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Securities code: 7239

June 1, 2020

To Our Shareholders,

Yuichiro Yamamoto
Representative Director & President
TACHI-S CO., LTD.
3-3-7 Matsubara-cho, Akishima-shi, Tokyo

Notice of the 68th Annual General Meeting of Shareholders

Please refer to the below for information about the upcoming the 68th Annual General Meeting of Shareholders (the “Meeting”) of TACHI-S CO., LTD. (the “Company”).

To avoid the risk of infection of the novel coronavirus (COVID-19) at the Meeting, you are kindly asked to refrain from attending the Meeting in person and, instead, to exercise your voting rights in advance in writing or by electromagnetic means (via the Internet, etc.).

In the event that you exercise your voting rights in writing or by electromagnetic means (via the Internet, etc.), please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5 p.m. on Monday, June 22, 2020.

- 1. Date and time:** 10:00 a.m. Tuesday, June 23, 2020
- 2. Venue:** TACHI-S CO., LTD. Head Office (Auditorium on the third floor)
3-3-7 Matsubara-cho, Akishima-shi, Tokyo
- 3. Agenda:**

- Matters for reporting:**
1. Business Report, the consolidated financial statements, and audit report of the consolidated financial statements by the Independent Auditors and Audit & Supervisory Board for the 68th term (from April 1, 2019 to March 31, 2020)
 2. Report of the non-consolidated financial statements for the 68th term (from April 1, 2019 to March 31, 2020)

Matters for approval:

- Proposal 1:** Election of nine Directors
Proposal 2: Election of one Audit & Supervisory Board Member

* If you diversely exercise your voting rights, you are requested to notify the Company in writing of your intention to do so and state the reason for this no later than three days before the Meeting.

* The following items are not attached to this Notice of Convocation since they have been made available on the Company’s website (<http://www.tachi-s.co.jp/en/>) in accordance with laws and regulations and the provisions of Article 14 of the Company’s Articles of Incorporation. For this reason, they are not attached to this Notice of Convocation.

- (i) The System to Secure the Appropriateness of Business Operations and the Outline of the Operating Circumstances of the Said System of the Business Report
- (ii) The Consolidated Statements of Changes in Net Assets and the Notes to the Consolidated Financial Statements of the Consolidated Financial Statements
- (iii) The Non-consolidated Statements of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements of the Non-consolidated Financial Statements

Of the documents included in the Appendix to the Notice of Convocation, the Business Report is among the documents audited by the Audit & Supervisory Board Members, and the Consolidated Financial Statements and Non-consolidated Financial Statements are among the documents audited by the Audit & Supervisory Board

Members and the Independent Auditors

* We will post any revisions we make to the attached Reference Documents for the General Meeting of Shareholders, the Business Report, or non-consolidated financial statements and consolidated financial statements on our website (<http://www.tachi-s.co.jp/en/>).

* If you are attending the meeting on the scheduled day, please submit the enclosed voting form at the reception.

* The company shall post the contents of resolutions of this general meeting on the Company's website (<http://www.tachi-s.co.jp/en/>) instead of sending written notice of resolutions. We appreciate your understanding in this matter.

* If you wish to exercise your voting rights via the Internet, please enter your vote for or against each of the proposals on the following voting rights exercise website (<https://www.web54.net>).

* If voting rights are exercised more than once via the Internet, the most recent votes submitted via the Internet will be regarded as the effective votes.

* If voting rights are exercised both through indications on the voting right exercise form and through voting via the Internet, causing voting rights to be exercised more than once, the votes submitted via the Internet will be regarded as the effective votes.

Reference Documents for the General Meeting of Shareholders

Proposals and reference matters

Proposal 1: Election of nine Directors

The terms of office of all eight Directors will expire at the conclusion of the Meeting. To further strengthen the Group's management system, we propose to increase the number of Outside Directors, and elect the following nine Director candidates.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility at the Company	Attendance at Board of Directors meetings
1	RE-nomination Taro Nakayama	Representative Director & Chairman Chief Executive Officer	13/13 (100%)
2	RE-nomination Yuichiro Yamamoto	Representative Director & President Chief Operating Officer In charge of Global Headquarters Division Manager of Quality Management Division	13/13 (100%)
3	RE-nomination Kiyoshi Saito	Senior Corporate Advisor of the Board of Directors	13/13 (100%)
4	RE-nomination Kunio Arishige	Member of the Board of Directors & Executive Managing Officer Division Manager of Monozukuri Division	10/10 (100%)
5	RE-nomination Kazumi Tamura	Member of the Board of Directors & Executive Managing Officer Division Manager of Business Division	10/10 (100%)
6	RE-nomination Atsushi Komatsu	Member of the Board of Directors & Executive Managing Officer Division Manager of Corporate Management Division In charge of Compliance and CSR	10/10 (100%)
7	RE-nomination Outside Independent Director Toshio Kinoshita	Outside Director	13/13 (100%)
8	RE-nomination Outside Hidetaka Mihara	Outside Director	13/13 (100%)
9	New Nominee Outside Independent Director Yoshiaki Nagao		-/ (-%)

* Attendance at Board of Directors meetings for Mr. Kunio Arishige, Mr. Kazumi Tamura and Mr. Atsushi Komatsu indicates the status after their assumption of office as Director on June 25, 2019.

Candidate No.1	Taro Nakayama	(September 18, 1955)	RE-nomination
	<p>Brief History, Position, Principal Duties and Key Concurrent Posts</p> <p>April 1980 Joined NISSAN MOTOR CO., LTD.</p> <p>April 2010 Director of Global Multi-Sourcing & Export Management Department</p> <p>April 2011 Joined TACHI-S CO., LTD. as Corporate Advisor</p> <p>June 2011 Member of the Board of Directors & Executive Vice President Chief of Business Administration Headquarters Division Manager of Overseas Division</p> <p>April 2014 Member of the Board of Directors & Chief Operating Officer</p> <p>June 2014 Representative Director, President & Chief Operating Officer</p> <p>April 2017 In charge of Global Headquarters</p> <p>June 2017 Chief Executive Officer (incumbent)</p> <p>June 2019 Representative Director & Chairman (incumbent)</p>		
<p>■Number of shares of the Company owned 12,700 shares</p> <p>■Attendance at Board of Directors meetings 13/13 (100%)</p>	<p>Reasons for selection as a Candidate for Director</p> <p>Mr. Taro Nakayama has developed broad experience and superior insight over the many years he has worked at overseas businesses and has been a leader in the overall management of global businesses. He has appropriately fulfilled his roles, such as determining priority management matters and supervising executive functions, and we have nominated him as a candidate to continue in his role as Director due to his exceptional leadership in promoting globalization of the Company's businesses.</p>		
Candidate No.2	Yuichiro Yamamoto	(July 30, 1968)	RE-nomination
	<p>Brief History, Position, Principal Duties and Key Concurrent Posts</p> <p>April 1997 Joined TACHI-S CO., LTD.</p> <p>April 2005 General Manager of Overseas Business Team</p> <p>October 2005 Seconded to TACHI-S Engineering U.S.A., Inc. General Manager</p> <p>August 2006 Seconded to TACLE Seating U.S.A., LLC (currently TACHI-S Automotive Seating U.S.A., LLC) President</p> <p>April 2011 Executive Managing Officer Deputy General Manager of Overseas Division</p> <p>April 2012 In Charge of Nissan Business and Overseas Business Management</p> <p>April 2014 In Charge of China Business Seconded to TACHI-S China Co., Ltd. President</p> <p>April 2015 Senior Executive Officer</p> <p>April 2017 Executive Vice President President, Regional Headquarters for Japan</p> <p>June 2017 Member of the Board of Directors & Executive Vice President</p> <p>April 2019 Member of the Board of Directors & Chief Operating Officer In charge of Global Headquarters (incumbent)</p> <p>June 2019 Representative Director, President & Chief Operating Officer (incumbent)</p> <p>April 2020 Division Manager of Quality Management Division (incumbent)</p>		
<p>■Number of shares of the Company owned 102,100 shares</p> <p>■Attendance at Board of Directors meetings 13/13 (100%)</p>	<p>Reasons for selection as a Candidate for Director</p> <p>Mr. Yuichiro Yamamoto has been nominated as a candidate to continue in his role as Director, as he has valuable knowledge in the Marketing and Overseas Division, and many years of experience and results as a top executive at overseas subsidiaries in North America and China and has demonstrated strong leadership as Chief Operating Officer, and we have determined that he is essential to promoting globalization at the Group and the sustainable enhancement of the Group's corporate value.</p>		

Candidate No.3	Kiyoshi Saito	(January 25, 1947)	RE-nomination
 <p>■Number of shares of the Company owned 736,028 shares</p> <p>■Attendance at Board of Directors meetings 13/13 (100%)</p>	Brief History, Position, Principal Duties and Key Concurrent Posts		
	March 1973	Joined TACHI-S CO., LTD.	
	June 1982	Member of the Board of Directors	
	June 1993	Senior Executive Officer Director of Production Headquarters	
	June 1996	Representative Director & President	
	June 2001	Representative Director, President & Chief Operating Officer	
	June 2005	Representative Director, Chairman & Chief Executive Officer	
	April 2014	Representative Director & Chairman	
	June 2014	Representative Director & Senior Corporate Advisor	
	June 2016	Senior Corporate Advisor of the Board of Directors (incumbent)	
Reasons for selection as a Candidate for Director			
Mr. Kiyoshi Saito has been nominated as a candidate to continue in his role as Director, as he has wide-ranging knowledge of all aspects of the Group's management and has appropriately carried out his functions, and we have determined that he is essential to the sustainable improvement of the Group's corporate value, based on his extensive experience over many years as a top executive at the Company.			
Candidate No.4	Kunio Arishige	(April 22, 1958)	RE-nomination
 <p>■Number of shares of the Company owned 8,400 shares</p> <p>■Attendance at Board of Directors meetings 10/10 (100%)</p>	Brief History, Position, Principal Duties and Key Concurrent Posts		
	April 1981	Joined NISSAN MOTOR CO., LTD.	
	April 2005	Director of Advanced HEV Development	
	April 2010	Director of Planning and Advanced Technology Director in Research Institution	
	April 2011	Joined TACHI-S CO., LTD. as Corporate Advisor	
	October 2011	Executive Managing Officer Deputy Division Manager of Development	
	April 2014	Division Manager of Business Unit No.1	
	April 2015	Senior Executive Officer	
	April 2017	Division Manager of R&D and Technology Division	
	April 2019	Executive Managing Officer	
June 2019	Member of the Board of Directors & Executive Managing Officer		
April 2020	Member of the Board of Directors & Executive Managing Officer (incumbent) Division Manager of Monozukuri Division (incumbent)		
Reasons for selection as a Candidate for Director			
Mr. Kunio Arishige has been nominated as a candidate to continue in his role as Director, as he has extensive experience in R&D and Technology Division, and we have determined that he is essential to further strengthen the global manufacturing framework of the Group.			

Candidate No.5	Kazumi Tamura	(July 17, 1961)	RE-nomination
 <p>■Number of shares of the Company owned 7,600 shares</p> <p>■Attendance at Board of Directors meetings 10/10 (100%)</p>	<p>Brief History, Position, Principal Duties and Key Concurrent Posts</p> <p>April 1985 Joined TACHI-S CO., LTD.</p> <p>April 2008 Director of Sales and Marketing Section No.2</p> <p>April 2012 Seconded to Wuhan TACHI-S Jonson Controls Automotive Seat Co., Ltd. (currently Wuhan Dongfeng TACHI-S Adient Automotive Seating Co., Ltd.) President</p> <p>April 2014 Director of Sales and Marketing Section No.2</p> <p>April 2016 Senior Director</p> <p>April 2017 Executive Managing Officer Division Manager of Business Unit No.2</p> <p>April 2019 Executive Managing Officer Division Manager of Business Division (incumbent)</p> <p>June 2019 Member of the Board of Directors & Executive Managing Officer</p> <p>April 2020 Member of the Board of Directors & Executive Managing Officer (incumbent)</p> <hr/> <p>Reasons for selection as a Candidate for Director</p> <p>Mr. Kazumi Tamura has been nominated as a candidate to continue in his role as Director, as he has extensive experience in the Marketing Division over many years, and results as a top executive at overseas subsidiaries, and we have determined that he is essential to support the further growth and development of the Group.</p>		
Candidate No.6	Atsushi Komatsu	(August 2, 1963)	RE-nomination
 <p>■Number of shares of the Company owned 7,600 shares</p> <p>■Attendance at Board of Directors meetings 10/10 (100%)</p>	<p>Brief History, Position, Principal Duties and Key Concurrent Posts</p> <p>April 1986 Joined NISSAN MOTOR CO., LTD.</p> <p>April 2003 General Division Manager of China Business</p> <p>July 2003 Seconded to Dongfeng Motor Co., Ltd Executive Vice President in charge of Financial and Information Technology</p> <p>April 2009 Director of Management for affiliate company, NISSAN MOTOR CO., LTD.</p> <p>April 2010 Director of Finance Section</p> <p>April 2014 Director of Domestic Network Strategy</p> <p>April 2017 Joined TACHI-S CO., LTD. as Corporate Advisor</p> <p>July 2017 Executive Managing Officer Assistant Director of Corporate Management Division</p> <p>April 2019 Executive Managing Officer Division Manager of Corporate Management Division (incumbent)</p> <p>June 2019 Member of the Board of Directors & Executive Managing Officer</p> <p>April 2020 Member of the Board of Directors & Executive Managing Officer (incumbent) In charge of Compliance and CSR (incumbent)</p> <hr/> <p>Reasons for selection as a Candidate for Director</p> <p>Mr. Atsushi Komatsu has been nominated as a candidate to continue in his role as Director, as he has superior expertise in the fields of finance, management and wide-ranging knowledge, and we have determined that he is essential to the sustainable improvement of the Company's corporate value as the person responsible for the Corporate Management Division.</p>		

Candidate No.7

Toshio Kinoshita

(April 12, 1949)

RE-nomination

Outside

Independent Director



Brief History, Position, Principal Duties and Key Concurrent Posts

January 1980 Jointed Coopers & Lybrand, Japan (currently PricewaterhouseCoopers Arata LLC)

July 1983 Registered as Certified Public Accountant

February 1985 Audit Manager of Coopers & Lybrand, US (currently PricewaterhouseCoopers LLP) New York Office

November 1985 Managing partner of the Japanese Business Network of Midwest, Coopers & Lybrand, US Detroit Office

June 1995 Managing partner of the Japanese Business Network of US, Coopers & Lybrand, US National Office

July 1998 Managing partner of the Japanese Business Network of North America, PricewaterhouseCoopers LLP New York Office

July 2005 Management Board Member for International Business of Chuo Aoyama Audit Corporation (renamed Misuzu Audit Corporation)

June 2015 Outside Director of TACHI-S CO., LTD. (incumbent)

(Key concurrent posts)

Representative Director & President of Global Professional Partners Co., Ltd.

Outside Audit & Supervisory Board Member of Cool Japan Fund Inc.

Outside Audit & Supervisory Board Member of Panasonic Corporation

Outside Director of ADK Holdings Inc.

Outside Audit & Supervisory Board Member of Denka Company Limited

Outside Director of GiG Works Inc.

■Number of shares of the Company owned
0 shares

■Attendance at Board of Directors meetings
13/13 (100%)

Reasons for selection as a Candidate for Outside Director

Mr. Toshio Kinoshita has superior judgment as a certified public accountant and plentiful experience performing auditing functions at overseas locations over many years, and he has been nominated as a candidate to continue in his role as Outside Director as he is contributing to the appropriate decision-making of the Board of Directors from an objective and global standpoint. He will have served as an Outside Director of the Company for five years as of the conclusion of this Shareholders' Meeting.

Candidate No.8

Hidetaka Mihara

(July 8, 1958)

RE-nomination

Outside



Brief History, Position, Principal Duties and Key Concurrent Posts

April 1986 Registered with Dai-Ichi Tokyo Bar Association
Joined Hashidate Law Office

October 1987 Joined Blakemore & Mitsuki (renamed Tsunematsu Yanase & Sekine)

July 1990 Seconded to Nomura International plc, London

January 1993 Partner at Tsunematsu Yanase & Sekine

January 2000 Partner at Nagashima Ohno & Tsunematsu (incumbent)

April 2016 Executive Vice president of Dai-Ichi Tokyo Bar Association

June 2018 Outside Director of TACHI-S CO., LTD. (incumbent)

(Key concurrent posts)

Partner at Nagashima Ohno & Tsunematsu
Expert Advisor of Ministry of Land, Infrastructure, Transport and Tourism, Land Policy Council Land Policy Subcommittee Special Section (Owner unknown land problem examination)

Reasons for selection as a Candidate for Outside Director

Although Mr. Hidetaka Mihara has no experience in being directly involved with corporate management, other than serving as an Outside Director, he has been nominated as a candidate to continue in his role as Outside Director, as he has expert knowledge and experience of matters such as corporate law as a lawyer, and we hope to utilize this in the strengthening of the Group's corporate governance. He will have served as an Outside Director of the Company for two years as of the conclusion of this Shareholders' Meeting.

■Number of shares of the Company owned
0 shares

■Attendance at Board of Directors meetings
13/13 (100%)

Candidate No.9	Yoshiaki Nagao	(February 1, 1953)	<table border="1"> <tr><td style="text-align: center;">New Nominee</td></tr> <tr><td style="text-align: center;">Outside</td></tr> <tr><td style="text-align: center;">Independent Director</td></tr> </table>	New Nominee	Outside	Independent Director
New Nominee						
Outside						
Independent Director						
 <p>■Number of shares of the Company owned 3,000 shares</p> <p>■Attendance at Board of Directors meetings -/- (-%)</p>	<p>Brief History, Position, Principal Duties and Key Concurrent Posts</p> <p>April 1978 Joined KIORITZ CORPORATION (currently YAMABIKO CORPORATION)</p> <p>February 2006 Executive Managing Officer President & Chief Operating Officer of ECHO Incorporated</p> <p>February 2008 Member of the Board of Directors & Executive Managing Officer of KIORITZ CORPORATION President & Chief Operating Officer of ECHO Incorporated</p> <p>December 2008 President & Chief Operating Officer of KIORITZ CORPORATION Executive Managing Officer of YAMABIKO CORPORATION</p> <p>October 2009 Member of the Board of Directors, Executive Managing Officer & Director of Industrial Machinery DIV of YAMABIKO CORPORATION</p> <p>June 2011 President, Chief Operating Officer & Executive Managing Officer</p> <p>June 2012 Representative Director, President & Chief Operating Officer (incumbent)</p> <p>(Key concurrent posts) Representative Director, President & Chief Operating Officer of YAMABIKO CORPORATION</p> <hr/> <p>Reasons for selection as a Candidate for Outside Director</p> <p>Mr. Yoshiaki Nagao has been nominated as a new candidate for Outside Director, as he has extensive experience and knowledge as Chief Operating Officer, having been involved in the management of domestic and overseas companies for many years, and we hope to utilize this in the development of the Group and the strengthening of the Group's corporate governance.</p>					

Notes:

- 1: The above candidates have no conflicts of interest with the Company.
- 2: Mr. Toshio Kinoshita, Mr. Hidetaka Mihara and Mr. Yoshiaki Nagao are candidates for Outside Director.
- 3: Notification has been submitted to the Tokyo Stock Exchange for Mr. Toshio Kinoshita to be listed as an independent officer according to the rules of the Exchange, and the Exchange will be notified again that he is an independent officer if he is re-elected. Notification will be submitted to the Tokyo Stock Exchange for Mr. Yoshiaki Nagao to be listed as an independent officer according to the rules of the Exchange. Consequently, Mr. Hidetaka Mihara meets the Company's Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members and his independence is not at issue. However, Nagashima Ohno & Tsunematsu, the law firm to which Mr. Mihara belongs, has a policy preventing its lawyers who become Outside Officers at other companies from being notified to the Tokyo Stock Exchange as independent directors or independent audit & supervisory board members. The Company does not therefore plan to designate Mr. Mihara as an independent audit & supervisory board member.
- 4: The Company has concluded an agreement with Mr. Toshio Kinoshita and Mr. Hidetaka Mihara to limit their damage liability as stipulated in Article 423, Paragraph 1 of the Companies Act, based on the regulations specified in Article 427, Paragraph 1 of the Companies Act. Should the reappointment of Mr. Kinoshita and Mr. Mihara as Outside Directors be approved, the Company intends to maintain the Liability Limitation Agreement with them. Should the appointment of Mr. Yoshiaki Nagao as Outside Director be approved, the Company intends to conclude the Liability Limitation Agreement with him. The maximum amount of liability for damage based on the Liability Limitation agreement is the minimum liability as stipulated in Article 425, Paragraph 1 of the Companies Act.
- 5: Although the Company currently has no female Directors nor female Members of the Board, in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace,

we are working to establish a workplace environment where women can play an active role, and are working to elect a female Director, or a female Member of the Board in the future.

<For Reference> Criteria for Assessing Independence of Outside Directors/ Audit & Supervisory Board Members

The Company establishes following standards in order to ensure the independence of Outside Directors/
Audit & Supervisory Board Members.

1. The person in question is not a current or former Executive¹ of the Company or a related company (“Group Companies”).
2. Over the past 5 years a Close Relative² of the person has not been an Executive¹ of any Group Companies.
3. The following items are not currently applicable to the person and have not been applicable to the person in the past 5 years:
 - (1) The person is a large shareholder of the Company (a person who directly or indirectly controls voting rights worth 10% or more of total voting rights in the Company) or an Executive¹ of such a large shareholder.
 - (2) The person directly or indirectly controls voting rights worth 10% or more of total voting rights in Group Companies or is an Executive¹ of such a large shareholder.
 - (3) The person is a Person for whom Group Companies are Important Clients³ or who is an Executive¹ of such an entity.
 - (4) The person is an Executive¹ of an Important Client of Group Companies⁴.
 - (5) The person is an Executive¹ of an Important Lender to Group Companies⁵.
 - (6) The person is affiliated with an auditing firm performing the Company’s statutory audits.
 - (7) The person is a consultant, an accounting professional or a legal professional (in the case that a group such as a corporation or association performs such a role, a person affiliated with that group) that has received from Group Companies money compensation or other assets to a total value of more than 10 million yen annually.
 - (8) The person is a recipient of donations or grants from Group Companies (in the case that a group such as a legal corporation or association is such a recipient, a person affiliated with that group) of more than 10 million yen annually.
 - (9) The person is an Executive¹ of a company to which Group Companies appoint Directors (regardless of whether such Directors are executive or non-executive).
4. None of the person’s Close Relatives are persons in regards to whom Items (1) to (9) of paragraph 3 above apply (but limited to cases where such a Close Relative is an Important Person⁶).

(Notes)

- ¹ An Executive is defined as a person who is either a Director (excluding an Outside Director) of a company or organization, an Executive Director, an Executive Officer, an employee who manages operations, a Senior General Manager or other equivalent person or employee who manages operations.
- ² A Close Relative is defined as a dependent, a relative to the second degree or a cohabitating relative.
- ³ A Person for whom Group Companies are Important Clients is defined as a person who has received 2% or more of their consolidated annual gross revenues from Group Companies during that person’s most recent fiscal year.
- ⁴ An Important Client of Group Companies is defined as a person who has paid 2% or more of the gross annual consolidated revenues of Group Companies in the Company’s most recent fiscal year.
- ⁵ An Important Lender to Group Companies is defined as a person who has provided finance to Group Companies that represents an amount worth 2% or more of consolidated total assets as of the end of the Company’s most recent fiscal year.
- ⁶ An Important Person is defined as a person who is either a Director, an Audit & Supervisory Board Member, an Executive Officer and a General Manager or above.

Proposal 2: Election of one Audit & Supervisory Board Member

The term of office of the Audit & Supervisory Board Member, Mr. Ichiro Konno, will expire at the conclusion of the Meeting. Accordingly, we propose to elect the following one Audit & Supervisory Board Member candidate.

The Audit & Supervisory Board has already approved this proposal.
The candidate for Audit & Supervisory Board Member is as follows:

Ichiro Konno	(February 1, 1956)	RE-nomination
 <p>■Number of shares of the Company owned 3,500 shares</p>	<p>Brief History, Position, Principal Duties and Key Concurrent Posts</p> <p>April 1979 Joined TACHI-S CO., LTD.</p> <p>April 2007 Director of Prototype and Tooling Engineering Department</p> <p>April 2008 Director of Prototype Department</p> <p>November 2009 Plant Manager of Ome Plant</p> <p>April 2013 General Manager of Production Division</p> <p>October 2013 General Manager of Business Division</p> <p>April 2014 Seconded to SETEX GLOBAL General Manager</p> <p>March 2016 Corporate Advisor</p> <p>June 2016 Audit & Supervisory Board Member (incumbent)</p>	
<p>■Attendance at Board of Directors meetings 13/13 (100%)</p> <p>■Attendance at Board of Audit & Supervisory Board Members meetings 12/12(100%)</p>	<p>Reasons for selection as a Candidate for Audit & Supervisory Board Member</p> <p>Mr. Ichiro Konno has been nominated as a candidate to continue in his role as Audit & Supervisory Board Member, as he has extensive experience and knowledge in R&D Division and Production Division, and we hope to utilize this in the auditing of the Company. He will have served as an Audit & Supervisory Board Member of the Company for four years as of the conclusion of this Shareholders' Meeting.</p>	

Notes: The above candidate has no conflicts of interest with the Company.

Consolidated Balance Sheet

(As of March 31, 2020)

(Unit: Million yen)

Account Name	Amount	Account Name	Amount
(Assets)		(Liabilities)	
Current assets	93,926	Current liabilities	51,214
Cash and deposits	32,034	Notes and accounts payable - trade	34,561
Notes and accounts receivable - trade	41,918	Short-term borrowings	1,793
Merchandise and finished goods	2,229	Income taxes payable	504
Work in process	832	Other	14,355
Raw materials and supplies	11,106	Non-current liabilities	18,976
Other	6,060	Long-term borrowings	9,500
Allowance for doubtful accounts	-255	Deferred tax liabilities	3,725
Non-current assets	68,245	Provision for retirement benefits for directors	5
Property, plant and equipment	43,199	Provision for share-based remuneration	93
Buildings and structures	12,230	Retirement benefit liability	1,495
Machinery, equipment and vehicles	14,622	Other	4,155
Land	7,817	Total liabilities	70,190
Construction in progress	2,511	(Net assets)	
Other	6,017	Total shareholders' equity	81,143
Intangible assets	1,872	Share capital	9,040
Goodwill	43	Capital surplus	8,789
Other	1,828	Retained earnings	64,812
Investments and other assets	23,173	Treasury shares	-1,498
Investments securities	11,414	Other comprehensive income	4,305
Long-term loans receivable	17	Valuation difference on available-for-sale securities	525
Deferred tax assets	3,627	Foreign currency translation adjustments	3,732
Retirement benefit asset	382	Remeasurements of defined benefit plans	47
Other	7,873	Non-controlling interests	6,530
Allowance for doubtful accounts	-141	Total net assets	91,980
Total assets	162,171	Total liabilities and net assets	162,171

Consolidated Statement of Income

(From April 1, 2019 to March 31, 2020)

(Unit: Million yen)

Account Name	Amount	
Net sales		282,302
Cost of sales		261,336
Gross profit		20,966
Selling, general and administrative expenses		20,993
Operating profit		-27
Non-operating income		
Interest income	463	
Dividend income	696	
Share of profit of entities accounted for using equity method	1,162	
Other	304	2,627
Non-operating expenses		
Interest expenses	242	
Foreign exchange losses	1,052	
Other	223	1,518
Ordinary profit		1,080
Extraordinary income		
Gain on sales of non-current assets	19	
Gain on sales of investment securities	761	780
Extraordinary loss		
Loss on disposal of non-current assets	227	227
Profit before income taxes		1,634
Income taxes - current		1,899
Income taxes - deferred		-2
Profit		-262
Profit attributable to non-controlling interests		1,304
Profit attributable to owners of parent		-1,567

Consolidated Statement of Changes in Net Assets

(From April 1, 2019 to March 31, 2020)

(Unit: Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2019	9,040	8,588	67,692	-1,291	84,029
Cumulative effects of changes in accounting policies			-75		-75
Restated balance	9,040	8,588	67,616	-1,291	83,954
Change of items during the period					
Dividends of surplus			-901		-901
Profit attributable to owners of parent			-1,567		-1,567
Purchase of treasury shares				-221	-221
Disposal of treasury shares				14	14
Change in scope of consolidation		43			43
Change in scope of equity method			-334		-334
Change in ownership interest of parent due to transactions with non-controlling interests		157			157
Change of functional currency of consolidated subsidiaries					—
Net changes in items other than shareholders' equity					
Total of changes during the fiscal year	—	200	-2,803	-207	-2,810
Balance at March 31, 2020	9,040	8,789	64,812	-1,498	81,143

(Unit: Million yen)

	Other comprehensive income				Non-controlling interests	Total shareholders' equity
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other comprehensive income		
Balance at April 1, 2019	2,699	4,125	230	7,055	6,421	97,506
Cumulative effects of changes in accounting policies						-75
Restated balance	2,699	4,125	230	7,055	6,421	97,430
Change of items during the period						
Dividends of surplus						-901
Profit attributable to owners of parent						-1,567
Purchase of treasury shares						-221
Disposal of treasury shares						14
Change in scope of consolidation						43
Change in scope of equity method						-334
Change in ownership interest of parent due to transactions with non-controlling interests						157
Change of functional currency of consolidated subsidiaries		868		868		868
Net changes in items other than shareholders' equity	-2,173	-1,261	-183	-3,618	109	-3,508
Total of changes during the fiscal year	-2,173	-392	-183	-2,749	109	-5,450
Balance at March 31, 2020	525	3,732	47	4,305	6,530	91,980

Non-consolidated Balance Sheet

(As of March 31, 2020)

(Unit: Million yen)

Account Name	Amount	Account Name	Amount
(Assets)		(Liabilities)	
Current assets	35,629	Total current liabilities	22,091
Cash and deposits	7,837	Notes payable - trade	32
Notes receivable - trade	91	Electronically recorded obligations - operating	2,717
Electronically recorded monetary claims - operating	3,033	Accounts payable - trade	14,126
Accounts receivable - trade	18,819	Current portion of long-term borrowings	1,000
Merchandise and finished goods	339	Short-term borrowings from subsidiaries and associates	963
Work in process	879	Accounts payable - other	338
Raw materials and supplies	2,223	Accrued expenses	2,228
Advance payments - other	1,205	Income taxes payable	172
Short-term loans receivable	350	Deposits received	88
Other	882	Notes payable - facilities	313
Allowance for doubtful accounts	-33	Unearned revenue	53
Non-current assets	55,714	Other	56
Property, plant and equipment	14,234	Non-current liabilities	10,585
Buildings	5,220	Long-term borrowings	9,500
Structures	128	Deferred tax liabilities	238
Machinery and equipment	3,089	Provision for retirement benefits	120
Vehicles	5	Provision for share-based remuneration	93
Tools, furniture and fixtures	718	Other	632
Land	4,816	Total liabilities	32,677
Construction in progress	254	(Net assets)	
Intangible assets	926	Shareholders' equity	58,142
Software	910	Share capital	9,040
Other	16	Capital surplus	8,592
Investments and other assets	40,553	Legal capital surplus	8,592
Investment securities	6,810	Retained earnings	42,008
Shares of subsidiaries and associates	24,680	Legal retained earnings	480
Investments in capital	0	Other retained earnings	41,527
Investments in capital of subsidiaries and associates	8,684	Reserve for tax purpose reduction entry	20
Long-term loans receivable	10	General reserve	15,000
Long-term prepaid expenses	0	Retained earnings brought forward	26,507
Other	371	Treasury shares	-1,498
Allowance for doubtful accounts	-4	Valuation and translation adjustments	523
		Valuation difference on available-for-sale securities	523
		Total net assets	58,666
Total assets	91,343	Total liabilities and net assets	91,343

Non-consolidated Statement of Income

(From April 1, 2019 to March 31, 2020)

(Unit: Million yen)

Account Name	Amount	
Net sales		121,914
Cost of sales		115,100
Gross profit		6,813
Selling, general and administrative expenses		7,495
Operating profit		-681
Non-operating income		
Interest and dividend income	3,099	
Other	85	3,185
Non-operating expenses		
Interest expenses	29	
Other	134	164
Ordinary profit		2,339
Extraordinary income		
Gain on sales of non-current assets	13	
Gain on sales of investment securities	761	
Gain on sales of investments in capital of subsidiaries and associates	638	1,412
Extraordinary losses		
Loss on sales of non-current assets	185	185
Profit before income taxes		3,566
Income taxes - current	450	
Income taxes - deferred	558	1,009
Profit		2,557

Non-consolidated Statement of Changes in Net Assets

(From April 1, 2019 to March 31, 2020)

(Unit: Million yen)

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings
					Reserve for tax purpose reduction entry	
Balance as of April 1, 2019	9,040	8,592	—	8,592	480	20
Change of items during the period						
Dividends of surplus						
Profit						
Reversal of reserve for tax purpose reduction entry						-0
Purchase of treasury shares						
Disposal of treasury shares						
Net changes of items other than shareholders' equity						
Total of changes during the fiscal year	—	—	—	—	—	-0
Balance as of March 31, 2020	9,040	8,592	—	8,592	480	20

(Unit: Million yen)

	Shareholders' equity					Valuation and translation adjustments		Total net assets
	Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Other retained earnings		Total retained earnings					
	General reserve	Retained earnings brought forward						
Balance as of April 1, 2019	15,000	24,850	40,352	-1,291	56,693	2,697	2,697	59,391
Change of items during the period								
Dividends of surplus		-901	-901		-901			-901
Profit		2,557	2,557		2,557			2,557
Reversal of reserve for tax purpose reduction entry		0	—		—			—
Purchase of treasury shares				-221	-221			-221
Disposal of treasury shares				14	14			14
Net changes of items other than shareholders' equity						-2,173	-2,173	-2,173
Total of changes during the fiscal year	—	1,656	1,656	-207	1,448	-2,173	-2,173	-725
Balance as of March 31, 2020	15,000	26,507	42,008	-1,498	58,142	523	523	58,666