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(Stock Code 7984)

March 5, 2020

To Shareholders with Voting Rights:

Hidekuni Kuroda  
Representative Director  
**KOKUYO Co., Ltd.**  
6-1-1 Oimazato-minami  
Higashinari-ku, Osaka

## **NOTICE OF CONVOCATION OF THE 73RD ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 73rd Annual General Meeting of Shareholders of KOKUYO Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or by an electronic method (via the Internet).

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by following the instructions on page 3 under “Information on Exercising Voting Rights.” Please exercise your voting rights by 5 p.m. on Thursday, March 26, 2020 (Japan time).

### **Meeting Details**

**1. Date and time:** 10 a.m. on Friday, March 27, 2020 (Japan time)

**2. Place:** The Hō, 2F, Hotel New Otani Osaka  
1-4-1 Shiromi, Chuo-ku, Osaka, Japan

**3. Meeting Agenda:**

#### **Matters to be reported:**

1. The Business Report and the Consolidated Financial Statements for the Company’s 73rd Fiscal Year (from January 1, 2019 to December 31, 2019) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors
2. Non-consolidated Financial Statements for the Company’s 73rd Fiscal Year (from January 1, 2019 to December 31, 2019)

#### **Matters to be resolved:**

- Proposal 1:** Appropriation of surplus  
**Proposal 2:** Partial amendments to the Articles of Incorporation  
**Proposal 3:** Election of seven (7) Directors  
**Proposal 4:** Election of one (1) Auditor  
**Proposal 5:** Election of one (1) substitute Auditor

## Information

- When attending on the day of the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Additionally, to conserve resources, please bring this “Notice” with you.
- Pursuant to Article 17 of the Company’s Articles of Incorporation, you may exercise your voting rights by designating one proxy to attend the meeting, who must be another shareholder possessing voting rights. Please note that the proxy will be required to submit a written verification of the proxy’s rights when attending the meeting.
- Of the documents to be provided with this Notice, “Consolidated Statement of Changes in Shareholders’ Equity” and “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements and “Non-consolidated Statement of Changes in Shareholders’ Equity” and “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial Statements are posted on the Company’s website (<https://www.kokuyo.co.jp/>) in accordance with laws and regulations and Article 16 of the Company’s Articles of Incorporation, and are thus not included in the attached documents in this Notice. These items are included in the Consolidated and Non-consolidated Financial Statements that were audited during the course of preparation of the Audit Report by the Auditors and the Accounting Audit Report by the Accounting Auditor.
- Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements require any revision, the revised items will be posted on the Company’s website (<https://www.kokuyo.co.jp/>).

## **Information on Exercising Voting Rights**

- **Exercising your voting rights by attending the Annual General Meeting of Shareholders**  
Please submit the enclosed Voting Rights Exercise Form at the reception desk.

**Date and Time: 10 a.m. on Friday, March 27, 2020 (Japan time)**

- **Exercising your voting rights if you are not able to attend the Annual General Meeting of Shareholders**

- **Exercising your voting rights in writing (with the Voting Rights Exercise Form)**  
Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and send it so that it arrives by 5 p.m. on Thursday, March 26, 2020.

**Deadline for Voting: The Company must receive your form by 5 p.m. on Thursday, March 26, 2020 (Japan time)**

- **Exercising your voting rights via the Internet**  
Please access the designated website (<https://www.web54.net>) and cast your vote for or against the proposals.

**Deadline for Voting: The Company must receive your instructions by 5 p.m. on Thursday, March 26, 2020 (Japan time)**

## **IMPORTANT**

- If you exercise your voting rights more than once, both by mail and via the Internet, only the vote via the Internet will be deemed to be valid. If you exercise your voting rights multiple times via the Internet, only the last vote will be deemed to be valid.

<b>Information on Exercise of Voting Rights via the Internet (omitted)</b>
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## **Reference Documents for the General Meeting of Shareholders**

### **Proposals and Reference Information**

#### **Proposal 1: Appropriation of surplus**

As per our basic profit allocation policy, the Company will strive for sustainable business growth and work to improve profit allocation to all shareholders in an effort to maximize corporate value over the medium and long term. In addition, the Company will strive to return profits to shareholders and will do this by continuing to stably increase dividends with the aim of a dividend payout ratio of 40% by 2021 as the policy of returning profits to shareholders.

The year-end dividends for the 73rd fiscal year, as provided below, were determined by taking into account such factors as consolidated performance for the year and future business development.

#### **Matters Regarding Year-End Dividends**

1. Type of dividend property  
Cash
2. Matters concerning allocation of dividend property to shareholders and the total amount  
20.5 yen per share of the Company's common stock  
Total dividend amount: 2,425,143,584 yen  
As a result, annual dividends, including interim dividends of 18.5 yen per share, will be 39 yen per share.
3. Effective date of distribution of dividends  
March 30, 2020

## **Proposal 2: Partial amendments to the Articles of Incorporation**

### **1. Reason for the amendments**

- (1) The Company introduced measures in the event purchases of stock in the Company above a certain scale were made by specific shareholders or shareholder groups under the approval of shareholders at the Company's 60th Annual General Meeting of Shareholders held on June 28, 2007. The purpose of this was to secure and improve the corporate value of the Company and the common interests of its shareholders.

After that, the Company received approval for the most recent version of said measures with partially revised details (hereinafter the measures after the said revision are referred to as the "Measures") at the Company's 70th Annual General Meeting of Shareholders held on March 30, 2017. The effective period of the Measures expires at the conclusion of this General Meeting of Shareholders.

The Company has proactively worked to improve corporate value, enhance shareholder returns and strengthen corporate governance by steadily implementing the medium-term management plan since introducing the takeover defense measures in 2007 as well. The Company carefully considered the handling of the Measures in the future upon the approach of the expiration of the effective period of the Measures. The Company did this in light of the opinions of its shareholders (including institutional investors in Japan and overseas), changes in the business environment surrounding the Company and the latest trends in takeover defense measures, among other factors. As a result, the Company resolved to discontinue and abolish the Measures after the expiration of the effective period of the Measures at a meeting of the Board of Directors held on February 14, 2020.

Accordingly, the Company proposes to delete Article 18 (Takeover Defense Measures) of the current Articles of Incorporation relating to the Measures and move up Article 19 and subsequent articles of the current Articles of Incorporation by one article each.

- (2) The Company proposes to make the necessary amendments to Article 27 (Executive Officers and Executive Officers with Specific Titles) in the current Articles of Incorporation to review the executive officer system in light of the current operation of the executive officer system.

These amendments to the Articles of Incorporation will take effect at the conclusion of this General Meeting of Shareholders.

## 2. Details of the amendments

The current Articles of Incorporation and the planned amendments are as follows.

(Underlining indicates an amendment)

Current Articles of Incorporation	Planned Amendments
<p><u>Article 18: Takeover Defense Measures</u>  <u>The Company may determine matters relating to measures against large-scale purchases of stock in the Company (takeover defense measures) with a resolution of a General Meeting of Shareholders. This is to secure and improve the corporate value of the Company, the interests of the Company, and the common interests of the Company's shareholders. The Company may allot share options without contribution and take other measures permitted by laws and regulations and the Articles of Incorporation with a resolution of a meeting of the Board of Directors as countermeasures under the said measures.</u></p>	(Deleted)
<p>Article <u>19</u> to Article <u>26</u>          (Text of articles omitted)</p>	<p>Article <u>18</u> to Article <u>25</u>          (Article numbers moved up by one article each: text of articles same as they currently are)</p>
<p>Article <u>27</u>: Executive Officers and Executive Officers with Specific Titles          (1) The Board of Directors may appoint Executive Officers to execute the business of the Company by passing a resolution.          (2) The Board of Directors may appoint a <u>President and CEO, Executive Vice President and Executive Officer, and other</u> Executive Officers with Specific Titles by passing a resolution.</p>	<p>Article <u>26</u>: Executive Officers and Executive Officers with Specific Titles          (1) The Board of Directors may appoint Executive Officers to execute the business of the Company by passing a resolution.          (2) The Board of Directors may appoint Executive Officers with Specific Titles by passing a resolution.</p>
<p>Article <u>28</u> to Article <u>38</u>          (Text of articles omitted)</p>	<p>Article <u>27</u> to Article <u>37</u>          (Article numbers moved up by one article each: text of articles same as they currently are)</p>

### Proposal 3: Election of seven (7) Directors

The terms of office of all nine (9) Directors—Akihiro Kuroda, Hidekuni Kuroda, Yasuhiro Kuroda, Takuya Morikawa, Nobuyuki Miyagaki, Hisao Sakuta, Hiroshi Hamada, Taketsugu Fujiwara, and Mika Masuyama—will expire at the conclusion of this year's Annual General Meeting of Shareholders.

Accordingly, the Company proposes to elect seven (7) Directors including one (1) new Director and three (3) Outside Directors. The purpose of this is to strengthen the execution structure, and the functions of the Board of Directors which oversees execution, toward further improving corporate value.

The candidates for Directors are as follows:

Number	Name	Current position at the Company	Attendance at Meetings of the Board of Directors
1	Hidekuni Kuroda <span>Re-election</span>	Representative Director, President	100% (15 out of 15 times)
2	Takuya Morikawa <span>Re-election</span>	Director, Executive Vice President	93% (14 out of 15 times)
3	Nobuyuki Miyagaki <span>Re-election</span>	Director, Executive Vice President	100% (15 out of 15 times)
4	Kozo Sakagami <span>New</span>	Senior Executive Officer Head of Spatial Value Domain Managing Officer of Furniture Business Division (Concurrent)	—
5	Hiroshi Hamada <span>Re-election</span> <span>Outside</span> <span>Independent</span>	Director	100% (15 out of 15 times)
6	Taketsugu Fujiwara <span>Re-election</span> <span>Outside</span> <span>Independent</span>	Director	100% (15 out of 15 times)
7	Mika Masuyama <span>Re-election</span> <span>Outside</span> <span>Independent</span>	Director	92% (12 out of 13 times)

Note: The attendance at meetings of the Board of Directors for Ms. Mika Masuyama is given for meetings held after she took up her post on March 28, 2019.

No.	Name (Date of birth)	Career summary, position and responsibilities and significant concurrent positions outside the Company		Number of the Company's shares owned
1	<p>Hidekuni Kuroda (January 10, 1976) Re-election</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 6</p> <p>Attendance at meetings of the Board of Directors: 100% (15 out of 15 times)</p>	<p>April 2001 July 2005 June 2007 March 2009 March 2009 March 2011 March 2014 March 2015 January 2019</p>	<p>Joined the Company Director and Executive Officer, KOKUYO Office System Co., Ltd. Director and Managing Executive Officer, KOKUYO Office System Co., Ltd. Director, the Company Representative Director and President, KOKUYO Furniture Co., Ltd. Managing Executive Officer, the Company Director and Senior Managing Executive Officer, the Company Representative Director and President and CEO, the Company Representative Director and President, the Company (incumbent)</p>	81,932 shares
2	<p>Takuya Morikawa (October 7, 1959) Re-election</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 6</p> <p>Attendance at meetings of the Board of Directors: 93% (14 out of 15 times)</p>	<p>April 1982 June 2005 June 2005 March 2011 March 2014 March 2015 January 2019</p>	<p>Joined the Company Director, the Company Representative Director and President, KOKUYO S&amp;T Co., Ltd. Managing Executive Officer, the Company Director and Senior Managing Executive Officer, the Company Director, Group Senior Executive Officer, Managing Officer of International Business Division, the Company Director and Executive Vice President, Special Officer in Charge of Overseas Business and M&amp;A (incumbent)</p>	27,132 shares
3	<p>Nobuyuki Miyagaki (March 10, 1956) Re-election</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 5</p> <p>Attendance at meetings of the Board of Directors: 100% (15 out of 15 times)</p>	<p>April 1978 April 2003 October 2004 April 2011 March 2012 March 2015 January 2019</p>	<p>Joined the Company IT Communication Company Executive Manager, the Company Auditing Office Manager, KOKUYO Furniture Co., Ltd. Manager of Process Reform Department, the Company Full-time Corporate Auditor, the Company Director, Group Senior Executive Officer, Managing Officer of Corporate Administrations, the Company Director and Executive Vice President, Company-Wide Risk Management Officer, the Company (incumbent)</p>	8,967 shares

No.	Name (Date of birth)	Career summary, position and responsibilities and significant concurrent positions outside the Company		Number of the Company's shares owned
4	Kozo Sakagami (March 9, 1958) New	<p>April 1981      Joined the Company</p> <p>April 2002      Manager of International Procurement Division, the Company (Service in Hong Kong)</p> <p>October 2004    Representative Director and President, KOKUYO International Co., Ltd.</p> <p>January 2011    Director and Executive Officer, Managing Officer of International Business Division, KOKUYO Furniture Co., Ltd.</p> <p>March 2015      Group Executive Officer, Managing Officer of Furniture Business Division, the Company</p> <p>March 2015      Representative Director and President, KOKUYO Furniture Co., Ltd.</p> <p>January 2019    Senior Executive Officer, Managing Officer of Furniture Business Division, the Company (incumbent)</p> <p>January 2020    Senior Executive Officer, Head of Spatial Value Domain, the Company (incumbent)</p>		5,087 shares
5	<p>Hiroshi Hamada (May 30, 1959) Re-election Outside Independent</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 6</p> <p>Attendance at meetings of the Board of Directors: 100% (15 out of 15 times)</p>	<p>April 1982      Joined Yamashita-Shinnihon Steamship Co., Ltd. (currently Mitsui O.S.K. Lines, Ltd.)</p> <p>January 1995    Joined Dell Computer Inc. (currently Dell Japan Inc.)</p> <p>August 2000    Representative Director, President, Dell Japan Inc. and Vice President, Dell Computer Corporation</p> <p>May 2006      Representative Partner, Revamp Corporation</p> <p>April 2008      Executive Officer, President and Chief Operating Officer, HOYA CORPORATION</p> <p>November 2011 Director, Representative Executive Officer, President and Chief Operating Officer, HOYA CORPORATION</p> <p>March 2014      Outside Director, the Company (incumbent)</p> <p>May 2015      Chairman, Representative Director and CEO, ARUHI Group Corporation (currently ARUHI Corporation) (incumbent)</p> <p>September 2015 Chairman, President, Representative Director, CEO and COO, ARUHI Group Corporation (incumbent)</p> <p>Significant concurrent positions: Chairman, President, Representative Director, CEO and COO, ARUHI Group Corporation</p>		—

No.	Name (Date of birth)	Career summary, position and responsibilities and significant concurrent positions outside the Company		Number of the Company's shares owned
6	<p>Taketsugu Fujiwara (February 19, 1947) Re-election Outside Independent</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 5</p> <p>Attendance at meetings of the Board of Directors: 100% (15 out of 15 times)</p>	<p>April 1969</p> <p>June 2000</p> <p>June 2003</p> <p>October 2003</p> <p>June 2009</p> <p>April 2010</p> <p>June 2014</p> <p>March 2015</p> <p>June 2018</p> <p>Significant concurrent positions: Outside Director, Shimadzu Corporation Outside Director, IHI Corporation Outside Director, Konica Minolta, Inc.</p>	<p>Joined Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corporation)</p> <p>Director, Asahi Kasei Corporation</p> <p>Senior Executive Officer, Asahi Kasei Corporation</p> <p>Presidential Executive Officer, Asahi Kasei Chemicals Corporation</p> <p>Director, Vice-Presidential Executive Officer, Asahi Kasei Corporation</p> <p>President and Representative Director, Presidential Executive Officer, Asahi Kasei Corporation</p> <p>Vice Chairman, Asahi Kasei Corporation</p> <p>Outside Director, the Company (incumbent)</p> <p>Counsellor, Asahi Kasei Corporation (incumbent)</p>	—
7	<p>Mika Masuyama (January 6, 1963) Re-election Outside Independent</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 1</p> <p>Attendance at meetings of the Board of Directors: 92% (12 out of 13 times)</p>	<p>April 1985</p> <p>September 1991</p> <p>November 1992</p> <p>June 1997</p> <p>January 2004</p> <p>October 2016</p> <p>March 2019</p> <p>Significant concurrent positions: President and Representative Partner, Masuyama &amp; Company LLC. Outside Director (Audit and Supervisory Committee Member), Suntory Beverage &amp; Food Limited Outside Director, Konoike Transport Co., Ltd.</p>	<p>Joined the Bank of Japan</p> <p>International Marketing Director, Cap Gemini Sogeti</p> <p>Senior Consultant, Gemini Consulting Japan</p> <p>Joined Egon Zehnder</p> <p>Partner, Egon Zehnder</p> <p>President and Representative Partner, Masuyama &amp; Company LLC. (incumbent)</p> <p>Outside Director, the Company (incumbent)</p>	—

(Notes)

1. There are no special conflicts of interest between the candidates and the Company.
2. Mr. Kozo Sakagami is a new candidate.
3. Candidates Mr. Hidekuni Kuroda, Mr. Takuya Morikawa, Mr. Nobuyuki Miyagaki, and Mr. Kozo Sakagami have abundant business experience as listed in the section “Career summary, position and responsibilities and significant concurrent positions outside the Company.” The Company has nominated these four candidates for Directors, as it has determined through a comprehensive review of their knowledge, expertise and ability to make objective managerial decisions that they would be able to properly carry out the duties of Directors.
4. Candidates Mr. Hiroshi Hamada, Mr. Taketsugu Fujiwara and Ms. Mika Masuyama are the candidates for Outside Directors.
5. Special notes on the candidates for Outside Directors are as follows:
  - (1) Reasons for nominating the candidates for Outside Directors

Mr. Hiroshi Hamada is expected to continue to contribute further to the Company’s management with his abundant knowledge and experience, cultivated from his career as Representative Director and Executive Officer of business companies, as well as his track record of high performance, including offering objective, valuable remarks based on his extensive expertise.

Mr. Taketsugu Fujiwara is expected to continue to contribute further to the Company’s management with his abundant knowledge and experience, cultivated from his career as Representative Director and Executive Officer of business companies, as well as his track record of high performance, including offering objective, valuable remarks based on his extensive expertise.

Ms. Mika Masuyama is expected to continue to contribute further to the Company’s management with her abundant consulting experience and knowledge and with her extensive management and economics expertise, which she cultivated during her career in areas such as corporate governance, human resources and organizations, and M&A.
  - (2) Facts concerning inappropriate business execution by candidates for Outside Directors in the past five years during their tenure as Director, Executive Officer or Auditor at other stock companies

IHI Corporation, where Mr. Taketsugu Fujiwara has served as an Outside Director since June 2015, was ordered under the Aircraft Manufacturing Industry Act to repair aircraft engines with an approved method of repair by the Ministry of Economy, Trade and Industry in March 2019 in relation to its commercial aircraft engine maintenance business. It was also ordered to improve its business under the Civil Aeronautics Act by the Ministry of Land, Infrastructure, Transport and Tourism in April 2019. Mr. Taketsugu Fujiwara was not aware of the facts giving rise to the orders and relevant matters in advance. However, he has made appropriate recommendations concerning the importance of legal compliance and the need for its full enforcement at meetings of the Board of Directors on a regular basis and as deemed necessary.
  - (3) Time served as Outside Directors

At the conclusion of the general meeting of shareholders, Mr. Hiroshi Hamada will have served 6 years as an Outside Director of the Company.

At the conclusion of the general meeting of shareholders, Mr. Taketsugu Fujiwara will have served 5 years as an Outside Director of the Company.

At the conclusion of the general meeting of shareholders, Ms. Mika Masuyama will have served 1 year as an Outside Director of the Company.
  - (4) Contracts for limitation of liability with the candidates for Outside Directors

Pursuant to the Articles of Incorporation, the Company has concluded agreements with Mr. Hiroshi Hamada, Mr. Taketsugu Fujiwara, and Ms. Mika Masuyama to limit their liability for damages as provided in Article 423, paragraph 1 of the Companies Act, in accordance with Article 427, paragraph 1 of the Companies Act. The monetary limits on liability for damages under said agreements are the amounts stipulated by laws and regulations.
6. The Company registered candidates Mr. Hiroshi Hamada, Mr. Taketsugu Fujiwara, and Ms. Mika Masuyama as its independent officers with the notification required by the regulations of the Tokyo Stock Exchange, Inc., on which the Company’s stock is listed.

#### Proposal 4: Election of one (1) Auditor

Of the three current Auditors, Morihiro Murata will retire with the expiration of his term in office at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes to elect one (1) Auditor.

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

The candidate for Auditor is as follows:

Name (Date of birth)	Career summary, position, and significant concurrent positions outside the Company	Number of the Company's shares owned
Yoko Toyoshi (May 20, 1958) New Outside Independent	April 1981      Joined the Bank of Fukuoka, Ltd. October 1989      Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC) December 1990      Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC) July 2008      Appointed partner, Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC) July 2013      Appointed Chief Certified Public Accountant Audit Inspector, Certified Public Accountants and Auditing Oversight Board, Financial Services Agency July 2016      Joined Deloitte Touche Tohmatsu LLC June 2018      Outside Director (Audit and Supervisory Committee Member), Alps Electric Co., Ltd. (currently ALPS ALPINE CO., LTD.) (incumbent)  Significant concurrent positions: Outside Director (Audit and Supervisory Committee Member), ALPS ALPINE CO., LTD.	—

(Notes)

1. There are no special conflicts of interest between the candidate and the Company.
2. Ms. Yoko Toyoshi is a new candidate for a new Outside Auditor.
3. Special notes on the candidate for Outside Auditor are as follows:
  - (1) Reason for nominating the candidate for Outside Auditor  
Candidate Ms. Yoko Toyoshi has expert knowledge as a certified public accountant. In addition, the candidate has insights based on a wealth of experience cultivated through experience of account auditing in an accounting firm and experience as an outside director of a business corporation. Therefore, if appointed as Outside Auditor of the Company, the candidate is expected to conduct audits with an advanced perspective utilizing this experience and expertise.
  - (2) Reason for judging that the candidate for Outside Auditor is capable of properly carrying out the duties as an Outside Auditor, even without past experience in corporate management  
Although Ms. Yoko Toyoshi has no experience of direct involvement in corporate management other than her past service as an Outside Officer, for the reasons outlined in (1) above, the Company has determined that she would be able to properly carry out the duties of an Outside Auditor.
  - (3) Contract for limitation of liability with the candidate for Outside Auditor  
If candidate Ms. Yoko Toyoshi assumes office as an Outside Auditor, pursuant to the Articles of Incorporation, the Company will conclude an agreement with her to limit her liability for damages as provided in Article 423, paragraph 1 of the Companies Act, in accordance with Article 427, paragraph 1 of the Companies Act. The monetary limits on liability for damages under said agreement will be the amounts stipulated by laws and regulations.

4. The Company will register Ms. Yoko Toyoshi as its independent officer with the notification required by the regulations of the Tokyo Stock Exchange, Inc., on which the Company's stock is listed.

**Proposal 5: Election of one (1) substitute Auditor**

The Company proposes to elect one (1) substitute Auditor to prepare for any possible vacancy in the legally stipulated number of Auditors.

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

The candidate for substitute Auditor is as follows:

Name (Date of birth)	Career summary and position (Significant concurrent positions outside the Company)	Number of the Company's shares owned
Akito Takahashi (March 30, 1975) Outside Independent	April 2000 Admitted as an attorney in Japan (Daini Tokyo Bar Association), joined Anderson Mori (currently Anderson Mori & Tomotsune) April 2005 Admitted as an attorney in the State of New York March 2007 Joined the Koichi Nishimura Law Office September 2009 Established Takahashi and Katayama Law Office (incumbent)  Significant concurrent positions: Outside Director, Nippon Carbon Co., Ltd. Outside Director, Oriental Consultants Holdings Co., Ltd. Outside Director (Audit and Supervisory Committee Member), OSG Corporation	—

(Notes)

1. There are no special conflicts of interest between the candidate and the Company.
2. Candidate Mr. Akito Takahashi is the candidate for substitute Outside Auditor.
3. Special notes on the candidate for substitute Outside Auditor are as follows:
  - (1) Reason for nominating the candidate for substitute Outside Auditor  
Mr. Akito Takahashi has expertise cultivated in his career as an attorney, as well as abundant knowledge and experience, along with extensive expertise, as an outside officer of business companies. He is expected to fully leverage his expertise and insights as an outsider auditor within the auditing organization if appointed as an Outside Auditor.
  - (2) Reason for judging that the candidate for substitute Outside Auditor is capable of properly carrying out the duties as an Outside Auditor, even without past experience in corporate management  
Although Mr. Akito Takahashi has no experience of direct involvement in corporate management other than his past service as an Outside Officer, for the reasons outlined in (1) above, the Company determined that he would be able to properly carry out the duties of an Outside Auditor.
  - (3) Contract for limitation of liability with the candidate for substitute Outside Auditor  
If Mr. Akito Takahashi assumes office as an Outside Auditor, pursuant to the Articles of Incorporation, the Company will conclude an agreement with him to limit his liability for damages as provided in Article 423, paragraph 1 of the Companies Act, in accordance with Article 427, paragraph 1 of the Companies Act. The monetary limits on liability for damages under said agreement will be the amounts stipulated by laws and regulations.
4. If Mr. Akito Takahashi assumes office as an Outside Auditor, the Company will register him as its independent officer with the notification required by the regulations of the Tokyo Stock Exchange, Inc., on which the Company's stock is listed.

End

## Reference

The independence requirements for the Outside Officers of the Company are as follows.

### Independence Requirements for Outside Officers

1. The independence requirements for Outside Directors or Outside Auditors (hereinafter collectively referred to as “Outside Officers”) shall be defined as follows.
  - (1) He/she shall not have been a business executor (refers to a business executing director, executive officer or employee; hereinafter the same) or full-time auditor of the KOKUYO Group within the past 10 years
  - (2) His/her family (spouse, children, and blood relatives and relatives by marriage within the second degree) shall not have been a business executor or full-time auditor of the KOKUYO Group within the past 3 years
  - (3) He/she shall not be a major shareholder of the KOKUYO Group (a person who holds shares with 10% or more of the total voting rights) or a business executor or full-time auditor of such a shareholder
  - (4) He/she shall not be a business executor or full-time auditor of a major business partner of the KOKUYO Group (a company for which the amount paid or received in dealings with the KOKUYO Group accounts for 2% or more of the consolidated sales of the KOKUYO Group or the business partner’s group)
  - (5) He/she shall not have been a representative partner or non-representative partner of an accounting auditor of the KOKUYO Group within the past 3 years
  - (6) He/she shall not have been a partner of a law firm, legal professional corporation, accounting firm, audit firm or other company providing consulting services that receives compensation over 25 million yen per year for professional advice and services and he/she shall not have received compensation over 25 million yen per year for professional advice and services performed by himself/herself personally in addition to his/her executive compensation from the KOKUYO Group over the past 3 years
  - (7) There shall be no mutual dispatch of directors, corporate officers or executive officers between the place where he/she holds a concurrent post and the KOKUYO Group
  - (8) He/she shall not receive a donation/contribution, financing or loan guarantee of 10 million yen or more per year from the KOKUYO Group
  - (9) He/she shall have no other significant interests with the KOKUYO Group
2. Outside Officers must strive to continue to ensure the independence requirements defined in Paragraph 1 until retirement.

End