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Securities Code: 5803
June 3, 2019
Fujikura Ltd.
5-1, Kiba 1-chome
Koto-ku, Tokyo, Japan

Notice of Invitation to Fujikura's 171st Annual General Meeting of Shareholders

To our shareholders:

You are cordially invited to attend the 171st Annual General Meeting of Shareholders of Fujikura Ltd. (the "Company"), which will be held as indicated below.

If you cannot attend the meeting, please review the Reference Document for the General Meeting of Shareholders hereinafter and exercise your voting rights in writing or by using an electromagnetic mean (such as via the Internet) no later than June 26, 2019 (Wednesday) at 5:30 p.m. (JST) according to the "Instructions Concerning the Exercise of Voting Rights" on page 3:

- 1. Date and time:** June 27, 2019 (Thursday) at 10:00 a.m. (JST)
- 2. Place:** Assembly Hall, Fujikura head office
5-1, Kiba 1-chome, Koto-ku, Tokyo

3. Purpose of the meeting

Matters to be reported:

1. Details of the business report, the consolidated financial statements, and the reports by the independent accounting auditor and the Audit and Supervisory Committee on the audit results of consolidated financial statements for the Company's 171st business year (from April 1, 2018 to March 31, 2019).
2. Details of non-consolidated financial statements for the Company's 171st business year (from April 1, 2018 to March 31, 2019).

Matters to be acted upon:

- | | |
|--------------------------------|---|
| 1st Proposal | Appropriation of surplus |
| 2nd Proposal | Partial amendment to the Articles of Incorporation |
| 3rd Proposal | Election of nine Directors not serving as Audit and Supervisory Committee Members |
| 4th Proposal | Election of six Directors serving as Audit and Supervisory Committee Members |

Masahiko Ito
President & CEO & Representative Director

Pursuant to the laws and regulations and our Articles of Incorporation, the following items to be attached to Notice of Invitation to Annual General Meeting of Shareholders are posted on the Company's website (<http://www.fujikura.co.jp/ir/statement/meeting/index.html>). Therefore, those items are not included in the attachment hereto.

- (i) Notes to consolidated financial statements
 - (ii) Notes to non-consolidated financial statements
- If there arises any circumstance which gives rise to the need for alteration in Reference Document for the General Meeting of Shareholders, the business report, consolidated financial statements and non-consolidated financial statements, we will post the altered contents on the Company's website (<http://www.fujikura.co.jp/ir/statement/meeting/index.html>).

Website of the Company: <http://www.fujikura.co.jp/ir/statement/meeting/index.html>

Instructions Concerning the Exercise of Voting Rights

1. In case of attending the General Meeting of Shareholders:

Please submit the voting form to the receptionist. (Not required to place a seal.)

Date and time:

June 27, 2019 (Thursday) at 10:00 a.m. (JST)

Place:

Assembly Hall, Fujikura head office, 5-1, Kiba 1-chome, Koto-ku, Tokyo

2. In case of exercising the voting rights by post:

Please indicate your approval or disapproval on each of the proposals on the enclosed voting form and return the completed form to us without affixing a postage stamp.

Voting deadline:

It must be received by no later than June 26, 2019 (Wednesday) at 5:30 p.m. (JST)

3. In case of exercising the voting rights via the Internet:

Method 1 Exercising of Voting Rights via “Smart Exercise”

Please scan the QR Code displayed on the bottom right of the voting form with a smartphone or tablet device and enter your approval or disapproval by following the onscreen instructions.

* If you wish to modify your vote after exercising your voting rights, please follow Method 2 “Exercising of Voting Rights on the Website for Exercise of Voting Rights” and enter your changed vote.

Method 2 Exercising of Voting Rights on the Website for Exercise of Voting Rights

Access the website for exercise of voting rights (<https://www.web54.net>), click the login button upon entering the “voting right exercise code” and “password” indicated on the enclosed voting form, and enter your approval or disapproval by following the onscreen instructions.

Voting deadline:

No later than June 26, 2019 (Wednesday) at 5:30 p.m. (JST)

Electronic Voting Rights Execution Platform

Institutional investors may use the electronic voting rights execution platform operated by the Investor Communications Japan (ICJ), Inc.

Reference Document for the General Meeting of Shareholders

1st Proposal Appropriation of surplus

The Company's basic policy is to make a return of profit in overall consideration of our business results, dividend and internal reserves for our future business development, targeting a dividend payout ratio of 20%. We utilize our retained earnings to invest management resources in businesses with growth potential and streamline existing businesses.

For the fiscal year under review, net sales came to ¥710.7 billion, operating profit was ¥27.6 billion, ordinary income was ¥21.0 billion and profit attributable to owners of parent was ¥1.4 billion.

In light of the results for the fiscal year under review, which saw a significant year-on-year decrease in profit, we regrettably propose that the year-end dividend be ¥5.0 per share, a ¥2.0 decrease from the previous fiscal year. Together with the interim dividend paid of ¥7.0 per share, the annual dividend will be ¥12.0 per share, a decrease of ¥2.0 per share from the previous fiscal year.

- (i) Kind of dividend property:

Cash

- (ii) Matters concerning allocation of dividend property to shareholders and the total amount thereof:

¥5.0 per share of common stock of the Company

Total amount: ¥ 1,432,051,850

- (iii) Effective date for dividends from surplus:

June 28, 2019

2nd Proposal Partial amendment to the Articles of Incorporation

1. Background and reasons for the proposal

We propose amendments to the number of Directors serving as Audit and Supervisory Committee Members prescribed in Paragraph 2 of Article 20 (Number of Directors) of the current Articles of Incorporation in order to enhance supervisory functions and corporate governance through increasing the number of Outside Directors serving as Audit and Supervisory Committee Members.

2. Details of the amendments

Details of the amendments are as follows.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS	CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS
Article 20. (Number of Directors) 1. The number of directors of the Company other than those who are Audit and Supervisory Committee Members (hereinafter referred to as Directors not serving as Audit and Supervisory Committee Members) shall not be in excess of twelve. 2. The number of Directors serving as Audit and Supervisory Committee Members of the Company shall not be in excess of <u>five</u> .	Article 20. (Number of Directors) 1. (Unchanged) 2. The number of Directors serving as Audit and Supervisory Committee Members of the Company shall not be in excess of <u>seven</u> .

3rd Proposal Election of nine Directors not serving as Audit and Supervisory Committee Members


The term of office of all the current nine Directors not serving as Audit and Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests the election of nine Directors not serving as Audit and Supervisory Committee Members.


No.	Name of Candidate	Age	Current Position and Responsibilities at the Company	Attendance rate for the Fiscal Year 2018 (Board of Directors Meetings)	Years of Service
1	Masahiko Ito (Re-election)	61	President & CEO & Representative Director Chief of Governance, Corporate Quality Management Unit, Internal Audit Department	(100.0%)	4 years
2	Akira Wada (Re-election)	64	Executive Vice President & Member of the Board, Representative Director Corporate R&D Unit, Corporate Production Unit	(100.0%)	5 years
3	Takeaki Kitajima (Re-election)	61	Executive Vice President & Member of the Board Corporate Sales & Marketing Unit, Customer Value Rebuilding Project	(100.0%)	3 years
4	Hideyuki Hosoya (Re-election)	60	Senior Vice President & Member of the Board Power & Telecommunication Systems Company	(100.0%)	4 years
5	Takashi Takizawa (Re-election)	60	Senior Vice President & Member of the Board Corporate Staff Unit (Corporate Strategy Planning Division, Legal Department, Human Resource Division and others)	(100.0%)	3 years
6	Tetsu Ito (Re-election)	58	Senior Vice President & Member of the Board Corporate Staff Unit (Finance & Accounting Division and others) Real Estate Business Company	(100.0%)	3 years
7	Joseph E. Gallagher (Re-election)	61	Senior Vice President & Member of the Board President, AFL Telecommunications LLC.	(87.5%)	1 year
8	Ikuo Kobayashi (Re-election)	60	Senior Vice President & Member of the Board Electronics, Automotive & Connector Business Company	(100.0%)	1 year
9	Masato Inaba (New candidate)	60	Managing Executive Officer New Business Development Center	(-)	-


Notes:

1. Age indicates candidates' ages as of June 27, 2019.


2. Mr. Joseph E. Gallagher and Mr. Ikuo Kobayashi were appointed as Directors at the Annual General Meeting of Shareholders held on June 28, 2018, and assumed office on the same date. Therefore, their attendance at the Board of Directors meetings only includes meetings held after that date.


Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company and Significant Concurrent Positions
1	 <p>Masahiko Ito (September 1, 1957, 61 years old)</p> <p>[Re-election]</p> <p>Ownership of the Company's Shares 36,700</p> <p>The number of years in office as Director 4 years</p> <p>The number of attendance at the Board of Directors Meetings 100% (20/20)</p>	<p>April 1982 Joined the Company</p> <p>January 2005 General Manager of the Cable Manufacturing Dept., Power Cable Division of VISCAS Corporation.</p> <p>May 2011 General Manager of the Superconductor Business Development Division of the New Business Development Center</p> <p>April 2013 Executive Officer and General Manager of the Superconductor Business Development Division of the New Business Development Center</p> <p>April 2014 Managing Executive Officer, Deputy Chief of the Power & Telecommunication Systems Company, Responsible for the Infrastructure Business Segment, and General Manager of the Superconductor Business Development Division of the New Business Development Center</p> <p>April 2015 Managing Executive Officer, Deputy Chief of the Power & Telecommunication Systems Company</p> <p>June 2015 Senior Vice President & Member of the Board Deputy Chief of the Power & Telecommunication Systems Company</p> <p>April 2016 President & CEO & Representative Director</p> <p>April 2019 President & CEO & Representative Director, Chief of Governance, Chief of the Corporate Quality Management Unit, Responsible for the Internal Audit Department (to present)</p> <p>Reason for the nomination of candidate for Director Mr. Masahiko Ito possesses mainly experience accumulated over many years in the Power Systems business segment. In April 2016, he was appointed President & CEO & Representative Director. He took part in senior management in the position of being in charge of a joint-venture company in the power cables business, VISCAS Corporation, and later he led initiatives to start up new businesses of the Company. He also played a leading role in business mergers with other companies and business reorganization in the fields of industrial electric wires and power cables that were forced to undergo stringent business restructuring and reform. Furthermore, he has implemented reorganization within the Fujikura Group. For the management of the Company, which operates in various business fields, it is necessary to take a wide view of the entire company to accurately grasp issues, expeditiously carry out decisions in the aspects that require reforms, and execute business with strong leadership. The Company nominates him as a candidate for Director, because it believes that the strong leadership of Mr. Masahiko Ito is necessary for the required enhancing of governance, as corrective and preventative measures regarding cases of impropriety related to the quality control, and the reforms to corporate culture, which created a lack of compliance awareness, a prioritizing of cost reductions as well as securing profit – a root cause of the cases of impropriety.</p> <p>Special conflicts of interest between the Company and the candidate There are no special conflicts of interest between the candidate and the Company.</p>


Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company and Significant Concurrent Positions	
2	 <p>Akira Wada (February 26, 1955, 64 years old)</p> <p>[Re-election]</p> <p>Ownership of the Company's Shares 9,600</p> <p>The number of years in office as Director 5 years</p> <p>The number of attendance at the Board of Directors Meetings 100% (20/20)</p>	<p>April 1982 Joined the Company</p> <p>July 2003 General Manager of the Optics and Electronics Laboratory</p> <p>April 2006 General Manager of the Electronic Components R&D Center</p> <p>April 2009 Managing Executive Officer and General Manager of the Electronic Components R&D Center</p> <p>April 2011 Managing Executive Officer and General Manager of the Electronic Components R&D Center</p> <p>April 2013 Managing Executive Officer and General Manager of the Corporate R&D Planning Center</p> <p>April 2014 Managing Executive Officer, Chief of the Corporate R&D Unit and Chief of the Corporate Production Unit</p> <p>June 2014 Senior Vice President & Member of the Board, Chief of the Corporate R&D Unit and Chief of the Corporate Production Unit</p> <p>April 2018 Executive Vice President & Member of the Board, Representative Director, Chief of the Corporate R&D Unit and Chief of the Corporate Production Unit (to present)</p>	<p>Reason for the nomination of candidate for Director</p> <p>Mr. Akira Wada has been engaged in the R&D of the Company consistently and contributed to one of the Company's management goal of promoting the renewal of new technology and new products. He possesses the experience and excellent insight required and sufficient for making management decisions on the direction of R&D and the allocation of resources towards the future of the Company.</p> <p>On April 1 of this year, the Company established a new R&D organization, the "Advanced Research Core", and has decided to strengthen the promotion of new value creation while also utilizing external resources. The Company nominates him as a candidate for Director, because it considers that his wealth of experience and knowledge are essential to promote R&D that will unlock the future of the Company.</p> <p>Special conflicts of interest between the Company and the candidate</p> <p>There are no special conflicts of interest between the candidate and the Company.</p>

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company and Significant Concurrent Positions	
3	 Takeaki Kitajima (June 28, 1957, 61 years old) [Re-election] Ownership of the Company's Shares 34,100 The number of years in office as Director 3 years The number of attendance at the Board of Directors Meetings 100% (20/20)	April 1981 Joined the Company June 2007 Senior Vice President of DDK Ltd. February 2009 President of Fujikura America Ltd. April 2013 Executive Officer, General Manager of the Electronics & Telecommunication Global Strategy and Marketing Department April 2014 Managing Executive Officer, General Manager of the Electronics & Telecommunication Global Strategy and Marketing Department April 2015 Managing Executive Officer and General Manager of Kansai Branch April 2016 Managing Executive Officer Deputy Chief of the Corporate Sales & Marketing Unit and Deputy Chief of the Electronics Business Company June 2016 Senior Vice President & Member of the Board Deputy Chief of the Corporate Sales & Marketing Unit and Deputy Chief of the Electronics Business Company April 2017 Senior Vice President & Member of the Board, Chief of the Corporate Sales & Marketing Unit April 2019 Executive Vice President & Member of the Board, Chief of the Corporate Sales & Marketing Unit, Customer Value Rebuilding Project (to present)	
		Reason for the nomination of candidate for Director Mr. Takeaki Kitajima has been engaged in sales and marketing of electronics business for many years, and he also has contributed to expand the business of a subsidiary for connectors business as a corporate manager of the subsidiary. He has led the connectors business as a Senior Vice President & Member of the Board since 2016. In addition, he has management experience in an overseas sales subsidiary and extensive sales experience from building relationships of mutual trust with major customers in the electronics business. In order to restore the customer trust which was significantly lost due to the occurrence of cases of impropriety related to the quality control and achieve further growth, we believe customers must recognize us as a Company capable of being a strategic partner that can aim with its customers to grow together. The Company nominates him as a candidate for Director, because it considers that his wealth of sales experience and sincere character recognized by customers are essential in order to construct new relationships of trust with our customers and aim to achieve further growth.	
		Special conflicts of interest between the Company and the candidate There are no special conflicts of interest between the candidate and the Company.	

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company and Significant Concurrent Positions	
4	 <p>Hideyuki Hosoya (February 10, 1959, 60 years old)</p> <p>[Re-election]</p> <p>Ownership of the Company's Shares 18,200</p> <p>The number of years in office as Director 4 years</p> <p>The number of attendance at the Board of Directors Meetings 100% (20/20)</p>	April 1983	Joined the Company
		April 2006	General Manager of the Optics and Electronics Laboratory
		April 2010	President of OPTOENERGY Inc.
		January 2013	General Manager of the Fiber Laser Business Development Division of the New Business Development Center
		April 2014	Managing Executive Officer and Deputy General Manager of the New Business Development Center
		April 2015	Managing Executive Officer, Deputy Chief of the Power & Telecommunication Systems Company and Responsible for the Optical Fiber Division
		June 2015	Senior Vice President & Member of the Board and Deputy Chief of the Power & Telecommunication Systems Company and Responsible for the Optical Fiber Division
		April 2016	Senior Vice President & Member of the Board and Chief of the Power & Telecommunication Systems Company
		April 2017	Senior Vice President & Member of the Board and Chief of the Power & Telecommunication Systems Company (to present)
		Reason for the nomination of candidate for Director Mr. Hideyuki Hosoya has had many years of experience of engaging in the research and development of information and communication technology. Thereafter, he gained experience as a corporate manager of a company specializing in the development of semiconductor lasers that had been acquired by the Company, and he started working on the establishment of the fiber laser business as a new business in 2013 by utilizing the devices of semiconductor lasers. In 2015, he was appointed as Senior Vice President & Member of the Board, and has been responsible for the Optical Fiber Division. Since April 2016, he has been in charge of Power & Telecommunication Systems Company, which is the biggest in-house company of the Company. The Company nominates him as a candidate for Director, because it considers that, in addition to his sophisticated technical knowledge, he has experience as a general manager of a laboratory and as a corporate manager, and considerable experience and knowledge as a manager of the aforementioned in-house company.	
		Special conflicts of interest between the Company and the candidate There are no special conflicts of interest between the candidate and the Company.	

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company and Significant Concurrent Positions	
5	<div></div> <p>Takashi Takizawa (November 11, 1958, 60 years old)</p> <p>[Re-election]</p> <p>Ownership of the Company's Shares 27,400</p> <p>The number of years in office as Director 3 years</p> <p>The number of attendance at the Board of Directors Meetings 100% (20/20)</p>	April 1982	Joined the Company
		April 2013	General Manager of the Printed Circuit Board Division
		April 2014	Managing Executive Officer and Deputy General Manager of the Printed Circuit Board Division
		January 2015	Managing Executive Officer, General Manager of the Corporate Strategy Planning Division
		April 2016	Managing Executive Officer, and Responsible for Corporate Strategy Planning Division, Legal Department, Human Resource Division, and General Affairs & Public Relations Division, the Information Business System Engineering Division and Corporate Procurement Division
		June 2016	Senior Vice President & Member of the Board, Chief of the Corporate Staff Unit (excluding Finance & Accounting Division and Audit Division)
		April 2018	Senior Vice President & Member of the Board, Responsible for Corporate Staff Unit (Corporate Strategy Planning Division, Legal Department, Human Resource Division and others), and Responsible for New Business Development Center
		April 2019	Senior Vice President & Member of the Board, Responsible for Corporate Staff Unit (Corporate Strategy Planning Division, Legal Department, Human Resource Division and others) (to present)
		Reason for the nomination of candidate for Director	
		Mr. Takashi Takizawa has a wide range of experience for engaging with several operations, such as technical engineering, research and development, and business management in electronics business of the Company, and he also has considerable knowledge in Company's businesses. As Managing Executive Officer and General Manager of the Corporate Strategy Planning Division since 2015, he has been involved in the formulation of Mid-Term Business Plan from the standpoint to supervise the Company as a whole. Appointed as Senior Vice President & Member of the Board in 2016, he has been contributing to the establishment of a new decision-making system, taking charge of projects including changes to the Company's governance system. In addition, following the announcement of the cases of impropriety related to quality control, he has led internal investigations and external correspondence. The Company nominates him as a candidate for Director, because it considers that he is a necessary person for executing the measures to prevent recurrence of cases of impropriety related to the quality control and promoting the enhancement of the Company's compliance.	
Special conflicts of interest between the Company and the candidate			
There are no special conflicts of interest between the candidate and the Company.			


Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company and Significant Concurrent Positions	
6	 Tetsu Ito (August 22, 1960, 58 years old) [Re-election] Ownership of the Company's Shares 34,149	April 1983	Joined the Company
		April 2009	General Manager of the Finance & Accounting Division
		April 2015	Executive Officer, General Manager of the Finance & Accounting Division
		April 2016	Managing Executive Officer, and Responsible for Finance & Accounting Division, Audit Division and the Real Estate Business Company
		June 2016	Senior Vice President & Member of the Board, and Responsible for Finance & Accounting Division, Audit Division and the Real Estate Business Company
		April 2018	Senior Vice President & Member of the Board, Responsible for Corporate Staff Unit (Finance & Accounting Division, Audit Division and others), and Responsible for Real Estate Business Company
		April 2019	Senior Vice President & Member of the Board, Responsible for Corporate Staff Unit (Finance & Accounting Division, Internal Control Division, Corporate Procurement Division and the Information Business System Engineering Division), and Responsible for the Real Estate Business Company (to present)
	The number of years in office as Director 3 years	Reason for the nomination of candidate for Director Mr. Tetsu Ito has long-standing experience in the Finance & Accounting Division of the Company and he has a highly specialized knowledge of finance and accounting. In addition, his experience of being stationed overseas has given him extensive insight into the administrative processes of the Company from a global perspective. Appointed as Senior Vice President & Member of the Board in June 2016, he is currently in charge of the Finance & Accounting Division and the Real Estate Business Company. Accordingly, the Company nominates him as a candidate for Director, because it considers that he is a necessary person for the growth of the Fujikura Group, which is expanding on a global scale, and the construction of healthy financial systems.	
	The number of attendance at the Board of Directors Meetings 100% (20/20)	Special conflicts of interest between the Company and the candidate There are no special conflicts of interest between the candidate and the Company.	


Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company and Significant Concurrent Positions	
7	 Joseph E. Gallagher (September 25, 1957, 61 years old)	July 1979	Joined Alcoa, Inc.
		January 1988	Joined Alcoa Fujikura, Ltd. (current America Fujikura Ltd.) (*1)
		September 1998	General Manager of Fiber Optical Cable Division of Alcoa Fujikura, Ltd.
		January 2003	President & CEO of Alcoa Fujikura, Ltd.
		April 2005	President of AFL Telecommunications LLC. (*2) (to present)
	[Re-election] Ownership of the Company's Shares 0 The number of years in office as Director 1 year The number of attendance at the Board of Directors Meetings 87.5% (14/16)	April 2011	Executive Officer of the Company
		October 2012	President of ATI International Investments Inc. (to present)
		April 2013	Managing Executive Officer of the Company
		June 2018	Senior Vice President & Member of the Board of the Company (to present)
		Reason for the nomination of candidate for Director Mr. Joseph E. Gallagher, after working as a manager of the optical fiber system business of Alcoa Fujikura, Ltd., was appointed as President & CEO of Alcoa Fujikura, Ltd. in 2003. He has been serving as President of AFL Telecommunications LLC. (hereinafter "AFL-Tele") since 2005, and was appointed as a Managing Executive Officer of the Company in 2013. He demonstrated strong leadership at AFL-Tele, enabling it to grow into a company with sales surpassing ¥120.0 billion by promoting the selection and concentration of business. The Company nominates him as a candidate for Director, because it considers that, since he has practically been in charge of growth of the energy business and telecommunications business in North America, and he is a necessary person for the promotion of the Fujikura Group's global growth strategy.	
		Special conflicts of interest between the Company and the candidate The candidate serves as President of ATI International Investments Inc., which is an affiliate of America Fujikura Ltd. and likewise to the Company, deals with sales of optical connection parts. Moreover, the Company has sales transactions with ATI International Investments Inc. regarding optical connection parts.	

Notes:

*1 Alcoa Fujikura, Ltd. is a joint venture company (49% share owned by the Company) established between the Company and Alcoa, Inc. (USA) in 1984. In 2005, we canceled the joint venture and inherited the telecommunications business segment, making it a wholly owned subsidiary (America Fujikura Ltd.). Currently, it is a holding company that oversees the Fujikura Group's North American operations.

*2 AFL-Tele is a company that serves as the core of the energy business and telecommunications business, with a focus on North America, affiliated with America Fujikura Ltd.

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company and Significant Concurrent Positions	
8	 Ikuo Kobayashi (January 5, 1959, 60 years old) [Re-election] Ownership of the Company's Shares 14,471 The number of years in office as Director 1 year The number of attendance at the Board of Directors Meetings 100% (16/16)	July 1988	Joined the Company
		April 2013	President & CEO of Fujikura Electronics (Thailand) Ltd.
		April 2015	Executive Officer, General Manager of Membrane Business Unit of the Company
		April 2016	Managing Executive Officer President & CEO of Fujikura Electronics (Thailand) Ltd.
		April 2017	Managing Executive Officer, Deputy Chief of the Electronics Business Company
		June 2018	Senior Vice President & Member of the Board, Chief of the Electronics Business Company
		April 2019	Senior Vice President & Member of the Board, Chief of the Electronics, Automotive & Connector Business Company (to present)
	Reason for the nomination of candidate for Director Since joining the Company, Mr. Ikuo Kobayashi has been engaged in the electronics business of the Company consistently and has served in positions such as president of a manufacturing subsidiary located in the Kingdom of Thailand since 2007. From 2017, he has been serving as manager of the electronics business as the Company's Managing Executive Officer. In addition, utilizing his inherent ability to take action and his team building and leadership abilities that transcend nationality, race and generations, he played a major role in the restoration from the flood damage which occurred in 2011 in the Kingdom of Thailand. On April 1 of this year, we integrated the Electronics Business Company under his jurisdiction, and the Automotive Products Company to create the "Electronics, Automotive & Connector Business Company". Because there are many of the Company's technologies which can be utilized in the rapidly digitalizing and computerizing automotive products and technologies, we integrated the two companies in order to create new business in this field as synergy effects can be expected from the mutual relationship between the two. The Company nominates him as a candidate for Director, because it considers that his strong leadership and ability to take action are necessary in order to exert the effects from integrating two different companies and achieve further growth.		
	Special conflicts of interest between the Company and the candidate There are no special conflicts of interest between the candidate and the Company.		

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company and Significant Concurrent Positions	
9	 Masato Inaba (April 16, 1959, 60 years old) [New candidate] Ownership of the Company's Shares 5,600	April 1984	Joined Nippon Telegraph and Telephone Public Corporation
		November 2000	Director of International Business Division, NTT Communications Corporation
		July 2010	Director of International Division, Strategic Business Development Division, NIPPON TELEGRAPH AND TELEPHONE CORPORATION
		June 2014	Senior Vice President of NTT DATA CORPORATION
		June 2017	Adviser, Power & Telecommunication Systems Company of the Company
		April 2018	Managing Executive Officer, Responsible for Power & Telecommunication Systems Company
		April 2019	Managing Executive Officer, Responsible for New Business Development Center (to present)
Reason for the nomination of candidate for Director			
Mr. Masato Inaba has been engaged for many years in the promotion of new and international businesses within the NTT Group. The Company nominates him as a candidate for Director, because it considers that his experience and knowledge regarding new business on a global scale that he has cultivated up until now are necessary to further strengthen systems towards strong business “metabolic abilities” that are the source of growth for the Group - namely, the creation of new business.			
Special conflicts of interest between the Company and the candidate			
There are no special conflicts of interest between the candidate and the Company.			

Reference

[Nominating Advisory Committee]

In nominating candidates for Directors not serving as Audit and Supervisory Committee Members, the advisory body of the Board of Directors, the Nominating Advisory Committee (comprises of the President & CEO & Representative Director, the Director in charge of human resources, and three Outside Directors; and chaired by an Outside Director) verifies the fairness and appropriateness of the decision process regarding the nomination criteria for Directors not serving as Audit and Supervisory Committee Members and the reasons for appointment, including the achievements of each candidate.

For this General Meeting of Shareholders, the Nominating Advisory Committee concluded that the decisions were fair and reasonable regarding the candidates for Directors not serving as Audit and Supervisory Committee Members.

[Opinions of Audit and Supervisory Committee Regarding Nomination of Directors not Serving as Audit and Supervisory Committee Members]

The Audit and Supervisory Committee received a report from the Audit and Supervisory Committee Member who attended a meeting of the Nominating Advisory Committee and discussed such report. As a result, the Audit and Supervisory Committee reached the conclusion that the decision process for the nomination of Directors not serving as Audit and Supervisory Committee Members of the Nominating Advisory Committee is appropriate, and there are no special matters to be stated at the general meeting of shareholders pursuant to the provisions of the Companies Act.

4th Proposal Election of six Directors serving as Audit and Supervisory Committee Members

The term of office of all the current five Directors serving as Audit and Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, increasing the number of members by one from a perspective of enhancing corporate governance, the Company requests the election of six Directors serving as Audit and Supervisory Committee Members.


This proposal shall take effect subject to the 2nd Proposal taking effect.

Moreover, this proposal has received the consent of the Audit and Supervisory Committee.


No.	Name of Candidate	Age	Current Position and Responsibilities at the Company	Attendance rate for the Fiscal Year 2018 (Board of Directors Meetings)	Attendance rate for the Fiscal Year 2018 (Audit and Supervisory Committee Meetings)	Years of Service
1	Yasuyuki Oda (Re-election)	61	Director serving as Audit and Supervisory Committee Member (Full-time)	(100.0%)	(100.0%)	3 years
2	Masaaki Shimojima (Re-election)	69	Director serving as Audit and Supervisory Committee Member (Outside, Independent Officer)	(100.0%)	(100.0%)	7 years
3	Kenichiro Abe (Re-election)	67	Director serving as Audit and Supervisory Committee Member (Outside, Independent Officer)	(90.0%)	(95.5%)	6 years
4	Yoshio Shirai (Re-election)	71	Director serving as Audit and Supervisory Committee Member (Outside, Independent Officer)	(95.0%)	(100.0%)	2 years
5	Tsuneko Murata (New Candidate)	60	(Outside, Independent Officer Candidate)	(-)	(-)	-
6	Hamako Hanazaki (New Candidate)	51	(Outside, Independent Officer Candidate)	(-)	(-)	-

Notes:

1. Age indicates candidates' age as of June 27, 2019.
2. The number of years in office of Mr. Yasuyuki Oda and Mr. Masaaki Shimojima include number of years in office as Statutory Auditor of the Company.


Candidate No.	Name (Date of Birth)	Background and Position at the Company and Significant Concurrent Positions
1	 <p>Yasuyuki Oda (September 5, 1957, 61 years old)</p> <p>[Re-election]</p> <p>Ownership of the Company's Shares 85,035</p> <p>The number of years in office as Statutory Auditor 3 years (*)</p> <p>The number of attendance at the Board of Directors Meetings 100% (20/20)</p> <p>The number of attendance at the Audit and Supervisory Committee Meetings 100% (22/22)</p>	<p>April 1980 Joined the Company</p> <p>May 2006 General Manager of the Finance & Accounting Division</p> <p>April 2009 General Manager of the Corporate Strategy Planning Division</p> <p>April 2013 Executive Officer, General Manager of the Corporate Strategy Planning Division</p> <p>January 2015 Executive Officer, Managing Director of Fujikura Europe Ltd.</p> <p>June 2016 Full-time Statutory Auditor of the Company</p> <p>June 2017 Director serving as Audit and Supervisory Committee Member (Full-time) (to present)</p> <p>Reason for the nomination of candidate for Director Since Mr. Yasuyuki Oda has been engaged in Finance & Accounting Division for many years, he has a significantly high level of knowledge about finance and accounting. He also has experience in the Corporate Strategy Planning Division as well as directly engaged in management of an overseas group company. In addition to his specialist know-how in finance & accounting, he has wide range of experience for engaging with corporate management. He was appointed Full-time Statutory Auditor in June 2016, and was also appointed as Director serving as Audit and Supervisory Committee member in June 2017. Accordingly, the Company proposes him as a candidate for Director serving as an Audit and Supervisory Committee Member, because it considers that he is a necessary person to further enhance the audit and supervision systems of the Company.</p> <p>Special conflicts of interest between the Company and the candidate There are no special conflicts of interest between the candidate and the Company.</p>

* The number of years in office includes one year in office (June 2016 to June 2017) as a Statutory Auditor of the Company.


Candidate No.	Name (Date of Birth)	Background and Position at the Company and Significant Concurrent Positions	
2	<div></div> <div>Masaaki Shimojima (April 13, 1950, 69 years old)</div> <div>[Re-election] [Outside Director] [Independent Officer]</div> <div>Ownership of the Company's Shares 0</div> <div>The number of years in office as Statutory Auditor 7 years (*)</div> <div>The number of attendance at the Board of Directors Meetings 100% (20/20)</div> <div>The number of attendance at the Audit and Supervisory Committee Meetings 100% (22/22)</div>	April 1974	Joined The Mitsui Bank, Limited (current Sumitomo Mitsui Banking Corporation)
		June 2002	Executive Officer and Head of Regional Cities Corporate Banking Division of Sumitomo Mitsui Banking Corporation
		June 2003	Resigned from Sumitomo Mitsui Banking Corporation
		June 2012	Statutory Auditor of the Company
		June 2017	Director serving as Audit and Supervisory Committee Member (to present)
		Reason for the nomination of candidate for Outside Director Mr. Masaaki Shimojima has considerable insight in the areas of finance and accounting from his service in important positions at a leading city bank over the course of many years, as well as sufficient experience in business management. Participating in discussions and decisions at the meetings of the Board of Directors as Outside Statutory Auditor and Outside Director of the Company, and utilizing his expertise and work experience to state his opinions from an adequacy standpoint, the Company considers he is qualified to be an Outside Director.	
		Accordingly, the Company proposes him as a candidate for Director serving as an Audit and Supervisory Committee Member, because it considers that he is a necessary person as Outside Director in the deliberation of important management matters at meetings of the Board of Directors of the Company and supervision of its management.	
		Independence We consider that Mr. Masaaki Shimojima does not violate standards related to independence set by the Tokyo Stock Exchange and the Company, and is qualified to be an Outside Director requiring an independent position. Mr. Masaaki Shimojima was a person who executes business for Sumitomo Mitsui Banking Corporation, a trading bank of the Company. He resigned from the bank in June 2003.	
		The Company currently reports to the Tokyo Stock Exchange that Mr. Masaaki Shimojima is an independent officer and, if his reappointment is approved, the Company shall continue to report him as an independent officer.	
		Special conflicts of interest between the Company and the candidate There are no special conflicts of interest between the candidate and the Company.	
Contracts for limitation of liability The company has signed a contract for liability limitation (which limits the amount of liability to the minimum amount stipulated by law and regulations) prescribed in the Companies Act with Mr. Masaaki Shimojima, and in the event that his re-election is approved, the Company plans to continue the said agreement.			

Candidate No.	Name (Date of Birth)	Background and Position at the Company and Significant Concurrent Positions
		<p>Other</p> <p>During Mr. Masaaki Shimojima's time in office, the Company has announced that there were cases of impropriety related to the quality control of a portion of the products manufactured by the Company. Despite not being aware of the cases until the problem was discovered, he has made suggestions and calls to attention regarding compliance and the formulation as well as operations of corporate governance at meetings of the Board of Directors and other places in his capacity as Statutory Auditor of the Company and Director serving as Audit and Supervisory Committee Member.</p> <p>Following the above announcement, utilizing his expertise and abundant experience and expressing his opinions at meetings of the Board of Directors and other places, Mr. Masaaki Shimojima has actively contributed to the formulation of measures to correct and prevent the occurrence of such actions again in relation to the appropriateness and validity of investigation methods and preventative measures including determining of the causes, product safety verifications, enhancing of quality governance, organizational reforms, and corporate culture reforms.</p>


* The number of years in office includes five years in office (June 2012 to June 2017) as a Statutory Auditor of the Company.

Candidate No.	Name (Date of Birth)	Background and Position at the Company and Significant Concurrent Positions
3	 <p>Kenichiro Abe (June 9, 1952, 67 years old)</p> <p>[Re-election] [Outside Director] [Independent Officer]</p> <p>Ownership of the Company's Shares 0</p> <p>The number of years in office as Director 6 years</p> <p>The number of attendance at the Board of Directors Meetings 90.0% (18/20)</p> <p>The number of attendance at the Audit and Supervisory Committee Meetings 95.5% (21/22)</p>	<p>March 1984 Registered as Certified Public Accountant</p> <p>September 2006 Representative partner of PricewaterhouseCoopers Aarata (current PricewaterhouseCoopers Aarata LLC)</p> <p>June 2012 Resigned from PricewaterhouseCoopers Aarata</p> <p>June 2013 Member of the Board of the Company</p> <p>June 2016 External Audit and Supervisory Board Member of Softbank Corp. (to present)</p> <p>June 2017 Director serving as Audit and Supervisory Committee Member of the Company (to present)</p>
		<p>Reason for the nomination of candidate for Outside Director</p> <p>Mr. Kenichiro Abe is a certified public accountant with highly specialist know-how and has been engaged in the corporate accounting and audits of many companies for a long time and possesses ample knowledge in corporate management. Participating in discussions and decisions at the meetings of the Board of Directors as an Outside Director of the Company and utilizing his expertise and practical experience to state his opinions, the Company considers he is qualified to be an Outside Director. Accordingly, the Company proposes him as a candidate for Director serving as an Audit and Supervisory Committee Member, because it considers that he is a necessary person as Outside Director in the deliberation of important management matters at meetings of the Board of Directors of the Company and supervision of its management.</p>
		<p>Independence</p> <p>We consider that Mr. Kenichiro Abe does not violate standards related to independence set by the Tokyo Stock Exchange and the Company, and is qualified to be an Outside Director requiring an independent position. Mr. Kenichiro Abe was a Representative partner of PricewaterhouseCoopers Aarata, the Company's Accounting Auditor. However, he was never engaged in the audit of the Company while serving at the said audit firm, and he has resigned from said audit firm in June 2012.</p> <p>The Company currently reports to the Tokyo Stock Exchange that Mr. Kenichiro Abe is an independent officer and, if his reappointment is approved, the Company shall continue to report him as an independent officer.</p>
		<p>Special conflicts of interest between the Company and the candidate</p> <p>There are no special conflicts of interest between the candidate and the Company.</p>
		<p>Contracts for limitation of liability</p> <p>The company has signed a contract for liability limitation (which limits the amount of liability to the minimum amount stipulated by laws and regulations) prescribed in the Companies Act with Mr. Kenichiro Abe, and in the event that his re-election is approved, the Company plans to continue the said agreement.</p>


Candidate No.	Name (Date of Birth)	Background and Position at the Company and Significant Concurrent Positions
		<p>Other</p> <p>During Mr. Kenichiro Abe's time in office, the Company has announced that there were cases of impropriety related to the quality control of a portion of the products manufactured by the Company.</p> <p>Despite not being aware of the cases until the problem was discovered, he has made suggestions and calls to attention regarding compliance and the construction as well as operations of corporate governance at meetings of the Board of Directors and other places in his capacity as a Director of the Company and Director serving as Audit and Supervisory Committee Member.</p> <p>Following the above announcement, utilizing his expertise as a Certified Public Accountant and abundant experience and expressing his opinions at meetings of the Board of Directors and other places, Mr. Kenichiro Abe has actively contributed to the formulation of measures to correct and prevent the occurrence of such actions again in relation to the appropriateness and validity of investigation methods and preventative measures including determining of the causes, product safety verifications, enhancing of quality governance, organizational reforms, and corporate culture reforms.</p>

Candidate No.	Name (Date of Birth)	Background and Position at the Company and Significant Concurrent Positions
4	 <p>Yoshio Shirai (May 1, 1948, 71 years old)</p> <p>[Re-election] [Outside Director] [Independent Officer]</p> <p>Ownership of the Company's Shares 0</p> <p>The number of years in office as Director 2 years</p> <p>The number of attendance at the Board of Directors Meetings 95.0% (19/20)</p> <p>The number of attendance at the Audit and Supervisory Committee Meetings 100% (22/22)</p>	<p>June 2001 Member of the Board of Directors of Toyota Motor Corporation</p> <p>June 2003 Managing Officer of Toyota Motor Corporation</p> <p>June 2005 Senior Managing Member of the Board of Directors of Toyota Motor Corporation</p> <p>June 2007 Executive Vice President, Member of the Board of Hino Motors, Ltd.</p> <p>June 2008 President, Member of the Board of Hino Motors, Ltd.</p> <p>June 2013 Adviser to Hino Motors, Ltd. Vice Chairman of the Board of Toyota Tsusho Corporation</p> <p>June 2015 Adviser to Toyota Tsusho Corporation</p> <p>June 2016 Director (outside director), Audit & Supervisory Committee Member of Seiko Epson Corporation (to present)</p> <p>June 2017 Director serving as Audit and Supervisory Committee Member of the Company (to present) Adviser to Hino Motors, Ltd.</p> <p>June 2018 Senior Adviser to Hino Motors, Ltd. (to present)</p> <p>Reason for the nomination of candidate for Outside Director Mr. Yoshio Shirai has abundant experience and knowledge as a corporate manager, having served as Director of Toyota Motor Corporation, Hino Motors, Ltd. and Toyota Tsusho Corporation. He also has experience as Outside Director from having served as Director (outside director), Audit & Supervisory Committee Member of Seiko Epson Corporation since 2016. Participating in discussions and decisions at the meetings of the Board of Directors as an Outside Director of the Company and utilizing his abundant management experience and knowledge to state accurate opinions, the Company considers he is qualified to be an Outside Director. Accordingly, the Company proposes him as a candidate for Director serving as an Audit and Supervisory Committee Member, because it considers that he is a necessary person as Outside Director in the deliberation of important management matters at meetings of the Board of Directors of the Company and supervision of its management.</p> <p>Independence We consider that Mr. Yoshio Shirai does not violate standards related to independence set by the Tokyo Stock Exchange and the Company, and is qualified to be an Outside Director requiring an independent position. While Mr. Yoshio Shirai has been a person who executes business for Toyota Motor Corporation, Hino Motors, Ltd. and Toyota Tsusho Corporation, sales and purchases between the Company and said companies account for less than 1% of the consolidated net sales of the Company and said companies, and thus said companies do not qualify as major business partners as set forth in the Company's Independence Standards. The Company currently reports to the Tokyo Stock Exchange that Mr. Yoshio Shirai is an independent officer and, if his reappointment is approved, the Company shall continue to report him as an independent officer.</p> <p>Special conflicts of interest between the Company and the candidate There are no special conflicts of interest between the candidate and the Company.</p>

Candidate No.	Name (Date of Birth)	Background and Position at the Company and Significant Concurrent Positions
		<p>Contracts for limitation of liability The company has signed a contract for liability limitation (which limits the amount of liability to the minimum amount stipulated by laws and regulations) prescribed in the Companies Act with Mr. Yoshio Shirai, and in the event that his re-election is approved, the Company plans to continue the said agreement.</p> <p>Other During Mr. Yoshio Shirai's time in office, the Company has announced that there were cases of impropriety related to the quality control of a portion of the products manufactured by the Company. Despite not being aware of the cases until the problem was discovered, he has made suggestions and calls to attention regarding compliance and the construction as well as operations of corporate governance at meetings of the Board of Directors and other places in his capacity as Director serving as Audit and Supervisory Committee Member. Following the above announcement, utilizing his expertise and abundant experience and expressing his opinions at meetings of the Board of Directors and other places, Mr. Yoshio Shirai has actively contributed to the formulation of measures to correct and prevent the occurrence of such actions again in relation to the appropriateness and validity of investigation methods and preventative measures including determining of the causes, product safety verifications, enhancing of quality governance, organizational reforms, and corporate culture reforms.</p>

Candidate No.	Name (Date of Birth)	Background and Position at the Company and Significant Concurrent Positions
5	 <p>Tsuneko Murata (September 27, 1958, 60 years old)</p> <p>[New candidate] [Outside Director] [Independent Officer]</p> <p>Ownership of the Company's Shares 0</p>	<p>April 1982 Joined Matsushita Electric Industrial Company, Ltd. (current Panasonic Corporation)</p> <p>May 2003 General Manager, Legal Affairs Department, Panasonic System Solutions of Matsushita Electric Industrial Company, Ltd.</p> <p>April 2007 Senior Councilor & General Manager, Legal Affairs & CSR Department of Home Appliances Company of Matsushita Electric Industrial Company, Ltd.</p> <p>June 2008 Member of Board of Directors of Matsushita Facilities Net Services Co., Ltd. (current Panasonic Appliances Safety Service Co., Ltd.)</p> <p>February 2010 Director for Lifelong Learning Policy, Ministry of Education, Culture, Sports, Science & Technology Japan</p> <p>July 2013 Senior Councilor, Corporate Legal Affairs Division of Panasonic Corporation</p> <p>January 2014 Executive Director, Japan Pension Service</p> <p>January 2016 Auditor, Japan Pension Service</p> <p>June 2018 Member of the Audit and Supervisory Board of Japan Finance Corporation (to present) Outside Director and Audit and Supervisory Committee member of ADVANTEST CORPORATION (to present)</p> <p>Reason for the nomination of candidate for Outside Director Ms. Tsuneko Murata has a wealth of experience and knowledge regarding compliance and corporate governance, having served as the person in charge of legal divisions within the Panasonic Group. In addition, she possesses experience in both management and auditing as Executive Director and Auditor at Japan Pension Service. Accordingly, the Company nominates her as a candidate for Director serving as Audit and Supervisory Committee Member, because it considers that she is a necessary person as Outside Director for enhancement of the Company's corporate governance, including product governance, and in the deliberation of important management matters at meetings of the Board of Directors of the Company and supervision of its management.</p> <p>Independence We consider that Ms. Tsuneko Murata does not violate standards related to independence set by the Tokyo Stock Exchange and the Company, and is qualified to be an Outside Director requiring an independent position. Ms. Tsuneko Murata was a person who executes business for Panasonic Corporation; however, she resigned from the said company in September 2013. Moreover, sales and purchases between the Company and Panasonic Corporation account for less than 1% of the consolidated net sales of the Company and said company, and thus said company does not qualify as major business partners as set forth in the Company's Independence Standards. If Ms. Tsuneko Murata is appointed as a Director serving as an Audit and Supervisory Committee Member, the Company intends to register her as Independent Officer with the Tokyo Stock Exchange.</p> <p>Special conflicts of interest between the Company and the candidate There are no special conflicts of interest between the candidate and the Company.</p>

Candidate No.	Name (Date of Birth)	Background and Position at the Company and Significant Concurrent Positions
		Contracts for limitation of liability If Ms. Tsuneko Murata is appointed as a Director serving as an Audit and Supervisory Committee Member, the Company intends to sign a contract with her for liability limitation (which limits the amount of liability to the minimum amount stipulated by laws and regulations) prescribed in the Companies Act.

Candidate No.	Name (Date of Birth)	Background and Position at the Company and Significant Concurrent Positions
6	 <p>Hamako Hanazaki (May 24, 1968, 51 years old)</p> <p>[New candidate] [Outside Director] [Independent Officer]</p> <p>Ownership of the Company's Shares 0</p>	<p>April 1996 Registered as an attorney at law</p> <p>April 2004 Established Akao-Hanazaki Law Office (current Kita-Aoyama Law Office) (current position)</p> <p>April 2012 Member of the Intermediary Committee of Nuclear Damage Compensation Dispute Resolution Center (current position)</p> <p>April 2015 Non-full time Inspector of Secretariat of Reemployment Surveillance Commission, Cabinet Office (current position)</p> <p>May 2016 Director of General Incorporated Foundation <i>Jyutaku Kinyu Fukyu Kyokai</i> (Housing Finance Popularization Association) (current position)</p> <p>Reason for the nomination of candidate for Outside Director Ms. Hamako Hanazaki has long been involved in corporate legal affairs as an attorney at law with highly specialist know-how and possesses ample knowledge in corporate management. Accordingly, the Company nominates her as a candidate for Director serving as Audit and Supervisory Committee Member, because it considers that she is a necessary person as an Outside Director for the enhancing of Company corporate governance, including product governance, and in the deliberation of important management matters at meetings of the Board of Directors of the Company and supervision of its management.</p> <p>Independence We consider that Ms. Hamako Hanazaki does not violate standards related to independence set by the Tokyo Stock Exchange and the Company, and is qualified to be an Outside Director requiring an independent position. While Ms. Hamako Hanazaki is an attorney at law belonging to the Kita-Aoyama Law Office, the Company has no dealings with said firm. If Ms. Hamako Hanazaki is appointed as a Director serving as an Audit and Supervisory Committee Member, the Company intends to register her as Independent Officer with the Tokyo Stock Exchange.</p> <p>Special conflicts of interest between the Company and the candidate There are no special conflicts of interest between the candidate and the Company.</p> <p>Contracts for limitation of liability If Ms. Hamako Hanazaki is appointed as a Director serving as an Audit and Supervisory Committee Member, the Company intends to sign a contract with her for liability limitation (which limits the amount of liability to the minimum amount stipulated by laws and regulations) prescribed in the Companies Act.</p>

Reference Standards for determining the independence of Outside Directors

An individual does not have independence if any of the following applies, has applied within the past three years, or applies to a spouse, or to a first or second-degree relative.

- A major business partner of the Group*1, or a person who executes business for said business partner*2
- A person for which the Group is a major business partner, or a person who executes business for said person
- A shareholder with 10% or more of total voting rights in the Company, or a person who executes business for said shareholder
- A person who receives substantial compensation*3 in money or other forms from the Company or its subsidiaries, other than compensation received as an outside officer, or a person who executes business for said person

*1 Major business partner: A person or company that accounts for 1% or more of the Company's consolidated net sales, or a person or company that earns 1% or more of its consolidated net sales from the Company

*2 Person who executes business: Executive director or an employee working under said director

*3 Substantial compensation: Annual amounts in excess of ¥10 million

Business Report 171st period (from April 1, 2018 to March 31, 2019)

1. Current Status of the Fujikura Group

(1) Business Progress and Results

First of all, we shall report on the improper cases related to the quality control of some of the products manufactured by the Company, announced on August 31, 2018 (hereinafter, the “Cases”). In response to this situation, we requested outside attorneys to conduct an investigation in order to ascertain the facts and determine the causes of the Cases and have received a report of the results of their investigation. Based on these results, on April 25, 2019, we announced the background up to that point, an outline of the facts in respect to the Cases that we became aware of, the causes, the measures to prevent recurrence, and the relinquishment of directors’ compensation. The outline of the announcement will be provided in “(2) Issues facing the Fujikura Group” section. The Company, with a firm determination to never repeat such a case, is working to restore the trust that was lost by enhancing governance as well as strengthening and establishing quality control systems in the Group through steadily implementing measures to prevent recurrence, including within the Group companies. We express our sincerest apologies once again to our shareholders, customers and the many other concerned parties for the great deal of inconvenience and concern caused.

The Japanese economy during the fiscal year 2018 showed a mild recovery trend overall, despite showing some weakness in exports and production during the fourth quarter. However, the economic environment required attention to uncertainties such as the impact on the global economy from trade issues, the future of the Chinese economy, and overseas economic trends and policies.

As for the business performance of the Fujikura Group for the fiscal year 2018, net sales decreased by 4.0% year-on-year to ¥710.7 billion and operating profit decreased by 19.4% year-on-year to ¥27.6 billion.

With regard to sales, the Power Systems business segment saw sales decrease due to the transferring of all the shares owned by the Company of former consolidated subsidiary Fujiden Corporation, which mainly handles sales of the Company’s wires and cables. In the Telecommunication Systems business segment, despite increased sales from increased production due to start-up of the additional production facilities in the optical fiber business, sales decreased overall due to decline in sales of products, such as optical connection components for data centers, to the Company’s major customers. Additionally, sales of the electronics business, mainly FPCs (Flexible Printed Circuit Boards) and connectors, and the automotive products business, mainly wire harnesses for automobiles, decreased respectively due to lower demand from major customers.

In terms of profit, despite certain positive factors such as the start-up of the additional optical fiber production facilities, the operating profit decreased due to adverse factors including design error-induced cost overrun in the power grid EPC business in Bangladesh ^(Note), decrease in sales of optical connection components for data centers to the Company’s main customers, and the decline in demand for FPCs.

As for ordinary income, as a result of recording of ¥4.4 billion in non-operating income and ¥11.0 billion in non-operating expenses, the Company achieved ordinary income of ¥21.0 billion, a decrease of 38.4% year-on-year.

A total of ¥5.7 billion in extraordinary gains were recorded, including gain on sales of cross-shareholdings and other investment securities and gain on the transfer of sluggish optical switch business of an overseas subsidiary. Meanwhile, extraordinary losses of ¥16.2 billion were recorded, consisting mainly of ¥10.1 billion loss on valuation of investments in capital associated with the downscaling of the Brazilian subsidiary established for promoting the EPC business operation in the country due to poor performance, ¥1.7 billion business structure improvement expenses associated with site consolidation in Japan as well as overseas and ¥1.7 billion loss related to the Cases. As a result, profit attributable to owners of parent decreased by ¥16.9 billion year-on-year to ¥1.4 billion.

(Note) The EPC (Engineering, Procurement and Construction) business provides supply of electric wires and cables as well as design and execution of installation work in an integrated manner.

Overview of Business Results by In-house Company

(Billions of yen)

Segments, etc. / Fiscal Year	170th period FY2017	171st period (current period) FY2018	Variation
Power & Telecommunication Systems Company	370.1	354.8	(15.2)
Electronics Business Company	195.9	185.0	(10.9)
Automotive Products Company	157.0	154.1	(2.9)
Real Estate Business Company	10.9	10.8	(0.0)
Other	5.9	5.8	(0.0)
Total	740.0	710.7	(29.2)

From the 171st period (current period), we have changed some businesses relating to special use optical fiber products included previously in the “Power & Telecommunication Systems Company” to be included in “Other.” The categories for the 170th period are also shown reflecting the change.

Power & Telecommunication Systems Company

Main Business:

This in-house company offers a variety of electric wires, cables and equipment, including those for industrial use, and for power transmission, distribution and communication as well as optical fiber cables and various products for the construction of optical networks.

Industrial electric wires, telecommunications metal cables, overhead transmission wires, OPGW (Optical Ground Wires), power distribution lines, cables for power supply, connection components for electric wires and power supply cables, magnet wires, optical fibers, optical fiber cables, connection components including optical connectors, optical devices, optical fusion splicers, optical line monitoring systems, optical transmitters, optical wiring systems and related installation work

The in-house company as a whole posted net sales of ¥354.8 billion, down 4.1% year-on-year, and operating profit of ¥17.7 billion, down 20.5% year-on-year.

The Power Systems business segment posted net sales of ¥203.9 billion, down 4.2% year-on-year, due mainly to the transferring of all the shares owned by the Company of former consolidated subsidiary Fujiden Corporation, in January 2018, which mainly handled sales of the Company’s wires and cables, as well as selective reception of orders amid the intensifying competition in power transmission cables, and intensified competition due to the shrinking of overseas markets for metal cables. Profit also decreased as the cost of the power grid EPC business in Bangladesh exceeded our projection due to design errors and soaring material costs, among other factors.

In the Telecommunication Systems business segment, sales and profit increased in the optical fiber business due to the start-up of additional optical fiber production facilities. However, net sales decreased by 4.1% year-on-year to ¥150.8 billion due to a fall in sales of optical components for data centers and telecommunication operators as well as of optical fiber cables towards the Company’s major customers. In terms of profit, in addition to the above, profit decreased as a result of sluggish demand for high-performance optical fusion splicer products, despite steady sales of general-purpose products.

Electronics Business Company

Main Business:

This in-house company provides various components of electronic equipment for digital home electronics and mobile devices, etc.

FPCs, connectors, electronic wires, HDD components, sensors, heat pipes and membrane

switches

The in-house company posted net sales of ¥185.0 billion, down 5.6% year-on-year, and operating profit of ¥8.3 billion, down 20.3% year-on-year.

Sales and profit fell due to a nosedive during the fourth quarter in the demand for both FPCs and connectors for 2018 model smartphones released by major customers.

Automotive Products Company

Main Business:

This in-house company provides various electric components for automobiles.

Wire harnesses and automotive components

The in-house company posted net sales of ¥154.1 billion, down 1.9% year-on-year, and operating loss of ¥3.2 billion, nearly as same as the previous fiscal year.

With regard to sales, overall revenue decreased as demand fell in China despite increased sales due to launches of products for new vehicle models in North America and Europe. In terms of profit, costs improved in the business for Europe, which was a factor in reducing profit significantly in fiscal year 2017, as a result of reduced burdens due to the shifting of production to other locations, the stabilizing of the workforce through improved working conditions, improved productivity and stabilized quality through enhancing the technical skills of employees. Nonetheless, the in-house company continued to post operating loss as in the previous fiscal year, due partially to a sudden decline in the customer demand in China as well as in Japan.

Real Estate Business Company

Main Business:

This in-house company is engaged in the building rental business through the operation of “Fukagawa GATHARIA.”

While net sales decreased by 0.7% year-on-year to ¥10.8 billion, operating profit decreased by 8.7% year-on-year to ¥5.0 billion, as a result of increased repair costs, etc.

(2) Issues facing the Fujikura Group

(i) Strengthening Corporate Governance

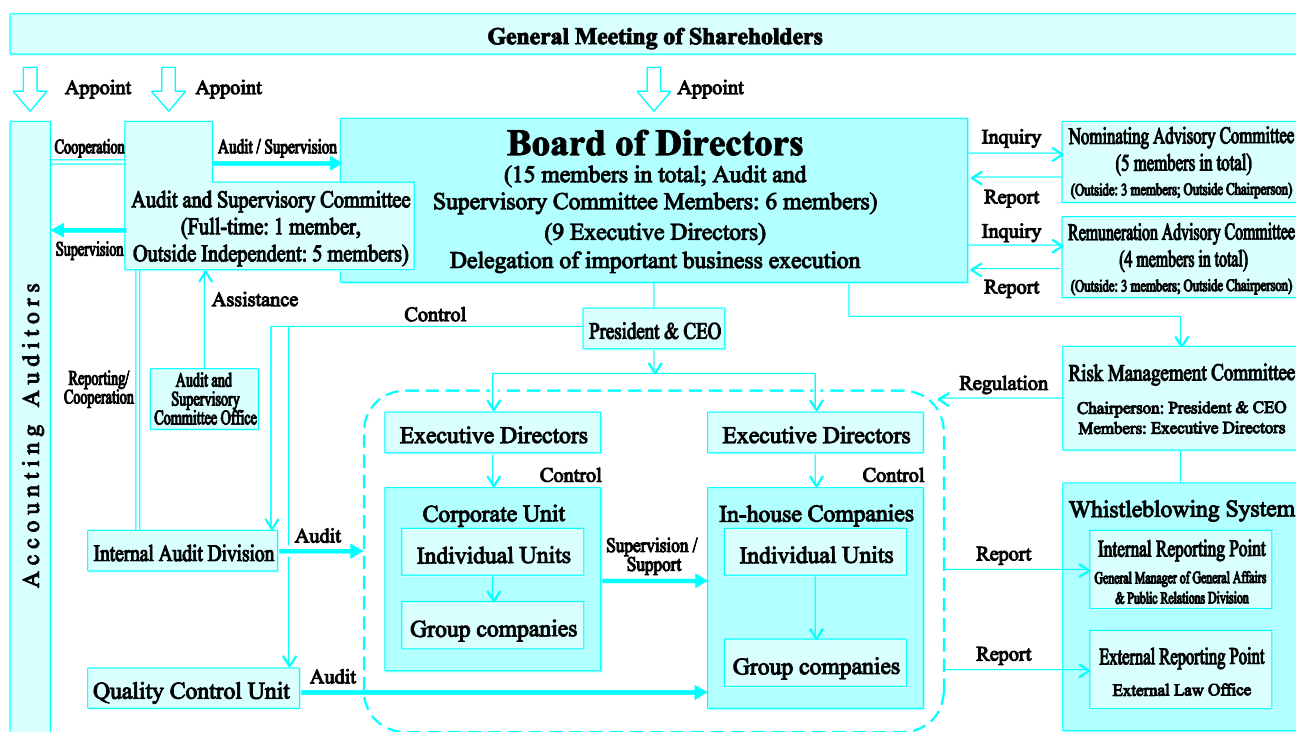
The Company implemented in June 2017 a changeover in governing structure to a company with an Audit and Supervisory Committee, with a view to strengthen flexible and efficient business management through a significant transfer of authority from the Board of Directors to internal executive directors, while enabling the Board of Directors to sufficiently deliberate over important corporate affairs.

Two years on since the aforementioned structural change, the Company is faced with many problems and issues to address including the disruption in the automotive products business in East Europe, large scale losses in the EPC business in Brazil and Bangladesh, and the discovery of the Cases, and revision of the governance system to achieve the objectives of the aforementioned structural change are still under way.

Reflecting on the recent losses generated from our business operations, the Company is currently working to review its framework for business execution, such as by implementing a system to make assumptions, analyze, and investigate risks and ensure prompt response to the materialized risks, as well as by clarifying responsibility for the losses incurred. Furthermore, the Company decided, with a view to strengthening the corporate audit/supervisory function to cope with the risks associated with business operations, to place the Internal Audit Division under the direct control of the President & CEO & Representative Director so as to ensure its independence while implementing additional staffing and training. Meanwhile, as a part of initiatives to enhance the supervisory function of the Board of Directors, the Company is proposing at this General Meeting of Shareholders an increase in the number of Outside Directors independent from the management of the Company.

Reference: The Company's Governance System after Above Revision

Please note that the number of Directors in the diagram is based on the proposal at the 171st Annual General Meeting of Shareholders.



(ii) Handling of the Improper Cases Related to the Quality Control of Our Products (Background, analysis of the causes and measures to prevent recurrences)

Following the Cases announced on August 31, 2018, the Company will thoroughly implement recurrence prevention measures and work to restore the trust that was lost with a firm determination to never repeat such a case.

<Background>

In view of the disclosure of quality control issues by industry peers, the Company conducted in October 2017 three voluntary inspections across the Group, some of which involved deployment of an external law office. This series of inspections discovered issues related to JIS-certified products, including inadequacy in the procedure to alter quality control framework for the purpose of the certification maintenance audit, and quality-related misconduct concerning general-purpose products, which led to the aforementioned announcement on August 31, 2018.

In the investigation conducted thereafter by the external law office, the consistency between the official standards and our product specifications in the entire records and account books during the past year, as well as the consistency between the actual inspection results and the data recorded in the inspection reports submitted to our customers, etc., were confirmed in accordance with the guideline of the law office. In addition, interviews by attorneys as well as collection and analysis of electronic data by experts and reviews by attorneys were conducted. Furthermore, a dedicated hotline was established at the external law office to collect information regarding any quality-related improper acts.

< Results of the investigation conducted by the external law office >

1) Inspection period

From September 2018 to April 2019

2) Types, etc. in which existence of quality-related improper acts was confirmed

Wires, parts, and components for power transmission and distribution; cables for industrial; cables and components for communication; and etc. (75 types of products)

3) Types and number of quality-related improper acts

Non-performance or insufficient frequency of some inspection items:	47 cases
Discrepancies with specifications or quality control process charts:	20 cases
Recording of results different from the actual results in the test and inspection documents:	68 cases
Failure to submit prior application for change of manufacturing method:	17 cases
Total:	152 cases

4) Number of sites where existence of quality-related improper acts was confirmed

15 locations (4 locations of the Company and 11 subsidiaries)

5) Period during which existence of quality-related improper acts was confirmed

From October 1986 to March 2019

6) Customers using products for which existence of quality-related improper acts was confirmed

99 companies (excluding customers using general-purpose products)

<Explanation to Customers and Confirmation of Safety>

We are successively providing explanation to customers and implementing measures concerning the Cases and most customers have completed confirmations on performance, soundness and safety of the products or have told us that there are no problems.

<Causes of Quality-Related Improper Acts >

Our analysis found that the factors behind the Cases are as follows.

- 1) Insufficient function of the quality assurance departments
- 2) Agreeing on the customer specifications in a rubber-stamping manner
- 3) Lack of awareness of quality compliance
- 4) Insufficient function of supervisory duties by supervisors at site
- 5) Corporate culture that prioritizes securing profits

6) The deficiency of company-wide governance systems

<Measures to Prevent Recurrence>

In response to the recommendations of the external law firm that conducted the investigation, we formulated the following measures to prevent recurrence through the deliberation at the Risk Management Committee and the Executive Officers Meeting as well as discussions at the Board of Directors.

1) Governance reforms

In order to ensure thorough quality compliance across the Group, all quality assurance departments currently belonging to each in-house company has been integrated as a company-wide oversight body, and placed it under the direct control of the President & CEO & Representative Director to ensure its independence.

Meanwhile, the Company has implemented structural reinforcement through personnel management, clarification of responsibility and authority of managers and additional staffing as well as staff training improvement.

2) Improvement of awareness of the quality compliance

In order to reform and establish a corporate culture that always places the highest priority on quality compliance, we have decided to review our quality control policy, conduct questionnaire surveys on awareness for all Group employees, raise awareness through holding dialogues between top management and on-site employees, and offer training periodically.

In addition to the above, we will establish training programs and spread the utilization of internal reporting systems so as not to forget about the Cases.

(iii) Business Plan for the Fiscal Year 2019 and Priority Issues for In-house Companies

In the consolidated business plan for the fiscal year of 2019, we will pursue net sales of ¥690 billion (down 2.9% year-on-year), operating profit of ¥28 billion (up 1.2% year-on-year), ordinary income of ¥27 billion (up 28.4% year-on-year), and profit attributable to owners of parent of ¥12 billion, an increase of ¥10.5 billion from the previous fiscal year.

For returning profit to shareholders, the annual dividend per share is scheduled to be decreased from the previous fiscal year 2018 by ¥2 per share to ¥10 per share (aggregate of interim and year-end dividends of ¥5 each), based on the policy of setting a target of 20% for the dividend payout ratio.

Power & Telecommunication Systems Company

In the Power Systems business segment, we will continue to pursue reforms involving improvement of the business cost structure needed to develop a system to secure the necessary revenue for continuing existing businesses related to electric wires and cables. In addition, we will reexamine the state of the EPC business in light of significant losses recorded during fiscal year 2018 in the overseas EPC business, which we have been developing in emerging economies.

In the Telecommunication Systems business segment, while stagnating demand and price declines are forecasted in China during fiscal year 2019, we expect that demand in North America will remain steady. The Company will work to boost sales of Spider Web Ribbon[®] and Wrapping Tube Cable[™], strategic products of the Company that are light, thin and can reduce construction costs, to enhance business in strong markets such as North America.

Electronic Components & Connectors Company

On April 1 of this year, the Company has integrated the Electronics Business Company, which mainly handled FPCs and connectors, and the Automotive Products Company, which mainly handled automotive wire harnesses, to create the “Electronic Components & Connectors Company”. The automotive business is in a once-in-a-century period of innovation and increased demand for new-energy vehicles such as electric cars and a further expansion in the digitization and computerization of automobiles are expected. We concluded we can create a new business that enables us to provide our customers with greater value through integrating the Electronics Business Company’s products and technologies, which have high potential for applications in the

evolving automobiles, together with the business foundations that have been cultivated in the automotive wire harness business. Through this new business system, we will aim towards further growth.

In electronics related business, we will strive to strengthen relationships with strategic customers through speedy responses, while implementing effective capital investment. In addition, while further refining quality assurance, which is the Company's strength and a business management priority, we will work to further improve productivity by reducing man-power requirement through the automation of manufacturing and inspection processes and by improving yields in order to boost our competitiveness.

In the automotive products business, we are currently working to rebuild the wire harness business that has worsened due in part to production system confusion as a result of poor management in European locations. We will work to secure profit by consolidating and reorganizing manufacturing locations in Europe and shifting production to North Africa. In Asia, we will implement structure reforms to reduce fixed costs in response to the rapid falls in domestic and Chinese demand.

(3) Fujikura Group Capital Investment

The total amount of capital investments was ¥55.7 billion for the 171st period.

Principal capital investments are as follows.

Power & Telecommunication Systems Company

To respond to the increasing orders-received due to robust demand for optical fiber, the Company made capital investments to expand production capacity.

For the purpose of expanding production of Spider Web Ribbon[®] and Wrapping Tube Cable[™], which are strategic products of optical fiber cables, the Company expanded facilities.

Electronics Business Company

In the Kingdom of Thailand, China and other countries, the Company made capital investments to prepare an ordering system for new smartphone models with higher functionality, introduce manufacturing facilities in line with the enhanced functionality, and to improve productivity.

Automotive Products Company

In the Kingdom of Morocco, we made capital investments towards the receiving of new orders of wire harnesses for electric cars.

(4) Fujikura Group Fund Procurement

1) Fund procurement

The Company has signed a short-term loan commitment line agreement of a total of ¥30 billion with a main correspondent financial institution. There was no borrowing balance at the end of the period under review.

2) Principal lenders and loan amounts

(Millions of yen)	
Lender	Loan balance
Sumitomo Mitsui Banking Corporation	57,323
MUFG Bank, Ltd.	23,898
Mizuho Bank, Ltd.	22,282
Sumitomo Mitsui Trust Bank, Limited	20,212
The Shizuoka Bank, Ltd.	14,906
Sumitomo Mitsui Banking Corporation (China) Limited	8,860
Syndicated loan	41,350

Note: The syndicated loan is a loan from a syndicate, with Sumitomo Mitsui Banking Corporation as the arranger.

(5) Financial Position and Business Performance

(Millions of yen)

Title	168th period FY2015	169th period FY2016	170th period FY2017	171st period (current period) FY2018
Net Sales	678,528	653,795	740,052	710,778
Ordinary Income	24,629	32,555	34,122	21,020
Profit attributable to owners of parent	11,317	12,900	18,359	1,453
EPS (yen)	36.98	44.61	64.36	5.09
Net Assets	217,981	224,546	241,961	240,910
Total Assets	552,678	588,626	638,055	638,318

(6) Major Lines of Business of the Fujikura Group

Power & Telecommunication Systems Company

This in-house company offers a variety of electric wires, cables and equipment, including those for industrial use, and for power transmission, distribution and communication as well as optical fiber cables and various products for the construction of optical networks.

Industrial electric wires, telecommunications metal cables, overhead transmission wires, OPGW (Optical Ground Wires), power distribution lines, cables for power supply, connection components for electric wires and power supply cables, optical fibers, optical fiber cables, connection components including optical connectors, optical devices, optical fusion splicers, optical line monitoring systems, optical transmitters, optical wiring systems and related installation work

Electronics Business Company

This in-house company provides various components of electronic equipment for digital home electronics and mobile devices, etc.

FPCs, connectors, electronic wires, HDD components, sensors, heat pipes and membrane switches

Automotive Products Company

This in-house company provides various electric components for automobiles.

Wire harnesses and automotive components

Real Estate Business Company

This in-house company is engaged in the building rental business through the operation of “Fukagawa GATHARIA.”

(7) Principal Business Locations of the Fujikura Group (Names and locations)

* The Company

Head office: Koto-ku, Tokyo

Branches: Kansai Branch (Osaka Prefecture), Chubu Branch (Aichi Prefecture)

Plants: Sakura Works (Chiba Prefecture), Suzuka Works (Mie Prefecture) and Numazu Works (Shizuoka Prefecture)

Laboratories: Advanced Technology Laboratory (Chiba Prefecture)

* Subsidiaries

Fujikura Dia Cable Ltd. (Tokyo), Nishi Nippon Electric Wire & Cable Co., Ltd. (Oita Prefecture), Yonezawa Electric Wire Co., Ltd. (Fukushima Prefecture), America Fujikura Ltd. (U.S.), Fujikura Electronics (Thailand) Ltd. (the Kingdom of Thailand), Fujikura Electronics Shanghai Ltd. (China), DDK (Shanghai) Co., Ltd. (China), Fujikura Automotive Asia Ltd. (Yamagata Prefecture), Fujikura Automotive Europe S.A.U. (Spain), and Fujikura Automotive America LLC. (U.S.)

(8) Employees of the Fujikura Group (as of March 31, 2019)

Segments, etc.	Number of employees (persons)	
Power & Telecommunication Systems Company	11,564	(1,414)
Electronics Business Company	13,498	(6,559)
Automotive Products Company	30,861	(6,857)
Real Estate Business Company	10	(24)
Head office and other	1,295	(248)
Total	57,228	(15,102)

Note: Figures shown in parentheses above are annual average numbers of temporary employees, excluded from the total number of employees.

(9) Principal Subsidiaries

The outline of principal subsidiaries of the Company is as follows. Each subsidiary manufactures and sells the products listed in the right column.

The Company has 102 consolidated subsidiaries and 9 subsidiaries under the equity method.

Company name	Major lines of business
Fujikura Dia Cable Ltd. Capital: ¥5,400 million Ownership percentage: 60.0%	Electric wires and cables
Nishi Nippon Electric Wire & Cable Co., Ltd. Capital: ¥960 million Ownership percentage: 60.8%	Electric wires and cables and optical cables
Yonezawa Electric Wire Co., Ltd. Capital: ¥400 million Ownership percentage: 94.9%	Electric wires and cables
America Fujikura Ltd. Capital: 202 million U.S. dollars Ownership percentage: 100.0%	OPGW, optical cables, optical fusion splicers, optical connection parts and telecommunications related work
Fujikura Electronics (Thailand) Ltd. Capital: 11,552 million Thai baht Ownership percentage: 100.0%	FPCs and electronic components
Fujikura Electronics Shanghai Ltd. Capital: 97 million renminbi Ownership percentage: 100.0%	FPCs
DDK (Shanghai) Co., Ltd. Capital: 102 million renminbi Ownership percentage: 100.0%	Connectors
Fujikura Automotive Asia Ltd. Capital: ¥1,772 million Ownership percentage: 100.0%	Wire harnesses for automobiles
Fujikura Automotive Europe S.A.U. Capital: 10 million euros Ownership percentage: 100.0%	Wire harnesses for automobiles
Fujikura Automotive America LLC. Capital: 3 million U.S. dollars Ownership percentage: 100.0%	Wire harnesses for automobiles

2. Company's Stock (As of March 31, 2019)

(1) Number of Authorized Shares	1,190,000,000 shares
(2) Number of Shares Issued	295,863,421 shares (Including 9,453,051 shares of treasury stock)
(3) Number of Shareholders	36,623 (up 7,626 from the previous fiscal year end)
(4) Major Shareholders	

(Thousand shares; %)		
Name	Number of shares held	Percentage of total shares issued
The Master Trust Bank of Japan, Ltd. (Trust Account)	31,320	10.94
Japan Trustee Services Bank, Ltd. (Trust Account)	20,723	7.24
Mitsui Life Insurance Company Limited	10,192	3.56
Sumitomo Mitsui Banking Corporation	8,456	2.95
Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Trust Bank, Limited Retirement Benefit Trust Account)	6,777	2.37
Dowa Metals & Mining Co., Ltd.	6,563	2.29
The Shizuoka Bank, Ltd.	5,788	2.02
Japan Trustee Services Bank, Ltd. (Trust Account 5)	4,676	1.63
Fujikura Employees Shareholding Association	4,627	1.62
DFA INTL SMALL CAP VALUE PORTFOLIO	4,562	1.59

Notes:

1. The numbers presented in "Number of shares held" are based on the list of shareholders.
2. Mitsui Life Insurance Company Limited changed its name to the Taiju Life Insurance Company Limited on April 1, 2019.
3. Although the Company owns 9,453,051 shares of treasury stock, this is excluded from the above table. Treasury stock does not include 992,715 shares held by the trust account relating to the stock distribution trust established for the stock-based compensation plan for Directors (excluding Outside Directors) and Executive Officers.
4. The percentage values presented in "Percentage of total shares issued" are calculated excluding treasury stock.

3. Company's Officers

(1) Directors (As of March 31, 2019)

Position	Name	Responsibilities
President & CEO & Representative Director*	Masahiko Ito	
Executive Vice President & Member of the Board*	Akira Wada	Corporate R&D Unit, Corporate Production Unit
Senior Vice President & Member of the Board	Akira Sasagawa	Automotive Products Company
Senior Vice President & Member of the Board	Hideyuki Hosoya	Power & Telecommunication Systems Company
Senior Vice President & Member of the Board	Takeaki Kitajima	Corporate Sales & Marketing Unit
Senior Vice President & Member of the Board	Takashi Takizawa	Corporate Staff Unit (Corporate Strategy Planning Division, Legal Department, Human Resource Division and others)
Senior Vice President & Member of the Board	Tetsu Ito	Corporate Staff Unit (Finance & Accounting Division, Audit Division and others), Real Estate Business Company
Senior Vice President & Member of the Board	Ikuo Kobayashi	Electronics Business Company
Senior Vice President & Member of the Board	Joseph E. Gallagher	President, AFL Telecommunications LLC.
Director serving as Audit and Supervisory Committee Member (Full-time)	Yasuyuki Oda	
Director serving as Audit and Supervisory Committee Member (Outside)	Soichiro Sekiuchi	
Director serving as Audit and Supervisory Committee Member (Outside)	Masaaki Shimojima	
Director serving as Audit and Supervisory Committee Member (Outside)	Kenichiro Abe	
Director serving as Audit and Supervisory Committee Member (Outside)	Yoshio Shirai	

Notes:

1. The asterisk (*) indicates the Representative Director.
2. Full-time Audit and Supervisory Committee Member is selected to ensure the effectiveness of the activities of the Audit and Supervisory Committee.
3. Directors serving as Audit and Supervisory Committee Member Mr. Soichiro Sekiuchi, Mr. Masaaki Shimojima, Mr. Kenichiro Abe and Mr. Yoshio Shirai serve as Outside Directors, as provided for in Article 2, Item 15 of the Companies Act.
4. Director serving as Audit and Supervisory Committee Member Mr. Yasuyuki Oda has experience in the Finance & Accounting Division of the Company for many years and has a significantly high level of knowledge about finance and accounting.
Director serving as Audit and Supervisory Committee Member Mr. Masaaki Shimojima has assumed key posts in a major city bank for many years and has a significantly high level of knowledge about finance and accounting.

Director serving as Audit and Supervisory Committee Member Mr. Kenichiro Abe is a certified public accountant and has a significantly high level of knowledge about finance and accounting.

5. Significant concurrent positions are as follows.

Senior Vice President & Member of the Board Mr. Joseph E. Gallagher is President of subsidiary AFL Telecommunications LLC., ATI International Investments Inc., AFL IG LLC and Sofetek Hong Kong Limited.

Director serving as Audit and Supervisory Committee Member Mr. Soichiro Sekiuchi is an attorney at law at Tokyo Yurakucho Law Office.

Director serving as Audit and Supervisory Committee Member Mr. Kenichiro Abe is External Audit & Supervisory Board Member of SoftBank Corp.

Director serving as Audit and Supervisory Committee Member Mr. Yoshio Shirai is Senior Adviser to Hino Motors, Ltd. and Director (outside director), Audit & Supervisory Committee Member of Seiko Epson Corporation.

The Company and Seiko Epson Corporation have dealings relating to sales of FPCs, electronic wires, and pressure sensors.

6. Directors serving as Audit and Supervisory Committee Members Mr. Soichiro Sekiuchi, Mr. Masaaki Shimojima, Mr. Kenichiro Abe and Mr. Yoshio Shirai are registered as Independent Officers with the Tokyo Stock Exchange.

7. Directors Mr. Yoichi Nagahama and Mr. Takashi Sato retired from their offices due to the expiration of their terms of office at the conclusion of the 170th Annual General Meeting of Shareholders held on June 28, 2018.

8. On April 1, 2019, responsibilities of Directors were changed as follows.

Name	After Change	Before Change
Takeaki Kitajima	Executive Vice President & Member of the Board	Senior Vice President & Member of the Board
Akira Sasagawa	Director	Senior Vice President & Member of the Board

9. Executive Officers (as of April 1, 2019)

Managing Executive Officer	Takeshi Sato
Managing Executive Officer	Yukihiro Nakayama
Managing Executive Officer	Masato Inaba
Managing Executive Officer	Kenji Nishide
Managing Executive Officer	Ryoichi Hara
Managing Executive Officer	Kinya Takimura
Managing Executive Officer	Hideo Goto
Managing Executive Officer	Akira Saita
Managing Executive Officer	Shigeo Sekikawa
Managing Executive Officer	Junji Fukuhara
Managing Executive Officer	Koji Ueda
Executive Officer	Kiminori Sato
Executive Officer	Masataka Mito
Executive Officer	Tomoharu Morimoto
Executive Officer	Daiichiro Tanaka
Executive Officer	Shigeo Ueki
Executive Officer	Toshiyuki Takeshima
Executive Officer	Norihiro Yokoyama
Executive Officer	Munehisa Fujimaki
Executive Officer	Toshio Shimma

(2) Overview of provisions in contracts for liability limitation

The Company and each Outside Director have entered into a contract to limit their liability to damages in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the said act. The maximum amount of liability for damages under this contract is defined as the minimum liability amount stipulated by laws and regulations.

(3) Outside Directors

The Company's Outside Directors are Mr. Soichiro Sekiuchi, Mr. Masaaki Shimojima, Mr. Kenichiro Abe and Mr. Yoshio Shirai.

Main activities during the 171st Period

	Attendance and Statements Contribution
Director serving as Audit and Supervisory Committee Member Soichiro Sekiuchi	<p>He attended all 20 meetings of the Board of Directors, which were held during the current fiscal year, and all 22 meetings of the Audit and Supervisory Committee. He took part in discussions at the meetings of the Board of Directors from a standpoint independent from management, asked questions in order to confirm the purposes and details of the agenda, and, utilizing his expertise and work experience as an attorney at law, made appropriate remarks as required on matters requiring caution, etc.</p> <p>On August 31, 2018, the Company announced the cases of quality-related impropriety. Despite not being aware of the cases until the problem was discovered, he has made suggestions and called for attention regarding compliance as well as construction and operations of corporate governance at meetings of the Board of Directors and other places in his capacity as Director serving as Audit and Supervisory Committee Member of the Company.</p> <p>Following the above announcement, Mr. Sekiuchi has actively contributed to the correction of such act and formulation of measures to prevent recurrence such as by utilizing his expertise and abundant experience as an attorney at law to express his opinions at the meetings of the Board of Directors and other occasions regarding the appropriateness and preventative measures including validity of investigation methods and verification of product safety, enhancement of quality governance, organizational reforms, and corporate culture reforms.</p>

	Attendance and Statements Contribution
Director serving as Audit and Supervisory Committee Member Masaaki Shimojima	<p>He attended all 20 meetings of the Board of Directors, which were held during the current fiscal year, and all 22 meetings of the Audit and Supervisory Committee. He took part in discussions at the meetings of the Board of Directors from a standpoint independent from management, asked questions in order to confirm the purposes and details of the agenda, and, utilizing his experience and knowledge acquired in important positions in a major city bank over the years, made appropriate remarks as required on matters requiring caution, etc.</p> <p>On August 31, 2018, the Company announced the cases of quality-related impropriety. Despite not being aware of the cases until the problem was discovered, he has made suggestions and called for attention regarding compliance as well as construction and operations of corporate governance at meetings of the Board of Directors and other places in his capacity as Director serving as Audit and Supervisory Committee Member of the Company.</p> <p>Following the above announcement, Mr. Shimojima has actively contributed to the correction of such act and formulation of measures to prevent recurrence such as by utilizing his abundant experience and knowledge to express his opinions at the meetings of the Board of Directors and other occasions regarding the appropriateness and preventative measures including validity of investigation methods and verification of product safety, enhancement of quality governance, organizational reforms, and corporate culture reforms.</p>
Director serving as Audit and Supervisory Committee Member Kenichiro Abe	<p>He attended 18 out of 20 meetings of the Board of Directors, which were held during the current fiscal year, and 21 out of 22 meetings of the Audit and Supervisory Committee. He took part in discussions and decisions at the meetings of the Board of Directors from a standpoint independent from management, asked questions in order to confirm the purposes and details of the agenda, and, utilizing his expertise and work experience as a certified public accountant, made appropriate remarks as required on matters requiring caution, etc.</p> <p>On August 31, 2018, the Company announced the cases of quality-related impropriety. Despite not being aware of the cases until the problem was discovered, he has made suggestions and called for attention regarding compliance as well as construction and operations of corporate governance at meetings of the Board of Directors and other places in his capacity as Director serving as Audit and Supervisory Committee Member of the Company.</p> <p>Following the above announcement, Mr. Abe has actively contributed to the correction of such act and formulation of measures to prevent recurrence such as by utilizing his expertise and abundant experience as a certified public accountant to express his opinions at the meetings of the Board of Directors and other occasions regarding the appropriateness and preventative measures including validity of investigation methods and verification of product safety, enhancement of quality governance, organizational reforms, and corporate culture reforms.</p>

	Attendance and Statements Contribution
Director serving as Audit and Supervisory Committee Member Yoshio Shirai	<p>He attended 19 out of 20 meetings of the Board of Directors, which were held during the current fiscal year, and all 22 meetings of the Audit and Supervisory Committee. He took part in discussions at the meetings of the Board of Directors from a standpoint independent from management, and made appropriate and adequate remarks relating to decision-making of the Board of Directors, mainly utilizing his abundant experience and knowledge from many years in corporate management.</p> <p>On August 31, 2018, the Company announced the cases of quality-related impropriety. Despite not being aware of the cases until the problem was discovered, he has made suggestions and called for attention regarding compliance as well as construction and operations of corporate governance at meetings of the Board of Directors and other places in his capacity as Director serving as Audit and Supervisory Committee Member of the Company.</p> <p>Following the above announcement, Mr. Shirai has actively contributed to the correction of such act and formulation of measures to prevent recurrence such as by utilizing his abundant experience and knowledge to express his opinions at the meetings of the Board of Directors and other occasions regarding the appropriateness and preventative measures including validity of investigation methods and verification of product safety, enhancement of quality governance, organizational reforms, and corporate culture reforms.</p>

There is nothing applicable to the disclosure items concerning outside officers, stipulated in Article 124 of the Ordinance for Enforcement of the Companies Act, except for the aforementioned and following in next (4).

(4) Total Amount of Compensation to Directors and Corporate Auditors

Category	Number of people	Amount of compensation		Total
		Stock-based compensation	Monetary compensation	
Directors not serving as Audit and Supervisory Committee Members	11	¥345,000,000	¥62,000,000	¥408,000,000
Directors serving as Audit and Supervisory Committee Members (Excluding Outside Directors)	1	¥25,000,000	-	¥25,000,000
Directors serving as Audit and Supervisory Committee Members (Outside Directors)	4	¥55,000,000	-	¥55,000,000

Notes:

1. It was resolved that the amount of compensation of Directors not serving as Audit and Supervisory Committee Members should be under ¥600 million per year at the 169th Annual General Meeting of Shareholders.
2. It was resolved that a stock-based compensation plan should be established for Directors not serving as Audit and Supervisory Committee Members separately from the amount of monetary compensation, in the form of the Company's common stock distributed when leaving from their offices, at the 169th Annual General Meeting of Shareholders.
It was also resolved that the compensation should be under ¥120 million and under 285,000 shares per fiscal year.
3. It was resolved that the amount of compensation to Directors serving as Audit and Supervisory Committee Members should be under ¥100 million per year (of which under ¥70 million for Outside Director) at the 169th Annual General Meeting of Shareholders.
4. Of the Company's Directors who are not Audit and Supervisory Committee Members, there are no Outside Directors.

(5) Outline of the Policy on Determining Compensation to Directors

The Company not only deals with a variety of products but also promotes a global business operation. Accordingly, the duties of Directors are diverse and require expertise. Therefore, the standard for compensation to Directors should be set at a level appropriate to recruit qualified people capable of fulfilling these duties, and in specific, the compensation for Directors comprises following three categories referring to surveys conducted by a number of research agencies that target mainly listed companies. Based on objective benchmarks and evaluations, the remuneration policy has been reformed to ensure stronger link to performance.

The amount of compensation shall be decided by the advisory organ of the Board of Directors, the Remuneration Advisory Committee (comprises of a majority of Outside Directors; and chaired by an Outside Director).

1) Basic compensation

The portion corresponding to the monitoring and supervision functions of each Director, which is a fixed amount according to his/her rank.

2) Short-term performance-based compensation

A base amount by rank shall be established reflecting the corporate performance or the performance of the divisions under each Director's responsibility. The amount of compensation under this category shall vary within a range between 0% and 200% of the aforementioned base amount, depending on certain indicators (operating income ratio, return on equity (ROE), and return on invested capital (ROIC)).

3) Stock-based compensation

Apart from the monetary compensation in 1) and 2) above, a scheme that provides compensation in the form of common stock of the Company shall be established. This scheme is intended to enhance the motivation of Directors towards contribution to an increase in corporate value of the Company, by placing Directors in a position to enjoy the merit of a rising share price as well as to bear the risk of a falling share price, whereby Directors and shareholders share the merit and demerit of such fluctuations.

Roughly 40% or more of the entire compensation shall be represented by the portion subject to fluctuations at a maximum, depending on performance and share price (short-term performance-based compensation and stock compensation).

Compensations for non-executive Directors, in light of their duties, will be exclusively a fixed amount as basic compensation, not including short-term performance-based compensation and stock-based compensation.

[Remuneration Advisory Committee]

In determining the compensation, etc. of Directors not serving as Audit and Supervisory Committee Members, the advisory organ of the Board of Directors, the Remuneration Advisory Committee (comprises of the Director in charge of human resources and three Outside Directors; and chaired by an Outside Director), verifies the fairness and appropriateness of the decision process regarding the performance evaluation of each Director, remuneration standards in line with the market, the remuneration system as well as fairness and validity of the process for determining the detailed amount of compensation.

The Remuneration Advisory Committee concluded that the decisions were fair and reasonable regarding compensations to Directors not serving as Audit and Supervisory Committee Members.

[Opinions of the Audit and Supervisory Committee Regarding Compensation of Directors not Serving as Audit and Supervisory Committee Members]

The Audit and Supervisory Committee received a report from the Audit and Supervisory Committee Member, who attended a meeting of the Remuneration Advisory Committee, and discussed such report within the Committee. As a result, the Audit and Supervisory Committee reached the conclusion that the decision process within the Remuneration Advisory Committee for the compensation, etc. to Directors not serving as Audit and Supervisory Committee Members of is appropriate, and there are no special matters to be stated at the general meeting of shareholders

pursuant to the provisions of the Companies Act.

4. Accounting Auditor

(1) Name of Accounting Auditor

PricewaterhouseCoopers Aarata LLC

(2) Content of Non-Audit Services

Not applicable.

(3) Compensation paid by the Total Fujikura Group

	Amount
1. Compensations as Accounting Auditor of the Company for the 171st period	¥97 million
2. Sum of amount the Company and its subsidiaries owe to Accounting Auditor (including the amount set forth in 4.(3).1).	¥163 million

Notes:

1. In the audit contract between the Company and Accounting Auditor, it is not practically possible to distinguish between the compensation for the audit based on the Companies Act and that based on the Financial Instruments and Exchange Act. Therefore, the amount set forth in 4.(3).1 above is the sum of them.
2. The Company's principal subsidiary companies, America Fujikura Ltd., Fujikura Electronics (Thailand) Ltd., Fujikura Electronics Shanghai Ltd., Fujikura Automotive Europe S.A.U. and Fujikura Automotive America LLC. are subject to audits by audit corporations other than the Company's accounting auditor.
3. Taking into account the "Practical Guidelines for Cooperation with Accounting Auditors" released by Japan Audit & Supervisory Board Members Association, the Audit and Supervisory Committee, by acquiring necessary documents and hearing reports from Accounting Auditor and relevant sections within the Company, compares the audit plan with the actual results of the previous fiscal year; confirms the time and contents of audit by auditing item for the fiscal year under review; and examines the appropriateness of the amount of compensation. After these discussions, the Audit and Supervisory Committee gives its consent to the compensation etc. of Accounting Auditor in accordance with Article 399, Paragraphs 1 and 3 of the Companies Act.

(4) Policy on Decision Concerning Dismissal or Non-Reappointment of Accounting Auditor

It is the policy of the Company that the Accounting Auditor shall be dismissed with the consent of all Audit and Supervisory Committee Members in the case that the Accounting Auditor infringes on or violates laws and regulations such as the Companies Act and the Certified Public Accountant Law. Moreover, in the case that it determines that a serious impediment or possibility of a serious impediment arises in the Company's auditing in light of changes in the nature of the Company's business or the corporate scale including consolidated group, or smoothness of partnership with other audit organizations, the Audit and Supervisory Committee shall propose to a General Meeting of Shareholders "Dismissal or Non-reappointment of Accounting Auditor."

5. System to Secure Appropriate Operation and Operational Status of the System

(1) The Contents of Decision for System to Secure Appropriate Operation

1) Body Responsible for the Management System and Internal Control System

[Management System]

The Company is a company with an Audit and Supervisory Committee. There are total of fourteen (14) Directors, consisting of nine (9) Directors not serving as Audit and Supervisory Committee Members (hereinafter “executive directors”) and five (5) Directors serving as Audit and Supervisory Committee Members (hereinafter “Audit and Supervisory Committee Members”). All four (4) Outside Directors are Audit and Supervisory Committee Members.

The Board of Directors of the Company may elect one (1) Chairman of the Board & Representative Director, one (1) President and CEO & Representative Director, several Senior Executive Vice Presidents, several Executive Vice Presidents & Members of the Board and several Senior Vice Presidents & Members of the Board as executive directors through its resolution. The President and CEO & Representative Director is Chairman of the Board of Directors as well as CEO for an overall corporate group comprising of the Company and its subsidiaries (hereinafter collectively “the Group”, and respective subsidiary as “Group company”). Executive directors other than President and CEO & Representative Director are in charge of main business fields organized as an in-house company, or organizational management of cross-company indirect departments including the corporate unit and R&D unit other than the in-house company (hereinafter “corporate unit, etc.”) or organizations which belong to corporate unit, etc.. Furthermore, an executive director from the Company is appointed to be in charge of significant Group companies with the business scale equivalent to that of an in-house company.

The Company’s management is executed under a system where the President & CEO & Representative Director controls the individual executive directors accountable for the above responsibilities.

The Audit and Supervisory Committee consists of five (5) members, of which one (1) is a full-time Internal Director and four (4) are Outside Directors. The Audit and Supervisory Committee Office was established as an organization to support the activity of the Audit and Supervisory Committee under its supervision.

[Establishment of Internal Control System by Executive Directors and Audit by the Audit and Supervisory Committee]

With respect to in-house companies and corporate unit, etc. and Group companies of which executive directors are in charge, they are responsible for ensuring the compliance and execution of the internal control system determined in the following B) and C). Given their position as a member of the Board of Directors which decides on the internal control system, they are responsible for the adequacy of the internal control system.

The Audit and Supervisory Committee’s audit is conducted by confirming and verifying the conditions of compliance and execution of internal control system (refer to B) below) related to the execution of duties by executive directors. Therefore, the Audit and Supervisory Committee conducts investigations on conditions of the Company and Group companies and confirms and verifies the details of information provided by parties in charge of business execution. Furthermore, the Committee may call for explanations from executive directors and other parties in charge of business execution when deemed necessary. Along with this, given their position as a member of the Board of Directors which decides the internal control system, they are also responsible for the adequacy of the internal control system.

2) Matters in Article 399-13, Paragraph 1, Item 1-c of the Companies Act

[The development of systems necessary to ensure that the execution of the duties by the directors complies with the laws and regulations and the articles of incorporation, and other systems prescribed by Ministry of Justice Order as systems necessary to ensure the properness of operations of a Stock Company and of operations of a group of enterprises consisting of the stock company and its subsidiary companies]

A) Matters in Article 399-13, Paragraph 1, Item 1-c of the Companies Act

[The development of systems necessary to ensure that the execution of the duties by the directors complies with the laws and regulations]

The main decision-making of the Company is conducted by the Board of Directors and executive directors whom the Board of Directors delegate authority to. With respect to the Board of Directors, the Corporate Strategy Planning Division or the Legal Department verifies if deliberations comply with laws, regulations and the Articles of Incorporation in advance, and Outside Directors with specialized expertise (attorneys at law and certified public accountants) are included in further deliberations at the meetings of

the Board of Directors to thoroughly confirm their compliance.

Decisions for which authority is delegated to executive directors in accordance with “Rules on Responsibilities and Authorities of Executive Directors” are recorded in a dedicated database and related corporate units and the Audit and Supervisory Committee Office confirm the content or confirm if they comply with laws, regulations and the Articles of Incorporation by confirming the details with executive directors, etc. Furthermore, Audit and Supervisory Committee Members may peruse information recorded in the database at any time and confirm the content and details directly or via the Audit and Supervisory Committee Office when needed.

With respect to daily operations executed under the control of executive directors, while the compliance is ensured by internal rules specified by each corporate unit, education and individual instruction, etc., issues are detected, measures are formulated and their implementation is confirmed by conducting operational audit by the Internal Audit Office

Matters to note particularly with respect to compliance are shared by the Risk Management Committee held regularly, and top management instructs to improve management accuracy, etc.

In addition, the public interest reporting system is used by specifying “Rules on Internal Reporting System.” It establishes the reporting contact point by General Affairs & Public Relations Division and outside attorney at law, and ensures anonymity of and prohibits unfair treatment of whistle-blowers.

Article 110-4, Paragraph 2, Item 1 to Item 5 of Companies Act Enforcement Regulations shall be as follows.

B) Matters listed in Article 110-4, Paragraph 2, Item 1

[Systems for the retention and management of information in relation to the execution of the duties of a Director]

With respect to reports and decisions by the Board of Directors as well as decisions by executive directors, the Corporate Strategy Planning Division and the Legal Department shall control and store documents prepared for reports and decisions shared at meetings, etc. as well as documents such as minutes recording content of reports and decisions, and respond to inquiries from related parties.

With respect to the documents such as the discussion material distributed and minutes for the Executive Officers Meeting, the Capital Expenses Committee, the Risk Management Committee, the in-house company executive committees and other meetings for important decision-makings and information transmission shall be collectively stored and managed by the principal unit for each meeting in accordance with its stipulated rules, and they respond to inquiries from internal related parties when deemed necessary.

With respect to decision-making in writing not by a meeting body, units in charge of such decisions shall store and manage documents stating decisions in an appropriate manner and respond to inquiries from internal related parties.

C) Matters listed in Article 110-4, Paragraph 2, Item 2 of Companies Act Enforcement Regulations

[Rules and other systems related to management of the risk of loss]

The Company classifies risks to be managed (including risks which occur in the Group companies) into risks related to business opportunities (“strategy risks”) and risks related to the performance of its business activities (“operational risks”). Strategy risks are managed by the Board of Directors, which is responsible for decision-making, and executive directors in the respective review process of decisions. Operational risks are managed by the Risk Management Committee chaired by President & CEO & Representative Director based on the “Fujikura Risk Management Rules”.

With regard to crisis management in case that material loss or the occurrence is imminent, we provide prompt information transmission and concentration to top management, and establish a response organization and a responsibility system, etc. as stated in the Risk Management Rules above.

D) Matters listed in Article 110-4, Paragraph 2, Item 3 of Companies Act Enforcement Regulations

[Systems to ensure that the execution of the duties of a Director is performed efficiently]

The execution system where President & CEO & Representative Director is CEO (refer to the above (1) [Management System]) allocates decision-makings to the Board of Directors and executive directors for its efficient operation.

The Board of Directors shall determine by thorough and extensive deliberation of major items that form the core of the Company’s growth strategy, such as annual and mid-term business plans and large-scale M&As. Therefore, the makeup of the Board of Directors consists not only of executive directors who manage each in-house company, but also includes Outside Directors with diverse knowledge and excellent objectivity.

Executive directors who manage each in-house company and the corporate unit, etc. have authority to

decide on matters exclusive to those organizations and matters with a relatively minimal degree of risk, and flexibly and efficiently execute by a quick and decisive decision-making.

**E) Matters listed in Article 110-4, Paragraph 2, Item 4 of Companies Act Enforcement Regulations
[Systems to ensure that the execution of the duties of an employee of the stock company complies with laws and regulations and the articles of incorporation]**

The Risk Management Committee chaired by President & CEO & Representative Director is responsible for ensuring the Company's employees and other persons engaged in the Company's operations comply with laws and regulations, and directs as top management regarding identifying issues, sharing information, the training and other measures for legal compliance planned by the corporate unit.

As the public interest reporting system, the Company's employees and other persons engaged in the Company's operations may report to General Affairs & Public Relations Division and outside attorney at law in accordance with "Rules on Use of Internal Reporting System" specifying assurance of anonymity and prohibiting unfair treatment of whistle-blowers.

F) Matters listed in Article 110-4, Paragraph 2, Item 5-a, b, c, d of Companies Act Enforcement Regulations

[Systems to ensure the properness of business activities in a business group]

With respect to each Group company, each company is specified either as an in-house company or a corporate unit, etc. of which the Company is in charge of. Executive directors in charge of the applicable divisions are responsible for overall management of Group companies in charge.

Executive directors may directly control significant Group companies which do not belong to in-house companies or corporate unit, etc., given that their business scale is equivalent to that of an in-house company.

(a) System related to Reports to the Company for Matters concerning the Execution of Duties of Directors and Executing Employees (Hereinafter "Directors, etc.") of subsidiaries

The division in charge establishes rules on in-house company executive committees, etc. to control reports from Group companies, and receives monthly reports for operating results for Group companies, and reports for important matters such as human resources, organization, capital expenses and product quality in a timely manner.

(b) Rules on Management of Risk of Loss for Subsidiaries and Other Systems

Each Group company sets rules on risk management with a basic principle to manage its own risk. The division in charge receives the timely and appropriate reports for risks which occurred at a Group company in charge, and establishes a system to support and guide the Group company for responses to the risk occurred.

(c) System to Ensure if the Duties of Directors, etc. of Subsidiaries are Executed Efficiently

We will clearly specify each role and function for respective Group company and formulate business plan as a corporate group including these Group companies. The system will be arranged in a way that enables a budget monitoring through periodic performance report and close collaboration as well as a smooth and detailed communication through personnel exchange, etc.

(d) System to Ensure the Compliance with Laws, Regulations and the Articles of Incorporation in the Execution of Duties by Directors and Employees of Subsidiaries

Each Group company will appoint a person responsible for compliance with laws and regulations. Such responsible person will report the status of compliance with laws and regulations to the Company and implement individual measures, which are specified by the Company for compliance with laws and regulations, at Group companies.

Each Group company will establish a public interest reporting system through which employees, etc. may either use the Company's internal reporting system or directly report to outside attorney at law.

3) Matters in Article 399-13, Paragraph 1, Item 1 b of the Companies Act

[The matters prescribed by Ministry of Justice Order as those necessary for the execution of the duties of the Audit and Supervisory Committee]

Article 110-4, Paragraph 1, Item 1 to Item 7 of Companies Act Enforcement Regulations shall be as follows.

A) Matters listed in Article 110-4, Paragraph 1, Item 1, 2 and 3 of Companies Act Enforcement

Regulations

[Particulars related to Directors and employees to assist with the duties of the Audit and Supervisory Committee]

[Particulars regarding independence of the Directors and employees of the preceding item from other Directors of the stock company (excluding Directors serving as Audit and Supervisory Committee Members)]

[Particulars related to ensuring the effectiveness of instructions given by the Audit and Supervisory Committee of the stock company to the Directors and employees set forth in item (i)]

Executive Directors in charge of the Corporate Strategy Planning Division and the Legal Department (hereinafter “Directors in charge of Corporate”) shall be responsible for establishing a system required by the Audit and Supervisory Committee for executing its duties as necessary and may not decline the request without reasonable cause.

In addition, Directors in charge of Corporate shall establish the Audit and Supervisory Committee Office as the organization to support the execution of duties of the Audit and Supervisory Committee (one dedicated staff shall be placed), place the Committee Office under the direction of the Audit and Supervisory Committee, and when the Audit and Supervisory Committee requires authority, budget and staff, etc. of the Committee Office, they may not decline the request without reasonable cause.

B) Matters in Article 110-4, Paragraph 1, Item 4-a of R Companies Act Enforcement Regulations

[Systems for the Directors (excluding Directors serving as Audit and Supervisory Committee Members), Accounting Advisor(s), and employees of the stock company to report to the Audit and Supervisory Committee of the stock company]

If executive directors and employees find acts by the company which violate laws, regulations or the Articles of Incorporation, or facts which may cause serious damage to the Company, they shall immediately report to the Audit and Supervisory Committee. In addition, if the General Affairs & Public Relations Division receives information related to material risks set forth in the “Risk Management Rules,” it shall promptly report to the Audit and Supervisory Committee.

Matters which executive directors would decide and matters to be reported at in-house company executive committees shall be always available for inspection by the Audit and Supervisory Committee; therefore, executive directors shall record such matters in a specified database. The Corporate Strategy Planning Division, the Legal Department and the Audit and Supervisory Committee Office collaborate to confirm information recorded in such database and collect additional information, etc., and report to the Audit and Supervisory Committee when needed (in addition, they shall share information with other corporate units) or take actions such as submitting a proposition at the Board of Directors.

The Audit and Supervisory Committee Member may attend internal meetings at any time as the execution of duties of the Audit and Supervisory Committee and view related documents and records, etc. In addition, whenever the Audit and Supervisory Committee deems necessary, it may request for details or investigation to related executive directors and employees, and executive directors and employees shall respond to such request.

C) Matters in Article 110-4, Paragraph 1, Item 4-b of Companies Act Enforcement Regulations

[Systems for the Directors, accounting advisor(s), company auditors, executive officers, members who execute the business, those who are to perform the duties of Article 598, Paragraph 1 of the Act, and other corporations equivalent thereto, and employees of a subsidiary company of the stock company or persons who receive reports from them to report to the Audit and Supervisory Committee of the stock company]

If executive directors, auditors and employees of Group companies find acts by the Company or such Group company which violate laws and regulations or the Article of Incorporations, or facts which may cause serious damage to the Company, they shall immediately report to the Audit and Supervisory Committee. In addition, if the General Affairs & Public Relations Division receives information related to material risks set forth in the “Risk Management Rules”, it shall promptly report to the Audit and Supervisory Committee.

With respect to Group companies, executive directors in charge of these shall make such Group company perform the above reporting duties thoroughly.

If the Audit Division, other corporate units and administrative units in in-house companies find fraud or improper facts for a Group company, they shall immediately report to the Audit and Supervisory Committee.

D) Matters in Article 110-4, Paragraph 1, Item 5 of Companies Act Enforcement Regulations

[Systems for ensuring that persons who make a report under the preceding item are not treated

disadvantageously due to making the report]

The Company and Group companies shall not treat those who report to the Audit and Supervisory Committee in the preceding item a or b unfairly for reason of reporting.

E) Matters in Article 110-4, Paragraph 1, Item 6 of Companies Act Enforcement Regulations

[Particulars related to policies concerning the procedure for advance payment or reimbursement of expenses that arise with regard to execution of the duties of the Audit and Supervisory Committee Members of the stock company (limited to those related to execution of the duties of the Audit and Supervisory Committee) or any other processing of expenses or obligations that arise with regard to execution of those duties]

The Company shall take budgetary measures with respect to required expenses based on annual audit plan by the Audit and Supervisory Committee. Expenses required for activity as needed other than audit plan including those required for utilizing outside experts, etc. shall be paid as long as they are reasonable for the execution of duties by the Audit and Supervisory Committee, or the Company shall bear the expenses when the Committee requests the Company for payment.

F) Matters in Article 110-4, Paragraph 1, Item 7 of Companies Act Enforcement Regulations

[Other systems to ensure that audits by the Audit and Supervisory Committee of the stock company are performed effectively]

The Audit and Supervisory Committee may request opportunities including but not limited to the meeting of the Board of Directors for opinion exchanges and questions, etc. for Directors, including President & CEO & Representative Director or executive officers and other employees who are responsible for the execution of business, and Directors in charge of Corporate who is to act as contact point shall conduct necessary arrangements to respond to the request based on the gist of request by the Audit and Supervisory Committee.

(2) Outline of Operational Status of System to Ensure the Appropriate Operations

1) Compliance System

The Risk Management Committee convened meetings on seven occasions during the fiscal year 2018. The Committee follows up the results with respect to risks that need to be dealt by the Group as a whole, including matters related to compliance, as well as specific risks by each in-house company, based on the risk control plan created each year. In addition, the Committee makes such reports for individual cases, confirms measures to prevent recurrence, shares information with Group companies and hold discussions on new risk recognition and prevention.

With respect to matters for which decision-making authority is delegated to executive directors, the corporate unit related to such matters and the Audit and Supervisory Committee Office, which is as an organization to support activity of the Audit and Supervisory Committee, have confirmed that they comply with laws, regulations and the Articles of Incorporation. In addition, with respect to daily operations executed under the control of executive directors, the Internal Audit Division, each corporate unit and the in-house company control organization, etc. have controlled and managed legality and validity.

The Company has conducted operations as mentioned above; however, we became aware of cases of quality-related impropriety through self-inspection and announced this in August 2018. After announcement, with respect to such cases of quality-related impropriety, we organized a system for internal investigation and responses to external parties under the Risk Management Committee, earnestly offered individual instruction and conducted progress management and information sharing among related units, while making effort to correct such cases, providing explanations to customers and formulating measures to prevent recurrence.

On the other hand, as an organization independent from the execution division, the Audit and Supervisory Committee audits risk management status for the entire Group as appropriate, separately from the Risk Management Committee. In addition, the Committee audits validity and effectiveness of the internal control system of the Company.

The Company could not recognize the cases of quality-related impropriety through the comprehensive audit by the Audit and Supervisory Committee; however, after this announcement, the Audit and Supervisory Committee has been actively involved in correcting improper acts and formulating measures to prevent recurrence by requesting timely and appropriate status reports at the Board of Directors and expressing its opinions as appropriate.

The Company and Group companies run internal reporting systems respectively as public benefit reporting systems. In the internal reporting systems, an internal and outside reception contact points are established, in which anonymity is ensured and unfair treatment of whistle-blowers is prohibited. In addition, the operation status of the internal reporting system is being reported to the Risk Management Committee and the Audit

and Supervisory Committee.

As part of prevention measures for recurrence of the cases of quality-related impropriety, the Company is once again disseminating information on the operation of the internal reporting system within the entire Group, in Japan and overseas, and adjusting the system so as to make it more accessible.

2) Business Management System of Group Companies

Each in-house company or corporate unit, etc. has requested their Group companies in charge for “establishment of the Risk Management Rules,” “placement of responsible persons for compliance” and “establishment of the internal reporting system,” and domestic Group companies have completed such establishment while overseas companies efforts are under way. In addition, each in-house company, etc. continues to ensure timely and appropriate report system from their Group companies in charge by holding periodic in-house company executive committees, etc. including Group companies, and performs the business operation efficiently.

After announcement of the cases of quality-related impropriety, internal inspection conducted through the cooperation of the external law office was carried out within the entire Group including Group companies, and while Group companies strengthened collaboration with Group companies which they are in charge of under the control of the Risk Management Committee, the Company has made efforts to correct improper acts in light of the business condition of each respective company and formulate measures to prevent recurrence. In addition, the Company continued to strengthen instruction and collaboration with respect to response to related parties including customers.

3) System to Ensure the Effectiveness of the Audit and Supervisory Committee

The Company has established the Audit and Supervisory Committee Office as an organization to support the duties of the Audit and Supervisory Committee, and has positioned dedicated staff to the said office. The Audit and Supervisory Committee Office ensures its independence from business execution and provides the Audit and Supervisory Committee with support in line with direct instructions from the Audit and Supervisory Committee.

The Audit and Supervisory Committee Member has authority to attend internal meetings and to access the database recording decision-making matters by executive directors, and conducts investigations, etc. when needed.

In addition, the Accounting Auditor and the Internal Audit Department hold a Tripartite Audit Council on a quarterly basis. At the Council, they share information related to the operational status of the internal control system and audit condition, and exchange opinions on mitigating the fraud risks to ensure the effectiveness of the audit.

Note: Monetary amounts and numbers of shares less than stated units in this Business Report are rounded down.

Consolidated Balance Sheets

(As of March 31, 2019)

(Millions of yen)

ASSETS		LIABILITIES	
Current Assets	323,259	Current Liabilities	259,174
Cash and deposits	36,794	Notes and accounts payable, trade	64,999
Notes and accounts receivable, trade	141,568	Short-term borrowings	137,536
Finished goods	43,844	Income taxes payable	2,126
Goods in process	36,176	Provision for loss on guarantees	3,019
Raw materials and supplies	37,833	Provision for loss due to inappropriate cases in quality control	1,514
Other	27,511	Other provision	191
Allowance for doubtful Accounts	(469)	Other	49,786
Non-current assets	315,058	Non-current liabilities	138,233
Property, plant and equipment	231,825	Bonds	20,000
Buildings and structures, net	92,881	Long-term borrowings	95,968
Machinery, equipment, vehicles, net	86,179	Other provision	264
Land	15,244	Net defined benefit liability	9,356
Leased assets, net	295	Other	12,643
Construction in progress	24,221	Total Liabilities	397,408
Other, net	13,002	NET ASSETS	
Intangible assets	11,726	Shareholders' Equity	207,575
Goodwill	2,671	Common stock	53,075
Other	9,054	Capital surplus	29,571
Investments and Other Assets	71,506	Retained earnings	131,255
Investment securities	32,526	Treasury stock	(6,327)
Net defined benefit asset	4,547	Accumulated other comprehensive income	9,089
Deferred tax assets	15,690	Valuation difference on available-for-sale securities	4,753
Other	18,989	Deferred gains (losses) of hedges	(345)
Allowance for doubtful accounts	(247)	Foreign currency translation adjustments	8,241
		Remeasurements of defined benefit plans	(3,560)
		Non-controlling interests	24,245
		Total Net Assets	240,910
Total Assets	638,318	Total Liabilities and Net Assets	638,318

Consolidated Statements of Income

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

(Millions of yen)

Net Sales		710,778
Cost of sales		585,770
Gross Profit		125,007
Selling, general and administrative expenses		97,328
Operating Income		27,679
Non-operating Income		
Interest income	492	
Dividend income	1,266	
Share of profit of entities accounted for using equity method	1,237	
Other	1,411	4,407
Non-operating Expenses		
Interest expenses	3,807	
Foreign exchange losses	2,428	
Loss on retirement of non-current assets	1,247	
Other	3,582	11,066
Ordinary Income		21,020
Extraordinary Gains		
Gain on sales of investment securities	3,327	
Gain on transfer of business	2,410	
Other	9	5,747
Extraordinary Losses		
Loss on valuation of investments in capital of subsidiaries and associates	8,872	
Impairment loss	1,784	
Loss due to inappropriate cases in quality control	1,752	
Business structure improvement expenses	1,747	
Other	2,102	16,260
Income before Income taxes		10,507
Corporate Income, Resident, and Business Taxes	7,654	
Adjustment for corporate income taxes	(89)	7,564
Profit		2,943
Profit attributable to non-controlling interests		1,489
Profit attributable to owners of parent		1,453

Consolidated Statements of Shareholders' Equity

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

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance outstanding as of April 1, 2018	53,075	29,989	133,775	(6,388)	210,452
Changes during the fiscal year					
Dividends paid			(4,009)		(4,009)
Profit attributable to owners of parent			1,453		1,453
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock				62	62
Change in ownership interest of parent due to transactions with non-controlling interests		(415)			(415)
Change of scope of consolidation		(2)	36		33
Net changes of items other than shareholders' equity					-
Total changes during the fiscal year	-	(418)	(2,520)	61	(2,876)
Balance outstanding as of March 31, 2019	53,075	29,571	131,255	(6,327)	207,575

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance outstanding as of April 1, 2018	8,380	170	5,519	(5,213)	8,856	22,651	241,961
Changes during the fiscal year							
Dividends paid					-		(4,009)
Profit attributable to owners of parent					-		1,453
Purchase of treasury stock					-		(0)
Disposal of treasury stock					-		62
Change in ownership interest of parent due to transactions with non-controlling interests					-		(415)
Change of scope of consolidation					-		33
Net changes of items other than shareholders' equity	(3,627)	(515)	2,722	1,652	232	1,593	1,825
Total changes during the fiscal year	(3,627)	(515)	2,722	1,652	232	1,593	(1,051)
Balance outstanding as of March 31, 2019	4,753	(345)	8,241	(3,560)	9,089	24,245	240,910

Non-consolidated Balance Sheets

(As of March 31, 2019)

(Millions of yen)

ASSETS		LIABILITIES	
Current Assets	128,329	Current Liabilities	154,587
Cash and deposits	7,265	Notes payable	750
Notes receivable	1,028	Accounts payable, trade	32,448
Accounts receivable, trade	64,293	Short-term borrowings	73,112
Finished goods	4,508	Accrued expenses	11,875
Goods in process	12,570	Deposit money	22,951
Raw materials and supplies	2,682	Provision for loss on guarantees	3,019
Accounts receivable	14,692	Provision for loss due to inappropriate cases in quality control	1,514
Short-term loans	19,109	Other	8,914
Other	2,178	Non-current liabilities	108,146
Allowance for doubtful accounts	(1)	Bonds	20,000
Non-current assets	229,721	Long-term borrowings	79,588
Property, plant and equipment	94,414	Long-term lease and guarantee deposited	7,958
Buildings, net	60,001	Other provision	227
Structures, net	2,423	Other	372
Machinery and equipment, net	15,694	Total Liabilities	262,733
Land	9,883	NET ASSETS	
Construction in progress	4,473	Shareholders' Equity	90,955
Other, net	1,938	Common stock	53,075
Intangible assets	3,207	Capital surplus	28,302
Software	2,644	Capital reserve	13,268
Other	563	Other capital surplus	15,033
Investments and Other Assets	132,098	Retained earnings	15,855
Investment securities	15,940	Other retained earnings	15,855
Investments in subsidiaries and affiliates	85,739	Reserve for deferral of capital gain	954
Contribution to subsidiaries' and affiliates' capital	17,895	Retained earnings brought forward	14,901
Long-term loans receivable	7,819	Treasury stock	(6,278)
Prepaid pension expenses	7,877	Valuation and translation adjustments	4,361
Deferred tax assets	8,728	Valuation difference on available-for-sale securities	4,501
Other	762	Deferred gains (losses) of hedges	(139)
Allowance for doubtful accounts	(7,982)	Total Net Assets	95,317
Allowance for investment loss	(4,681)		
Total Assets	358,050	Total Liabilities and Net Assets	358,050

Non-consolidated Statements of Income

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

(Millions of yen)

Net sales		371,767
Cost of sales		340,051
Gross profit		31,716
Selling, general and administrative expenses		31,392
Operating Income		323
Non-operating Income		
Interest and dividend income	15,486	
Other	806	16,292
Non-operating Expenses		
Interest expenses	2,105	
Interest on bonds	99	
Foreign exchange losses	1,641	
Provision of allowance for doubtful accounts	1,201	
Other	3,150	8,197
Ordinary Income		8,418
Extraordinary Gains		
Gain on sales of investment securities	3,221	
Other	1	3,222
Extraordinary Losses		
Loss on valuation of investments in capital of subsidiaries and associates	9,117	
Provision of allowance for investment loss	4,284	
Loss due to inappropriate cases in quality control	1,752	
Other	2,672	17,826
Income (Loss) before Income taxes		(6,185)
Corporate Income, Resident, and Business Taxes	140	
Adjustment for Corporate Income Taxes	(1,525)	(1,384)
Net Profit (Loss)		(4,801)

Non-Consolidated Statements of Shareholders' Equity

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

(Millions of yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings		Total Retained earnings
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Reserve for deferral of capital gain	Retained earnings brought forward	
Balance outstanding as of April 1, 2018	53,075	13,268	15,033	28,302	954	23,712	24,666
Changes during the fiscal year							
Dividends paid				-		(4,009)	(4,009)
Provision of reserve for advanced depreciation of non-current assets				-	0	(0)	-
Net loss				-		(4,801)	(4,801)
Purchase of treasury stock				-			-
Disposal of treasury stock				-			-
Net changes of items other than shareholders' equity				-			-
Total changes during the fiscal year	-	-	-	-	0	(8,811)	(8,811)
Balance outstanding as of March 31, 2019	53,075	13,268	15,033	28,302	954	14,901	15,855

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains (losses) of hedges	Total valuation and translation adjustments	
Balance outstanding as of April 1, 2018	(6,339)	99,705	7,928	235	8,163	107,868
Changes during the fiscal year						
Dividends paid		(4,009)			-	(4,009)
Provision of reserve for advanced depreciation of non-current assets		-			-	-
Net loss		(4,801)			-	(4,801)
Purchase of treasury stock	(0)	(0)			-	(0)
Disposal of treasury stock	62	62			-	62
Net changes of items other than shareholders' equity		-	(3,427)	(374)	(3,801)	(3,801)
Total changes during the fiscal year	61	(8,749)	(3,427)	(374)	(3,801)	(12,551)
Balance outstanding as of March 31, 2019	(6,278)	90,955	4,501	(139)	4,361	95,317

The Audit and Supervisory Committee's Audit Report

The Audit and Supervisory Committee of Fujikura Ltd. (hereafter, "the Company") conducted an audit regarding the execution of the duties of the directors for the 171st business year (April 1, 2018 to March 31, 2019). Methods and results of the audit are as follows.

1. Contents of the audit

With regard to the contents of the resolution of the Board of Directors regarding matters defined in Article 399-13, Paragraph 1, Items 1-b and c of the Companies Act and the structure established based on such resolution (internal control system), the Audit and Supervisory Committee received reports on the establishment and the status of the operation of the internal control system from the Directors, officers and employees on a regular basis, sought explanations as necessary, expressed their opinions and conducted an audit according to the methods described below.

Meanwhile, with regard to internal control over financial reporting as required by the Financial Instruments and Exchange Act, the Audit and Supervisory Committee received reports from the Directors and the Accounting Auditor, PricewaterhouseCoopers Aarata LLC, regarding their evaluation of internal control and the results of the audit, and sought explanations as necessary.

- (i) Audit and Supervisory Committee Members followed the audit policy, assignment of duties and other relevant matters specified by the Audit and Supervisory Committee. In collaboration with the Internal Audit Division and others, Audit and Supervisory Committee Members attended important meetings, received reports from the Directors, officers and other employees on the execution of their duties, sought explanations as necessary, scrutinized important documents pertaining to decision-making, and examined the business and financial conditions at the head office and other principal offices. Regarding subsidiaries, we communicated and exchanged information with the Directors, the Corporate Auditors and other employees of subsidiaries, and received reports with respect to their business from subsidiaries as necessary.
- (ii) We monitored and verified whether the Accounting Auditors maintained their independence and implemented appropriate audits, and we received reports from the Accounting Auditors regarding the performance of its duties and sought explanations as necessary. Also, we received notice from the Accounting Auditors that "the System for ensuring that duties are performed properly" (matters set forth in each item of Article 131 of the Corporate Accounting Regulations) is organized in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the Business Report and its annexed specifications, non-consolidated financial statements ("non-consolidated balance sheets," "non-consolidated statements of income," "non-consolidated statements of shareholders' equity," and "notes to non-consolidated financial statements"), their accompanying detailed statements, and consolidated financial statements ("consolidated balance sheets," "consolidated statements of income," "consolidated statements of shareholders' equity," and "notes to consolidated financial statements") for this business year.

2. Audit results

(1) Results of audit of the Business Report

- (i) We confirm that the Business Report and its annexed specifications fairly represent the condition of the Company in accordance with the relevant laws and regulations and the

Articles of Incorporation of the Company.

- (ii) We confirm that there were no improper acts or violations of any laws and regulations or the Articles of Incorporation of the Company committed by any of the Directors in connection with the execution of their duties.
- (iii) We confirm that the details of the resolution made by the Board of Directors concerning the internal control system is proper. Furthermore, we confirm that there are no matters on which to remark with regard to performance duties of the Directors and content of the Business Report concerning aforementioned internal control system.

As stated in the business report, the improper cases related to the quality control were found to have occurred in the Group. With respect to this cases, the Group is committed to taking actions for preventing recurrence of incidents of the same nature. The Audit and Supervisory Committee shall continuously monitor the implementation of the recurrence prevention measures to ensure its unflinching completion.

- (2) Results of audit of the non-consolidated financial statements and their accompanying detailed statements

We found the method and the results of the audit by the Accounting Auditor, PricewaterhouseCoopers Aarata LLC to be appropriate.

- (3) Results of audit of the consolidated financial statements

We found the method and the results of the audit by the Accounting Auditor, PricewaterhouseCoopers Aarata LLC to be appropriate.

May 17, 2019

Full-time Audit and Supervisory Committee Member: Yasuyuki Oda (*seal*)

Audit and Supervisory Committee Member: Soichiro Sekiuchi (*seal*)

Audit and Supervisory Committee Member: Masaaki Shimojima (*seal*)

Audit and Supervisory Committee Member: Kenichiro Abe (*seal*)

Audit and Supervisory Committee Member: Yoshio Shirai (*seal*)

- (Note) Audit and Supervisory Committee Member Soichiro Sekiuchi, Masaaki Shimojima, Kenichiro Abe and Yoshio Shirai are Outside Directors as defined under Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.