Supervisory Committee Member who resigned prior to the expiry of his/her term of office</u> shall be until the expiry of the term of office of <u>the resigning Director who is an Audit and Supervisory Committee Member.</u></p>
<p>(Representative Director and Directors with Special Titles) Article 23. The Company shall select a Representative Director by resolution of the Board of Directors.</p> <p>2. (Omitted) 3. The Board of Directors may, by its resolution, select one (1) Director & President, and as necessary, <u>one (1) Director & Chairman, several Directors & Vice Presidents, several Senior Managing Directors or Managing Directors.</u> Also, the Board of Directors may, by its resolution, appoint an Advisor and a Senior Advisor.</p>	<p>(Representative Director and Directors with Special Titles) Article 23. The Company shall select a Representative Director <u>from among Directors (excluding Directors who are Audit and Supervisory Committee Members)</u> by resolution of the Board of Directors.</p> <p>2. (Unchanged) 3. The Board of Directors may, by its resolution, select one (1) Director & President <u>from among Directors (excluding Directors who are Audit and Supervisory Committee Members),</u> and as necessary, several Directors <u>with special titles.</u> Also, the Board of Directors may, by its resolution, appoint an Advisor and a Senior Advisor.</p>
<p>(Convener and Chair of Meetings of Board of Directors) Article 24. (Omitted) 2. The notice of convocation of the meeting of the Board of Directors shall be issued to each Director <u>and each</u></p>	<p>(Convener and Chair of Meetings of Board of Directors) Article 24. (Unchanged) 2. The notice of convocation of the meeting of the Board of Directors shall be issued to each Director no later than</p>

Current	Proposed Amendment
<p><u>Statutory Auditor</u> no later than three (3) days prior to the meeting date; provided, however, that in the event of an emergency, such period may be shortened.</p> <p>Article 25. (Omitted)</p> <p>(Omission of Resolutions of Board of Directors)</p> <p>Article 26. In cases where all Directors have consented to the approval of proposals to be resolved at the meeting of the Board of Directors in writing or by electromagnetic record, a resolution of the Board of Directors to approve of such matters shall be deemed to have been passed by the Company; <u>provided, however, that this shall not apply when a Statutory Auditor has expressed his/her objection.</u></p> <p>(Newly established)</p> <p>(Minutes of Meetings of Board of Directors)</p> <p>Article <u>27</u>. The proceedings at a meeting of the Board of Directors, the outcome thereof and other matters provided for in laws and ordinances shall be stated or recorded in the minutes, to which Directors <u>and Statutory Auditors</u> who attended the meeting shall sign or affix their respective names and seals.</p> <p>Article <u>28</u>. (Omitted)</p> <p>(Remuneration, etc. of Directors)</p> <p>Article <u>29</u>. The remuneration, etc. of Directors shall be determined by resolution of the General Meeting of Shareholders.</p> <p>(Exemption from Liability of Directors)</p> <p>Article <u>30</u>. (Omitted)</p> <p>2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may</p>	<p>three (3) days prior to the meeting date; provided, however, that in the event of an emergency, such period may be shortened.</p> <p>Article 25. (Unchanged)</p> <p>(Omission of Resolutions of Board of Directors)</p> <p>Article 26. In cases where all Directors have consented to the approval of proposals to be resolved at the meeting of the Board of Directors in writing or by electromagnetic record, a resolution of the Board of Directors to approve of such matters shall be deemed to have been passed by the Company.</p> <p><u>(Delegation of Decisions on Execution of Important Operations to Directors)</u></p> <p><u>Article 27. In accordance with the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate, to Directors, all or part of decisions on the execution of important operations (excluding matters set forth in each Item of Paragraph 5 of said Article) by resolution of the Board of Directors.</u></p> <p>(Minutes of Meetings of Board of Directors)</p> <p>Article <u>28</u>. The proceedings at a meeting of the Board of Directors, the outcome thereof and other matters provided for in laws and ordinances shall be stated or recorded in the minutes, to which Directors who attended the meeting shall sign or affix their respective names and seals.</p> <p>Article <u>29</u>. (Unchanged)</p> <p>(Remuneration, etc. of Directors)</p> <p>Article <u>30</u>. The remuneration, etc. of Directors shall be determined by resolution of the General Meeting of Shareholders <u>by distinguishing between Directors who are Audit and Supervisory Committee Members and other Directors.</u></p> <p>(Exemption from Liability of Directors)</p> <p>Article <u>31</u>. (Unchanged)</p> <p>2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may</p>

Current	Proposed Amendment
<p>enter into a contract with Directors (excluding Directors who are executive Directors, etc.) for the purpose of restricting their liabilities for compensation of damages, stipulated in Article 423, Paragraph 1 of the same Act; provided, however, that the amount of limit of liability under such contract shall be the amount <u>provided</u> for by laws and ordinances.</p>	<p>enter into a contract with Directors (excluding Directors who are executive Directors, etc.) for the purpose of restricting their liabilities for compensation of damages, stipulated in Article 423, Paragraph 1 of the same Act; provided, however, that the amount of limit of liability under such contract shall be <u>a predetermined amount of not less than one (1) million yen or the minimum liability amount provided for by laws and ordinances, whichever is higher.</u></p>
<p><u>Chapter 5 Statutory Auditors and Board of Auditors</u></p> <p><u>(Appointment of Statutory Auditors and Establishment of Board of Auditors)</u></p> <p><u>Article 31. The Company shall appoint Statutory Auditors and establish a Board of Auditors.</u></p> <p><u>(Number of Statutory Auditors)</u></p> <p><u>Article 32. The number of Statutory Auditors of the Company shall be no more than four (4) persons.</u></p> <p><u>(Election of Statutory Auditors)</u></p> <p><u>Article 33. Statutory Auditors shall be elected by resolution of the General Meeting of Shareholders.</u></p> <p><u>2. Resolution on the election of Statutory Auditors shall require the attendance of shareholders holding at least one-third of the voting rights of all shareholders who are entitled to exercise voting rights and be adopted by the majority of voting rights of the shareholders present.</u></p> <p><u>(Term of Office of Statutory Auditors)</u></p> <p><u>Article 34. The term of office of Statutory Auditors shall be until the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year that ends within four (4) years of their election.</u></p> <p><u>2. The term of office of a Statutory Auditor who has been elected as a substitute shall be until the expiry of the term of office of the resigning Statutory Auditor.</u></p> <p><u>(Standing Statutory Auditor)</u></p> <p><u>Article 35. The Board of Auditors shall select a Standing Statutory Auditor from among Statutory Auditors.</u></p>	<p><u>Chapter 5 Audit and Supervisory Committee</u></p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>

Current	Proposed Amendment
<p><u>(Convocation of Meetings of Board of Auditors)</u> <u>Article 36. The notice of convocation of the meeting of the Board of Auditors shall be issued to each Statutory Auditor no later than three (3) days prior to the meeting date; provided, however, that in the event of an emergency, such period may be shortened.</u></p>	(Deleted)
<p><u>(Method of Resolution of Board of Auditors)</u> <u>Article 37. Resolutions of the Board of Auditors shall be adopted by the majority of Statutory Auditors, except as otherwise provided in laws and ordinances.</u></p>	(Deleted)
<p><u>(Minutes of Meetings of Board of Auditors)</u> <u>Article 38. The proceedings at a meeting of the Board of Auditors, the outcome thereof and other matters provided for in laws and ordinances shall be stated or recorded in the minutes, to which Statutory Auditors who attended the meeting shall sign or affix their respective names and seals.</u></p>	(Deleted)
<p><u>(Rules on the Board of Auditors)</u> <u>Article 39. Matters relating to the Board of Auditors shall be governed by the Rules on the Board of Auditors provided for by the Board of Auditors, in addition to the provisions of laws and ordinances or these Articles of Incorporation.</u></p>	(Deleted)
<p><u>(Remuneration, etc. of Statutory Auditors)</u> <u>Article 40. The remuneration, etc. of Statutory Auditors shall be determined by resolution of the General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>(Exemption from Liabilities of Statutory Auditors)</u> <u>Article 41. In accordance with the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Statutory Auditors (including former Statutory Auditors) from their liabilities for compensation of damages, stipulated in Article 423, Paragraph 1 of the same Act, to the extent permitted by laws and ordinances.</u> <u>2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into a contract with Statutory Auditors for the purpose of restricting their liabilities for compensation of damages, stipulated in Article 423,</u></p>	(Deleted)

Current	Proposed Amendment
<u>Paragraph 1 of the same Act; provided, however, that the amount of limit of liability under such contract shall be the amount provided for by laws and ordinances.</u>	
(Newly established)	<u>(Establishment of Audit and Supervisory Committee)</u> <u>Article 32. The Company shall establish an Audit and Supervisory Committee.</u>
(Newly established)	<u>(Standing Audit and Supervisory Committee Members)</u> <u>Article 33. The Audit and Supervisory Committee may select Standing Audit and Supervisory Committee Members.</u>
(Newly established)	<u>(Convocation of Meetings of Audit and Supervisory Committee)</u> <u>Article 34. The notice of convocation of the meeting of the Audit and Supervisory Committee shall be issued to each Audit and Supervisory Committee Member no later than three (3) days prior to the meeting date; provided, however, that in the event of an emergency, such period may be shortened.</u>
(Newly established)	<u>(Method of Resolution of Audit and Supervisory Committee)</u> <u>Article 35. Resolutions of the Audit and Supervisory Committee shall require the attendance of the majority of Audit and Supervisory Committee Members who are entitled to participate in the vote and be adopted by the majority of Audit and Supervisory Committee Members present.</u>
(Newly established)	<u>(Minutes of Meetings of Audit and Supervisory Committee)</u> <u>Article 36. The proceedings at a meeting of the Audit and Supervisory Committee, the outcome thereof and other matters provided for in laws and ordinances shall be stated or recorded in the minutes, to which Audit and Supervisory Committee Members who attended the meeting shall sign or affix their respective names and seals.</u>
(Newly established)	<u>(Rules on the Audit and Supervisory Committee)</u> <u>Article 37. Matters relating to the Audit and Supervisory Committee shall be governed by the Rules on the Audit and Supervisory Committee provided for by</u>

Current	Proposed Amendment
<p>Chapter 6 Accounting Auditor Articles <u>42.</u> to <u>44.</u> (Omitted)</p> <p>(Remuneration, etc. of Accounting Auditor) Article <u>45.</u> The remuneration, etc. of the Accounting Auditor shall be determined by the Representative Director by obtaining the consent of the <u>Board of Auditors.</u></p> <p>Chapter 7 Accounting Articles <u>46.</u> to <u>48.</u> (Omitted)</p> <p>(Newly established)</p>	<p><u>the Audit and Supervisory Committee, in addition to the provisions of laws and ordinances and these Articles of Incorporation.</u></p> <p>Chapter 6 Accounting Auditor Articles <u>38.</u> to <u>40.</u> (Unchanged)</p> <p>(Remuneration, etc. of Accounting Auditor) Article <u>41.</u> The remuneration, etc. of the Accounting Auditor shall be determined by the Representative Director by obtaining the consent of the <u>Audit and Supervisory Committee.</u></p> <p>Chapter 7 Accounting Articles <u>42.</u> to <u>44.</u> (Unchanged)</p> <p><u>Supplementary Provisions</u> <u>(Transitional Measures on Exemption from Liabilities of Statutory Auditors)</u> <u>1. In accordance with the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Statutory Auditors (including former Statutory Auditors) from their liabilities for compensation of damages, stipulated in Article 423, Paragraph 1 of the same Act, in relation to their acts prior to the conclusion of the 128th Annual General Meeting of Shareholders, to the extent permitted by laws and ordinances.</u> <u>2. The contract for the purpose of restricting liabilities for compensation of damages, stipulated in Article 423, Paragraph 1 of the Companies Act, in relation to acts of Statutory Auditors (including former Statutory Auditors) prior to the conclusion of the 128th Annual General Meeting of Shareholders shall be governed by the provisions of Article 41, Paragraph 2 of these Articles of Incorporation before the amendments by resolution of said Annual General Meeting of Shareholders.</u></p>

Proposal 2: Election of Eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members)

If Proposal 1 “Partial Amendment to Articles of Incorporation” is approved as drafted, the Company will transition to a Company with an Audit and Supervisory Committee and the terms of office of all eight (8) Directors will expire when the amendment to the Articles of Incorporation comes into effect.

Accordingly, the election of eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members) is proposed. This Proposal shall come into effect subject to Proposal 1 “Partial Amendment to Articles of Incorporation” coming into effect.

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

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Hiroyuki Fujiwara (June 24, 1952)	<p>April 1975 Joined the Company</p> <p>April 2002 Manager of Industrial Electro-Mechanical Department</p> <p>June 2006 Assistant General Manager of Electro-Mechanical Systems Division, Manager of Sales Planning Department and Manager of Industrial Electro-Mechanical Department</p> <p>June 2007 Executive Officer and General Manager of Electro-Mechanical Systems Division</p> <p>June 2008 Director & Managing Executive Officer, and General Manager of Electro-Mechanical Systems Division</p> <p>June 2012 Representative Director, President & CEO (to present)</p>	22,607
2	Isamu Ogura (July 11, 1959)	<p>April 1982 Joined the Company</p> <p>April 2005 Assistant General Manager of Shiga Branch</p> <p>October 2005 General Manager of Nagoya Branch</p> <p>April 2011 Assistant Chief of Business Strategy Office</p> <p>October 2011 Assistant Chief of Business Strategy Office and Manager of Corporate Planning Department</p> <p>June 2012 Director & Executive Officer, Chief of Business Strategy Office, Manager of Corporate Planning Department</p> <p>Chairman of the Board of Directors of Takebishi Electric Sales Hong Kong Limited and Chairman of the Board of Directors of Takebishi Electric Sales Shanghai Limited</p> <p>April 2014 Director & Executive Officer and Chief of Business Strategy Office</p> <p>June 2016 Director & Managing Executive Officer and Chief of Business Strategy Office (to present)</p>	19,561
3	Yukihiro Hashimoto (June 13, 1958)	<p>April 1981 Joined the Company</p> <p>February 2005 Manager of Industry Machinery Department</p> <p>July 2007 Manager of FA Systems Department</p> <p>April 2011 Assistant General Manager of Electro-Mechanical Systems Division and Manager of Sales Administration Department</p> <p>April 2012 Assistant General Manager of Social & Information Systems Division</p> <p>June 2012 Director & Executive Officer and General Manager of Social & Information Systems Division</p> <p>June 2015 Director & Managing Executive Officer and General Manager of Social & Information Systems Division (to present)</p>	11,873

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Takashi Kamei (September 11, 1958)	<p>April 1981 Joined Mitsubishi Electric Corporation</p> <p>April 2005 Manager of FA Overseas Project Division of Mitsubishi Electric Corporation</p> <p>April 2009 Manager of Industrial Mechatronics Department of Mitsubishi Electric Corporation</p> <p>April 2012 Assistant General Manager of Electro-Mechanical Systems Division of the Company</p> <p>June 2012 Director & Executive Officer and General Manager of Electro-Mechanical Systems Division of the Company</p> <p>June 2015 Director & Managing Executive Officer and General Manager of Electro-Mechanical Systems Division of the Company (to present)</p> <p>[Significant concurrent positions]</p> <p>President of TAKEBISHI (THAILAND) CO., LTD.</p> <p>Chairman of the Board of Directors of Takebishi Electric Sales Hong Kong Limited</p> <p>Chairman of the Board of Directors of Takebishi Electric Sales Shanghai Limited</p>	19,817
5	* Masanori Nishida (March 5, 1959)	<p>April 1981 Joined the Company</p> <p>April 2005 Manager of Semiconductor Technology Department</p> <p>April 2006 President of Takebishi Electric Sales Shanghai Limited</p> <p>July 2011 Assistant General Manager of Electronics Device Division and Manager of Technical Development Department of the Company</p> <p>July 2013 Assistant General Manager of Electronics Device Division and Manager of Sales Administration Department</p> <p>April 2015 General Manager of Electronics Device Division</p> <p>July 2015 Executive Officer and General Manager of Electronics Device Division (to present)</p> <p>[Significant concurrent position]</p> <p>President of Takebishi Europe B.V.</p>	10,524
6	* Kazuhiko Sakaguchi (March 31, 1962)	<p>April 1984 Joined the Company</p> <p>July 2007 Manager of Corporate Planning Department</p> <p>October 2011 Manager of General Affairs Department</p> <p>October 2013 Assistant Chief of Business Promotion Office and Manager of General Affairs Department (to present)</p>	11,641
7	Takehisa Iwata (January 27, 1945)	<p>April 1969 Joined Mitsubishi Electric Corporation</p> <p>April 1999 Senior General Manager and General Manager of Affiliates Business Promotion Division, Mitsubishi Electric Corporation</p> <p>April 2003 Assistant to the President of the Company</p> <p>June 2003 Representative Director & President of the Company</p> <p>June 2006 Representative Director, President & CEO of the Company</p> <p>June 2012 Director & Chairman of the Company (to present)</p>	36,303
8	* Hiroshi Hiraide (June 29, 1962)	<p>April 1986 Joined Mitsubishi Electric Corporation</p> <p>April 2013 Manager of FA Systems Department, Chugoku Branch of Mitsubishi Electric Corporation</p> <p>April 2017 Assistant General Manager of Kansai Branch and Manager of Equipment 2 Department of Mitsubishi Electric Corporation (to present)</p>	—

(Notes)

1. The candidates for internal Director have been evaluated and determined based on an overall assessment of their accomplishments (degree of contribution) and experience, insight and expertise, in addition to their outstanding character and knowledge, in line with the Company's Corporate Philosophy and Code of Conduct.
2. Mr. Hiroshi Hiraide concurrently serves as Assistant General Manager (employee) of Kansai Branch of Mitsubishi Electric Corporation. Mitsubishi Electric Corporation is a major shareholder of the Company and has a special business relationship with the Company (Major supplier and customer).
3. No special interests exist between each of the candidates and the Company other than 2. above.
4. Mr. Hiroshi Hiraide is a candidate for Outside Director. The Company proposes to elect Mr. Hiraide as Outside Director on the determination that Mr. Hiraide will draw on the extensive knowledge and experience, which he has accumulated at Mitsubishi Electric Corporation to contribute to the management of the Company.
5. If the election of Messrs. Takehisa Iwata and Hiroshi Hiraide is approved and on the condition that Proposal 1, "Partial Amendment to Articles of Incorporation," is approved as drafted, the Company, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, intends to enter into a liability limitation agreement with them, stipulated in Article 423, Paragraph 1 of the same Act. The amount of limit of liability for damages under such contract shall be a predetermined amount of 1 million yen or more or the minimum liability amount provided for by laws or ordinances, whichever is higher.
6. * indicates a new candidate.
7. The number of shares of the Company held by each candidate for Director includes the stocks held by each candidate in the officers shareholding association and employees' shareholding association. (Fractional shares have been omitted.)

Proposal 3: Election of Three (3) Directors who are Audit and Supervisory Committee Members

If Proposal 1 “Partial Amendment to Articles of Incorporation” is approved as drafted, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, the election of three (3) Directors who are Audit and Supervisory Committee Members is proposed.

The Board of Auditors has previously given its approval to this Proposal.

This Proposal shall come into effect subject to Proposal 1 “Partial Amendment to Articles of Incorporation” coming into effect.

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

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Akira Matsuki (February 9, 1955)	February 1985 April 2003 April 2011 June 2011 June 2012 April 2013 Joined the Company Manager of General Accounting Department Assistant Chief of Business Promotion Office and Manager of General Accounting Department Executive Officer, Assistant Chief of Business Promotion Office and Manager of General Accounting Department Director & Managing Executive Officer, Chief of Business Promotion Office and Manager of General Accounting Department Director, Managing Executive Officer and Chief of Business Promotion Office (to present)	18,335
2	Yutaka Hirose (February 21, 1952)	August 1981 February 1985 January 2000 June 2003 April 2006 [Significant concurrent positions] Representative Director of Hirose Accounting Consultants Co., Ltd. Representative Director of Management Counseling Co., Ltd. Joined Raizo Hirose Tax Accountant Office (now Hirose Tax, Accounting & Consultants Group) Registered as certified tax accountant Head of Hirose Accounting Office (now Hirose Tax, Accounting & Consultants Group) Statutory Auditor of the Company (to present) Representative Partner of Hirose Tax, Accounting & Consultants Group (to present)	—
3	* Yoshinori Yamada (March 23, 1973)	April 2002 April 2006 June 2006 July 2011 [Significant concurrent positions] Outside Director of FUJIX Ltd. Outside Audit & Supervisory Board Member of TOSE CO., LTD. Outside Auditor of Kyoto living shimbun, inc. Registered as Certified Public Accountant Joined Kawashima Sougou Kaikei Registered as certified tax accountant Representative Partner of Kawashima Sougou Kaikei (to present)	—

(Notes)

1. Mr. Yutaka Hirose is a representative of Hirose Tax, Accounting & Consultants Group, with which the Company has entered into an advisory agreement. No special interests exist between Messrs. Akira Matsuki and Yoshinori Yamada and the Company.
2. Messrs. Yutaka Hirose and Yoshinori Yamada are candidates for Outside Directors. The Company has selected them as candidates for Outside Directors for the following reasons.
 - (1) The Company proposes to elect Mr. Yutaka Hirose as Director who is an Audit and Supervisory Committee Member on the judgment that he is qualified as a certified tax accountant and will execute audit and supervisory operations of the Company in an appropriate manner by drawing on his deep insight and extensive experience relating to financial and accounting affairs.
The Company has notified the Tokyo Stock Exchange, Inc. (TSE) that Mr. Yutaka Hirose is an independent director as stipulated by TSE, and plans to notify TSE to that effect again if his election is approved.
 - (2) The Company proposes to elect Mr. Yoshinori Yamada as Director who is an Audit and Supervisory Committee Member on the judgment that he is qualified as a Certified Public Accountant and certified tax accountant, has deep insight and extensive experience relating to financial and accounting affairs as well as a wealth of business management experience as an outside director and outside auditor of other companies and will execute audit and

supervisory operations of the Company in an appropriate manner.

If his election is approved, the Company plans to notify TSE that Mr. Yoshinori Yamada is an independent director as stipulated by TSE.

3. Mr. Yutaka Hirose is currently an Outside Statutory Auditor of the Company. He will have served as Outside Statutory Auditor for 14 years at the conclusion of this General Meeting of Shareholders.
4. The Company has entered into a liability limitation agreement stipulated in Article 423, Paragraph 1 of the Companies Act with Mr. Yutaka Hirose, in accordance with the provisions of Article 427, Paragraph 1 of said Act. The amount of limit of liability for damages under such contract shall be a predetermined amount of 1 million yen or more or the minimum liability amount provided for by laws or ordinances, whichever is higher.
5. If the election of Messrs. Yutaka Hirose and Yoshinori Yamada is approved and on the condition that Proposal 1, "Partial Amendment to Articles of Incorporation," is approved as drafted, the Company, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, intends to enter into a liability limitation agreement with them, stipulated in Article 423, Paragraph 1 of the same Act. The amount of limit of liability for damages under such contract shall be a predetermined amount of 1 million yen or more or the minimum liability amount provided for by laws or ordinances, whichever is higher.
6. * indicates a new candidate.
7. The number of shares of the Company held by Mr. Akira Matsuki includes the stocks held by him in the officers shareholding association. (Fractional shares have been omitted.)

Proposal 4: Election of Two (2) Substitute Directors who are Audit and Supervisory Committee Members

If Proposal 1 “Partial Amendment to Articles of Incorporation” is approved as drafted, the Company will transition to a Company with an Audit and Supervisory Committee.

To prepare for the contingency in which the Company does not have the number of Directors who are Audit and Supervisory Committee Members required by laws and ordinances, the Company proposes to elect two (2) Substitute Directors who are Audit and Supervisory Committee Members.

The candidates for substitute Directors who are Audit and Supervisory Committee Members are as follows. Mr. Susumu Sakai is a candidate for substitute to fill in for Mr. Akira Matsuki, and Mr. Norio Masukawa is a candidate for substitute to fill in for Mr. Yoshinori Yamada.

The Board of Auditors has previously given its approval to this Proposal.

This Proposal shall come into effect subject to Proposal 1 “Partial Amendment to Articles of Incorporation” coming into effect.

No.	Name (Date of birth)	Career summary and significant concurrent positions	Number of shares of the Company held
1	Susumu Sakai (August 31, 1949)	March 1972 Joined the Company June 1999 Manager of Corporate Planning Department June 2006 Executive Officer, Assistant Chief of Business Strategy Office and Manager of Corporate Planning Department June 2007 Director & Managing Executive Officer and Chief of Business Strategy Office June 2012 Advisor June 2013 Resigned from the Company	11,100
2	Norio Masukawa (January 2, 1949)	March 1980 Completed training at Legal Training and Research Institute of the Supreme Court April 1980 Registered as Attorney (Japan Federation of Bar Associations) April 1983 Opened Masukawa Law Office (current Masukawa Sogo Law Office) (to present)	—

(Notes)

1. The Company has entered into an agreement to retain Mr. Norio Masukawa, one of the candidates mentioned above, as in-house counsel. No special interests exist between Mr. Susumu Sakai and the Company.
2. Mr. Norio Masukawa is a candidate for Substitute Outside Director. The Company proposes to elect Mr. Masukawa as Substitute Outside Director on the judgment that, while Mr. Masukawa has never been involved in corporate management, he will draw on his expert knowledge and experience as an attorney to contribute to audit and supervisory operations of the Company.
3. If Mr. Norio Masukawa is appointed Outside Director and on the condition that Proposal 1, “Partial Amendment to Articles of Incorporation,” is approved as drafted, the Company, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, intends to enter into a liability limitation agreement with him, stipulated in Article 423, Paragraph 1 of the same Act. The amount of limit of liability for damages under such contract shall be a predetermined amount of 1 million yen or more or the minimum liability amount provided for by laws or ordinances, whichever is higher.

Proposal 5: Determination of Total Amount of Remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members)

The Company will transition to a Company with an Audit and Supervisory Committee if Proposal 1 “Partial Amendment to Articles of Incorporation” is approved as drafted.

The total amount of remuneration of Directors of the Company has been capped at three hundred (300) million yen per year since approved at the 126th Annual General Meeting of Shareholders held on June 26, 2015. In conjunction with the Company’s transition to a Company with an Audit and Supervisory Committee, the Company proposes that this cap be abolished, the total amount of remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) be newly determined, various circumstances such as recent changes in the business environment and the upcoming transition to a Company with an Audit and Supervisory Committee be factored into the total amount of such remuneration in accordance with the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, and the total amount of remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) be capped at four hundred (400) million yen per year.

The total amount of remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall not include the employee salary portion with respect to Directors who concurrently serve as employees, as has been the case in the past.

At present, the number of Directors is eight (8) persons (including one Outside Director). Even if Proposals 1 and 2 are approved as drafted, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) pertaining to this Proposal will remain unchanged: the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will still be eight (8) persons (including one Outside Director).

This Proposal shall come into effect subject to Proposal 1 “Partial Amendment to Articles of Incorporation” being approved as drafted and the amendment to the Articles of Incorporation by the adoption of said Proposal coming into effect.

Proposal 6: Determination of Total Amount of Remuneration of Directors who are Audit and Supervisory Committee Members

The Company will transition to a Company with an Audit and Supervisory Committee if Proposal 1 “Partial Amendment to Articles of Incorporation” is approved as drafted.

Accordingly, the Company proposes that the total amount of remuneration of Directors who are Audit and Supervisory Committee Members be capped at forty (40) million yen per year, in consideration of the duties and responsibilities of Audit and Supervisory Committee Members, in accordance with the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act.

If Proposals 1 and 3 are approved as drafted, the number of Directors who are Audit and Supervisory Committee Members pertaining to this Proposal will be three (3) persons.

This Proposal shall come into effect subject to Proposal 1 “Partial Amendment to Articles of Incorporation” being approved as drafted and the amendment to the Articles of Incorporation by the adoption of said Proposal coming into effect.