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Stock Exchange Code 5393  
June 4, 2018

**To Shareholders with Voting Rights:**

Toshiyuki Takei  
President and Chief Executive Officer  
NICHIAS Corporation  
6-1, Hatchobori 1-chome, Chuo-ku,  
Tokyo, Japan

**NOTICE OF  
THE 202ND ANNUAL 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 202nd Annual General Meeting of Shareholders of NICHIAS Corporation (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing, or via electromagnetic means (the Internet, etc.). Please review the hereinafter attached “Reference Documents for the General Meeting of Shareholders,” and exercise your Voting Rights by 5:30 p.m. on Wednesday, June 27, 2018, Japan time.

**1. Date and Time:** Thursday, June 28, 2018 at 10:00 a.m. Japan time

**2. Place:** Banquet room “Ariake” on the second floor of The Royal Park Hotel located at 1-1, Kakigara-cho 2-chome, Nihonbashi, Chuo-ku, Tokyo, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 202nd Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company’s 202nd Fiscal Year (April 1, 2017 - March 31, 2018)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Consolidation of Shares  
**Proposal 3:** Election of 10 Directors

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

- If you exercise your voting rights by proxy, you may delegate your voting rights to a proxy who is a shareholder with voting rights of the Company. In such a case, a document needs to be submitted to prove such appointment of proxy.
- Of the documents to be provided together with the convocation notice of this Annual General Meeting of Shareholders, “Notes to the Consolidated Financial Statements” and “Notes to the Non-consolidated Financial Statements” are posted on the Company’s website (<http://www.nichias.co.jp/>) in accordance with the laws and regulations as well as the Articles of Incorporation of the Company. Therefore, they are not included in the documents attached to the convocation notice of this Annual General Meeting of Shareholders. The documents attached to the convocation notice of this Annual General Meeting of Shareholders and the documents posted on the above website have been audited by Audit & Supervisory Board Members in preparing audit reports, and by Accounting Auditor in preparing accounting audit report.
- Should the Reference Documents for the General Meeting of Shareholders, as well as the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website (<http://www.nichias.co.jp/>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal 1:** Appropriation of Surplus

In addition to strengthening the management base in order to enhance earnings power, the basic policy of the Company Group (the “Group”) with respect to the distribution of profits is to strive for the long-term and appropriate return of profits to shareholders by expanding the level of such profits available as dividends and increasing shareholder value, while retaining sufficient reserves for reinvestment.

Based on this policy and in consideration of business results for the fiscal year under review and future business expansion, etc., the year-end dividends for the fiscal year under review is proposed as following.

- (1) Type of dividend property  
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount thereof  
16 yen per share of common stock of the Company, for a total amount of 2,144,713,872 yen  
The annual dividends for the fiscal year under review will be 30 yen per share including the interim dividends of 14 yen per share already paid.
- (3) Effective date of distribution of surplus  
June 29, 2018

**Proposal 2: Consolidation of Shares**

(1) Reason for share consolidation

Based on a plan to aggregate sales units for stock trading, stock exchanges nationwide are undertaking efforts to consolidate the unit of trading (number of shares per Share Unit) of ordinary shares of domestic companies listed on national stock exchanges to 100 shares. These stock exchanges have decided to set the deadline for transitioning to a trading unit of 100 shares as October 1, 2018.

As a company listed on the Tokyo Stock Exchange, Inc., in consideration of this purpose, the Company has decided at the Board of Directors' meeting held on October 16, 2017 to change its number of shares constituting one unit from 1,000 shares to 100 shares effective October 1, 2018, based on Article 195, Paragraph 1 of the Companies Act. (The share consolidation will be executed provided that this Proposal 2 is approved in its original form.)

Consequently, the Company proposes to implement share consolidation for the purpose of adjusting the number of shares constituting one unit (the purchase amount per number of shares constituting one unit) to an appropriate level.

(2) Consolidation ratio

The Company's common shares will be consolidated at the ratio of two shares to one share.

If any fractional shares arise as a result of the share consolidation, pursuant to the provisions of Article 235 of the Companies Act, the Company will collectively dispose of such fractional shares and distribute the proceeds to shareholders having the fractional shares in proportion to their respective fractions.

(3) Effective date of share consolidation

October 1, 2018

(4) Total number of authorized shares as of the effective date

120,000,000 shares

(Reference)

The Articles of Incorporation of the Company will be partially amended on October 1, 2018, provided that this Proposal 2 is approved in its original form.

(Underlined portions indicate changes.)

Current Articles of Incorporation	Proposed Amendments
Article 6 (Total Number of Shares Authorized to be Issued) The total number of shares authorized to be issued by the Company shall be <u>240,000,000</u> .	Article 6 (Total Number of Shares Authorized to be Issued) The total number of shares authorized to be issued by the Company shall be <u>120,000,000</u> .
Article 8 (Number of Shares per Share Unit) The number of shares constituting one unit of shares of the Company shall be <u>1,000</u> .	Article 8 (Number of Shares per Share Unit) The number of shares constituting one unit of shares of the Company shall be <u>100</u> .

**Proposal 3:** Election of 10 Directors

The terms of office of all 10 Directors elected at the Annual General Meeting of Shareholders last year will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 10 Directors is proposed.

The candidates are as follows. The matters concerning each candidate for Director are as stated in the pages 6 through 12.

No.	Name		Remarks
1	Toshiyuki Takei	Reelection	
2	Shoichi Yonezawa	Reelection	
3	Kiminori Nakata	Reelection	
4	Junichi Nakasone	Reelection	
5	Yujiro Sato	Reelection	
6	Katsumi Kametsu	Reelection	
7	Takahiro Niwa	New election	
8	Toshiaki Saito	New election	
9	Youichi Etou	Reelection	Candidate for Outside Director Candidate for Independent Director
10	Yoshito Hirabayashi	Reelection	Candidate for Outside Director Candidate for Independent Director

(Notes) There are no special interests between each candidate and the Company.

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company	Number of shares of the Company held
1	<p>Toshiyuki Takei (October 17, 1957)</p> <p>Reelection</p> <p>Attending status to Board of Directors' meetings: 100% (14 meetings out of 14 meetings)</p>	<p>March 1982      Joined the Company</p> <p>June 2007      Factory General Manager of Fukuroi Factory of the Company</p> <p>April 2009      General Manager of Technical Department, Technical Division of the Company</p> <p>March 2010      Division Director of Technical Division of the Company</p> <p>April 2010      Executive Officer of the Company</p> <p>June 2012      Director &amp; Executive Officer of the Company</p> <p>June 2012      Division Director of Building Materials Division of the Company</p> <p>April 2014      Director &amp; Senior Managing Executive Officer of the Company</p> <p>April 2014      In charge of Corporate Strategic Planning of the Company</p> <p>June 2014      President &amp; Chief Executive Officer of the Company (current position)</p> <p>Significant concurrent positions: -</p>	77,000
	<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Toshiyuki Takei has primarily engaged in the technological field and has served as Division Director of Technical Division and Division Director of Building Materials Division. After assuming the position of President &amp; Chief Executive Officer of the Company in 2014, he has been exercising strong leadership and steadily accumulated results toward achieving our mid-term management plan announced in 2016, revised upward in May 2017.</p> <p>The Company has judged that by utilizing his extensive knowledge and wealth of experience in the Company's management, he will contribute to the continuous improvement of the Company's corporate value, and requests his continued election as Director.</p>		

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company		Number of shares of the Company held
2	Shoichi Yonezawa (November 21, 1957)  Reelection  Attending status to Board of Directors’ meetings: 100% (14 meetings out of 14 meetings)	February 1989	Joined the Company	32,000
		May 2004	General Manager of Tokyo Sales Group 2, Fire-Resistant and Thermal Insulation Materials Department, Industrial Products Division of the Company	
		January 2007	General Manager of Fire-Resistant and Thermal Insulation Materials Department, Industrial Products Division of the Company	
		November 2007	General Manager of Inorganic Thermal Insulation Materials Department, Industrial Products Division of the Company	
		March 2008	General Manager of Advanced Products Department, Industrial Products Division of the Company	
		June 2009	Executive Officer of the Company	
		March 2010	Division Director of Advanced Products Division of the Company	
		May 2011	Division Director of Advanced Products Division and Division Director of Research & Development Division of the Company	
		June 2012	Director & Executive Officer of the Company	
		June 2012	Division Director of Research & Development Division of the Company	
June 2016	Director & Managing Executive Officer of the Company (current position)			
Significant concurrent positions: -				
[Reason for nomination as candidate for Director] Mr. Shoichi Yonezawa has primarily engaged in business fields including the industrial products and advanced products, and has served as Division Director of Advanced Products Division as well as Division Director of Research & Development Division. Thus, he has high-level insight in management and overall business operations. The Company has judged that by utilizing his extensive knowledge and wealth of experience in the Company’s management, he will contribute to the continuous improvement of the Company’s corporate value, and requests his continued election as Director.				
3	Kiminori Nakata (May 29, 1959)  Reelection  Attending status to Board of Directors’ meetings: 100% (14 meetings out of 14 meetings)	March 1983	Joined the Company	29,000
		June 2007	Deputy General Manager of Personnel Department, Corporate Administration Division of the Company	
		October 2007	Deputy General Manager of General Affairs Department, Corporate Administration Division of the Company	
		January 2008	General Manager of General Affairs Department, Corporate Administration Division of the Company	
		June 2010	President of Nippon Rockwool Corporation	
		June 2011	Executive Officer of the Company	
		July 2011	Deputy Division Director of Corporate Administration Division of the Company	
		April 2013	Division Director of Industrial Products Division of the Company	
		June 2013	Director & Executive Officer of the Company	
		April 2016	Division Director of Corporate Administration Division	
June 2016	Director & Managing Executive Officer of the Company (current position)			
Significant concurrent positions: -				
[Reason for nomination as candidate for Director] Mr. Kiminori Nakata has primarily engaged in corporate administration, and has served as President of one of the Company’s subsidiaries, Head of Industrial Products Division as well as Head of Corporate Administration Division. Thus, he has acquired high-level insight into management and overall business operations. The Company has judged that by utilizing his extensive knowledge and wealth of experience in the Company’s management, he will contribute to the continuous improvement of the Company’s corporate value, and requests his continued election as Director.				

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company		Number of shares of the Company held
4	Junichi Nakasone (February 24, 1959)	March 1983 June 2007	Joined the Company Section Manager of Corporate Strategic Planning Section of the Company	40,200
	Reelection	April 2008 August 2009	General Manager of Corporate Strategic Planning Department of the Company General Manager of Accounting Department, Corporate Administration Division of the Company	
	Attending status to Board of Directors' meetings: 100% (14 meetings out of 14 meetings)	October 2010 June 2011 June 2013 June 2013	President of NICHIAS FGS SDN. BHD. Executive Officer of the Company Director & Executive Officer of the Company (current position) Division Director of Autoparts Division of the Company (current position)	
	Significant concurrent positions: -			
	[Reason for nomination as candidate for Director] Mr. Junichi Nakasone has primarily engaged in corporate administration, and has served as President of one of the Company's subsidiaries. Having been involved in business operations as Head of Autoparts Division, he has acquired high-level insight in management and overall business operations. The Company has judged that by utilizing his extensive knowledge and wealth of experience in the Company's management, he will contribute to the continuous improvement of the Company's corporate value, and requests his continued election as Director.			
5	Yujiro Sato (May 2, 1956)	March 1980 March 2004 October 2006	Joined the Company President of Tokyo Materials Corporation General Manager of Tokyo Sales Group 2, Fire-Resistant and Thermal Insulation Materials Department, Industrial Products Division of the Company	17,000
	Reelection	November 2007 March 2008 October 2008 October 2009	General Manager of Tokyo Sales Group 2, Inorganic Thermal Insulation Materials Department, Industrial Products Division of the Company General Manager of East Japan Sales Group, Advanced Products Department, Industrial Products Division of the Company Executive Manager of Advanced Products Department, Industrial Products Division of the Company Executive Manager of Sales Group, Advanced Products Department, Industrial Products Division of the Company	
	Attending status to Board of Directors' meetings: 100% (14 meetings out of 14 meetings)	March 2010 April 2011 June 2011 June 2012 June 2014	Executive Manager of Sales Group, Advanced Products Division of the Company Deputy Division Director of Advanced Products Division and Executive Manager of Sales Group, Advanced Products Division of the Company Executive Officer of the Company Division Director of Advanced Products Division of the Company (current position) Director & Executive Officer of the Company (current position)	
	Significant concurrent positions: -			
	[Reason for nomination as candidate for Director] Mr. Yujiro Sato has primarily engaged in business fields including the industrial products and advanced products, and served as President of one of the Company's subsidiaries. Having been involved in business operations as Head of Advanced Products Division, he has acquired high-level insight in management and overall business operations. The Company has judged that by utilizing his extensive knowledge and wealth of experience in the Company's management, he will contribute to the continuous improvement of the Company's corporate value, and requests his continued election as Director.			



No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company		Number of shares of the Company held		
6	Katsumi Kametsu (July 28, 1962)  Reelection  Attending status to Board of Directors' meetings: 100% (14 meetings out of 14 meetings)	March 1985	Joined the Company	23,000		
		April 2007	General Manager of Tokyo Sales Group, Advanced Polymer Products Department, Industrial Products Division of the Company			
		March 2008	General Manager of East Japan Sales Group 3, Industrial Products Department, Industrial Products Division of the Company			
		April 2009	General Manager of International Marketing and Sales Group, Industrial Products Department, Industrial Products Division of the Company			
		March 2010	General Manager of International Marketing and Sales Group, Industrial Products Division of the Company			
		April 2011	Executive Manager of Sales Group, Industrial Products Division, and General Manager of International Marketing and Sales Group, Industrial Products Division of the Company			
		April 2013	Deputy Division Director of Industrial Products Division, and General Manager of International Marketing and Sales Group, Industrial Products Division of the Company			
		June 2013	Executive Officer of the Company			
		March 2014	President of INOCRETE CO., LTD.			
		April 2016	Division Director of Energy and Industrial Plants Division of the Company (current position)			
	June 2016	Director & Executive Officer of the Company (current position)				
	Significant concurrent positions: -					
	[Reason for nomination as candidate for Director] Mr. Katsumi Kametsu has primarily engaged in business fields including the industrial products and advanced products, and served as President of one of the Company's subsidiaries. Having been involved in business operations as Head of Energy and Industrial Plants Division, he has acquired high-level insight in management and overall business operations. The Company has judged that by utilizing his extensive knowledge and wealth of experience in the Company's management, he will contribute to the continuous improvement of the Company's corporate value, and requests his continued election as Director.					
7	Takahiro Niwa (October 18, 1957)  New election  Attending status to Board of Directors' meetings: -	March 1982	Joined the Company	22,000		
		April 2006	Senior Manager of Technical Development Department, Autoparts Division of the Company			
		March 2008	General Manager of Technical Development Department, Autoparts Division of the Company			
		June 2012	Executive Manager of Technical Group, Industrial Products Division of the Company (current position)			
		June 2014	Executive Officer of the Company (current position)			
		June 2014	Deputy Division Director of Industrial Products Division of the Company			
		April 2016	Division Director of Industrial Products Division of the Company (current position)			
			Significant concurrent positions: -			
			[Reason for nomination as candidate for Director] Mr. Takahiro Niwa has primarily engaged in the technological development of autoparts. Having been involved in business operations as Head of Industrial Products Division, he has acquired high-level insight in management and overall business operations. The Company has judged that by utilizing his extensive knowledge and wealth of experience in the Company's management, he will contribute to the continuous improvement of the Company's corporate value, and requests his election as Director.			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company		Number of shares of the Company held
8	Toshiaki Saito (October 10, 1962)  New election  Attending status to Board of Directors’ meetings: -	March 1986	Joined the Company	13,000
		July 2007	President of NICHIAS Cemcrete Corporation	
April 2008	General Manager of Renovation Technology Group, Renovation Measures Department, Building Materials Division of the Company			
January 2009	General Manager of Renovation Measures Department, Building Materials Division of the Company			
September 2009	General Manager of Tokyo Construction Sales Department, Building Materials Division of the Company			
March 2010	Executive Manager of Sales Group, Building Materials Division of the Company			
April 2013	Executive Manager of Building Materials Division of the Company			
January 2014	Executive Manager of Sales Group, Industrial Products Division of the Company			
April 2015	Deputy Division Director of Building Materials Division of the Company			
June 2015	Executive Officer of the Company (current position)			
June 2015	Division Director of Building Materials Division of the Company (current position)			
	Significant concurrent positions: -			
[Reason for nomination as candidate for Director] Mr. Toshiaki Saito has primarily engaged in business fields including the building materials and industrial products, and has served as President of one of the Company’s subsidiaries. Having been involved in business operations as Head of Building Materials Division, he has acquired high-level insight in management and overall business operations. The Company has judged that by utilizing his extensive knowledge and wealth of experience in the Company’s management, he will contribute to the continuous improvement of the Company’s corporate value, and requests his election as Director.				

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company	Number of shares of the Company held
9	<p>Youichi Etou (August 11, 1950)</p> <p>Reelection</p> <p>Candidate for Outside Director</p> <p>Candidate for Independent Director</p> <p>Attending status to Board of Directors' meetings: 100% (14 meetings out of 14 meetings)</p>	<p>April 1978 Registered as lawyer (current position)</p> <p>April 2003 Vice president of Daiichi Tokyo Bar Association</p> <p>April 2005 Vice President of Kanto Federation of Bar Associations</p> <p>July 2006 Outside Auditor of TSUNEISHI SHIPBUILDING Co., Ltd. (current position)</p> <p>April 2010 President of Daiichi Tokyo Bar Association and Vice President of the Japan Federation of Bar Associations</p> <p>June 2011 Outside Audit &amp; Supervisory Board Member of the Company</p> <p>June 2012 Outside Auditor of Japan Display Inc. (current position)</p> <p>June 2014 Executive Board Member of Center for Housing Renovation and Dispute Settlement Support (current position)</p> <p>June 2015 Outside Director of the Company (current position)</p> <p>April 2016 President of Kanto Federation of Bar Associations</p> <p>Significant concurrent positions:</p> <p>Lawyer</p> <p>Outside Auditor of TSUNEISHI SHIPBUILDING Co., Ltd.</p> <p>Auditor (Part-time) of Japan Display Inc.</p> <p>Executive Board Member of Center for Housing Renovation and Dispute Settlement Support</p>	0
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Youichi Etou has an extensive insight and broad knowledge as a lawyer, and a wealth of experience in legal community. The Company nominated him for Outside Director with the expectation of supervision on the overall management and valuable advice.</p> <p>Although he has no direct experience in corporate management, he has achieved remarkable track record in corporate legal affairs in which he has been engaged as a lawyer for over the years. Based on his professional career, he has broad insight in corporate management. Therefore, the Company believes that he will execute his duties as Outside Director appropriately.</p>			

(Notes) Mr. Youichi Etou is a candidate for Outside Director. Matters concerning the candidate for Outside Director are as follows:

- (1) The Company has designated him as an independent director pursuant to the rules stipulated by the Tokyo Stock Exchange and has reported to the Exchange. Subject to the approval of his reappointment, he will be continuously designated as an independent director.
- (2) He is currently serving as Outside Director of the Company and will have served for a period of three years as of the conclusion of this General Meeting of Shareholders.
- (3) The Company has concluded a liability limitation agreement with him pursuant to the provisions in its Articles of Incorporation. The outline of the agreement is as stated in “(2) Outline of liability limitation agreement” on page 28 of this convocation notice (Japanese version only). Subject to the approval of his reappointment, the Company plans to continue such liability limitation agreement with him.

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company	Number of shares of the Company held
10	<p>Yoshito Hirabayashi (October 22, 1944)</p> <p>Reelection</p> <p>Candidate for Outside Director</p> <p>Candidate for Independent Director</p> <p>Attending status to Board of Directors' meetings: 93 % (13 meetings out of 14 meetings as Outside Director)</p>	<p>April 1968      Joined Seiko Epson Corporation</p> <p>April 1987      Director &amp; General Manager of Factory in U.K. of Seiko Epson Corporation</p> <p>November 1993      President and Representative Director of Technofer Ltd.</p> <p>April 1995      Advisor of Japan Electrical Testing Laboratories</p> <p>April 2000      Councilor of Japan Accreditation Board</p> <p>May 2001      ISO/TC176/SC2 Japanese representative expert</p> <p>April 2002      Part-time lecturer, Graduate School of Frontier Sciences, The University of Tokyo</p> <p>April 2002      Member of Japanese Industrial Standards Committee, Ministry of Economy, Trade and Industry</p> <p>April 2004      Member of Japanese Industrial Standards Mark System Committee, Ministry of Economy, Trade and Industry</p> <p>April 2008      Co-researcher of The Department of Chemical System Engineering at the University of Tokyo</p> <p>June 2008      Audit &amp; Supervisory Board Member of the Company</p> <p>April 2013      Chairman &amp; Director of Technofer Ltd. (current position)</p> <p>June 2016      Outside Director of the Company (current position)</p> <p>Significant concurrent positions: Chairman &amp; Director of Technofer Ltd.</p>	0
	<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Yoshito Hirabayashi has a wealth of experience and insight as a corporate manager and professional expertise and broad knowledge of quality management that he accumulated through his work experience as an ISO Japanese representative expert, a lecturer at a university and a member of administrative committees, etc. The Company nominated him for Outside Director with the expectation of supervision on the overall management and valuable advice again.</p>		

(Notes) Mr. Yoshito Hirabayashi is a candidate for Outside Director. Matters concerning the candidate for Outside Director are as follows:

- (1) Subject to the approval of his appointment, he will be designated as an independent director pursuant to the rules stipulated by the Tokyo Stock Exchange.
- (2) He is currently serving as Outside Director of the Company and will have served for a period of two years as of the conclusion of this General Meeting of Shareholders.
- (3) Subject to the approval of his appointment, pursuant to the stipulation in the articles of incorporation of the Company, the Company plans to enter into a liability limitation agreement with him. The outline of the agreement is as stated in "(2) Outline of liability limitation agreement" on page 28 of this convocation notice (Japanese version only).

(Reference) Independence Standards for Independent Outside Officers

The Company deems that an Outside Officer who does not fall under any of the items below is an Independent Outside Officer.

1. A person who is currently or was in the past an Executive Director, Executive Officer or Employee of the Group (Note 1)
2. Currently or in the five years prior to their appointment, a person who falls under any of the items below:
  - (1) A person for which the Group is a major client (Note 2), or an Executive Director, Executive Officer or Employee of such a client
  - (2) A major client which places orders with the Group (Note 3), or an Executive Director, Executive Officer or Employee of such a client
  - (3) A major shareholder of the Company (Note 4), or an Executive Director, Executive Officer or Employee of such a shareholder
  - (4) An Executive Director, Executive Officer or Employee of a company in which the Group is a major shareholder (Note 5)
  - (5) A legal professional, certified public accountant, licensed tax accountant, or consultant, etc. who receives monetary or other property benefits over a certain amount from the Group (Note 6), other than executive compensation (if the recipient is a corporation, partnership or any other organization, this item applies to any person belonging to the said organization.)
  - (6) A person who receives donations or assistance over a certain amount from the Group (Note 7), or a council member or another executive of such a person
  - (7) A spouse or relative within the second degree of kinship of an Executive Director, Executive Officer or senior manager of the Group with a position higher than General Manager.
3. A person who is subject to circumstances reasonably deemed unable to fulfill their duties as an Independent Outside Officer.

(Notes) 1. “The Group” refers to “the Company and its consolidated subsidiaries.”

2. “A person for which the Group is a major client” refers to “a person who receives from the Company the payment of 2% or more of their consolidated annual sales.”
3. “A major client which places orders with the Group” refers to “a person who pays the Group 2% or more of its consolidated annual sales” or “a person who lends the Group 2% or more of its consolidated total assets at the end of the fiscal year.”
4. “A major shareholder of the Company” refers to “a person who holds directly or indirectly 10% or more of its total voting rights.”
5. “A company in which the Group is a major shareholder” refers to “a person of which the Group directly or indirectly holds 10% or more of total voting rights.”
6. “Monetary or other property benefits over a certain amount” refers to “¥10 million or more in a fiscal year” in cases where the recipient is an individual. In cases where the recipient is an organization, it refers to “¥100 million or more, or 2% or more of consolidated annual sales of the said organization, whichever is larger.”
7. “Donations or assistance over a certain amount” refers to “¥10 million or more per year.”