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(Stock Exchange Code 1969)  
May 30, 2018

**To Shareholders with Voting Rights:**

Atsushi Ouchi  
Chairman and Representative Director,  
CEO  
Takasago Thermal Engineering Co., Ltd.  
6-27-30, Shinjuku, Shinjuku-ku, Tokyo

**NOTICE OF  
THE 138TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 138th Ordinary General Meeting of Shareholders of Takasago Thermal Engineering Co., Ltd. (the “Company”).

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the Voting Rights Exercise Form or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Monday, June 25, 2018, Japan time.

- 1. Date and Time:** Tuesday, June 26, 2018 at 10:00 a.m. Japan time (reception will start at 9:00 a.m.)
- 2. Place:** 5F, Conference room at Keidanren Kaikan located at 1-3-2, Otemachi, Chiyoda-ku, Tokyo, Japan
- 3. Meeting Agenda:**
  - Matters to be reported:** The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the Company’s 138th Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
  - Proposals to be resolved:**
    - Proposal 1:** Distribution of Surplus
    - Proposal 2:** Election of Nine (9) Directors
    - Proposal 3:** Election of Three (3) Corporate Auditors
    - Proposal 4:** Revision of Amount of Compensation, etc. of Corporate Auditors
    - Proposal 5:** Determination of Amount and Details of Stock Compensation, etc. of Directors, etc.

~~~~~ Notice ~~~~~  
You can refer to this convocation notice and the appendix, as well as their English translations (partial), on

the Company's website (<https://www.tte-net.com>).

Of the documents to be submitted along with this convocation notice, the Company has published the consolidated notes for the Consolidated Financial Statements and the individual notes for the Non-consolidated Financial Statements on the Company's website stated above under laws, regulations, and Article 18 of the Company's Articles of Incorporation; accordingly, those matters are not included in this convocation notice. The documents attached to this convocation notice are part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor and the Corporate Auditors when preparing the audit reports.

Should the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website stated above.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Distribution of Surplus

The Company positions the return of profits to its shareholders as one of the most important management issues. While enhancing profitability and capital efficiency, we strive for a stable dividend payout under our basic policy.

Based on this basic policy, the year-end dividend for the 138th fiscal year is proposed as below in consideration of performance for this fiscal year exceeding the planned figures and other such factors. As a result, the annual dividend will be ¥50, together with the interim dividend of ¥15 per share.

Matters related to year-end dividends

1. Type of dividend assets

Cash

2. Items relating to the allocation of dividend assets to shareholders and its total amount

¥35 per share of common stock of the Company

Total amount: ¥2,585,617,055

3. Effective date of payment of dividend from surplus

June 27, 2018

**Proposal 2:** Election of Nine (9) Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the election of nine (9) Directors is proposed.

The candidates are as follows.

The Company determines the candidates for nomination at the Board of Directors' meeting after deliberation at the Nomination and Compensation Committee, which is composed of five members (the Chairman and Representative Director, CEO; the Representative Director and Senior Managing Executive Officer; and three Outside Directors) (hereinafter called the "Nomination and Compensation Committee"), by thoroughly taking into account such factors as a wealth of experiences and knowledge in the candidate's specialty fields, potential contribution to the Company's sustainable growth and enhancement of its mid- to long-term corporate value, as well as the optimal composition and size of the Board at this point.

| No. |                                                          | Name             | Positions                                                     | Attendance at the Board of Directors' meetings |
|-----|----------------------------------------------------------|------------------|---------------------------------------------------------------|------------------------------------------------|
| 1   | Reelection                                               | Atsushi Ouchi    | Chairman and Representative Director, CEO                     | 12/12 meetings (100.0%)                        |
| 2   | Reelection                                               | Choichi Takahara | Representative Director and Senior Managing Executive Officer | 12/12 meetings (100.0%)                        |
| 3   | Reelection                                               | Takuya Matsuura  | Director and Senior Managing Executive Officer                | 12/12 meetings (100.0%)                        |
| 4   | Reelection                                               | Jun Tabuchi      | Director and Managing Executive Officer                       | 12/12 meetings (100.0%)                        |
| 5   | Reelection                                               | Yoshiyuki Hara   | Director and Managing Executive Officer                       | 12/12 meetings (100.0%)                        |
| 6   | Reelection                                               | Hiroshi Yamawake | Director and Managing Executive Officer                       | 12/12 meetings (100.0%)                        |
| 7   | Reelection<br>Outside Director<br>Independent Director   | Kazuo Matsunaga  | Outside Director                                              | 11/12 meetings (91.6%)                         |
| 8   | Reelection<br>Outside Director<br>Independent Director   | Mitoji Yabunaka  | Outside Director                                              | 11/12 meetings (91.6%)                         |
| 9   | New election<br>Outside Director<br>Independent Director | Kiyoshi Fujimura | —                                                             | — (—)                                          |

Notes:

1. The positions of the above candidates for Directors are those at the time of this General Meeting.
2. The attendance rate is given to one decimal place.

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|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--|--------------------------------------------------------------------------|
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Atsushi Ouchi (Date of birth: July 29, 1949)        |  | Reelection                                                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Position: Chairman and Representative Director, CEO |  |                                                                          |
| Past experience, positions, responsibilities and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                     |  |                                                                          |
| April 1975                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Joined the Company                                  |  | Number of shares of the Company held: 101,803                            |
| April 2006                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Executive Officer                                   |  |                                                                          |
| April 2008                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Managing Executive Officer                          |  |                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Branch General Manager, Osaka Branch                |  | Term of office as Director (at the conclusion of this Meeting): 10 years |
| June 2008                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Director and Managing Executive Officer             |  |                                                                          |
| April 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | President and Representative Director, CEO          |  |                                                                          |
| January 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | President and Representative Director, CEO          |  | Attendance at the Board of Directors' meetings: 12/12 meetings (100.0%)  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | In charge of Engineering Headquarters               |  |                                                                          |
| April 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | President and Representative Director, CEO          |  |                                                                          |
| April 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Chairman and Representative Director, CEO           |  |                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | To the present                                      |  |                                                                          |
| Reason for nomination as a candidate for Director                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                     |  |                                                                          |
| Mr. Atsushi Ouchi has served as President and Director from April 2010 and as Chairman and Director from April 2016 and has demonstrated leadership as the chief executive of the Company's management. The Company nominates him as a candidate, expecting that he would continue to enhance the Company's sustainable growth and its mid- to long-term corporate value and strengthen the function of the Board of Directors by drawing on his insight into the overall business of the Company. |                                                     |  |                                                                          |

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| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Choichi Takahara (Date of birth: March 13, 1954)                                                                                                                                                           | Reelection                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Position: Representative Director and Senior Managing Executive Officer                                                                                                                                    |                                                                         |
| Past experience, positions, responsibilities and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                            |                                                                         |
| April 1972                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Joined the Company                                                                                                                                                                                         | Number of shares of the Company held: 32,453                            |
| April 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Executive Officer<br>Branch General Manager, Kanto Branch                                                                                                                                                  |                                                                         |
| April 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Deputy General Manager, East Japan Headquarters; Group General Manager, Purchasing Group, East Japan Headquarters                                                                                          |                                                                         |
| April 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Deputy General Manager, Tokyo Main Office, East Japan Headquarters                                                                                                                                         |                                                                         |
| June 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Director and Executive Officer                                                                                                                                                                             |                                                                         |
| April 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Director and Managing Executive Officer                                                                                                                                                                    | Term of office as Director (at the conclusion of this Meeting): 5 years |
| April 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | General Manager, East Japan Headquarters; General Manager, Tokyo Main Office, East Japan Headquarters                                                                                                      |                                                                         |
| April 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Responsible for businesses in Japan; Chief Executive Officer of headquarters , East Japan Headquarters; General Manager, Tokyo Main Office, East Japan Headquarters                                        |                                                                         |
| April 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Representative Director and Senior Managing Executive Officer<br>To the present<br>Chief Executive Officer, Business in Japan Headquarters; in charge of quality, environment and safety<br>To the present | Attendance at the Board of Directors' meetings: 12/12 meetings (100.0%) |
| April 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | In charge of domestic affiliates; in charge of Development Business Promotion Department<br>To the present                                                                                                 |                                                                         |
| Reason for nomination as a candidate for Director<br>Since joining the Company, Mr. Choichi Takahara has accumulated a wealth of experience in design and installation fields and insight into overall technology. Also, as Branch General Manager, General Manager, and Chief Executive Officer of headquarters, and while responsible for business in Japan, he has achieved a certain track record in the Company's facilities installation business and other businesses. The Company nominates him as a candidate, expecting that he would continue to enhance the Company's sustainable growth and its mid- to long-term corporate value and strengthen the function of the Board of Directors by drawing on his insight into branch and main office management in Japan, overseeing business in Japan and overall technology. |                                                                                                                                                                                                            |                                                                         |

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| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Takuya Matsuura (Date of birth: December 8, 1952)        | Reelection                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Position: Director and Senior Managing Executive Officer |                                                                         |
| Past experience, positions, responsibilities and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                          |                                                                         |
| April 1976                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Joined the Company                                       | Number of shares of the Company held: 34,664                            |
| April 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Executive Officer                                        |                                                                         |
| April 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Deputy Group General Manager, Sales Group                | Term of office as Director (at the conclusion of this Meeting): 6 years |
| April 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Managing Executive Officer                               |                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Group General Manager, Sales Group                       | Attendance at the Board of Directors' meetings: 12/12 meetings (100.0%) |
| June 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Director and Managing Executive Officer                  |                                                                         |
| April 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Director and Senior Managing Executive Officer           |                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | To the present                                           |                                                                         |
| April 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Responsible for sales                                    |                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | To the present                                           |                                                                         |
| Reason for nomination as a candidate for Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                          |                                                                         |
| <p>Since joining the Company, Mr. Takuya Matsuura has accumulated a wealth of experience in and insight into promoting and marketing activities and sales planning fields. Also, as Group General Manager, he has achieved a certain track record in the promotion of Company's facilities installation business and in other areas. The Company nominates him as a candidate, expecting that he would continue to enhance the Company's sustainable growth and its mid- to long-term corporate value and strengthen the function of the Board of Directors by drawing on his insight into overall sales.</p> |                                                          |                                                                         |

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| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Jun Tabuchi (Date of birth: June 12, 1953)                                                                     | Reelection                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Position: Director and Managing Executive Officer                                                              |                                                                         |
| Past experience, positions, responsibilities and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                |                                                                         |
| April 1977                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Joined the Company                                                                                             | Number of shares of the Company held: 29,988                            |
| April 1999                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Branch General Manager, Singapore Branch, Overseas Business Division                                           |                                                                         |
| October 2004                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Branch General Manager, Kanto Branch                                                                           |                                                                         |
| April 2006                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Executive Officer                                                                                              | Term of office as Director (at the conclusion of this Meeting):3 years  |
| April 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Branch General Manager, Kyushu Branch                                                                          |                                                                         |
| April 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Managing Executive Officer                                                                                     |                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Deputy General Manager, West Japan Headquarters; Branch General Manager, Osaka Branch, West Japan Headquarters | Attendance at the Board of Directors' meetings: 12/12 meetings (100.0%) |
| April 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | General Manager, West Japan Headquarters                                                                       |                                                                         |
| June 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Director and Managing Executive Officer                                                                        |                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | To the present                                                                                                 |                                                                         |
| April 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Chief Executive Officer, International Business Headquarters; in charge of overseas affiliates                 |                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | To the present                                                                                                 |                                                                         |
| <p>Reason for nomination as a candidate for Director</p> <p>Since joining the Company, Mr. Jun Tabuchi has accumulated a wealth of experience in design and installation fields both in Japan and overseas and insight into overall technology. Also, as Branch General Manager and General Manager, and while responsible for international business, he has achieved a certain track record in the Company's facilities installation business and other businesses. The Company nominates him as a candidate, expecting that he would continue to enhance the Company's sustainable growth and its mid- to long-term corporate value and strengthen the function of the Board of Directors by drawing on his insight into branch management in Japan and overseas, overseeing international business and overall technology.</p> |                                                                                                                |                                                                         |



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| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Yoshiyuki Hara (Date of birth: August 12, 1957)                                                                                                                     | Reelection                                                                                                                                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Position: Director and Managing Executive Officer                                                                                                                   |                                                                                                                                                                                                            |
| Past experience, positions, responsibilities and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                     | Number of shares of the Company held: 19,305<br><br>Term of office as Director (at the conclusion of this Meeting): 3 years<br><br>Attendance at the Board of Directors' meetings: 12/12 meetings (100.0%) |
| April 1981                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Joined NIPPON LIFE INSURANCE COMPANY                                                                                                                                |                                                                                                                                                                                                            |
| March 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | General Manager, Metropolitan Area Corporate Finance Dept.                                                                                                          |                                                                                                                                                                                                            |
| April 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Joined the Company                                                                                                                                                  |                                                                                                                                                                                                            |
| April 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Administration Officer; Deputy Group General Manager, Corporate Planning Group                                                                                      |                                                                                                                                                                                                            |
| April 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Executive Officer                                                                                                                                                   |                                                                                                                                                                                                            |
| April 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Executive Officer                                                                                                                                                   |                                                                                                                                                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Deputy Group General Manager, Corporate Administration Group                                                                                                        |                                                                                                                                                                                                            |
| June 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Director and Executive Officer                                                                                                                                      |                                                                                                                                                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Deputy Group General Manager, Corporate Administration Group                                                                                                        |                                                                                                                                                                                                            |
| April 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Director and Managing Executive Officer                                                                                                                             | Attendance at the Board of Directors' meetings: 12/12 meetings (100.0%)                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | To the present                                                                                                                                                      |                                                                                                                                                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Group General Manager, Corporate Administration Group                                                                                                               |                                                                                                                                                                                                            |
| April 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Chief Executive Officer, Corporate Operations Headquarters; General Manager, Corporate Planning Division; in charge of management strategy; in charge of compliance |                                                                                                                                                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | To the present                                                                                                                                                      |                                                                                                                                                                                                            |
| Reason for nomination as a candidate for Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                     |                                                                                                                                                                                                            |
| Mr. Yoshiyuki Hara has a wealth of experience in and insight into the financial business at financial institutions. Also, since joining the Company, as General Manager of the Corporate Planning Division, he has achieved a certain track record in formulating the long-term management vision and business plans for single years and for the medium term as well as in responding to the Corporate Governance Code. The Company nominates him as a candidate, expecting that he would continue to enhance the Company's sustainable growth and its mid- to long-term corporate value and strengthen the function of the Board of Directors by drawing on his insight into corporate planning, financial affairs and overall corporate administration. |                                                                                                                                                                     |                                                                                                                                                                                                            |

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| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Hiroshi Yamawake (Date of birth: April 16, 1957)                                                                          | Reelection                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Position: Director and Managing Executive Officer                                                                         |                                                                         |
| Past experience, positions, responsibilities and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                           |                                                                         |
| April 1982                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Joined the Company                                                                                                        | Number of shares of the Company held: 17,986                            |
| April 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Deputy General Manager, Industrial Air Conditioning Headquarters                                                          |                                                                         |
| April 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Administration Officer; General Manager, Industrial Facilities Division, Engineering Headquarters                         |                                                                         |
| April 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Executive Officer                                                                                                         | Term of office as Director (at the conclusion of this Meeting): 3 years |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | General Manager, Engineering Division, Engineering Headquarters                                                           |                                                                         |
| June 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Director and Executive Officer                                                                                            |                                                                         |
| April 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Director and Managing Executive Officer                                                                                   | Attendance at the Board of Directors' meetings: 12/12 meetings (100.0%) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | To the present                                                                                                            |                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Group General Manager, Technology Group and in charge of quality, environment and safety                                  |                                                                         |
| April 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Chief Executive Officer, Business Innovation Headquarters; in charge of technology; in charge of new business development |                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | To the present                                                                                                            |                                                                         |
| April 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | In charge of Environmental Solutions Business Promotion Department                                                        |                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | To the present                                                                                                            |                                                                         |
| Reason for nomination as a candidate for Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                           |                                                                         |
| Since joining the Company, Mr. Hiroshi Yamawake has accumulated a wealth of experience in design and installation fields and insight into overall technology. Also, as General Manager, Chief Executive Officer of headquarters, etc., he has achieved a certain track record in the Company's industrial facilities installation and engineering businesses as well as in areas such as quality, environment, and safety. The Company nominates him as a candidate, expecting that he would continue to enhance the Company's sustainable growth and its mid- to long-term corporate value and strengthen the function of the Board of Directors by drawing on his insight into overall technology. |                                                                                                                           |                                                                         |

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| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Kazuo Matsunaga (Date of birth: February 28, 1952)                                                      | Reelection                                                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Position: Outside Director                                                                              | Outside Director<br>Independent Director                                        |
| Past experience, positions, responsibilities and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                         |                                                                                 |
| April 1974                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry) | Number of shares of the Company held: 0                                         |
| June 2004                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Director, Nuclear and Industrial Safety Agency                                                          |                                                                                 |
| September 2005                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Director-General for Policy Planning and Coordination, Minister's Secretariat                           | Term of office as Outside Director (at the conclusion of this Meeting): 5 years |
| July 2006                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Deputy Vice-Minister of Economy, Trade and Industry, Minister's Secretariat                             |                                                                                 |
| July 2008                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Director-General, Economic and Industrial Policy Bureau                                                 |                                                                                 |
| July 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Vice-Minister of Economy, Trade and Industry                                                            |                                                                                 |
| August 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Advisor to Ministry of Economy, Trade and Industry                                                      | Attendance at the Board of Directors' meetings: 11/12 meetings (91.6%)          |
| June 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Outside Director, the Company                                                                           |                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | To the present                                                                                          |                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | [Significant concurrent positions]                                                                      |                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Outside Director, Sony Corporation                                                                      |                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Outside Director, HASHIMOTO SOGYO HOLDINGS CO., LTD.                                                    |                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Representative Chairman of the Board, Mitsubishi Fuso Truck and Bus Corporation                         |                                                                                 |
| Reason for nomination as a candidate for Outside Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                         |                                                                                 |
| <p>Mr. Kazuo Matsunaga has a wealth of experience and insight into the fields of public administration and economics. The Company nominates him as a candidate, expecting that he would supervise the management and execute the checking function from an independent perspective by drawing on his experiences. Although he has not participated in corporate management except as an outside director or outside corporate auditor, the Company has judged that he would appropriately perform his duties as Outside Director, including the provision of valuable suggestions and opinions to the Company's management, due to the above reasons.</p> <p>He served as a part-time advisor from July 2012 to June 2013, when he was elected as the Company's Outside Director at the Ordinary General Meeting of Shareholders, based on the premise that he would assume office as an Outside Director of the Company. As the advisory services he provided consisted of offering advice from the standpoint of an independent outsider, and as the advisory compensation paid to him was not a large amount (less than 10 million yen), the Company has judged that his independence as Outside Director is secured. The Company's criteria of independence for Outside Directors are as stated below in Note 3.</p> |                                                                                                         |                                                                                 |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                   |                                                                                                                                                                                                                     |
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| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Mitoji Yabunaka (Date of birth: January 23, 1948) | Reelection<br>Outside Director<br>Independent Director                                                                                                                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Position: Outside Director                        |                                                                                                                                                                                                                     |
| Past experience, positions, responsibilities and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                   |                                                                                                                                                                                                                     |
| <p>April 1969      Joined Ministry of Foreign Affairs of Japan</p> <p>December 2002      Director-General, Asian and Oceanian Affairs Bureau</p> <p>January 2005      Deputy Minister for Foreign Affairs (Economy)</p> <p>January 2007      Deputy Minister for Foreign Affairs (Political affairs)</p> <p>January 2008      Vice-Minister for Foreign Affairs</p> <p>August 2010      Advisor to Ministry of Foreign Affairs</p> <p>June 2014      Outside Director, the Company</p> <p>                    To the present</p> <p>[Significant concurrent positions]</p> <p>Outside Director, Mitsubishi Electric Corporation</p> <p>Outside Director, KOMATSU LTD.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                   | <p>Number of shares of the Company held: 0</p> <p>Term of office as Outside Director (at the conclusion of this Meeting): 4 years</p> <p>Attendance at the Board of Directors' meetings: 11/12 meetings (91.6%)</p> |
| <p>Reason for nomination as a candidate for Outside Director</p> <p>Mr. Mitoji Yabunaka has a wealth of experience and insight into the fields of diplomacy and public administration. The Company nominates him as a candidate, expecting that he would supervise the management and execute the checking function from an independent perspective by drawing on his experiences. Although he has not participated in corporate management except as an outside director or outside corporate auditor, the Company has judged that he would appropriately perform his duties as Outside Director, including the provision of valuable suggestions and opinions to the Company's management, due to the above reasons.</p> <p>He served as a part-time advisor from April 2012 to June 2014, when he was elected as the Company's Outside Director at the Ordinary General Meeting of Shareholders, based on the premise that he would assume office as an Outside Director of the Company. As the advisory services he provided consisted of offering advice from the standpoint of an independent outsider, and as the advisory compensation paid to him was not a large amount (less than 10 million yen), the Company has judged that his independence as Outside Director is secured. The Company's criteria of independence for Outside Directors are as stated below in Note 3.</p> |                                                   |                                                                                                                                                                                                                     |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                    |                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Kiyoshi Fujimura (Date of birth: November 3, 1949)                                                                 | New election<br>Outside Director<br>Independent Director |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Position: none                                                                                                     |                                                          |
| Past experience, positions, responsibilities and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                    | Number of shares of the<br>Company held: 0               |
| April 1972                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Joined Mitsubishi Corporation                                                                                      |                                                          |
| February 2002                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Director and President, Mitsubishi Corporation Financial & Management Services (Japan) Ltd.                        |                                                          |
| June 2003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Corporate Auditor (full-time), Mitsubishi Corporation                                                              |                                                          |
| June 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Executive Officer, Corporate Functional Officer (CIO), Mitsubishi Corporation                                      |                                                          |
| April 2008                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Executive Vice President, Corporate Functional Officer (CIO), Mitsubishi Corporation                               |                                                          |
| April 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Director and Executive Vice President, Corporate Functional Officer (CIO), Mitsubishi Corporation                  |                                                          |
| April 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Director and Executive Vice President, officer in charge of auditing and internal controls, Mitsubishi Corporation |                                                          |
| June 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Resigned from Mitsubishi Corporation                                                                               |                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | To the present                                                                                                     |                                                          |
| [Significant concurrent positions]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                    |                                                          |
| Outside Corporate Auditor, TDK Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                    |                                                          |
| Reason for nomination as a candidate for Outside Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                    |                                                          |
| Mr. Kiyoshi Fujimura has a wealth of experience and insight as a director and CIO of a general trading company. The Company nominates him as a candidate, expecting that he would supervise the management and execute the checking function from an independent perspective by drawing on his experiences and that he would appropriately perform his duties as Outside Director, including the provision of valuable suggestions and opinions to the Company’s management.                                                      |                                                                                                                    |                                                          |
| Although the Company has a normal business relationship, including installation work orders and equipment procurement, etc. with Mitsubishi Corporation, the company to which Mr. Fujimura belonged, the Company has judged that his independence as Outside Director is secured as the amount of trading with that company is nominal, accounting for 0.09% (truncated to the second decimal place) of the net sales of the Company. The Company’s criteria of independence for Outside Directors are as stated below in Note 3. |                                                                                                                    |                                                          |

(Notes)

1. There are no special interests between each candidate for Director and the Company.
2. The attendance rate is given to one decimal place.
3. The Company's criteria of independence for Outside Directors are as follows.
  - (1) They are not a party that considers the Company a major business partner (Note) or an individual who executes business of such a party.  
Note: "Major business partner" here is defined as a corporation that in the previous fiscal year and three past fiscal years (the "fiscal years of interest") has conducted transactions in any of the fiscal years of interest that total, as a rule, 2% or more of its net sales.
  - (2) They are not a party that the Company considers a major business partner (Note) or an individual who executes business of such a party.  
Note: "Major business partner" here is defined as a corporation that in the previous fiscal year and three past fiscal years (the "fiscal years of interest") has conducted transactions in any of the fiscal years of interest that total, as a rule, 2% or more of the Company's net sales.
  - (3) They are not a consultant, accounting specialist, or legal specialist that receives large amounts of monetary or other assets (Note) from the Company aside from executive compensation (in the case that the party receiving the assets is a legal entity or association, this applies to individuals who belong thereto).  
Note: "Large amounts of monetary or other assets" here is defined as assets valued in total, as a rule, at 10 million yen or greater over the course of a single fiscal year.
  - (4) They are not a party or an individual that recently would fall under the following 1) to 4).
    - 1) A party or an individual that would fall under (1), (2), or (3).
    - 2) An individual who executes business or non-executive director of the Company's parent company.
    - 3) A corporate auditor of the Company's parent company (applicable only when Outside Corporate Auditors are selected as independent officers).
    - 4) An individual who executes business of a fellow subsidiary company.
  - (5) They are not a close relative (Note) to an individual that would fall under the following 1) to 8) (however, not applicable when the individual is not a significant person (Note)).
    - 1) A party or an individual that would fall under (1) to (4).
    - 2) An accounting counselor of the Company. (In the case that the accounting counselor is a legal entity, this includes individuals who conduct that entity's duties. This clause also applies to the following items.) (Applicable only when Outside Corporate Auditors are selected as independent officers.)
    - 3) An individual who executes business of a subsidiary company of the Company.
    - 4) A director or accounting counselor of a subsidiary company of the Company who is not an individual who executes business (applicable only when Outside Corporate Auditors are selected as independent officers).
    - 5) An individual who executes business or non-executive director of the Company's parent company.
    - 6) A corporate auditor of the Company's parent company (applicable only when Outside Corporate Auditors are selected as independent officers).
    - 7) An individual who executes business of a fellow subsidiary company.
    - 8) A party who has recently fallen under 3) or 4) above, or who has recently been an individual who executes business of a listed company (including non-executive directors in the case that Outside Corporate Auditors are selected as independent officers).  
Notes: "Significant person" here is defined in the case of an individual who executes business in (1) and (2) as an officer or division director of the company or business partner referred to, and in the case of parties in (3) as certified public accountants belonging to audit firms referred to and attorneys (including "associates") belonging to law offices referred to. "Close relative" here is defined as a relative within two degrees.
4. The Company has concluded liability limitation agreements with each of Mr. Kazuo Matsunaga and Mr. Mitoji Yabunaka to limit their liabilities for damages to the aggregated amount set out in each item of Article 425, Paragraph 1 of the Companies Act, concerning the liabilities under Article 423, Paragraph 1 of the Companies Act, if gross negligence has not been committed and they perform their duties in good faith. If each of them is reelected as Director and assumes office, the Company plans to continue such agreements with each of them. Additionally, if Mr. Kiyoshi Fujimura is elected as Director and assumes office, the Company plans to conclude a similar agreement with him.
5. If the proposal of the election of Mr. Kazuo Matsunaga, Mr. Mitoji Yabunaka and Mr. Kiyoshi Fujimura is approved, Mr. Kazuo Matsunaga and Mr. Mitoji Yabunaka will continue to be designated, and Mr. Kiyoshi Fujimura will be newly designated, as independent officers stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange. The Company plans to report such designation to the Tokyo Stock Exchange.
6. In March 2014, when Mr. Mitoji Yabunaka was an Outside Director for Kawasaki Kisen Kaisha, Ltd., the company was found to have acted in violation of antitrust laws regarding the transportation of vehicles and other cargo and was thus delivered a cease and desist order by the Fair Trade Commission alongside a monetary penalty payment order, accepted a

plea bargain in September 2014 agreeing to pay a fine to the US Department of Justice for the same violation, and was ordered to pay a fine in December 2015 by the Chinese National Development and Reform Commission for the same violation. While Mr. Yabunaka was not previously aware of this violation, he had frequently expressed the importance of compliance with laws and regulations at meetings of the Board of Directors, and following the discovery of this violation has conducted a thorough investigation and given instructions to prevent a recurrence of such an action. Additionally, in January 2016, when Mr. Mitoji Yabunaka was an Outside Director for Mitsubishi Electric Corporation, the company was fined by the EU General Court for violating EU competition policy regarding sales of gas-insulated switchgears in Europe. Though these actions occurred prior to Mr. Yabunaka's election to his position, he has since made specific comments and given opinions regarding compliance with laws and regulations and has also given advice regarding the prevention of a recurrence of such actions. Also, in February 2016, when Mr. Mitoji Yabunaka was an Outside Director for Mitsubishi Electric Corporation, the company was ordered to take corrective measures and was levied with a charge by the Korea Fair Trade Commission for violating Korean antitrust regulations in connection with the bidding on automotive starter motors. Though these actions occurred prior to Mr. Yabunaka's election to his position, he has since made specific comments and given opinions regarding compliance with laws and regulations and has also given advice regarding the prevention of a recurrence of such actions. Additionally, in April 2017, when Mr. Mitoji Yabunaka was an Outside Director for Mitsubishi Electric Corporation, the company was levied with a charge by the Ontario Court of Justice for violating Canadian competition laws in connection with transactions involving automotive alternators and ignition coils. Though these actions occurred prior to Mr. Yabunaka's election to his position, he has since made specific comments and given opinions regarding compliance with laws and regulations and has also given advice regarding the prevention of a recurrence of such actions.

7. The number of shares of the Company held by each candidate includes the number of shares actually owned under the name of the officers' shareholding association.

**Proposal 3:** Election of Three (3) Corporate Auditors

The terms of office of Corporate Auditors Mr. Tetsuo Ito, Mr. Masahiro Seyama, and Mr. Makio Fujiwara will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the election of three (3) Corporate Auditors is proposed.

The candidates are as follows.

The Board of Corporate Auditors has already given consent to this proposal.

The Company determines the candidates for nomination at the Board of Directors' meeting after deliberation at the Nomination and Compensation Committee by thoroughly taking into account such factors as each candidate possessing a wealth of experiences and knowledge in his specialty fields and the expectation that each candidate would supervise the management and execute the checking function.

|                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                        |                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 1                                                                                                                                                                                                                                                                                                                                                                                                          | Tetsuo Ito (Date of birth: March 15, 1948)                                             | Reelection<br>Outside Corporate<br>Auditor<br>Independent Corporate<br>Auditor                    |
|                                                                                                                                                                                                                                                                                                                                                                                                            | Position: Outside Corporate Auditor                                                    |                                                                                                   |
| Past experience, positions and significant concurrent positions                                                                                                                                                                                                                                                                                                                                            |                                                                                        |                                                                                                   |
| September 1972                                                                                                                                                                                                                                                                                                                                                                                             | Passed National Bar Examination                                                        | Number of shares of the<br>Company held: 1,988                                                    |
| April 1975                                                                                                                                                                                                                                                                                                                                                                                                 | Became public prosecutor                                                               |                                                                                                   |
| June 2001                                                                                                                                                                                                                                                                                                                                                                                                  | Chief of Special Investigation Department, Tokyo District Public Prosecutors<br>Office | Term of office as Outside<br>Corporate Auditor (at the<br>conclusion of this<br>Meeting): 4 years |
| July 2007                                                                                                                                                                                                                                                                                                                                                                                                  | Chief Prosecutor, Tokyo District Public Prosecutors Office                             |                                                                                                   |
| July 2008                                                                                                                                                                                                                                                                                                                                                                                                  | Chief Prosecutor, Takamatsu High Public Prosecutors Office                             | Attendance at the Board of<br>Directors' meetings: 10/12<br>meetings (83.3%)                      |
| January 2009                                                                                                                                                                                                                                                                                                                                                                                               | Deputy Chief Prosecutor, Supreme Public Prosecutors Office                             |                                                                                                   |
| December 2010                                                                                                                                                                                                                                                                                                                                                                                              | Retired from public service                                                            | Attendance at the Board of<br>Corporate Auditors'<br>meetings: 12/13 (92.3%)                      |
| April 2011                                                                                                                                                                                                                                                                                                                                                                                                 | Registered as attorney<br>To the present                                               |                                                                                                   |
| June 2014                                                                                                                                                                                                                                                                                                                                                                                                  | Outside Corporate Auditor, the Company<br>To the present                               |                                                                                                   |
| [Significant concurrent positions]                                                                                                                                                                                                                                                                                                                                                                         |                                                                                        |                                                                                                   |
| Outside Corporate Auditor, UNIZO Holdings Company, Limited                                                                                                                                                                                                                                                                                                                                                 |                                                                                        |                                                                                                   |
| Outside Corporate Auditor, Asahi Kasei Corporation                                                                                                                                                                                                                                                                                                                                                         |                                                                                        |                                                                                                   |
| Outside Director, Japan Petroleum Exploration Co., Ltd.                                                                                                                                                                                                                                                                                                                                                    |                                                                                        |                                                                                                   |
| Of Counsel, Nishimura & Asashi                                                                                                                                                                                                                                                                                                                                                                             |                                                                                        |                                                                                                   |
| Reason for nomination as a candidate for Outside Corporate Auditor                                                                                                                                                                                                                                                                                                                                         |                                                                                        |                                                                                                   |
| Based on Mr. Tetsuo Ito's expert insights gained from his many years as a public prosecutor and attorney, the Company nominates him as a candidate, expecting that he would continue to perform appropriate audits. Although he has not participated in corporate management, the Company has judged that he would appropriately perform his duties as Outside Corporate Auditor due to the above reasons. |                                                                                        |                                                                                                   |



|                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                       |                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| 2                                                                                                                                                                                                                                                                                                                                                             | Masahiro Seyama (Date of birth: July 18, 1949)                                                                                                                                        | Reelection<br>Outside Corporate Auditor<br>Independent Corporate Auditor                 |
|                                                                                                                                                                                                                                                                                                                                                               | Position: Outside Corporate Auditor                                                                                                                                                   |                                                                                          |
| Past experience, positions and significant concurrent positions                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                       |                                                                                          |
| April 1972                                                                                                                                                                                                                                                                                                                                                    | Joined Matsushita Electric Industry Co., Ltd. (currently Panasonic Corporation)                                                                                                       | Number of shares of the Company held: 1,988                                              |
| September 1995                                                                                                                                                                                                                                                                                                                                                | Seconded to Panasonic Latin America Co., Ltd.; responsible for sales                                                                                                                  | Term of office as Outside Corporate Auditor (at the conclusion of this Meeting): 4 years |
| September 1999                                                                                                                                                                                                                                                                                                                                                | General Manager of Planning Division and General Manager of Sales Division, Central and South America Group, Matsushita Electric Industry Co., Ltd. (currently Panasonic Corporation) |                                                                                          |
| February 2001                                                                                                                                                                                                                                                                                                                                                 | President of Matsushita Electric Brazil, LLC                                                                                                                                          | Attendance at the Board of Directors' meetings: 12/12 meetings (100.0%)                  |
| June 2005                                                                                                                                                                                                                                                                                                                                                     | Group General Manager, Central and South America Group, Matsushita Electric Industry Co., Ltd. (currently Panasonic Corporation)                                                      |                                                                                          |
| June 2008                                                                                                                                                                                                                                                                                                                                                     | Senior Corporate Auditor (full-time), Matsushita Electric Industry Co., Ltd. (currently Panasonic Corporation)                                                                        | Attendance at the Board of Corporate Auditors' meetings: 13/13 (100.0%)                  |
| June 2014                                                                                                                                                                                                                                                                                                                                                     | Outside Corporate Auditor, the Company                                                                                                                                                |                                                                                          |
|                                                                                                                                                                                                                                                                                                                                                               | To the present                                                                                                                                                                        |                                                                                          |
|                                                                                                                                                                                                                                                                                                                                                               | [Significant concurrent positions]                                                                                                                                                    |                                                                                          |
|                                                                                                                                                                                                                                                                                                                                                               | Full-time Outside Corporate Auditor, GREE, Inc.                                                                                                                                       |                                                                                          |
| Reason for nomination as a candidate for Outside Corporate Auditor                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                       |                                                                                          |
| Mr. Masahiro Seyama has a wealth of experience and insight as president of an overseas affiliate of Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation) and as a corporate auditor. The Company nominates him as a candidate, expecting that he would continue to perform appropriate audits by drawing on his experience and insight. |                                                                                                                                                                                       |                                                                                          |

|                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                |                                                                                          |
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| 3                                                                                                                                                                                                                                                                                                                                                                                                                                      | Makio Fujiwara (Date of birth: August 14, 1950)                                                                | Reelection<br>Outside Corporate Auditor<br>Independent Corporate Auditor                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        | Position: Outside Corporate Auditor                                                                            |                                                                                          |
| Past experience, positions and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                | Number of shares of the Company held: 0                                                  |
| April 1974                                                                                                                                                                                                                                                                                                                                                                                                                             | Joined Tokyo Electric Power Company Co., Ltd. (currently Tokyo Electric Power Company Holdings, Incorporated)  | Term of office as Outside Corporate Auditor (at the conclusion of this Meeting): 4 years |
| June 2007                                                                                                                                                                                                                                                                                                                                                                                                                              | Senior Director, Group General Manager of New Business Promotion Group, Tokyo Electric Power Company Co., Ltd. |                                                                                          |
| June 2009                                                                                                                                                                                                                                                                                                                                                                                                                              | Senior Director, Deputy Group General Manager of Sales Group, Tokyo Electric Power Company Co., Ltd.           | Attendance at the Board of Directors' meetings: 12/12 meetings (100.0%)                  |
| June 2010                                                                                                                                                                                                                                                                                                                                                                                                                              | Director and Vice President, Group General Manager of Sales Group, Tokyo Electric Power Company Co., Ltd.      |                                                                                          |
| June 2011                                                                                                                                                                                                                                                                                                                                                                                                                              | Director and Vice President, Group General Manager of Customer Group, Tokyo Electric Power Company Co., Ltd.   | Attendance at the Board of Corporate Auditors' meetings: 13/13 (100.0%)                  |
| June 2011                                                                                                                                                                                                                                                                                                                                                                                                                              | Senior Corporate Auditor, Chairman of Board of Corporate Auditors, Tokyo Electric Power Company Co., Ltd.      |                                                                                          |
| June 2014                                                                                                                                                                                                                                                                                                                                                                                                                              | Outside Corporate Auditor, the Company                                                                         |                                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        | To the present                                                                                                 |                                                                                          |
| Reason for nomination as a candidate for Outside Corporate Auditor<br>Mr. Makio Fujiwara has a wealth of experience and insight as a director of Tokyo Electric Power Company Co., Ltd. (currently Tokyo Electric Power Company Holdings, Incorporated) and as a corporate auditor. The Company nominates him as a candidate, expecting that he would continue to perform appropriate audits by drawing on his experience and insight. |                                                                                                                |                                                                                          |

(Notes)

1. There are no special interests between each candidate for Corporate Auditor and the Company.
2. Mr. Tetsuo Ito, Mr. Masahiro Seyama, and Mr. Makio Fujiwara are candidates for Outside Corporate Auditor.
3. Although the Company has a normal business relationship, including installation work orders, etc., with Matsushita Electric Industry Co., Ltd. (currently Panasonic Corporation), the company to which Mr. Masahiro Seyama belonged, and with Tokyo Electric Power Company Co., Ltd. (currently Tokyo Electric Power Company Holdings, Incorporated), the company to which Mr. Makio Fujiwara belonged, the amount of trading with those companies is nominal, as trading with Matsushita Electric Industry Co., Ltd. (currently Panasonic Corporation) accounts for 0.13% (truncated to the second decimal place) and trading with Tokyo Electric Power Company Co., Ltd. (currently Tokyo Electric Power Company Holdings, Incorporated) accounts for 0.11% (truncated to the second decimal place) of the net sales of the Company; therefore, the Company has omitted summaries of trading with those companies as the Company has judged that the trading will not influence the decisions of its shareholders and investors.
4. When Mr. Masahiro Seyama was a Senior Corporate Auditor for Matsushita Electric Industry Co., Ltd. (currently Panasonic Corporation), the company agreed with the US Department of Justice in September 2010 and with the Canadian Competition Bureau in October 2010 to pay a fine for acts in violation of antitrust laws regarding its refrigerator compressor business, and in December 2011, the company was ordered to pay a fine by the European Commission. While Mr. Seyama was not previously aware of this violation, he had constantly performed his duties through Board of Directors' meetings and the like with a focus on legal compliance and endeavored to ensure that there would be no business execution in breach of laws and regulations. Following the discovery of this violation, he confirmed the details of measures to prevent a recurrence of such an action.
5. The Company has concluded liability limitation agreements with each of Mr. Tetsuo Ito, Mr. Masahiro Seyama and Mr. Makio Fujiwara to limit their liabilities for damages to the aggregated amount set out in each item of Article 425, Paragraph 1 of the Companies Act, concerning the liabilities under Article 423, Paragraph 1 of the Companies Act, if gross negligence has not been committed and they perform their duties in good faith. If each of them is reelected as Corporate Auditor and assumes office, the Company plans to continue such agreements with each of them.
6. If the proposal of the election of Mr. Tetsuo Ito, Mr. Masahiro Seyama and Mr. Makio Fujiwara is approved, each of them will continue to be designated as independent officers stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange. The Company plans to report such designation to the Tokyo Stock Exchange.
7. The number of shares of the Company held by each candidate includes the number of shares actually owned under the name of the officers' shareholding association.

**Proposal 4:** Revision of Amount of Compensation, etc. of Corporate Auditors

The amount of compensation of Corporate Auditors of the Company was resolved to be “up to ¥85,000,000 per fiscal year” at the 134th Ordinary General Meeting of Shareholders held on June 27, 2014 and has remained at that amount to the present; however, in consideration of various circumstances such as subsequent changes in the business environment and the enhancement and strengthening of the auditing function, this proposal requests approval to revise the amount of compensation of Corporate Auditors to “up to ¥120,000,000 per fiscal year.” If Proposal 3, “Election of Three (3) Corporate Auditors” is approved and adopted as proposed, the number of Corporate Auditors will continue to be five (5).

**Proposal 5:** Determination of Amount and Details of Stock Compensation, etc. of Directors, etc.

1. Reason for Proposal; Reason Proposed Compensation is Reasonable

The compensation of Directors (excluding Outside Directors) of the Company is composed of base compensation, bonuses, and stock compensation type stock options; however, instead of stock compensation type stock options, the Company proposes the introduction of a new stock compensation plan (the “Plan”) that delivers shares of the Company to its Directors (excluding Outside Directors and overseas residents; the same applies below in this proposal), Executive Officers (excluding overseas residents) who have concluded service agreements, and Administration Officers (excluding overseas residents; Directors, Executive Officers, and Administration Officers collectively, “Directors, etc.”) who have concluded service agreements.

Under the Plan, executive compensation for the Directors, etc. of the Company and executive compensation for Directors of the three consolidated subsidiaries of the Company (the “Subject Subsidiaries”: the Company and the Subject Subsidiaries together, the “Subject Companies”) (regarding the Directors of the Subject Subsidiaries, excluding Outside Directors and overseas residents; the same applies below in this proposal; together with the Directors, etc. of the Company, the “Subject Directors, etc.”) will be managed together.

The purpose of introducing the Plan is to increase the motivation of the Subject Directors, etc. towards contributing to the improvement of performance and the increase of corporate value over the mid to long term, and in consideration of that purpose, the Company believes the details of this proposal to be reasonable.

This proposal requests approval to pay stock compensation, the limit and details of which are set out in 2 below, to the Directors, etc. separate from the limit on Director compensation (up to ¥550,000,000 annually; however, not including employee salaries for Directors who are also employees) approved at the 130th Ordinary General Meeting of Shareholders held on June 29, 2010. Additionally, the Company proposes that the details of the Plan be left to the discretion of the Board of Directors within the framework set out in 2 below.

If Proposal 2, “Election of Nine (9) Directors” is approved and adopted as proposed, the number of Directors subject to the Plan will be six (6) (as well as 20 Executive Officers who do not concurrently serve as Directors).

On the condition that this proposal is approved and adopted, the Company will discontinue the compensation framework for stock acquisition rights as stock compensation type stock options approved at the 131st Ordinary General Meeting of Shareholders held on June 29, 2011 and will not grant any new stock acquisition rights as stock compensation type stock options. Additionally, on the conditions that this proposal is approved and adopted and that the Plan is commenced, the current Subject Directors, etc. will waive their rights regarding any stock acquisition rights as stock compensation type stock options that have already been granted to the current Subject Directors, etc. but not exercised, and as a measure for transitioning from the stock compensation type stock options, the number of points equivalent to the number of shares that were subject to the waived stock acquisition rights will be granted under the Plan. However, if any of the current Subject Directors, etc. loses their status as a Subject Director, etc. after the conclusion of this Ordinary General Meeting of Shareholders, then within ten days (if the tenth day is not a business day, then the next business day) from the day after their loss of status, they may exercise the stock acquisition rights as stock options that have already been granted, and points will not be granted under the Plan.

2. Amount and Details, etc. of Compensation, etc. under the Plan

(1) Summary of the Plan

The Plan is a stock compensation plan wherein Company shares will be acquired through a trust using the money for the compensation of Subject Directors, etc. contributed by the Subject Companies, and Company shares and money equivalent to the conversion price of the Company shares (the “Company Shares, etc.”) will be delivered and paid (the “Delivery, etc.”) to the Subject Directors, etc. through the trust (details are as set out in (2) below).

|                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) People to receive Delivery, etc. of Company Shares, etc. under the Plan | <ul style="list-style-type: none"><li>• Directors (excluding Outside Directors and overseas residents) of the Company</li><li>• Executive Officers and Administration Officers (both excluding overseas residents) of the Company who have concluded service agreements</li><li>• Directors (excluding Outside Directors and overseas residents) of three consolidated subsidiaries of the Company</li></ul> |
|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| (ii) Effect of Company shares subject to the Plan on total number of issued shares                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Limit on money contributed by Subject Companies (as set out in (2) below)                                                                                                                                 | <ul style="list-style-type: none"> <li>Over three fiscal years, a total of ¥636,000,000 (of which up to ¥550,000,000 may be contributed by the Company)</li> <li>However, for the subject period starting from this fiscal year, in addition to the above, money will be separately contributed up to the limit of ¥512,000,000 (of which up to ¥433,000,000 may be contributed by the Company) as a measure for transitioning from stock compensation type stock options.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Method of acquiring Company shares (as set out in (2) below) and limit on number of Company Shares, etc. (including shares to be converted) acquired by Subject Directors, etc. (as set out in (3) below) | <ul style="list-style-type: none"> <li>As the Company shares are planned to be acquired via the stock market, there will be no dilution.</li> <li>The limit on points granted to Subject Directors, etc. per fiscal year will be 138,300 points (of which the limit on points granted to Directors, etc. of the Company will be 119,400 points).</li> <li>However, for this fiscal year, points will be separately granted up to the limit of 170,200 points (of which the limit for the Company will be 144,100 points) as a measure for transitioning from stock compensation type stock options.</li> <li>One point is equivalent to one Company share. However, if an event occurs due to which it is found fair to adjust the points such as a split or consolidation of the Company's shares during the trust period, the number of Company shares per point will be adjusted based on the split ratio, consolidation ratio, or the like.</li> <li>The number of shares corresponding to the limit on points per fiscal year granted to the Subject Directors, etc. is approximately 0.2% of the total number of issued shares of the Company (as of March 31, 2018; excluding treasury shares).</li> </ul> |
| (iii) Timing of Delivery, etc. of Company Shares, etc. to Subject Directors, etc. (as set out in (4) below)                                                                                               | <ul style="list-style-type: none"> <li>In principle, when Subject Directors, etc. leave office</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

(2) Limit on Money Contributed by Subject Companies

The Plan will apply to periods of three (3) consecutive fiscal years (each a "Subject Period"). The initial Subject Period will be the three fiscal years from the fiscal year ending March 31, 2019 to the fiscal year ending March 31, 2021.

The Company will contribute money as compensation for the Directors, etc. of the Company up to the limit of ¥550,000,000 per Subject Period and, together with the money contributed by each Subject Subsidiary as compensation for its Directors (the limit on the total amount of money contributed by the Subject Companies will be ¥636,000,000), will establish a trust (the "Trust") with a trust period of three years (including extensions of the trust period set out in the 4th paragraph of this (2); the same applies below) for which the beneficiaries will be Subject Directors, etc. who fulfill the beneficiary requirements. For the initial Subject Period, in addition to the money up to the limit of ¥550,000,000 set out above, the Company will also contribute, as compensation for the Directors, etc. of the Company, money up to the limit of ¥433,000,000 to be used to acquire shares corresponding to the points granted as a measure for transitioning from stock compensation type stock options and, together with the money contributed by each Subject Subsidiary as compensation for its Directors (in addition to the money up to the limit of ¥636,000,000 set out above, the Subject Companies will also contribute money up the limit of ¥512,000,000 in total to be used to acquire shares corresponding to the points granted as a measure for transitioning from stock compensation type stock options), will establish the Trust.

In accordance with the instructions of the trust administrator, the Trust will acquire Company shares from the stock market using the money in trust. The Subject Companies will grant points (as set out in (3) below) to the Subject Directors, etc. during the trust period, and the Trust will perform the Delivery, etc. of Company Shares, etc.

When the trust period of the Trust expires, instead of establishing the Trust anew, the Trust may be continued by amending the trust agreement and making an additional entrustment. In that case, the trust

period of the Trust will be extended for a period equal to the initial trust period, and the three (3) fiscal years from the extension of the trust period will be a Subject Period. For each extended trust period, each Subject Subsidiary will newly contribute money to the Company up to the limit approved by a resolution of the Subject Subsidiary's general meeting of shareholders, and the Company will make an additional entrustment using the money contributed by the Subject Subsidiaries and money additionally contributed by the Company up to the limit of ¥550,000,000; during the extended trust period, the Subject Companies will continue to grant points to the Subject Directors, etc., and the Trust will continue to perform the Delivery, etc. of Company Shares, etc. However, when making an additional contribution, if Company shares (excluding Company shares corresponding to points granted to Subject Directors, etc. that have not yet been made Delivery, etc.) or money remain among the trust assets ("Remaining Shares, etc.") on the final day of the trust period before extension, the total of the amount of the Remaining Shares, etc. and the trust money additionally contributed by the Company will be up to the limit of ¥550,000,000.

(3) Calculation method and limit of number of Company shares acquired by Subject Directors, etc.

On June 1 of each year during the trust period, each Subject Company will grant a certain number of points to the Subject Directors, etc. based on their positions during the fiscal year ending March 31 of that year (the first year will be the fiscal year ending March 31, 2019). As set out above, under the Plan, the Subject Directors, etc. who waive their stock options in connection with the introduction of the Plan will be granted a corresponding number of points as a measure for transitioning from stock compensation type stock options without delay after the Trust is established. The Delivery, etc. of Company Shares, etc. will be made to Subject Directors, etc. when they leave office (leaving office includes cases where they cease to be Subject Directors, etc. due to overseas transfer; the same applies below) in accordance with their accumulated number of points (the "Accumulated Points").

One point is equivalent to one Company share. However, if an event occurs due to which it is found fair to adjust the points such as a split or consolidation of the Company's shares during the trust period, the number of Company shares per point will be adjusted based on the split ratio, consolidation ratio, or the like.

The limit on points granted to Directors, etc. of the Company will be 119,400 points total (and the limit on points granted to the Subject Directors, etc. per fiscal year will be 138,300 points total). However, for this fiscal year, separately from that limit on the total number of points to be granted per fiscal year, up to 144,100 points will be granted to the Directors, etc. of the Company (and up to 170,200 points will be granted to the Subject Directors, etc.) as a measure for transitioning from stock compensation type stock options.

(4) Timing of Delivery, etc. of Company Shares, etc. to Subject Directors, etc.

A Subject Director, etc. who fulfills the beneficiary requirements will receive a Delivery, etc. of Company Shares, etc. in the number calculated under (3) above when they leave office. At that time, the Subject Director, etc. will be delivered Company shares corresponding to 70% of their points (shares less than one unit will be rounded down) and, after the remainder in the Trust is converted, will be paid money equivalent to the conversion price.

If a Subject Director, etc. dies while in office, all of the Company shares corresponding to the Accumulated Points granted up to that time will be converted in the Trust, and the heir of the Subject Director, etc. will receive payment of the money equivalent to that conversion price. Additionally, if a Subject Director, etc. becomes an overseas resident during the trust period, all of the Company shares corresponding to the Accumulated Points granted up to that time will be converted in the Trust, and the Subject Director, etc. will receive payment of the money equivalent to that conversion price.

(5) Voting rights associated with Company shares

In order to ensure neutrality towards management, during the trust period, voting rights for Company shares in the Trust will not be exercised.

(6) Other details of the Plan

Other details concerning the Plan will be determined by the Board of Directors when establishing the Trust, amending the trust agreement, and making additional contributions to the Trust.

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