

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 118th Ordinary General Meeting of Shareholders of NGK SPARK PLUG CO., LTD. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

(Securities Code: 5334)

June 4, 2018

Dear Shareholders

Shinichi Odo  
Chairman, President and Chief Executive  
Officer

**NGK SPARK PLUG CO., LTD.**  
14-18, Takatsuji-cho, Mizuho-ku, Nagoya

## **NOTICE OF CONVOCAION OF THE 118th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 118th Ordinary General Meeting of Shareholders of NGK SPARK PLUG CO., LTD. (the “Company”), to be held as follows.

**If you are unable to attend the meeting, you may otherwise exercise your voting rights in writing or via the Internet. Please read the attached REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS provided below. You are requested to exercise your Voting Rights before 5:00 p.m., on Monday, June 25, 2018.**

**1. Time and Date:** 10:00 a.m., Tuesday, June 26, 2018

**2. Place:** 3F Nago, Nagoya Kanko Hotel  
1-19-30, Nishiki, Naka-ku, Nagoya

### **3. Objectives of the Meeting:**

- Reports:**
1. Reports on Business Report and Consolidated Financial Statements, as well as Results of the Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for Fiscal 2017 (From April 1, 2017, to March 31, 2018)
  2. Reports on Non-Consolidated Financial Statements for Fiscal 2017 (From April 1, 2017, to March 31, 2018)

**Agenda:**

- Proposal No.1:** Election of Ten (10) Directors  
**Proposal No.2:** Election of One (1) Audit & Supervisory Board Member

---

©If any amendment is made to the REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS, the Business Report, and the Consolidated and/or the Non-Consolidated Financial Statements, the amended information will be disclosed on the Company’s Web site.

[\(https://www.ngkntk.co.jp/\)](https://www.ngkntk.co.jp/)

## REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

### Proposals and Items of Reference

#### Proposal No. 1: Election of Ten (10) Directors

As the terms of office of all of the current ten (10) Directors will expire at the conclusion of this General Meeting of Shareholders, we propose the election of ten (10) Directors, including three (3) candidates for Outside Director.


The Company believes it is important to ensure that the Board of Directors is composed of diverse human resources with different backgrounds that include specialized knowledge, experience, etc. In addition, by electing several Outside Directors as members of the Board of Directors, the Company places great emphasis on incorporating external perspectives in order to strengthen supervisory functions while securing transparency for decision-making processes.

Based on the aforementioned belief, in order to ensure the reasonability and the transparency, the selection of candidates for Directors is determined at the Board of Directors through the deliberation of Nomination Committee, an advisory body for the Board of Directors where the outside officers participate.


The candidates for Directors are as follows:

No.	Name		Current positions at the Company	Assignments
1	Shinichi Odo	Re-appointed	Representative Director and Chairman of the Board Chief Executive Officer President Officer	
2	Teppei Okawa	Re-appointed	Representative Director and Vice President Officer	Assistant to President, in charge of Internal Auditing Office, overall control of Corporate Strategy Group, Corporate Administration Group and Engineering R&D Group
3	Takeshi Kawai	Re-appointed	Member of the Board Senior Managing Officer	Overall control of Divisions, in charge of Business Planning Management Division
4	Mikihiko Kato	Re-appointed	Member of the Board Corporate Officer	In charge of Corporate Strategy Group
5	Takio Kojima	Newly appointed	Managing Officer	In charge of Engineering R&D Group
6	Toru Matsui	Newly appointed	Managing Officer	In charge of Automotive Components Sales & Marketing Division
7	Kenji Isobe	Newly appointed	Corporate Officer	In charge of Secretarial Office and Corporate Administration Group, Nagoya Factory Manager
8	Morihiko Otaki	Re-appointed Outside Director Independent Director	Member of the Board (Outside Director)	
9	Kanemaru Yasui	Re-appointed Outside Director Independent Director	Member of the Board (Outside Director)	
10	Megumi Tamagawa	Re-appointed Outside Director Independent Director	Member of the Board (Outside Director)	


**[Translation for Reference and Convenience Purposes Only]**


No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
1	 <p>Shinichi Odo (April 3, 1954)</p>	<p>Apr. 1977 Joined NGK SPARK PLUG CO., LTD.</p> <p>Feb. 2003 General Manager of Overseas Aftermarket Sales &amp; Marketing Dept., Sales &amp; Marketing Div., Automotive Components Group, NGK SPARK PLUG CO., LTD.</p> <p>Jul. 2005 President, NGK Spark Plugs (U.S.A.), Inc.</p> <p>Jun. 2007 Member of the Board, NGK SPARK PLUG CO., LTD.</p> <p>Jun. 2010 Member of the Board (Managing Director), NGK SPARK PLUG CO., LTD.</p> <p>Jun. 2011 Representative Director and President, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2012 President and Chief Executive Officer, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2016 Representative Director and Chairman of the Board, Chief Executive Officer, President Officer, NGK SPARK PLUG CO., LTD. (up to the present)</p>	17,774 shares
Reason for appointment as a candidate for Director			
<p>Mr. Odo has been engaged in the operation and management including domestic/overseas sales divisions concerning automotive components businesses for many years, and he has been serving as Representative Director and President, the most senior corporate officer for the business operations of the Company, since June 2011. The Company has continuously selected Mr. Odo as a candidate for Director based on the judgment that he has extensive business experiences at the Company and insights into the global business operations.</p>			

[Translation for Reference and Convenience Purposes Only]


No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
2	 Teppei Okawa (July 11, 1955)	<p>Apr. 1981 Joined NGK SPARK PLUG CO., LTD.</p> <p>Oct. 2006 General Manager of Technical Control Dept., Automotive Components Group, NGK SPARK PLUG CO., LTD.</p> <p>Jun. 2007 General Manager of Planning Dept., Automotive Components Group, NGK SPARK PLUG CO., LTD.</p> <p>Jun. 2009 General Manager of New Mission-Critical-System Office, Automotive Components Group, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2010 General Manager of SCM Office, Automotive Components Group, NGK SPARK PLUG CO., LTD.</p> <p>Feb. 2011 General Manager of Procurement Dept., Procurement Group, NGK SPARK PLUG CO., LTD.</p> <p>Jun. 2011 Member of the Board, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2012 Member of the Board Corporate Officer, NGK SPARK PLUG CO., LTD.</p> <p>Jun. 2012 Corporate Officer, NGK SPARK PLUG CO., LTD.</p> <p>Jun. 2013 Member of the Board Corporate Officer, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2014 Member of the Board Managing Officer, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2015 Member of the Board Senior Managing Officer, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2016 Representative Director and Vice President Officer, NGK SPARK PLUG CO., LTD. (up to the present)</p> <p>(Assignments)  Assistant to President, in charge of Internal Auditing Office, overall control of Corporate Strategy Group, Corporate Administration Group and Engineering R&amp;D Group</p>	10,823 shares
Reason for appointment as a candidate for Director			
Mr. Okawa has been engaged in technical, planning divisions concerning automotive components businesses and procurement division for many years, and he has been serving as Representative Director and Vice President Officer since April 2016. The Company has continuously selected Mr. Okawa as a candidate for Director based on the judgment that he has extensive business experiences at the Company and knowledge concerning corporate strategy and corporate administration.			


[Translation for Reference and Convenience Purposes Only]

No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
3	 Takeshi Kawai (October 13, 1962)	Apr. 1987 Joined NGK SPARK PLUG CO., LTD. Feb. 2011 General Manager of Sensor Engineering Dept. II , Sensor Div., Automotive Components Group, NGK SPARK PLUG CO., LTD. Apr. 2012 Corporate Officer, NGK SPARK PLUG CO., LTD. Apr. 2015 Managing Officer, NGK SPARK PLUG CO., LTD. Jun. 2015 Member of the Board Managing Officer, NGK SPARK PLUG CO., LTD. Apr. 2016 Member of the Board Senior Managing Officer, NGK SPARK PLUG CO., LTD. (up to the present)  (Assignments) Overall control of Divisions, in charge of Business Planning Management Division	2,048 shares
Reason for appointment as a candidate for Director			
Mr. Kawai has been engaged in engineering division in the Sensor Division for many years, and after he served as General Manager of Automotive Components Group, he currently serves as Member of the Board Senior Managing Officer in charge of the Business Planning Management Division that has an overall control of business divisions. The Company has continuously selected Mr. Kawai as a candidate for Director based on the judgment that he has extensive business experiences at the Company and knowledge concerning business operations.			

No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
4	 Mikihiko Kato (August 18, 1962)	Apr. 1985 Joined NGK SPARK PLUG CO., LTD. Feb. 2012 General Manager of Corporate Planning Dept., NGK SPARK PLUG CO., LTD. Aug. 2012 President, Ceramica e Velas de Ignicao NGK do Brasil Ltda Oct. 2015 General Manager of Corporate Planning Dept., NGK SPARK PLUG CO., LTD. Apr. 2016 Corporate Officer, NGK SPARK PLUG CO., LTD. Jun. 2017 Member of the Board Corporate Officer, NGK SPARK PLUG CO., LTD. (up to the present)  (Assignments) In charge of Corporate Strategy Group	3,498 shares
Reason for appointment as a candidate for Director			
Mr. Kato has been engaged in accounting and corporate planning divisions for many years, and after he served as President of our group company, he currently serves as Member of the Board Corporate Officer in charge of the Corporate Strategy Group. The Company has continuously selected Mr. Kato as a candidate for Director based on the judgment that he has extensive business experiences at the Company and knowledge concerning business operations.			

[Translation for Reference and Convenience Purposes Only]


No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
5	 Takio Kojima (October 12, 1961)	Apr. 1984 Joined NGK SPARK PLUG CO., LTD. Feb. 2011 General Manager of Next Generation Product Project, Product Planning Center, Engineering R&D Group, NGK SPARK PLUG CO., LTD. Apr. 2012 General Manager of Next Generation Product Project, New Business Advancement Group, NGK SPARK PLUG CO., LTD. Oct. 2013 General Manager of R&D Center, Engineering R&D Group, NGK SPARK PLUG CO., LTD. Apr. 2014 Corporate Officer, NGK SPARK PLUG CO., LTD. Apr. 2018 Managing Officer, NGK SPARK PLUG CO., LTD. (up to the present) (Assignments) In charge of Engineering R&D Group	4,009 shares
Reason for appointment as a candidate for Director			
Mr. Kojima has been engaged in research and development division for many years, and after he served as General Manager of R&D center, he currently serves as Managing Officer in charge of the Engineering R&D Group. The Company has newly selected Mr. Kojima as a candidate for Director based on the judgment that he has extensive business experiences at the Company and knowledge concerning research and development.			

No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
6	 Toru Matsui (February 14, 1962)	Apr. 1984 Joined NGK SPARK PLUG CO., LTD. Apr. 2011 President of NGK SPARK PLUG EUROPE GmbH Oct. 2013 General Manager of OEM Sales & Marketing Dept., Sales and Marketing Div., Automotive Components Group, NGK SPARK PLUG CO., LTD. Dec. 2014 President of NGK SPARK PLUG (SHANGHAI) CO., LTD. Apr. 2015 Corporate Officer, NGK SPARK PLUG CO., LTD. Jul. 2016 President of NGK SPARK PLUG (SHANGHAI) TRADING CO., LTD. Apr. 2018 Managing Officer, NGK SPARK PLUG CO., LTD. (up to the present) (Assignments) In charge of Automotive Components Sales & Marketing Division	5,504 shares
Reason for appointment as a candidate for Director			
Mr. Matsui has been engaged in sales and marketing division concerning automotive components businesses for many years, and after he served as President of our group company, he currently serves as Managing Officer in charge of the Automotive Components Sales & Marketing Division. The Company has newly selected Mr. Matsui as a candidate for Director based on the judgment that he has extensive business experiences at the Company and knowledge concerning sales and marketing.			

**[Translation for Reference and Convenience Purposes Only]**


No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
7	 <p>Kenji Isobe (August 9, 1963)</p>	<p>Apr. 1986 Joined NGK SPARK PLUG CO., LTD.</p> <p>Jul. 2011 General Manager of Accounting &amp; Finance Dept., NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2013 General Manager of Corporate Planning Dept. and Public Relations Office, NGK SPARK PLUG CO., LTD.</p> <p>Dec. 2015 General Manager of Accounting &amp; Finance Dept., Corporate Administration Group and General Manager of Public Relations Office, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2016 Corporate Officer, NGK SPARK PLUG CO., LTD. (up to the present)</p> <p>(Assignments) In charge of Secretarial Office and Corporate Administration Group, Nagoya Factory Manager</p>	7,653 shares
Reason for appointment as a candidate for Director			
<p>Mr. Isobe has been engaged in accounting, management planning and public relations divisions for many years, and after he served as Deputy General Manager of Corporate Administration Group, he currently serves as Corporate Officer in charge of Corporate Administration Group. The Company has newly selected Mr. Isobe as a candidate for Director based on the judgment that he has extensive business experiences at the Company and knowledge concerning finance and accounting.</p>			

**[Translation for Reference and Convenience Purposes Only]**


No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
8	 Morihiko Otaki (June 11, 1954)	Aug. 1996 President and CEO, Johnson & Johnson K.K. Vision Care Company Aug. 2011 Vice Chairman, Director, Pasona Inc. Jun. 2013 Member of the Board (Outside Director), NGK SPARK PLUG CO., LTD. (up to the present) Jun. 2016 Director, Henry Schein Japan K.K. (up to the present) Aug. 2016 Vice Chairman, Pasona Inc. (up to the present) (Significant Positions Concurrently Held) Director, Henry Schein Japan K.K.	418 shares
	<p>He attended 12 of the 14 Board of Directors' Meetings held in Fiscal 2017.            He will have held a position as Outside Director of the Company for five (5) years at the conclusion of this General Meeting of Shareholders.</p> <p><b>【Reason for appointment as a candidate for Outside Director】</b>            Mr. Otaki has extensive experience with global companies and keen insight as a business executive. As an Outside Director, he oversees business execution by the Company's management team and provides advice to the team. The Company has selected Mr. Otaki as a candidate for Outside Director based on the judgment that he will continue to contribute to the maintenance and reinforcement of the Company's corporate governance, as he has been playing a key role in strengthening the Company's corporate governance by actively speaking out at the Company's Board of Directors' Meetings in order to enhance transparency in decision-making.</p> <p><b>【Regarding the independence of candidates for Outside Director】</b>            Mr. Otaki had served as Director of Pasona Inc., which maintains a business relationship with the Company involving personnel placement services. However, the Company's business with Pasona accounts for an extremely small percentage of Pasona sales (less than 0.1%). Also, there is no business relationship between Henry Schein Japan K.K., for which he serves as Director, and the Company. For the reasons above, we deem that his independence is sufficiently assured and that the election criteria for independent officers (please refer to page 13) set by the Company are met. Accordingly, the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of his continued appointment as Independent Outside Director, upon approval of his re-election.</p>		



[Translation for Reference and Convenience Purposes Only]

No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
	 <p>Kanemaru Yasui (February 22, 1951)</p>	<p>Mar. 1981 Registered as certified public accountant Apr. 1999 Partner, Chuo Audit Corporation Sep. 2006 Partner, Misuzu Audit Corporation Aug. 2007 Partner, AZSA &amp; Co. (currently KPMG AZSA LLC.) Jun. 2008 Managing Partner, Director of Nagoya Branch, AZSA &amp; Co. (currently KPMG AZSA LLC.) Jun. 2013 Retired from AZSA &amp; Co. Jul. 2013 Director, Yasui Certified Public Accountant Office (up to the present) Jun. 2014 Member of the Board (Outside Director), NICHIIA Corporation (up to the present) Member of the Board (Outside Director), NGK SPARK PLUG CO., LTD. (up to the present)</p> <p>(Significant Positions Concurrently Held) Certified Public Accountant</p>	174 shares
9	<p>He attended all of the 14 Board of Directors' Meetings held in Fiscal 2017. He will have held a position as Outside Director of the Company for four (4) years at the conclusion of this General Meeting of Shareholders.</p> <p><b>【Reason for appointment as a candidate for Outside Director】</b> Mr. Yasui has expert knowledge and experience accumulated over many years as a certified public accountant. As an Outside Director, he oversees business execution by the Company's management team and provides advice to the team. The Company has selected Mr. Yasui as a candidate for Outside Director based on the judgment that he will continue to contribute to the maintenance and reinforcement of the Company's corporate governance, as he has been playing a key role in strengthening the Company's corporate governance by actively speaking out at the Company's Board of Directors' Meetings in order to enhance transparency in decision-making. Although Mr. Yasui has not contributed to corporate management in a capacity other than as Outside Director, for the reasons above, the Company has determined that he will be able to appropriately fulfill the duties of Outside Director.</p> <p><b>【Regarding the independence of candidates for Outside Director】</b> Mr. Yasui has an employment background with KPMG AZSA LLC, the Company's auditing firm, and from April 1993 to March 2005 was involved in accounting audits of the Company. However, over twelve (12) years have passed following his involvement in auditing the Company, and it has been five (5) years since his retirement from the aforementioned auditing firm. Moreover, that auditing firm conducts accounting audits of the Company from an independent standpoint, as stipulated by law; furthermore, payments by the Company to the auditing firm account for an extremely small percentage of the total remuneration of the auditing firm (less than 0.1%). In addition, at present there is no business relationship between the Company and Yasui Certified Public Accountant Office, where Mr. Yasui currently serves as Director, and the election criteria for independent officers (please refer to page 13) set by the Company are met. As such, the independence of Mr. Yasui is sufficiently assured, and the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of his continued appointment as Independent Outside Director, upon approval of his re-election.</p>		

**[Translation for Reference and Convenience Purposes Only]**

No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
	 Megumi Tamagawa (May 10, 1958)	Aug. 1990 Registered as certified public accountant Feb. 1991 Joined BDO Toyo & Co. Oct. 2000 Manager, Accounting Department, Japan Branch, General Electric International Inc. Oct. 2004 Joined MARUYAHONSHA Co., Ltd. Mar. 2006 Representative Director, MARUYAHONSHA Co., Ltd. Mar. 2016 Director, MARUYAHONSHA Co., Ltd. (up to the present) Jun. 2016 Member of the Board (Outside Director), NGK SPARK PLUG CO., LTD. (up to the present) (Significant Positions Concurrently Held) Director, MARUYAHONSHA Co., Ltd.	180 shares
10	<p>She attended all of the 14 Board of Directors' Meetings held in Fiscal 2017.  She will have held a position as Outside Director of the Company for two (2) year at the conclusion of this General Meeting of Shareholders.</p> <p><b>【Reason for appointment as a candidate for Outside Director】</b>  Ms. Tamagawa has abundant experience and keen insight as a corporate manager in a different industry from that of the Company as well as expert knowledge accumulated as a certified public accountant. As an Outside Director, she oversees business execution by the Company's management team and provides advice to the team. The Company has selected Ms. Tamagawa as a candidate for Outside Director based on the judgment that she will continue to contribute to the maintenance and reinforcement of the Company's corporate governance, as she has been playing a key role in strengthening the Company's corporate governance by actively speaking out at the Company's Board of Directors' Meetings in order to enhance transparency in decision-making.</p> <p><b>【Regarding the independence of candidates for Outside Director】</b>  We deem that Ms. Tamagawa's independence is sufficiently assured given that there is no business relationship between MARUYAHONSHA Co., Ltd., for which she serves as Director, and that the election criteria for independent officers (please refer to page 13) set by the Company are met. Accordingly, the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of her continued appointment as Independent Outside Director, upon approval of her re-election.</p>		

Notes:

1. Each candidate for Director has no special interest in the Company.
2. The number of shares of the Company each candidate holds includes the shares that each candidate holds in NGK SPARK PLUG under officer stock ownership.
3. Morihiko Otaki, Kanemaru Yasui and Megumi Tamagawa are candidates for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
4. Although Kanemaru Yasui currently serves as Outside Director of NICHIIHA Corporation, he is scheduled to retire from this position at the conclusion of the company's Ordinary General Meeting of Shareholders to be held on June 26, 2018.
5. In December 2017, the Company was ordered to pay fine by the Ontario Superior Court of Justice for a violation of the Canadian Competition Act in connection with the past sales of spark plugs to a certain customer as agreed with the Canadian Competition Bureau. In February 2018, the Company was also notified by the European Commission of its decision imposing a fine for an infringement of the EU competition law in connection with the past sales of spark plugs in Europe. The Company considers ensuring legal compliance is an important management issue and its Outside Directors Morihiko Otaki, Kanemaru Yasui and Megumi Tamagawa have been emphasizing the importance of ensuring legal compliance and stating opinions about the issue at Board of Directors' Meetings and on other occasions in the course of their duties. Following the detection of such facts, in addition to past statements about legal compliance, the Outside

**[Translation for Reference and Convenience Purposes Only]**

Directors expressed their opinions on elimination of any violation of antitrust law, including that of overseas, further improvement of the Group's compliance system, and promotion of compliance initiatives, and thus they are fulfilling their duties.

6. In order that the Outside Directors may perform the roles expected of them, the Company has established rules in accordance with the Articles of Incorporation, enabling the conclusion of a liability limitation agreement with each Outside Director, which limits Outside Directors' compensation for damages to the minimum liability amount established by laws and regulations.

Mr. Morihiko Otaki, Mr. Kanemaru Yasui, and Ms. Megumi Tamagawa have each already concluded a liability limitation agreement with the Company, and upon approval of their re-election as Outside Directors, the Company intends to continue the said agreements with them.

**[Translation for Reference and Convenience Purposes Only]**


**Proposal No. 2: Election of One (1) Audit & Supervisory Board Member**

As current Audit & Supervisory Board Member Kenichi Masuda will resign at the conclusion of this General Meeting of Shareholders, we propose the election of one (1) Audit & Supervisory Board Member.

The terms of office of the Audit & Supervisory Board Members to be elected by this General Meeting of Shareholders will be until the conclusion of the Ordinary General Meeting of Shareholders for the last business year that ends within four (4) years following his election.

This proposal has been approved in advance by the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of Birth)	Brief Personal History, Positions and Significant Positions Concurrently Held	Number of Shares Held
 <p>Akihiko Minato (October 16, 1953)</p> <p>Candidate for Outside Audit &amp; Supervisory Board Member</p>	<p>Apr. 1976 Joined The Mitsubishi Bank, Ltd.</p> <p>Jun. 2003 Executive Officer, The Bank of Tokyo-Mitsubishi, Ltd.</p> <p>May. 2007 Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (retired in June 2009)</p> <p>Jun. 2009 Managing Director, MARUNOUCHI YOROZU Co, Ltd</p> <p>Outside Audit &amp; Supervisory Board Member, The Nanto Bank, Ltd.</p> <p>Jun. 2010 Representative Director and Vice President, Mitsubishi UFJ Research and Consulting Co., Ltd.</p> <p>Jun. 2012 Outside Audit &amp; Supervisory Board Member, Mitsubishi Materials Corporation</p> <p>Sep. 2016 Chairman, MST Insurance Service Co., Ltd. (up to the present)</p> <p>(Significant Positions Concurrently Held) Chairman, MST Insurance Service Co., Ltd.</p>	0 shares
<p><b>【Reason for appointment as a candidate for Outside Audit &amp; Supervisory Board Member】</b> Mr. Minato has held important positions at financial institutions and has extensive knowledge on finance as well as abundant experience and broad insight as a corporate manager. The Company believes that Mr. Minato can perform appropriate audits of the Company's overall management as an Outside Audit &amp; Supervisory Board Member and selected him as a candidate for Outside Audit &amp; Supervisory Board Member.</p> <p><b>【Regarding the independence of candidates for Outside Audit &amp; Supervisory Board Member】</b> Mr. Minato served as Managing Executive Officer at The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently, MUFG Bank, Ltd.), a business partner of the Company. However, he retired in 2009 and has not been involved in the business execution since his retirement. Also, there is no business relationship between MST Insurance Service Co., Ltd., for which he serves as Chairman, and the Company. For the reasons above, we deem that his independence is sufficiently assured and that the election criteria for independent officers (please refer to page 13) set by the Company are met. Accordingly, the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of his appointment as Independent Outside Auditor, upon approval of his election.</p>		

**Notes:**

1. The candidate for Audit & Supervisory Board Member has no special interest in the Company.
2. Mr. Akihiko Minato is a candidate for Outside Audit & Supervisory Board Member as stipulated in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
3. In order that the Outside Audit & Supervisory Board Members may perform the roles expected of them, the Company has established rules in accordance with the Articles of Incorporation, enabling the conclusion of a liability limitation agreement with each Outside Audit & Supervisory Board Member, which limits Outside Audit & Supervisory Board Members' compensation for damages to the minimum liability amount established by laws and regulations.  
The Company intends to conclude the aforementioned liability limitation agreement with Mr. Akihiko Minato upon approval of his election as Outside Audit & Supervisory Board Member.
4. Mr. Akihiko Minato has many years of experience working in the financial businesses and has considerable knowledge about finance and accounting.

## [Translation for Reference and Convenience Purposes Only]

(Reference)

### Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members

In addition to the qualifications of outside directors and outside audit & supervisory board members specified in the Companies Act and the criteria on the independence of independent officers specified by financial instrument exchanges, the Company adopted its own Election Criteria of Independent Officers\* set forth below and elects only persons who meet all of those criteria as independent outside officers.

1. Persons who in the preceding three (3) years have not served as a director, audit & supervisory board member, executive, manager, or other employee (including Corporate Officers but excluding outside directors and outside audit & supervisory board members; referred to as “Directors etc.”) of a trading partner with which transactions accounted for 2% or more of the consolidated net sales of the Company, its subsidiaries or affiliate companies (referred to as “the Group”) or the trading partner's consolidated net sales in any of the preceding three (3) years.
2. Persons who are not currently principal shareholders of the Group, or who are not Directors etc. of a company one of whose principal shareholder is the Group (a principal shareholder holds 10% or more of voting rights).
3. Persons who have not been employed by a principal lender of the Group in the preceding three (3) years (a principal lender is a financial institution or other financial creditor that is essential for the procurement of capital by the Group and on which the Group relies to a degree that it is irreplaceable).
4. Persons who are not attorneys, certified public accountants, consultants, or providers of other professional services who currently receive compensation from the Group.
5. Persons who have not received donations of ¥10 million or more from the Group in any of the preceding three (3) years.\*\*
6. Persons who are not Directors etc. of companies or subsidiaries of such companies, to which Directors etc. have been seconded by the Group.
7. Persons who are not relatives within two (2) degrees of consanguinity of a current or former Director etc. of the Group.
8. Persons who are not likely to give rise to substantive conflicts of interest with the Group on a regular basis.

Notes;

\*However, in cases where there are grounds for a clear explanation of independence that can be provided to third parties against a backdrop of corporate merger or other unintended circumstances, even when these criteria are not met, approval may be given after giving consideration to the opinions of Independent Officers.

\*\*However, even in cases where a donation of ¥10 million or more is made, if there are grounds for a clear explanation of the lack of impact resulting from such donation on the judgement of the independence of the candidate Independent Officer that can be provided to third parties, for example, the case that the donation was made to a different professor in the same research lab or a different research lab at the same university with which the candidate Independent Officer is affiliated, approval may be given after giving consideration to the opinions of Independent Officers.

End