

Securities Code: 2737

June 7, 2019

To Our Shareholders:

Ichiro Tsumaki, President  
TOMEN DEVICES CORPORATION  
8-12, Harumi 1-chome, Chuo-ku, Tokyo  
104-6230, Japan

## **NOTICE OF THE 28TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 28th Ordinary General Meeting of Shareholders of Tomen Devices Corporation (the “Company”), which will be held as described below.

**If you are unable to attend the meeting in person, you may exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. (Japan Standard Time) on Friday, June 21, 2019.**

1. **Date and Time:** Monday, June 24, 2019 at 10:00 a.m. (Japan Standard Time)  
(Reception will open at 9:00 a.m.)
2. **Venue:** 8-12, Harumi 1-chome, Chuo-ku, Tokyo 104-6230, Japan  
Harumi Island Triton Square Office Tower, Bldg. Z, 30F  
The Company’s Conference Room
3. **Purpose of the Meeting:**  
Items to be reported:
  1. Business Report and Consolidated Financial Statements for the 28th Term (from April 1, 2018 to March 31, 2019), as well as the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
  2. Non-Consolidated Financial Statements for the 28th Term (from April 1, 2018 to March 31, 2019)  
Items to be resolved:  

|                |   |
|----------------|---|
| Proposal No. 1 | Disposition of surplus                                |
| Proposal No. 2 | Election of eight (8) Directors                       |
| Proposal No. 3 | Election of two (2) Audit & Supervisory Board Members |
4. **On Voting Rights**  
Please refer to “On Voting Rights” on page 3.
5. **Matters concerning Disclosure via the Internet**  
Because we post the “Status of the Accounting Auditor”, “System and Policy of the Company”, “Notes to Consolidated Financial Statement” and “Notes to Non-Consolidated Financial Statements” on our website (<https://www.tomendevices.co.jp>) based on the laws and regulations and Article 14 of our Articles of Incorporation, it is not stated on documents provided with the Notice of the Ordinary General Meeting of Shareholders. Therefore, documents provided with the Notice of the Ordinary General Meeting of Shareholders are part of the subjects audited by Audit & Supervisory Board Members and Accounting Auditors when preparing audit reports. If any circumstance gives rise to the need for alteration to the reference documents for the General Meeting of Shareholders, business report or the consolidated or non-consolidated financial statements, we will post the altered contents on the Company’s website.

**6. Other Matters concerning this Notice of the Ordinary General Meeting of Shareholders**

If exercising voting rights by proxy, you may delegate another shareholder who holds a voting right as an agent. However, along with a letter certifying the right of proxy (proxy letter), one of the following documents must be submitted.

- (1) Voting Rights Exercise Form of the delegating shareholder
- (2) Certificate of stamp seal of the actual stamp on the document certifying the right of representation
- (3) Copy of delegating shareholder's passport, driver's license or health insurance card or other identification document

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk on the day of the meeting. **Please note that persons who are not shareholders of the Company, such as persons accompanying shareholders or children, are not permitted to enter the meeting venue.**
- The Company will receive shareholders in Cool Biz, which is informal attire worn during the summer.
- Gifts have been prepared for shareholders, but **only one gift will be given to each shareholder attending the meeting, irrespective of the number of Voting Rights Exercise Forms they hold.**
- After the meeting, a social gathering for shareholders will be held at the venue.

Our website (<https://www.tomendevices.co.jp>)

## On Voting Rights

Voting rights can be exercised in the following three ways.

### **If you attend the General Meeting of Shareholders**

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Please **submit** the Voting Rights Exercise Form **at the reception desk in the meeting venue**.

**Date and** Monday, June 24, 2019 at 10:00 a.m. (Japan Standard Time)

**Time:** (Reception will open at 9:00 a.m.)

**Venue:** 8-12, Harumi 1-chome, Chuo-ku, Tokyo 104-6230, Japan  
Harumi Island Triton Square Office Tower, Bldg. Z, 30F  
The Company's Conference Room

### **If you exercise voting rights in writing (by mail)**

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Please state whether you are for or against the agenda items on the enclosed Voting Rights Exercise Form and drop it into a post box. It is not necessary to affix a stamp.

**Deadline** It must reach us by 5:30 p.m. on Friday, June 21, 2019.

### **If you exercise voting rights via the Internet**

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Please access the voting rights exercise site (<https://www.web54.net>) from your personal computer, smartphone or other mobile phone and enter whether you are for or against the agenda items according to the instructions on the screen after entering the Voting Rights Exercise Code and password provided on the enclosed Voting Rights Exercise Form.

**Deadline** The entry must be completed by 5:30 p.m. on Friday, June 21, 2019.

- (1) Please note that we will ask shareholders who use the voting rights exercise site to change the password on the site in order to prevent unauthorized access ("spoofing") and the falsification of the details of the exercised voting rights by any persons other than the shareholders.
- (2) Each time we convene a general meeting of shareholders, we will notify the shareholders of a new Voting Rights Exercise Code and password.
- (3) All costs (Internet access fees, phone charges, etc.) generated when a shareholder accesses the voting rights exercise site are to be paid by the shareholder. If you use a mobile phone, packet communication fees and other fees for using the mobile phone will be required, and these costs are also to be paid by the shareholder.

If you exercise your voting rights both in writing (by mail) and via the Internet, we will treat the latter as the effective exercise of your voting rights. If you exercise your voting rights via the Internet several times, we will treat the last exercise as the effective exercise of your voting rights.

## On Voting Rights via the Internet

If you are not sure about how to operate a personal computer or a smartphone when exercising your voting rights via the Internet, please contact the following.

**Sumitomo Mitsui Trust Bank, Stock Transfer Agency Web Support, Helpline**

**Tel: 0120-652-031** (toll-free number)

(Reception hours: 9 a.m. – 9 p.m.)

Institutional investors are permitted to use the platform for the electronic exercise of voting rights for institutional investors operated by ICJ, Inc.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1: Disposition of surplus

The Company proposes the appropriation of surplus as follows:

#### Year-end dividends

Regarding our dividend policy, we will pay dividends based on performance in order to return profits in accordance with consolidated business results for each fiscal year. The consolidated payout ratio is targeted at 30%, and we are willing to flexibly deal with changes in the economic environment and demand for funds.

We intend to use retained earnings to strengthen our management foundation, meet the demand for funds accompanying business expansion, and to strengthen our financial standing.

In accordance with this policy, the Company proposes to pay year-end dividends for the 28th term as follows:

- (1) Type of dividend property  
Cash
- (2) Allotment of dividend property and their aggregate amount  
The Company proposes to pay a dividend of ¥90 per common share of the Company.  
In this event, the total dividends will be ¥612,125,010.
- (3) Effective date of dividends of surplus  
June 25, 2019.

#### Trends in dividend and dividend payout ratio

| Classification            | 25th Term | 26th Term | 27th Term | 28th Term<br>(Current term) |
|---------------------------|-----------|-----------|-----------|-----------------------------|
| Dividend (yen)            | 50        | 60        | 80        | 90                          |
| Dividend payout ratio (%) | 28.9      | 33.2      | 31.2      | 32.2                        |

**Proposal No. 2: Election of eight (8) Directors**

The term of office of all eight (8) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of eight (8) Directors.

For the selection and election of Directors, we have set the precondition that they all have "knowledge and expertise in the field of electronics, or have experience and knowledge about general corporate management" as well as "having appropriateness and suitability as a director". Also, please refer to the business report "Standards and Policies regarding Independence of External Director" regarding the idea of appointing external and independent officers.

Procedures for the election of directors are decided at the Board of Directors, with the opportunity for dialogue with candidates that satisfy the above conditions.

The candidates for Directors are as follows. Hong-Bum Suh is a candidate for director of a foreign nationality, and Atsuko Honda is a female candidate for director. We will continue to strive to build a highly diversified board member system.

| No. | Name              | Position in the Company   |  |
|-----|-------------------|---|--|
| 1   | Ichiro Tsumaki    | President, General Manager, Sales Division                          | Reappointment                              |
| 2   | Nobuo Koido       | Senior Managing Director  | Reappointment                              |
| 3   | Kazumasa Miyazaki | Director in charge of Corporate Administration Division             | New Appointment                            |
| 4   | Hong-Bum Suh      | Executive Managing Director, Deputy General Manager, Sales Division | Reappointment                              |
| 5   | Yasuhiro Kakihara | Director  | Reappointment                              |
| 6   | Kiyotaka Nakao    | –   | New Appointment                            |
| 7   | Shinji Shirasaki  | –   | New Appointment<br>External<br>Independent |
| 8   | Atsuko Honda      | External Director   | Reappointment<br>External<br>Independent   |

| No. | Name<br>(Date of Birth)  | Career Summary, Position and Responsibilities in the Company, and<br>Significant Concurrent Positions   |  |
|-----|--|---|--|
| 1   | <div>Reappointment</div> <p>Ichiro Tsumaki<br/>(July 28, 1960)</p> <p>Years as Director:<br/>9 years</p> | <p>April 1983      Joined Tomen Corporation (current Toyota Tsusho Corporation)</p> <p>April 2003      General Manager, Electronic Information Department</p> <p>June 2004      Director of the Company</p> <p>December 2005      CEO, Shanghai Hong Ri International Electronics Co., Ltd.<br/>(secondment)</p> <p>April 2010      Senior Manager, Electronic Device Department, Toyota Tsusho Corporation</p> <p>June 2011      Executive Managing Director of the Company</p> <p>June 2012      President, General Manager, Sales Division (current position)</p> <p>(Significant Concurrent Positions)</p> <p>Chairman, ATMD (Hong Kong) Limited</p> <p>Director, ITG Marketing, Inc.</p>   |  |
|     |  | <p>Number of the Company's shares owned: 7,900 shares</p> <p>Attendance at Board of Directors Meetings: 12 out of 12 times (100%)</p> <p>Reasons for nomination as a candidate for Director:</p> <p>Since joining the former Tomen Corporation (current Toyota Tsusho Corporation), Ichiro Tsumaki has worked mainly in the electronic device business. After becoming the CEO of Shanghai Hong Ri International Electronics Co., Ltd., and since becoming the President of the Company in 2012, he has worked to expand overseas business and cultivate new markets. He has experience as President of the Company, as well as abundant job experience in the semiconductor industry and knowledge of corporate management, and therefore we have continued to place him as a candidate for Director.</p> <p>If this proposal is approved, we plan to reappoint Ichiro Tsumaki as President at the Board of Directors' meeting after the conclusion of this general meeting of shareholders.</p> |  |
| 2   | <div>Reappointment</div> <p>Nobuo Kido<br/>(July 4, 1961)</p> <p>Years as Director:<br/>12 years</p>     | <p>April 1985      Joined Ryosan Co., Ltd.</p> <p>April 1997      Manager, Hong Kong Sales Office of the Company</p> <p>June 2007      Director</p> <p>June 2008      Executive Managing Director</p> <p>June 2010      Senior Managing Director (current position)</p>   |  |
|     |  | <p>(Significant Concurrent Positions)</p> <p>Vice-Chairman, ATMD (Hong Kong) Limited</p> <p>Director, ATMD Electronics (Shenzhen) Limited</p> <p>Director, ATMD Electronics (Shanghai) Limited</p> <p>President, ATMD Electronics (Singapore) Pte. Ltd.</p>   |  |
|     |  | <p>Number of the Company's shares owned: 9,400 shares</p> <p>Attendance at Board of Directors Meetings: 12 out of 12 times (100%)</p> <p>Reasons for nomination as a candidate for Director:</p> <p>Since formerly working for Ryosan Co., Ltd., Nobuo Kido has mainly engaged in overseas business, and he is devoting his efforts to expanding our overseas business, including the establishment of ATMD (Hong Kong) Limited. He has extensive experience in overseas business and work experience in the semiconductor industry, and as we continue to expand overseas, we expect him to be a driving force, and selected him to continue as a candidate for Director.</p>  |  |

| No. | Name<br>(Date of Birth)   | Career Summary, Position and Responsibilities in the Company, and<br>Significant Concurrent Positions |   |
|-----|---|---|---|
| 3   | <div>New Appointment</div><br><br>Kazumasa Miyazaki<br>(March 2, 1961)  | April 1983  | Joined Toyota Tsusho Corporation  |
|     |   | June 2007   | General Manager, Corporate Planning Department  |
|     |   | April 2009  | General Manager, Sales Accounting Department  |
|     |   | June 2010   | Director of the Company   |
|     |   | June 2010   | Director, Tomen Electronics Corporation (current NEXTY Electronics Corporation)           |
|     |   | April 2015  | Senior Vice President & Treasurer, Toyota Tsusho America, Inc.                            |
|     |   | April 2019  | Director in charge of Corporate Administration Division of the Company (current position) |
|     | Number of the Company’s shares owned: 0 shares<br>Reasons for nomination as a candidate for Director:<br>Kazumasa Miyazaki has extensive experience and knowledge of corporate management, finance and accounting through his holding positions at the group companies of Toyota Tsusho Corporation, including as Director. We have decided that he will be able to provide appropriate supervision and advice to the Board of Directors based on this experience, and we have therefore selected him as a candidate for Director.  |   |   |
| 4   | <div>Reappointment</div><br><br>Hong-Bum Suh<br>(October 16, 1961)<br><br>Years as Director:<br>7 years   | January 1986  | Joined Samsung C&T Corporation Co., Ltd.  |
|     |   | April 2001  | General Manager, LCD Marketing Team, Samsung Electronics Co., Ltd.                        |
|     |   | January 2009  | Managing Director   |
|     |   | March 2012  | Advisor of the Company  |
|     |   | April 2012  | Deputy General Manager, Sales Division, General Manager, LCD Sales Department             |
|     |   | June 2012   | Executive Managing Director, Deputy General Manager, Sales Division (current position)    |
|     | Number of the Company’s shares owned: 100 shares<br>Attendance at Board of Directors Meetings: 12 out of 12 times (100%)<br>Reasons for nomination as a candidate for Director:<br>Hong-Bum Suh has primarily been working in the liquid crystal panel business since he joined Samsung Electronics Co., Ltd., and after serving as an executive director for Samsung, and since becoming Executive Managing Director of the Company in 2012, he has been focusing on expanding business centered on liquid crystal panels. Since he has abundant performance in the liquid crystal panel business and knowledge of corporate management, we have continued to place him as a candidate for Director. |   |   |

| No. | Name<br>(Date of Birth)  | Career Summary, Position and Responsibilities in the Company, and<br>Significant Concurrent Positions   |  |
|-----|--|---|--|
| 5   | <p><u>Reappointment</u></p> <p>Yasuhiro Kakiyara<br/>(March 17, 1963)</p> <p>Years as Director:<br/>2 years</p>  | <p>April 1985      Joined Toyota Tsusho Corporation</p> <p>April 2003      Director, Toyota Tsusho Electronics Corporation (secondment)</p> <p>April 2007      Representative Senior Managing Director, Toyota Tsusho Electronics Corporation (secondment)</p> <p>April 2010      Managing Director, Toyota Tsusho (Singapore) Pte. Ltd.</p> <p>July 2012      Executive Vice President, Toyota Tsusho Asia Pacific Pte. Ltd.</p> <p>April 2015      General Manager, HEV &amp; ITS Business Development Department, Toyota Tsusho Corporation</p> <p>April 2016      General Manager, Mobility &amp; ITS Business Development Department</p> <p>April 2017      Executive Officer</p> <p>April 2017      Director, NEXTY Electronics Corporation (current position)</p> <p>June 2017      Director of the Company (current position)</p> <p>June 2017      Director, Elematec Corporation (current position)</p> <p>April 2019      Assistant to COO (Chief Operating Officer) and CTO (Chief Technology Officer), Chemicals &amp; Electronics Division of Toyota Tsusho Corporation (current position)</p> <p>(Significant Concurrent Positions)</p> <p>Assistant to COO (Chief Operating Officer) and CTO (Chief Technology Officer), Chemicals &amp; Electronics Division of Toyota Tsusho Corporation</p> <p>Director, NEXTY Electronics Corporation</p> <p>Director, Elematec Corporation</p> |  |
|     | <p>Number of the Company's shares owned: 0 shares</p> <p>Attendance at Board of Directors Meetings: 12 out of 12 times (100%)</p> <p>Reasons for nomination as a candidate for Director:</p> <p>Yasuhiro Kakiyara has extensive experience in business in the in-vehicle equipment field and knowledge of corporate management for Toyota Tsusho Corporation and its group companies, and based on these experiences, we feel he can provide appropriate supervision and advice to the Board of Directors. We have therefore continued to place him as a candidate for Director.</p> <p>Limitation of liability:</p> <p>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Yasuhiro Kakiyara to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, Paragraph 1 of the same Act. If his election is approved, the Company plans to renew the respective agreements with him.</p> |   |  |



| No. | Name<br>(Date of Birth)  | Career Summary, Position and Responsibilities in the Company, and<br>Significant Concurrent Positions  |  |
|-----|--|--|--|
| 6   | <div>New Appointment</div> <div>Kiyotaka Nakao<br/>(April 19, 1967)</div>  | April 1991      Joined Toyota Tsusho Corporation<br>April 2012      Director, Toyota Tsusho Electronics Corporation<br>April 2017      Executive Managing Director, NEXTY Electronics Corporation<br>(current position)  |  |
|     |  | (Significant Concurrent Positions)<br>Executive Managing Director, NEXTY Electronics Corporation   |  |
|     | Number of the Company's shares owned: 0 shares<br>Reasons for nomination as a candidate for Director:<br>Kiyotaka Nakao has extensive experience and knowledge of corporate management through his holding positions at the group companies of Toyota Tsusho Corporation, including as Director. We have decided that he will be able to provide appropriate supervision and advice to the Board of Directors based on this experience, and we have therefore selected him as a candidate for Director.<br>Limitation of liability:<br>If he is elected, the Company will enter into an agreement with Kiyotaka Nakao to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, Paragraph 1 of the same Act pursuant to the provisions of Article 427, Paragraph 1 of the Act.   |  |  |
| 7   | <div>New Appointment</div> <div>External</div> <div>Independent</div> <div>Shinji Shirasaki<br/>(March 8, 1952)</div>  | April 1974      Joined Nippon Denso Co., Ltd. (current Denso Corporation)<br>June 2003      Director<br>June 2004      Managing Officer<br>June 2006      Audit & Supervisory Board Member, Tokai Rika Co., Ltd.<br>June 2008      Senior Managing Director, Denso Corporation<br>June 2010      External Director, Tokai Rika Co., Ltd.<br>December 2015      Senior Advisor, Industry and Labor Department of Fukui Prefecture<br>April 2018      Car-Ele Promoter, Northern Kyushu Automobile Industry Asia<br>Advanced Base Promotion Project (current position) |  |
|     |  | (Significant Concurrent Positions)<br>Car-Ele Promoter, Northern Kyushu Automobile Industry Asia Advanced Base<br>Promotion Project  |  |
|     | Number of the Company's shares owned: 0 shares<br>Reasons for nomination as candidate for External Director:<br>Shinji Shirasaki was directly involved in management as an executive officer at Denso Corporation and served as an external director at Tokai Rika Co., Ltd. Because he has expertise in corporate management, we expect him to provide opinions and advice that will be useful for the Company's management, and we have decided that he will be able to fulfill the role expected of an External Director. For these reasons, we have selected him as a candidate for External Director.<br>Matters pertaining to independence:<br>There is no possibility of conflict of interest with general shareholders because there are no financial interests other than director compensation, etc. between him and the Company.<br>Although he serves as a Car-Ele promoter of the Northern Kyushu Automobile Industry Asia Advanced Base Promotion Project, there are no transactions undertaken between the Project and the Company, and there is no special relationship between the organization where he holds a concurrent position and the Company. He therefore meets our independence criteria and will be designated as an independent officer as prescribed by the Tokyo Stock Exchange.<br>Limitation of liability:<br>If he is elected, the Company will enter into an agreement with Shinji Shirasaki to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, Paragraph 1 of the same Act pursuant to the provisions of Article 427, Paragraph 1 of the Act. |  |  |

| No. | Name<br>(Date of Birth)  | Career Summary, Position and Responsibilities in the Company, and<br>Significant Concurrent Positions  |
|-----|--|--|
| 8   | <div> <div>Reappointment</div> <div>External</div> <div>Independent</div> </div> <p>Atsuko Honda<br/>(December 10, 1969)</p> <p>Years as Director:<br/>3 years</p> | <p>October 1992 Passed judicial exam</p> <p>April 1993 Joined The Legal Training and Research Institute of Japan</p> <p>March 1995 Completed The Legal Training and Research Institute of Japan</p> <p>April 1995 Appointed Assistant Judge (Kyoto District Court)</p> <p>April 1997 Prosecutor with Litigation Department, Tokyo Legal Affairs Bureau</p> <p>April 1999 Tokyo District Court</p> <p>April 2000 Urawa District Court (current Saitama District Court)</p> <p>April 2003 Tokyo Family District Court, Hachioji Branch (current Tachikawa Branch)</p> <p>April 2005 Appointed judge (Fukuoka Family Court)</p> <p>August 2005 Voluntary retirement</p> <p>April 2010 Registered as attorney (Dai-Ichi Tokyo Bar Association), joined Anzai Law Office (current position)</p> <p>April 2016 Civil Conciliation Commissioners (Tokyo Summary Court) (current position)</p> <p>June 2016 External Director of the Company (current position)</p> <p>May 2017 Director, Japan Safe Driving Center (current position)</p> <p>June 2018 Director, Private Placement Services Association of Japan (current position)</p> <p>(Significant Concurrent Positions)</p> <p>Attorney, Anzai Law Office</p> <p>Director, Japan Safe Driving Center</p> <p>Director, Private Placement Services Association of Japan</p> <p>Number of the Company's shares owned: 0 shares</p> <p>Attendance at Board of Directors Meetings: 12 out of 12 times (100%)</p> <p>Reasons for nomination as candidate for External Director:<br/>Although Atsuko Honda does not have any experience of being directly involved in corporate management, we expect her to provide opinions and advice based on her expert knowledge of laws, particularly regarding labor management, gained through her long career as a judge and an attorney, and we have decided that she will be able fulfill the role expected of an External Director. For these reasons, we have selected her to continue as a candidate for External Director.</p> <p>Matters pertaining to independence:<br/>There is no possibility of conflict of interest with general shareholders because there are no financial interests other than director compensation, etc. between her and the Company.</p> <p>She serves as an attorney at Anzai Law Office, a director of Japan Safe Driving Center and a director of the Private Placement Services Association of Japan. If the Company undergoes a legal consultation with Anzai Law Office, the Company pays a consultation fee to the Law Office, but this does not fall under important transaction. In addition, there are no transactions between the Company and Japan Safe Driving Center and Private Placement Services Association of Japan, and there is no special relationship between the organizations where she holds a concurrent position and the Company.</p> <p>Therefore, she meets our independence criteria and has been designated as an independent officer as prescribed by the Tokyo Stock Exchange. If she is reappointed, the Company intends to continue to designate her as independent officer.</p> <p>Limitation of liability:<br/>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Atsuko Honda to limit her liability for damages under Article 423, Paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, Paragraph 1 of the same Act. If her election is approved, the Company plans to renew the respective agreements with her.</p> |

Notes: 1. The meanings of the terms in the table are as follows.

|                        |  |
|------------------------|--|
| <u>Reappointment</u>   | Candidates for Directors to be reappointed               |
| <u>New Appointment</u> | Candidates for Directors to be newly appointed           |
| <u>External</u>        | Candidates for External Directors                        |
| <u>Independent</u>     | Independent officers registered with the stock exchanges |

2. There is no special interest between the candidates and the Company.
3. Position and responsibilities of candidates Yasuhiro Kakihara and Kiyotaka Nakao as business executors at Toyota Tsusho Corporation, the Company's parent company, and its subsidiaries for the past five years and at present are as described in "Career Summary, Position and Responsibilities in the Company, and Significant Concurrent Positions".
4. A relative within the third degree of kinship of the candidate Shinji Shirasaki works as an employee at Toyota Tsusho Corporation, which is a specified associated service provider of the Company.

**Proposal No. 3: Election of two (2) Audit & Supervisory Board Members**

At the conclusion of this Ordinary General Meeting of Shareholders, Yutaka Ohata, Audit & Supervisory Board Member, will leave his office due to resignation, and the term of office of Kiyoshi Kano, Audit & Supervisory Board Member, will expire. The Company therefore proposes the election of two (2) Audit & Supervisory Board Members.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

| No. | Name          | Position in the Company                   |   |
|-----|---------------|---|---|
| 1   | Minoru Hirata | –   | <div>New Appointment</div> <div>External</div> <div>Independent</div> |
| 2   | Kiyoshi Kano  | External Audit & Supervisory Board Member | <div>Reappointment</div> <div>External</div> <div>Independent</div>   |

| No. | Name<br>(Date of Birth)   | Career Summary, Position in the Company, and<br>Significant Concurrent Positions   |
|-----|---|--|
| 1   | <div>Appointment</div> <div>Minoru Hirata<br/>(November 24, 1958)</div> | <div>April 1981</div> <div>Joined Tomen Corporation (current Toyota Tsusho Corporation)</div> <div>June 2003</div> <div>CFO, Tomen America, Inc.</div> <div>July 2006</div> <div>Treasurer, Toyota Tsusho America, Inc.</div> <div>July 2010</div> <div>Executive Officer, Tomen Electronics Corporation (current NEXTY Electronics Corporation)</div> <div>April 2015</div> <div>Director</div> <div>April 2016</div> <div>Director, Toyota Tsusho Electronics Corporation</div> <div>April 2017</div> <div>Auditor, NEXTY Electronics Corporation (current position)</div>   |
|     |   | <p>Number of the Company's shares owned: 0 shares</p> <p>Reasons for nomination as a candidate for Audit &amp; Supervisory Board Member:<br/>Minoru Hirata worked in the accounting division of Tomen Corporation (current Toyota Tsusho Corporation) for many years and has considerable knowledge of finance and accounting through his holding positions at the group companies of Toyota Tsusho Corporation, including as an executive officer. We have decided that he will be able to provide appropriate audits on the basis of this experience and expertise, and we have therefore selected him as a candidate for Audit &amp; Supervisory Board Member.</p> <p>Limitation of liability:<br/>If he is elected, the Company will enter into an agreement with Minoru Hirata to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, Paragraph 1 of the same Act pursuant to the provisions of Article 427, Paragraph 1 of the Act.</p> |

| No.   | Name<br>(Date of Birth)  | Career Summary, Position in the Company, and<br>Significant Concurrent Positions |  |
|---|--|--|--|
| 2   | <div>Reappointment<br/>External<br/>Independent</div><br><div>Kiyoshi Kano<br/>(May 12, 1951)</div><br><div>Years as Audit &amp;<br/>Supervisory Board<br/>Member:<br/>8 years</div> | October 1972   | Joined Yonezawa Seisakusho Co., Ltd. (current NEC Personal Computers, Ltd.)  |
|   |  | July 1996  | Overseas Technical General Manager, Yonezawa NEC Corporation (current NEC Personal Computers, Ltd.)                          |
|   |  | July 2001  | General Manager, Personal Computer Technology Division   |
|   |  | October 2001   | General Manager, Note PC Business Division of NEC Custom Technica, Ltd. (current NEC Personal Computers, Ltd.)               |
|   |  | July 2002  | General Manager, Personal Computer Business Division   |
|   |  | July 2003  | Executive Officer, General Manager of Marketing Division, NEC Personal Products, Ltd. (current NEC Personal Computers, Ltd.) |
|   |  | April 2008   | Managing Executive Officer   |
|   |  | June 2008  | Director and Managing Executive Officer  |
|   |  | June 2011  | Audit & Supervisory Board Member of the Company (current position)   |
|   |  | October 2011   | Senior Managing Executive Officer, Takahata Electronics Corporation  |
| <div>Number of the Company's shares owned: 0 shares</div> <div>Attendance at Board of Directors Meetings: 12 out of 12 times (100%)</div> <div>Attendance at Audit &amp; Supervisory Board Meetings: 12 out of 12 times (100%)</div> <div>Reasons for nomination as a candidate for External Audit &amp; Supervisory Board Member:<br/>Kiyoshi Kano has extensive knowledge and experience of the PC business, one of the main markets of the Company, in addition to experience as an executive officer. We expect him to reflect his considerable experience and broad insight in his duties as External Audit &amp; Supervisory Board Member, and we have selected him to continue as a candidate for External Audit &amp; Supervisory Board Member.</div> <div>Matters pertaining to independence:<br/>There is no possibility of conflicts of interest with general shareholders because there are no financial interests other than compensation for Audit &amp; Supervisory Board Members between him and the Company. Therefore, he meets our independence criteria and has been designated as an independent officer as prescribed by the Tokyo Stock Exchange. If he is reappointed, the Company intends to continue to designate him as independent officer.</div> <div>Limitation of liability:<br/>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Kiyoshi Kano to limit her liability for damages under Article 423, Paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, Paragraph 1 of the same Act. If his election is approved, the Company plans to renew the respective agreements with him.</div> |  |  |  |

Notes: 1. The meanings of the terms in the table are as follows.

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|-----------------|--|
| Reappointment   | Candidates for Audit & Supervisory Board Members to be reappointed     |
| New Appointment | Candidates for Audit & Supervisory Board Members to be newly appointed |
| External        | Candidates for External Audit & Supervisory Board Members              |
| Independent     | Independent officers registered with the stock exchanges               |

- There is no special interest between the candidates for Audit & Supervisory Board Members and the Company.
- The position and responsibilities of candidate Minoru Hirata as a business executor at subsidiaries of Toyota Tsusho Corporation, the Company's parent company, or the past five years are as described in "Career Summary, Position in the Company, and Significant Concurrent Positions."