

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities Code: 6804
June 5, 2019

To Those Shareholders with Voting Rights

Kenji Furuhashi
President and Representative Director
Hosiden Corporation
4-33, Kitakyuhoji 1-Chome, Yao City,
Osaka

NOTICE OF THE 69TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

- You are cordially invited to attend the 69th Ordinary General Meeting of Shareholders of Hosiden Corporation (the "Company"). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by paper ballot. Please review the Reference Documents for the General Meeting of Shareholders, and return the Voting Rights Exercise Form with your vote and seal by 5:00 p.m., Wednesday, June 26, 2019.

- 1. Date and Time:** Thursday, June 27, 2019 at 9:00 a.m. (Reception starting from 8:00 a.m.)
- 2. Place:** Meeting room of Hosiden Corporation
4-33, Kitakyuhoji 1-Chome, Yao City, Osaka, Japan
- 3. Agenda of the Meeting:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the 69th Fiscal Term (from April 1, 2018 to March 31, 2019), and results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 69th Fiscal Term (from April 1, 2018 to March 31, 2019)
 - Matters to be resolved:**
 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Election of Six Directors
 - Proposal No. 3:** Election of One Statutory Auditor
 - Proposal No. 4:** Election of Two Substitutes for Statutory Auditors
 - Proposal No. 5:** Payment of Bonuses to Directors

-For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.

-The following matters, which should be provided together with this notice, are posted on our website (<http://www.hosiden.co.jp/>) pursuant to the provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company, and are therefore not included in the attachments to this notice.

1. Notes to Consolidated Financial Statements, which are part of the Consolidated Financial Statements
2. Notes to Non-consolidated Financial Statements, which are part of the Non-consolidated Financial Statements

Accordingly, the Consolidated Financial Statements and Non-consolidated Financial Statements included in the attachments to this notice are part of the consolidated financial statements and non-consolidated financial statements audited by the Accounting Auditor and the Statutory Auditors when preparing the audit reports.

-Any and all corrections that occurred with regard to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated and Consolidated Financial Statements will be published on our website (<http://www.hosiden.co.jp/>).

(REFERENCE)**Financial Highlights**
(Year ended March 31)

		March 2015	March 2016	March 2017	March 2018	March 2019
1. Consolidated financial highlights						
Net sales	(Millions of yen)	148,237	139,949	150,082	299,440	233,435
Ordinary income (loss)	(Millions of yen)	1,819	(5,134)	1,804	10,548	13,357
Net income (loss)	(Millions of yen)	122	(10,698)	2,053	10,233	10,709
Comprehensive income	(Millions of yen)	1,025	(11,531)	3,018	10,928	9,516
Net assets	(Millions of yen)	89,918	76,162	76,661	86,992	94,113
Total assets	(Millions of yen)	128,517	106,716	119,045	138,192	133,470
Net assets per share	(Yen)	1,421.02	1,239.20	1,289.30	1,463.09	1,609.93
Net income (loss) per share	(Yen)	1.88	(173.65)	33.59	172.11	180.62
Diluted net income per share	(Yen)	-	-	-	165.35	168.70
Equity ratio	(%)	70.0	71.4	64.4	63.0	70.5
Return on equity	(%)	0.1	-	2.7	12.5	11.8
Cash flows from operating activities	(Millions of yen)	7,641	4,156	(1,572)	3,757	25,593
Cash flows from investing activities	(Millions of yen)	(3,692)	(2,372)	(3,456)	(5,673)	(5,168)
Cash flows from financing activities	(Millions of yen)	(2,785)	(2,986)	(3,192)	8,832	(4,544)
Cash and cash equivalents at year-end	(Millions of yen)	55,744	54,015	45,457	52,405	68,061
2. Non-Consolidated financial highlights						
Net sales	(Millions of yen)	107,953	93,246	100,622	239,879	186,942
Ordinary income (loss)	(Millions of yen)	3,206	(4,159)	1,617	7,143	8,811
Net income (loss)	(Millions of yen)	(2,539)	(9,385)	1,609	6,789	6,584
Common stock	(Millions of yen)	13,660	13,660	13,660	13,660	13,660
Total number of shares issued	(Thousand shares)	69,710	69,710	69,710	67,710	67,710
Net assets	(Millions of yen)	70,487	58,397	58,355	64,815	68,655
Total assets	(Millions of yen)	103,817	88,746	103,465	121,119	110,821
Net assets per share	(Yen)	1,113.94	950.16	981.42	1,090.09	1,174.45
Annual dividends per share [Interim dividends per share]	(Yen)	10 [5]	10 [5]	8 [3]	20 [5]	25 [10]
Net income (loss) per share	(Yen)	(39.09)	(152.34)	26.32	114.19	111.05
Diluted net income per share	(Yen)	-	-	-	109.66	103.63
Equity ratio	(%)	67.9	65.8	56.4	53.5	62.0
Return on equity	(%)	-	-	2.8	11.0	9.9
Payout ratio	(%)	-	-	29.9	17.5	22.3

Notes: 1. The financial highlights are not presented in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

2. Moreover, some of the figures in this document have been prepared based on financial statements, which are not included in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

3. Figures have been prepared in accordance with the accounting principles generally accepted in Japan, which are different in certain respects from application and disclosure requirements of the International Financial Reporting Standards.

Consolidated Balance Sheet
(As of March 31, 2019)

(Millions of yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	112,851	Current liabilities	23,046
Cash and deposits	53,863	Notes payable and accounts payable—trade	14,168
Notes receivable and accounts receivable—trade	21,687	Short-term borrowings	2,768
Short-term investment securities	16,300	Accrued income taxes	1,837
Merchandise and finished goods	7,544	Provision for directors' bonuses	123
Work in process	1,558	Other	4,147
Raw materials and supplies	8,285	Long-term liabilities	16,310
Operating accounts receivable	1,569	Convertible bond-type bonds with subscription rights to shares	10,116
Other	2,068	Deferred tax liabilities	1,094
Allowance for doubtful accounts	(25)	Net defined benefit liability	4,332
		Other	767
Fixed assets	20,619		
Tangible fixed assets	14,260	Total Liabilities	39,357
Buildings and Structures	3,961		
Machinery and vehicles	4,559	Net assets	
Land	3,483	Owners' equity	94,477
Construction in progress	480	Capital	13,660
Other	1,775	Additional paid-in capital	19,596
Intangible fixed assets	367	Retained earnings	69,881
Software and other	367	Treasury stock	(8,660)
Investments and other assets	5,991	Accumulated other comprehensive income	(364)
Investment securities	4,390	Unrealized gains on available-for-sale securities	1,950
Net defined benefit asset	79	Exchange adjustment account	(2,548)
Deferred tax assets	925	Re-measurements of defined benefit plans	232
Other	1,005		
Allowance for doubtful accounts	(410)	Total Net Assets	94,113
Total Assets	133,470	Total Liabilities and Net Assets	133,470

Consolidated Statement of Income
(From April 1, 2018 to March 31, 2019)

(Millions of yen)

Account item	Amount	
Net sales		233,435
Cost of sales		211,175
Gross profit		22,260
Selling, general and administrative expenses		10,802
Operating income		11,457
Non-operating income		
Interest and dividends income	280	
Exchange gain	1,598	
Dividend income of insurance	36	
Other	132	2,048
Non-operating expenses		
Interest expenses	111	
Other	36	148
Ordinary income		13,357
Extraordinary income		
Profit on disposal of fixed assets	6	
Gain on liquidation of subsidiaries	240	
Gain on sales of golf memberships	4	
Other	0	251
Extraordinary losses		
Loss on disposal and sales of fixed assets	4	4
Income before income taxes		13,603
Income taxes—current		2,133
Income taxes—deferred		761
Net income		10,709
Profit attributable to non-controlling interests		-
Profit attributable to owners of parent		10,709

Consolidated Statement of Changes in Net Assets
(From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Owners' equity				
	Capital	Additional paid-in capital	Retained earnings	Treasury stock	Total owners' equity
Balance as of April 1, 2018	13,660	19,596	60,658	(7,750)	86,165
Changes during the fiscal year					
Dividends from surplus			(1,486)		(1,486)
Profit attributable to owners of parent			10,709		10,709
Acquisition of treasury stock				(910)	(910)
Net changes in items other than owners' equity during the fiscal year					
Total changes during the fiscal year	-	-	9,222	(910)	8,312
Balance as of March 31, 2019	13,660	19,596	69,881	(8,660)	94,477

	Accumulated other comprehensive income				Total Net Assets
	Unrealized gains on available-for-sale securities	Exchange adjustment account	Re-measurements of defined benefit plans	Total accumulated other comprehensive income	
Balance as of April 1, 2018	2,298	(1,703)	233	827	86,992
Changes during the fiscal year					
Dividends from surplus					(1,486)
Profit attributable to owners of parent					10,709
Acquisition of treasury stock					(910)
Net changes in items other than owners' equity during the fiscal year	(347)	(844)	(0)	(1,192)	(1,192)
Total changes during the fiscal year	(347)	(844)	(0)	(1,192)	7,120
Balance as of March 31, 2019	1,950	(2,548)	232	(364)	94,113

Non-Consolidated Balance Sheet
(As of March 31, 2019)

(Millions of yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	91,630	Current liabilities	21,289
Cash and deposits	38,164	Notes payable—trade	1,487
Notes receivable—trade	1,738	Accounts payable—trade	9,892
Accounts receivable—trade	17,658	Short-term borrowings	1,050
Short-term investment securities	16,300	Accounts payable—other	762
Merchandise and finished goods	834	Accrued expenses	945
Work in process	639	Income taxes payable	931
Raw materials and supplies	100	Deposits received	5,974
Operating accounts receivable	15,511	Provision for directors' bonuses	45
Accounts receivable—other	584	Other	199
Other	99	Long-term liabilities	20,876
Fixed assets	19,191	Convertible bond-type bonds with subscription rights to shares	10,116
Tangible fixed assets	7,572	Reserve for retirement benefits	2,908
Buildings	1,711	Reserve for loss on guarantees of subsidiaries and affiliates	1,910
Structures	23	Reserve for loss on business of subsidiaries and affiliates	4,843
Machinery and equipment	1,404	Deferred tax liabilities	561
Vehicles and transportation equipment	17	Other	535
Tools, furniture and fixtures	872		
Molds	144		
Land	3,099	Total Liabilities	42,166
Construction in progress	299	Net assets	
Intangible fixed assets	177	Owners' equity	66,705
Software	153	Capital	13,660
Other	24	Additional paid-in capital	19,596
Investments and other assets	11,440	Capital reserve	19,596
Investment securities	4,375	Retained earnings	42,108
Stocks of subsidiaries and affiliates	3,937	Legal reserve	1,049
Investments in equity of subsidiaries and affiliates	1,985	Other retained earnings	41,058
Long-term loans receivable from subsidiaries and affiliates	4,212	Reserve for special depreciation	2
Other	2,919	Reserve for dividends	200
Allowance for doubtful accounts	(5,989)	Reserve for advanced depreciation of fixed assets	463
		General reserve	26,350
		Retained earnings brought forward	14,043
		Treasury stock	(8,660)
		Valuation and translation adjustments	1,950
		Unrealized gains on available-for-sale securities	1,950
		Total Net Assets	68,655
Total Assets	110,821	Total Liabilities and Net Assets	110,821

Non-Consolidated Statement of Income
(From April 1, 2018 to March 31, 2019)

(Millions of yen)

Account item	Amount	
Net sales		186,942
Cost of sales		175,697
Gross profit		11,245
Selling, general and administrative expenses		5,071
Operating income		6,173
Non-operating income		
Interest and dividends income	686	
Exchange gain	1,766	
Other	263	2,716
Non-operating expenses		
Interest expenses	5	
Rent expenses	53	
Other	19	78
Ordinary income		8,811
Extraordinary income		
Profit on disposal of fixed assets	0	
Gain on sales of investment securities	0	
Gain on liquidation of subsidiaries	14	15
Extraordinary losses		
Loss on disposal of fixed assets	2	
Loss on valuation of shares of subsidiaries and associates	33	
Provision of reserve for loss on guarantees of subsidiaries and affiliates	212	249
Income before income taxes		8,578
Income taxes—current		1,153
Income taxes—deferred		840
Net income		6,584

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Owners' equity									
	Capital	Additional paid-in capital		Retained earnings						
		Capital reserve	Total additional paid-in capital	Legal reserve	Other retained earnings					Total retained earnings
					Reserve for special depreciati on	Reserve for dividends	Reserve for advanced depreciation of fixed assets	General reserve	Retained earnings brought forward	
Balance as of April 1, 2018	13,660	19,596	19,596	1,049	2	200	472	26,350	8,859	36,934
Cumulative effects of changes in accounting policies									75	75
Restated balance	13,660	19,596	19,596	1,049	2	200	472	26,350	8,935	37,010
Changes during the fiscal year										
Reversal of reserve for special depreciation					(0)				0	-
Reversal of reserve for advanced depreciation of fixed assets							(8)		8	-
Dividends from surplus									(1,486)	(1,486)
Net income									6,584	6,584
Acquisition of treasury stock										
Net changes in items other than owners' equity during the fiscal year										
Changes during the fiscal year	-	-	-	-	(0)	-	(8)	-	5,107	5,097
Balance as of March 31, 2019	13,660	19,596	19,596	1,049	2	200	463	26,350	14,043	42,108

	Owners' equity		Valuation and translation adjustments	Total Net Assets
	Treasury stock	Total owners' equity	Unrealized gains on available-for-sale securities	
Balance as of April 1, 2018	(7,750)	62,441	2,298	64,739
Cumulative effects of changes in accounting policies		75		75
Restated balance	(7,750)	62,517	2,298	64,815
Changes during the fiscal year				
Reversal of reserve for special depreciation		-		-
Reversal of reserve for advanced depreciation of fixed assets		-		-
Dividends from surplus		(1,486)		(1,486)
Net income		6,584		6,584
Acquisition of treasury stock	(910)	(910)		(910)
Net changes in items other than owners' equity during the fiscal year			(347)	(347)
Changes during the fiscal year	(910)	4,187	(347)	3,840
Balance as of March 31, 2019	(8,660)	66,705	1,950	68,655

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of Surplus

Hosiden Corporation embraces providing returns to shareholders as one of our important corporate policies. While striving to increase corporate value with respect to research and development, and to increase investment in production equipment, etc. in response to rapidly advancing technology, the Company is steadfastly working to maintain and improve the level of profit return to shareholders, and is expanding business and reinforcing its financial position through such efforts as securing internal reserves from a long-term viewpoint.

Under this policy, the Company proposes the year-end dividend and other appropriation of surplus for the fiscal year as follows.

1. Types of dividend properties
Cash
2. Matters related to distribution of dividend properties and the amount
Shares of common stock of the Company: ¥15 per share (ordinary dividend of ¥10 and special dividend of ¥5)
Aggregate amount: ¥876,870,405
The annual dividend for the term, along with the interim dividend of ¥10 per share, will be ¥25 per share.
3. Effective date of the dividend of surplus
June 28, 2019

Proposal No. 2: Election of Six Directors

The term of office of six Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of six Directors is proposed.

The candidates for Directors are as follows:

Candidate No.	Name (Date of Birth)	Career summary and positions in the Company and important concurrent position	Number of shares of the Company held
1	Kenji Furuhashi March 11, 1955	<p>April 1978 Joined Hosiden Corporation</p> <p>April 1986 General Manager, Production Operation Department</p> <p>June 1987 Director</p> <p>April 1990 General Manager, Production Operational Headquarters</p> <p>June 1990 Senior Managing Director</p> <p>March 1991 Representative Director (to the present)</p> <p>April 1991 President and Representative Director (to the present)</p> <p>(Important concurrent positions)</p> <ul style="list-style-type: none"> • President and Representative Director, Korea Hosiden Electronics Co., Ltd. • Chairman, Qingdao Hosiden Electronics Co., Ltd. • President and Director, Hong Kong Hosiden Ltd. • President and Director, Hosiden Electronics (Malaysia) Sdn. Bhd. • President and Director, Hosiden Europe GmbH • President and Director, Hosiden America Corp. 	1,041,019 shares
<p>[Reasons for nomination as a candidate]</p> <p>Mr. Furuhashi has served as the President and Representative Director of the Company since March 1991, has accumulated abundant experience and achievements as a corporate manager, and has leaded the Group with his strong leadership. The Company believes that he will continue to fully perform his duties as a Director and that he is qualified as a person who can contribute to the enhancement of the Group's corporate value, and hereby proposes that he be elected as a Director.</p>			

Candidate No.	Name (Date of Birth)	Career summary and positions in the Company and important concurrent position	Number of shares of the Company held
2	Haremi Kitatani November 13, 1937	<p>February 1957 Joined Hosiden Corporation</p> <p>April 1982 General Manager, Connector Manufacturing Department, Production Headquarters</p> <p>June 1984 Director</p> <p>April 1987 General Manager, Mechanical Component Operational Division and Composite Part Operational Division, Production Operational Headquarters</p> <p>June 1990 Managing Director</p> <p>April 1991 General Manager, Production Operation Department and General Manager, Production Operational Headquarters</p> <p>June 1992 Senior Managing Director</p> <p>April 1997 In charge of whole Hosiden Group (to the present)</p> <p>June 1997 Vice-President and Director</p> <p>June 1998 Vice-President and Representative Director (to the present)</p> <p>(Important concurrent positions)</p> <ul style="list-style-type: none"> • President and Director, Hosiden F.D. Corporation • President and Director, Hosiden Seiko Corporation • President and Director, Hosiden Kyushu Corporation 	111,092 shares
<p>[Reasons for nomination as a candidate]</p> <p>Mr. Kitatani has long engaged in manufacturing and sales division, etc. since joining the Company, and has abundant experience and achievements in these areas. In addition, he has served as the Vice-President and Representative Director of the Company since June 1998, has accumulated abundant experience and achievements as a corporate manager, and has led the Group with his strong leadership. The Company believes that he will continue to fully perform his duties as a Director and that he is qualified as a person who can contribute to the enhancement of the Group's corporate value, and hereby proposes that he be elected as a Director.</p>			

Candidate No.	Name (Date of Birth)	Career summary and positions in the Company and important concurrent position		Number of shares of the Company held
3	Yasuhiro Shigeno September 25, 1953	March 1984	Joined Hosiden Corporation	52,917 shares
		April 1995	General Manager, Technical Department, PLCD Operational Division	
		April 1997	General Manager, PLCD Operational Division	
		June 1997	Director	
		April 1999	In charge of PLCD Operation	
		April 2001	In charge of Development and Research	
		April 2004	General Manager, Technology and Quality Center	
		April 2005	In charge of Technology and Quality Center	
		June 2005	Managing Director (to the present)	
		April 2006	In charge of Technology Center and Quality Center	
		April 2011	In charge of Technical Administration Department and Research Development Department	
		April 2018	In charge of Technical Administration Department, Research Development Department and Quality Center (to the present)	
[Reasons for nomination as a candidate] Mr. Shigeno has long engaged in technology and research divisions since joining the Company, and has abundant experience and achievements in these areas. In addition, Mr. Shigeno has led technology, research, and quality divisions as a Managing Director of the Company since June 2005. The Company believes that he will continue to fully perform his duties as a Director and that he is qualified as a person who can contribute to the enhancement of the Group's corporate value, and hereby proposes that he be elected as a Director.				
4	Shinji Hombo January 29, 1948	April 1972	Joined Hosiden Corporation	62,806 shares
		April 2000	General Manager, President Office	
		June 2005	Director (to the present)	
		April 2015	In charge of President Office (to the present)	
		April 2016	In charge of General Affairs Department, Personnel Department and Finance Department (to the present)	
[Reasons for nomination as a candidate] Mr. Hombo has long engaged in administrative divisions since joining the Company, and has abundant experience and achievements in the area. The Company believes that he will continue to fully perform his duties as a Director and that he is qualified as a person who can contribute to the enhancement of the Group's corporate value, and hereby proposes that he be elected as a Director.				

Candidate No.	Name (Date of Birth)	Career summary and positions in the Company and important concurrent position	Number of shares of the Company held
5	Kenichi Takahashi August 31, 1945	April 2002 Director, Industrial Technology Institute, Miyagi Prefectural Government March 2006 Left Industrial Technology Institute, Miyagi Prefectural Government June 2007 Statutory Auditor of the Company June 2015 Director (to the present)	13,337 shares
	[Reasons for nomination as a candidate] Mr. Takahashi has extensive experience from years of corporate employment and experience in promoting the reform of corporate support structures at the Industrial Technology Institute, Miyagi Prefectural Government. He also has experience in performing activities and expressing views appropriately as an Outside Statutory Auditor during the period from his election as an Outside Statutory Auditor at the 57th Ordinary General Meeting of Shareholders held on June 28, 2007 to his retirement from office, and further, as an Outside Director since his election as an Outside Director at the 65th Ordinary General Meeting of Shareholders held on June 26, 2015. Based on such extensive experience, the Company expects Mr. Takahashi to continuously reinforce the Company's corporate governance by appropriately supervising the execution of business operations as an Outside Director, and hereby proposes that he be reelected as an Outside Director.		
6	Hiroshi Horie July 10, 1949	April 1972 Joined Osaka Regional Taxation Bureau July 2004 District Director, Izumisano District Tax Office July 2007 Deputy Director, Investigation Department 2, Osaka Regional Taxation Bureau July 2008 District Director, Sakai District Tax Office September 2009 Established Hiroshi Horie Certified Tax Accountant Office (to the present) June 2017 Director of the Company (to the Present) [Important concurrent positions] • Director, Hiroshi Horie Certified Tax Accountant Office	1,217 shares
	[Reasons for nomination as a candidate] Mr. Horie has considerable knowledge concerning finance and accounting due to his expertise as a certified tax accountant, as well as experience in serving in various positions including the head of a taxation bureau. He also has been performing activities and expressing views appropriately as an Outside Director since his election as an Outside Director at the 67th Ordinary General Meeting of Shareholders held on June 29, 2017. Based on such extensive knowledge and experience, the Company expects Mr. Horie to continuously reinforce the Company's corporate governance by appropriately supervising the execution of business operations as an Outside Director, and hereby proposes that he be reelected as an Outside Director.		

Notes: 1. No conflict of interest exists between the Company and the above candidates for Directors.

2. The matters concerning the candidates for Outside Directors are described as follows:

- (1) Mr. Kenichi Takahashi and Mr. Hiroshi Horie are both candidates for Outside Directors. If their reelection is approved, the Company will continue to designate them as independent officers since they satisfy the requirements for independent officers as stipulated by Tokyo Stock Exchange, Inc.
- (2) Although Mr. Kenichi Takahashi has not directly participated in business management other than participation as an Outside Director or an Outside Statutory Auditor, the Company has judged that he will be able to fully perform his duties as an Outside Director for the above reasons.
- (3) Mr. Kenichi Takahashi is currently an Outside Director of the Company and will have been in office for four years as of the conclusion of this General Meeting of Shareholders. Mr. Takahashi also had served as Outside Statutory Auditor of the Company for eight years from his election as an Outside Statutory Auditor at the 57th Ordinary General Meeting of Shareholders held on June 28, 2007 to his retirement from office at the 65th Ordinary General Meeting of Shareholders held on June 26, 2015.
- (4) Although Mr. Hiroshi Horie has not directly participated in business management other than

participation as an Outside Director or an Outside Statutory Auditor, the Company has judged that he will be able to fully perform his duties as an Outside Director for the above reasons.

- (5) Mr. Hiroshi Horie is currently an Outside Director of the Company and will have been in office for two years as of the conclusion of this General Meeting of Shareholders.
- (6) Pursuant to the provisions of the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Kenichi Takahashi and Mr. Hiroshi Horie to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount specified in laws and regulations. If their reelection is approved, the Company will continue said agreements for the limitation of liability with them.

Proposal No. 3: Election of One Statutory Auditor

The term of office of Mr. Susumu Maruno as Statutory Auditor will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of one Statutory Auditor is proposed.

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

The candidate for Statutory Auditor is as follows:

Name (Date of Birth)	Career summary and positions in the Company and important concurrent position	Number of shares of the Company held
Susumu Maruno July 10, 1955	<p>April 1978 Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation)</p> <p>January 1997 Vice Councillor, Corporate Planning Office, Corporate Headquarters, Matsushita Electric Industrial Co., Ltd.</p> <p>December 2000 General Manager, Corporate Planning Office, Software Development Division, Matsushita Electric Industrial Co., Ltd.</p> <p>September 2003 Director, Intelligent Information Technology Laboratory, Advanced Technology Research Laboratories, Matsushita Electric Industrial Co., Ltd.</p> <p>April 2006 Part-time lecturer, Faculty of Science and Engineering, Doshisha University (to the present)</p> <p>April 2009 Corporate Board Member; Counselor, Advanced Technology Research Laboratories, Panasonic Corporation</p> <p>April 2012 Corporate Board Member; Counselor, Advanced Technology Research Laboratories; Counselor, Device Solutions Center, Panasonic Corporation</p> <p>April 2015 Left Panasonic Corporation</p> <p>May 2015 Supreme Advisor, Public Foundation of Kansai Research Institute</p> <p>June 2015 Statutory Auditor of the Company (to the present)</p> <p>April 2016 Director General, RDMM Promotion Center, Public Foundation of Kansai Research Institute (to the present)</p> <p>[Important concurrent positions]</p> <ul style="list-style-type: none"> • Part-time lecturer, Faculty of Science and Engineering, Doshisha University • Director General, RDMM Promotion Center, Public Foundation of Kansai Research Institute 	2,371 shares
<p>[Reasons for nomination as a candidate]</p> <p>Mr. Maruno has expertise cultivated through years of corporate employment and has track records of social and educational activities based on his expertise. He has also been performing activities and expressing views appropriately as an Outside Statutory Auditor since his election as an Outside Statutory Auditor at the 65th Ordinary General Meeting of Shareholder held on June 26, 2015. The Company believes that Mr. Maruno will continuously draw on his extensive knowledge and experience to objectively monitor the execution of duties by Directors as an Outside Statutory Auditor and hereby proposes that he be reelected as an Outside Statutory Auditor.</p>		

Notes: 1. No conflict of interest exists between the Company and the above candidate for Statutory Auditor.

2. The matters concerning the candidate for Outside Statutory Auditor are described as follows:

- (1) Mr. Susumu Maruno is a candidate for Outside Statutory Auditor. If his reelection is approved, the Company will continue to designate him as an independent officer since he satisfies the requirements for independent officers as stipulated by Tokyo Stock Exchange, Inc.
- (2) Although Mr. Susumu Maruno has not directly participated in business management other than participation as an Outside Director or an Outside Statutory Auditor, the Company has judged that he will be able to fully perform his duties as an Outside Statutory Auditor for the above reasons.
- (3) Mr. Susumu Maruno is currently an Outside Statutory Auditor of the Company and will have been in

office for four years as of the conclusion of this General Meeting of Shareholders.

- (4) Pursuant to the provisions of the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Susumu Maruno to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount specified in laws and regulations. If his reelection is approved, the Company will continue said agreement for the limitation of liability with him.

Proposal No. 4: Election of Two Substitutes for Statutory Auditors

The effect of electing Kazunori Nishimura and Masashi Mori, who were elected as substitutes for Statutory Auditors at the 68th Ordinary General Meeting of Shareholders, held on June 28, 2018, shall expire at the beginning of this General Meeting of Shareholders. In the case of a vacancy of Statutory Auditors, as stipulated by laws and regulations, we hereby propose that Kazunori Nishimura be elected as a substitute for Statutory Auditor Saburo Kikyo and that Masashi Mori be elected as a substitute for Outside Statutory Auditors Takayuki Tanemura and Susumu Maruno.

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

The candidates for substitutes for Statutory Auditors are as follows:

Candidate No.	Name (Date of Birth)	Career summary and positions in the Company and important concurrent position	Number of shares of the Company held
1	Kazunori Nishimura November 3, 1958	April 1981 Joined Hosiden Corporation April 2017 General Manager, General Affairs Department (to the present)	4,200 shares
	[Reasons for nomination as a candidate] Mr. Nishimura has long engaged in administrative divisions since joining the Company. The Company believes that he will be able to fully perform his duties as a Statutory Auditor by utilizing his extensive experience cultivated over many years at the Company, and hereby proposes that he be elected as a substitute for Statutory Auditor.		
2	Masashi Mori March 4, 1956	April 1974 Joined Osaka Regional Taxation Bureau July 2008 District Director, Shingu District Tax Office July 2011 District Director, Itami District Tax Office July 2014 District Director, Joto District Tax Office August 2016 Established Masashi Mori Certified Tax Accountant Office (to the present) [Important concurrent positions] • Director, Masashi Mori Certified Tax Accountant Office	0 shares
	[Reasons for nomination as a candidate] Mr. Mori has considerable knowledge concerning finance and accounting due to his expertise as a certified tax accountant, as well as experience in serving in various positions including the head of taxation bureaus. The Company believes that Mr. Mori will be able to draw on his extensive knowledge and experience to objectively monitor the execution of duties by Directors as an Outside Statutory Auditor, and hereby proposes that he be elected as a substitute for Statutory Auditor.		

Notes: 1. No conflict of interest exists between the Company and the above candidates for substitutes for Statutory Auditors.

2. The matters concerning the candidate for substitute for Outside Statutory Auditors are described as follows:

- (1) Mr. Masashi Mori is a candidate for substitute for Outside Statutory Auditor. If he is appointed as an Outside Statutory Auditor, Mr. Mori will be notified to Tokyo Stock Exchange, Inc. as an independent officer, since he satisfies the requirements for independent officers as stipulated by the said exchange.
- (2) Although he has not directly participated in business management other than participation as an Outside Director or an Outside Statutory Auditor, the Company has judged that he will be able to fully perform his duties as an Outside Statutory Auditor for the above reasons.
- (3) In the event the election of Mr. Masashi Mori as a substitute for Statutory Auditor is approved and he assumes office as an Outside Statutory Auditor in the case of a vacancy of Statutory Auditors as stipulated by laws and regulations, the Company, pursuant to the provisions of its Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, will enter into an agreement with Mr. Mori to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount specified in laws and regulations.

Proposal No. 5: Payment of Bonuses to Directors

In consideration of factors such as the business results of the fiscal year, the Company requests approval for payment of ¥45,000,000 as bonuses to Directors for the four Directors in office, excluding Outside Directors, as of the end of the fiscal year.

We also propose that the specific amount to be paid to each Director be left to the discretion of the Board of Directors.