

## Notice of the 78th Ordinary General Meeting of Shareholders

**Translation:** Please note that this is a translation of the original Japanese Notice. It is prepared only for the convenience of shareholders who do not have Japanese as the mother language. In case of any discrepancies between the translation and the Japanese original, the latter shall prevail. If you have any questions, please contact your custodian.

June 1st, 2018

Dear Shareholders:

You are cordially invited to attend the 78th Ordinary General Meeting of Shareholders (the “Meeting”) of Clarion Co., Ltd. (“Clarion” or “the Company”) that will be held in the following manner:

If you are unable to attend the Meeting in person, you may exercise your voting rights either in writing through mail or on the Internet. For this, please review the attached reference material for the Meeting and complete exercise of your voting rights by 5:30 p.m. on Thursday, 21st of June, 2018, Japan time.

- 1. Date and Time:** Friday, June 22nd, 2018 at 10:00 a.m.  
**2. Place:** Tokyo-Dome Hotel, Hall “Aurora” (B1 floor)  
1-3-61, Koraku, Bunkyo-ku, Tokyo, Japan  
(Please refer to the guide map included in this notice.)

**3. Purpose of the Meeting:**

Items to be reported:

- Item 1 The Business Report and Consolidated Financial Statements for the 78th Fiscal Year from April 1st, 2017 through March 31st, 2018 and the Report of Independent Auditors and of the Audit Committee on Consolidated Financial Statements.  
Item 2 The (Non-Consolidated) Financial Statements for the 78th Fiscal Year from April 1st, 2017 through March 31st, 2018.

Item to be resolved:

- Item 1 Consolidation of shares  
Item 2 Partial amendments to the Articles of Incorporation  
Item 3 Election of Six (6) Directors

**4. Exercise of your voting rights**

Please refer to [Information on the Exercise of your Voting Rights] in the following page.

Sincerely

Atsushi Kawabata, Executive Officer and President & CEO  
Clarion Co., Ltd.  
7-2, Shintoshin, Chuo-ku, Saitama-shi, Saitama-ken, Japan  
Securities Code No. 6796

### **[Notices on the Website]**

- (1) In the event, any modification becomes necessary for “Reference Documents for the Shareholders’ Meeting,” “Business Report,” “Financial Statements” and “Consolidated Financial Statements,” such modification will be displayed on the Company’s website (<http://www.clarion.com>), which please note.
- (2) Among documents to be provided together with this “Notice,” “Statement of Changes in Equity in Consolidated Financial Statements,” “Notes to Consolidated Financial Statements,” “Statement of Changes in Net Assets in Non-Consolidated Financial Statements” and “Notes to Non-Consolidated Financial Statements” are posted on the Company’s Internet website (<http://www.clarion.com>) and are not stated in the Consolidated Statement of Accounts and Non-Consolidated Statement of Accounts in the later part of the “Notice.” The arrangements are pursuant to legal provisions and to that of Article 13 of the Company’s Articles of Incorporation. Accordingly, the Consolidated Statement of Accounts and Non-Consolidated Statement of Accounts in the later part of the “Notice” are parts of the Consolidated Statement of Accounts and (Non-Consolidated) Statement of Accounts audited in the processes of formulating Audit Report by Audit Committee and/or by Independent Auditors.
- (3) We will post the results of the Shareholders’ Meeting on the Company’s website mentioned above.

### **[Information on the Exercise of your Voting Rights]**

You can exercise your voting rights in the following three ways:

#### **In case you attend the Shareholders’ Meeting in person:**

Please submit the Voting Rights Exercise Form to the reception.

Date and Time: Friday, June 22nd, 2018 10 a.m. (The reception opens at 9 a.m.)

Place: Tokyo-Dome Hotel, Hall "Aurora" (B1 floor)

(Please refer to the guide map included in this notice.)

#### **In case you exercise your voting rights by mail:**

Please indicate “for” or “against” for each of the items to be resolved on the enclosed Voting Rights Exercise Form and return it to the Head Office of Clarion Co., Ltd. so that we receive it by the following exercise deadline:

Exercise deadline: 5:30 p.m. on Thursday, June 21st, 2018, Japan time

How to fill in the Voting Rights Exercise Form:

For item 3:

For agreeing to all candidates → circle “for”

For disagreeing to all candidates → circle “against”

For disagreeing to some candidates → circle “for” and indicate the number(s) for candidate(s) whom you will disagree to.

#### **In case you exercise your voting rights on the Internet:**

Please exercise your voting rights by the following exercise deadline at the website for exercising your voting rights (<https://www.tosyodai54.net>).

Exercise deadline: 5:30 p.m. on Thursday, June 21st, 2018, Japan time

(Note: Unfortunately, the website (<https://www.tosyodai54.net>) does not support languages other than Japanese so it will not be available for shareholders who do not speak/understand Japanese.

Further, detailed explanations about “how to exercise your voting rights on the Internet” are given in

the original Japanese Notice, but due to the above reason, that portion of the Notice is not translated.)

**Other notes regarding exercising your voting rights:**

- ①In case of the exercise of voting rights through mails without indication of “for” or “against” with respect to each of the Items to be Resolved, the vote shall be deemed to be understood as “for” voting.
- ②If the exercise of the voting rights is performed in duplication through mail and on the Internet, the latter shall be regarded as the valid vote.
- ③If the exercise of the voting rights is performed in multiple times on the Internet, the last one shall be regarded as the valid vote.

## Reference Documents for the Ordinary General Meeting of Shareholders

### Item 1 Consolidation of shares

#### 1. Reason for consolidation of shares

The “Action Plan for Consolidating Trading Units” announced by national Stock Exchanges aims to unify the trading unit of common stock of domestic listed companies to 100 shares with its transition deadline of October 1st, 2018.

Therefore, respecting such purpose as a company listed on the Tokyo Stock Exchange, the Company has decided to consolidate its shares for the purpose of making it a level of investment unit (50,000 yen or more and less than 500,000 yen) which is deemed as desirable by Stock Exchanges.

#### 2. Contents of consolidation of shares

##### (1) Type and percentage of shares to be consolidated

We would like to consolidate 5 shares of our common stock into 1 share.

If any fraction less than 1 share arises as a result of the consolidation of shares, it shall be collectively disposed of in accordance with the provisions of the Companies Act, and prorated amounts of the proceeds shall be distributed to the shareholders with any such fraction in lieu of their fractional share interests.

##### (2) Effective date of this share consolidation

October 1st, 2018

##### (3) Total number of authorized shares as of the effective date

90,000,000 shares

(Note) Although the total number of issued shares will be reduced to one fifth due to the above consolidation of shares, the net asset value will not fluctuate, so the net asset value per share will be five times. Therefore, with other factors such as stock market fluctuations excepted, there will be no change in the asset value of the Company's shares held by the shareholders.

### Item 2 Partial amendments to the Articles of Incorporation

#### 1. Reasons for the proposal

(1) With regard to the amendment of Article 6 (*Authorized Number of Shares to be Issued by the Company*) of the current Articles of Incorporation, subject to Item 1 "Consolidation of shares" being approved as proposed, it shall be deemed to have been amended on October 1st, 2018 which is the effective date of the share consolidation pursuant to Article 182, Paragraph 2 of the Companies Act.

(2) In order to amend the trading unit of the Company's shares to 100 shares, the number of shares constituting one unit prescribed in Article 7 (*Number of Shares Constituting One Unit*) of the current Articles of Incorporation needs to be amended from 1,000 shares to 100 shares.

(3) In order to enhance shareholders' convenience in share trading, we intend to introduce a system for the Company to sell shares constituting less than one unit which is provided by Article 194 of the Companies Act and to establish a new Article 8 (*Sale to a Holder of Shares Less Than One Unit*) in the Articles of Incorporation. In addition, following the above amendment, the Company will make necessary amendments.

(4) Following the establishment of the new Article 8 as mentioned above, we will lower the numbering by one for the current Article 8 and the Articles thereafter.

(5) We will establish a new supplementary provision to the effect that the above amendments (2) to (4) shall be effective as of the effective date of the share consolidation under Item 1.

## 2. Details of amendments

The amendments are as below (underlined parts are to be amended).

Current Articles of Incorporation	Proposal of Amendments
<p>CHAPTER II SHARES</p> <p>Article 6 (<i>Authorized Number of Shares to be Issued by the Company</i>) The authorized number of shares for the Company to issue shall be <u>450,000,000</u>.</p> <p>Article 7 (<i>Number of Shares Constituting One Unit</i>) The number of shares of the Company constituting one unit shall be <u>one thousand (1,000)</u>.</p> <p>(New Article)</p> <p>Article 8 (<i>Administrator of Register of Shareholders</i>) (Text omitted)</p> <p>Article 9 (<i>Share Handling Regulations</i>) Registration or recording of the registers of shareholders and warrants, purchases of shares less than one unit and other procedures which relate to the shares, warrants and shareholders execution of their voting rights as well as share handling fees therefor shall be governed by the Share Handling Regulations of the Company to be determined by Executive Officers designated by the Board of Directors except as provided for by the applicable laws, ordinances and/or the Articles of Incorporation.</p>	<p>CHAPTER II SHARES</p> <p>Article 6 (<i>Authorized Number of Shares to be Issued by the Company</i>) The authorized number of shares for the Company to issue shall be <u>90,000,000</u>.</p> <p>Article 7 (<i>Number of Shares Constituting One Unit</i>) The number of shares of the Company constituting one unit shall be <u>one hundred (100)</u>.</p> <p><u>Article 8 (<i>Sale to a Holder of Shares Less Than One Unit</i>)</u> <u>A Holder of Shares Less than One Unit of the Company may submit a demand that the Company sell to a Holder of Shares Less than One Unit such number of shares which, together with the number of Shares Less than One Unit held by such Holder of Shares Less Than One Unit, will constitute one Share Unit.</u></p> <p>Article 9 (<i>Administrator of Register of Shareholders</i>) (Text is same without change)</p> <p>Article 10 (<i>Share Handling Regulations</i>) Registration or recording of the registers of shareholders and warrants, purchases <u>and sales</u> of shares less than one unit and other procedures which relate to the shares, warrants and shareholders execution of their voting rights as well as share handling fees therefor shall be governed by the Share Handling Regulations of the Company to be determined by Executive Officers designated by the Board of Directors except as provided for by the applicable laws, ordinances and/or the Articles of Incorporation.</p>

Article <u>10</u> ( <i>Record Date</i> ) to Article <u>36</u> ( <i>Relief Period of Dividend at End of Business Term</i> ) (Text for each Article omitted)  (SUPPLEMENTARY PROVISION) Article 1 <u>Amendments to these Articles of Incorporation shall come into force on the date of resolution.</u>  Article 2 (Text omitted)	Article <u>11</u> ( <i>Record Date</i> ) to Article <u>37</u> ( <i>Relief Period of Dividend at End of Business Term</i> ) (Text for each Article is same without change) (SUPPLEMENTARY PROVISION) Article 1 <u>The provisions of Articles 7, 8 and 10 shall be effective as of October 1st, 2018.</u>  Article 2 (Text is same without change)
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### Item 3 Election of Six (6) Directors

The terms of office for all of eight (8) Directors will expire at the close of the Meeting. Based on the resolution of the Nominating Committee, the Company proposes to elect six (6) Directors, reducing the number of Directors by two to further improve the mobility, transparency and objectivity of the Board of Directors.

The candidates for the Directors are as follows:

Candidate Number	Name	Current positions and responsibilities in the Company			
1	Hidetoshi Kawamoto	Director, Representative Executive Officer, Chairman of the Company Chairman of the Nominating Committee	Reap.		
2	Atsushi Kawabata	Director, Representative Executive Officer, President and CEO of the Company Chairman of the Compensation Committee	Reap.		
3	Kazumichi Fujimura	Director, Member of the Audit Committee	Reap.		
4	Chikako Mizoguchi	Outside Director, Member of the Audit Committee and the Compensation Committee	Reap.	OD	Ind.
5	Masahito Kamijo	Outside Director, Member of the Nominating Committee and the Audit Committee	Reap.	OD	Ind.
6	Hiroyuki Okada	Outside Director, Chairman of the Audit Committee	Reap.	OD	Ind.

Legends:

Reap.=Reappointment, OD = Outside Director, Ind. = Independent

### <Reference Information>

[Policies and procedures for the nomination of the candidates for Directors]

The Company requires the Directors to have excellent personality, judgement and insight, faculty and abundant experience as well as high sense of ethics. In selecting the candidates, the Company also pays considerations in diversity of the candidates such as gender, age, nationality, expertise and other composition of the Board of Directors.

In selecting the candidates, the proposals submitted to the Meeting are deliberated and resolved by the Nominating Committee.

[Approach towards overall balancing of judgement/insight, experience and faculty of the Board of Directors, diversity and number of Directors]

The Board of Directors of the Company makes decisions on management basic policies of the whole of Clarion Group, as well as oversees the execution of the operations, in compliance with applicable laws, Articles of Incorporation and “Board of Directors Regulations.” The Board is constituted by members with excellent personality, judgement and insight, faculty and abundant experience as well as high sense of ethics. In order to ensure mobility of the Board, the number of Directors is limited to be not more than nine (9). At the same time, in order to reflect opinions of persons outside of the Company with experience in corporate management as well as outside knowledge, the Company has Outside Directors.

Candidate Number	Name and Date of Birth	Brief History (Position/Responsibility and Names of Companies and Positions if the Candidate is a Representative of Any Other Company)	Number of Shares of the Company Held
1	Hidetoshi Kawamoto (Born on October 13th, 1953)	<p>Apr.'80 Entered the Company May'01 GM, OEM Sales Div. Apr. '05 GM, Global Procurement Div. Apr. '07 GM, Management Strategy Office Apr. '09 GM, Marketing Div. Apr. '10 Deputy Senior Vice President &amp; GM of Sales Management Div. of Hitachi Automotive Systems, Ltd. Jun.'10 Director of the Company Apr. '11 Deputy Senior Vice President &amp; GM of Sales Management Div. of Hitachi Automotive Systems, Ltd. (note: Change in Japanese Div. name only) Oct.'11 Director &amp; Chairman of Hitachi Automotive Systems Asia, Ltd. Jun.'12 Executive Director of the Company Apr. '13 Director, Chairman &amp; President of Hitachi Automotive Systems Asia, Ltd. Aug.'13 In charge of Business Structure Reform of the Company Apr. '14 Director, President &amp; COO of the Company (Representative Director) Jun.'16 Director, Representative Executive Officer, President &amp; COO of the Company Apr.'17 Director, Representative Executive Officer and Chairman &amp; CEO of the Company Apr.'18 Director, Representative Executive Officer and Chairman of the Company (to the present)</p>	116,000 shares
[Reasons for nomination as a candidate for Director] The candidate has been engaged, as an executive, in the business operations in			

sales, management and others of the Company and has accumulated profound experience and achievements. Additionally, the candidate has assumed responsibilities of management of the Company as Executive Officer and Chairman & CEO since April 2017 and as Executive Officer and Chairman since April 2018. As the candidate is expected to share important information as a member of the Board as well as to enhance the decision-making functions of the Board of Directors making use of the profound experience and achievements, we propose the candidate to be elected as a Director.



Candidate Number	Name and Date of Birth	Brief History (Position/Responsibility and Names of Companies and Positions if the Candidate is a Representative of Any Other Company)	Number of Shares of the Company Held
2	Atsushi Kawabata (Born on July 1st, 1957)	<p>Apr.'83 Entered Hitachi, Ltd.</p> <p>Oct.'07 Senior Chief Engineer of Rail Systems Div., Industrial Systems of the same</p> <p>Oct.'09 GM of Mechanical Engineering Research Laboratory of the same</p> <p>Apr.'11 CTO conc. Deputy GM of Rail Systems Company conc. GM of New Business Development Div. of the same</p> <p>May'12 Board Director &amp; CTO of Hitachi Automotive Systems, Ltd.</p> <p>Apr.'13 Director &amp; CTO conc. GM of Technology Development Div. of the same</p> <p>Jun.'13 Outside Director of the Company</p> <p>Apr.'15 Vice President, Board of Director, CTO conc. GM of Technology Development Div. of Hitachi Automotive Systems, Ltd.</p> <p>Apr.'16 Vice President, Executive Officer, CTO conc. GM of Technology Development Div. of the same</p> <p>Apr.'17 Representative Executive Officer, President &amp; COO of the Company</p> <p>Jun.'17 Director, Representative Executive Officer, President &amp; COO of the Company</p> <p>Apr.'18 Director, Representative Executive Officer, President &amp; CEO of the Company (to the present)</p>	5,000 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>The candidate has profound experience and achievements as a business executive in research and development in Hitachi, Ltd. and in its associated companies. Additionally, the candidate has assumed responsibilities of management of the Company as Executive Officer and President &amp; COO since April 2017 and Executive Officer and President &amp; CEO since April 2018. As it is expected that the candidate will share important information as a member of the Board and enhance decision-making functions of the Board of Directors through making use of the profound experience and achievements, we propose the candidate to be elected as a Director.</p>			

Candidate Number	Name and Date of Birth	Brief History (Position/Responsibility and Names of Companies and Positions if the Candidate is a Representative of Any Other Company)	Number of Shares of the Company Held
3	Kazumichi Fujimura (Born on November 12th, 1954)	<p>Apr.'78 Entered Hitachi, Ltd.</p> <p>Aug.'03 Director of Finance Dept., Automotive Systems Group of the same</p> <p>Apr.'04 Senior Vice President &amp; GM of Business Planning Div., 1<sup>st</sup> Business Management Div. of Automotive Systems Group of the same</p> <p>Jul.'09 Board Director, Senior Vice President &amp; GM of Finance &amp; Accounting Div. of Hitachi Automotive Systems, Ltd.</p> <p>Jun.'10 Audit &amp; Supervisory Board Member of the Company</p> <p>Apr.'11 Executive Director &amp; GM of Finance &amp; Accounting Div. of Hitachi Automotive Systems, Ltd.</p> <p>Apr.'13 Executive Vice President, Board of Director, GM of Finance &amp; Accounting Div. of the same</p> <p>Jun.'15 Director of the Company (to the present)</p> <p>Apr.'16 Board Director, Senior Vice President, Executive officer, GM of Finance &amp; Accounting Div. of Hitachi Automotive Systems, Ltd.</p> <p>Apr.'17 Director, Senior Vice President, Executive Officer, CFO of the same</p> <p>Apr.'18 Director of the same (to the present)</p>	0 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>The candidate has profound experience and achievements as a business executive in the financing and accounting field in Hitachi, Ltd. and in its associated companies. As it is expected that the candidate will enhance decision-making functions of the Board of Directors through sharing of management philosophy with Hitachi Group and through pursuit of synergetic effects with it, we propose the candidate to be elected as a Director.</p>			

Candidate Number	Name and Date of Birth	Brief History (Position/Responsibility and Names of Companies and Positions if the Candidate is a Representative of Any Other Company)	Number of Shares of the Company Held
4	Chikako Mizoguchi (Born on September 7th, 1962)	Oct.'91 Passed National Bar Examination Apr.'94 Completion of Judicial Training Apr.'94 Assignment to a Judge Jan.'06 Registration as a Lawyer (Daiichi Tokyo Bar Association) Entered Hachiro Tanigawa Law Office Jun.'16 Outside Director of the Company (to the present) Jul.'16 Established Take Law Office (to the present)	1,000 shares
	[Reasons for nomination as a candidate for Outside Director] The candidate has professional knowledge and profound experience from long years of activities as a judge and as a lawyer. We judge the candidate is able to oversee the Company's management as well as legal aspects of business execution in connection with overall management. Though the candidate has no experience to be involved in corporate management directly, we believe as described above the candidate is able to perform the duties appropriately, and propose the candidate as an Outside Director.		

Candidate Number	Name and Date of Birth	Brief History (Position/Responsibility and Names of Companies and Positions if the Candidate is a Representative of Any Other Company)	Number of Shares of the Company Held
5	Masahito Kamiyo (Born on July 12th, 1954)	<p>Apr.'77 Entered Kyowa Bank, Ltd. (current Resona Bank, Ltd.)</p> <p>Jun.'03 Executive Officer in charge of Risk Administration Div. &amp; GM of Human Resources Div. of Saitama Resona Bank, Ltd.</p> <p>Jun.'05 Managing Executive Officer &amp; Head of Saitama Higashi Area of the same</p> <p>Jun.'06 Representative Director, Managing Executive Officer &amp; Head of Business Support Headquarters of the same</p> <p>Jun.'07 Senior Managing Executive Officer in charge of Business Solution Div. of Resona Bank, Ltd.</p> <p>Jun.'08 Director &amp; Senior Managing Executive Officer in charge of Corporate Business Planning Div. of the same</p> <p>Jun.'09 President &amp; Representative Director of Saitama Resona Bank, Ltd. conc. Executive Officer of Resona Holdings, Inc. in charge of Group Strategy Div. (Saitama Resona Bank, Ltd.)</p> <p>Apr.'14 Chairman &amp; Director of Saitama Resona Bank, Ltd.</p> <p>Jun.'16 Outside Director of the Company (to the present)</p> <p>(Important office concurrently held) Outside Director of Hakuto Co., Ltd.</p>	2,000 shares
	<p>[Reasons for nomination as a candidate for Outside Director]</p> <p>The candidate has long experience of organizational management in global financing business and has profound knowledge of management as a management executive of financial institutions. We judge the candidate is able to oversee the overall appropriateness of the Company's business execution making use of its profound experience and knowledge, and we propose the candidate as an Outside Director.</p>		

Candidate Number	Name and Date of Birth	Brief History (Position/Responsibility and Names of Companies and Positions if the Candidate is a Representative of Any Other Company)	Number of Shares of the Company Held
6	Hiroyuki Okada (Born on November 11th, 1955)	<p>Apr.'79 Entered Hitachi, Ltd.</p> <p>Jan.'09 Manager, Management Process Administration Div. of Automotive Systems Group of the same</p> <p>Sep.'10, Manager, Sawa Finance Dept., Finance &amp; Accounting Div. of Hitachi Automotive Systems, Ltd.</p> <p>Apr.'12 Executive Vice President &amp; CFO of Hitachi Automotive Systems Americas, Inc.</p> <p>Nov.'14 Deputy GM Finance Center of Hitachi Metals, Ltd.</p> <p>Apr.'15 Executive Officer, CFO conc. GM of Finance Center &amp; Information Systems Center of the same</p> <p>Jan.'16 Executive Officer, CFO conc. GM of Finance Div. &amp; Information Systems Div. of the same</p> <p>Apr.'16 Vice President &amp; Executive Officer, CFO conc. GM of Finance Div. &amp; Information Systems Div. of the same</p> <p>Apr.'17 Contract Employee of the same</p> <p>Jun.'17 Outside Director of the Company (to the present)</p>	1,000 shares
<p>[Reasons for nomination as a candidate for Outside Director]</p> <p>The candidate has profound experience and achievements as a business executive in the financing and accounting field in Hitachi, Ltd. and in its associated companies. Having taken offices of CFO, the candidate has profound knowledge with regard to financing and accounting. We judge the candidate is able to oversee the overall appropriateness of the Company's business execution making use of its profound experience and achievements, and we propose the candidate as an Outside Director.</p>			

(Notes)

- 1) There is no relationship of special interest between the Company and each of the candidates.
- 2) Hitachi, Ltd. is our parent company and the brief histories of the candidates who are, or were executives in the said parent company and in its subsidiaries in the past 5 years, are as stated above.
- 3) Among the above candidates for Directors, M/s. Chikako Mizoguchi, Masahito Kamijo, and Hiroyuki Okada are candidates for Outside Directors.
- 4) Mr. Hiroyuki Okada was, within the past 5 years, an executive of Hitachi Automotive Systems Americas, Inc., and Hitachi Metals, Ltd., which fall in the category of entity with designated relationship.
- 5) Mr. Hiroyuki Okada received remuneration and others within the past 2 years, as an employee of Hitachi Metals, Ltd., which falls in the category of entity with designated relationship.
- 6) M/s. Chikako Mizoguchi and Masahito Kamijo are currently Outside Directors of the Company and their terms of office will be two (2) years at the close of the Meeting. Mr. Hiroyuki Okada is an Outside Director of the Company and his terms of office will be one (1) year at the close of the Meeting.
- 7) The Company has registered M/s. Chikako Mizoguchi and Masahito Kamijo as independent directors as set forth in regulations by the Tokyo Stock Exchange. The Company intends to continue to do so if they are re-elected as proposed. Also, if Mr. Hiroyuki Okada is re-elected as proposed, the Company intends to register him as an independent director as set forth in regulations by the Tokyo Stock Exchange.
- 8) The Company has entered a contract for limitation of liability pursuant to provisions of Article 427, Paragraph 1 of the Companies Act with M/s. Kazumichi Fujimura, Chikako Mizoguchi, Masahito Kamijo and Hiroyuki Okada. Subject to re-election of them without modifications, the Company intends to continue the same contract with them.

Brief description of contents of the agreements is as follows:

- In case any of relevant Director has liability to the Company arising from failure to perform his or her duties, the limit of liability shall be the amount defined as minimum limit of liability in Article 425, Paragraph 1 of the Companies Act.
  - The above limitation shall be applied only in case the execution of duties of such relevant Director, which has caused such liability, is performed in good faith and without material omission or failure.
- 9) Subject to approval of this Item without modification, the Company plans to institute the respective Committees with the following constituent members:

Nominating Committee:	Atsushi Kawabata, Masahito Kamijo and Hiroyuki Okada
Audit Committee:	Hiroyuki Okada, Chikako Mizoguchi and Masahito Kamijo
Compensation Committee:	Atsushi Kawabata, Chikako Mizoguchi and Hiroyuki Okada

**End of Translation of the Notice of the 78th Ordinary General Meeting of Shareholders**