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(Securities code: 6849)  
June 4, 2020

**To Shareholders with Voting Rights**

Hirokazu Ogino  
Representative Director, President and CEO  
NIHON KOHDEN CORPORATION  
31-4, Nishiochiai 1-chome, Shinjuku-ku,  
Tokyo, Japan

**NOTICE OF THE 69TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We hereby announce that the 69th Ordinary General Meeting of Shareholders of NIHON KOHDEN CORPORATION (the "Company") will be held as described below.

**To prevent the spread of the new coronavirus infection and safeguard the health of our shareholders, we ask you to consider exercising your voting rights in writing or via the internet, etc. and refraining from attending this Ordinary General Meeting of Shareholders in person.**

When you exercise your voting rights in writing or via the Internet, etc., we would appreciate it if you could review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and **exercise your voting rights by no later than 5:10 p.m. on Wednesday, June 24, 2020 (JST), via the internet, etc. or by posting the enclosed Voting Rights Exercise Form with indications of your vote for or against Company's proposals.**

- 1. Date and Time:** Thursday, June 25, 2020 at 10:00 a.m. (JST)
- 2. Venue:** Fourth floor hall, No. 1 building of the Company's head office,  
31-4, Nishiochiai 1-chome, Shinjuku-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 69th Fiscal Year (from April 1, 2019 to March 31, 2020), and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
  2. Non-Consolidated Financial Statements for the Company's 69th Fiscal Year (from April 1, 2019 to March 31, 2020)

**Proposals to be resolved:**

- Proposal No. 1:** Distribution of Surplus
- Proposal No. 2:** Election of Nine Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal No. 3:** Election of Three Directors Serving as Audit & Supervisory Committee Members
- Proposal No. 4:** Election of One Substitute Director Serving as an Audit & Supervisory Committee Member
- Proposal No. 5:** Determination of Compensation for Allotting Restricted Stock to Directors (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors)

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- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk for the General Meeting.
  - Any correction or update of Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statement and Non-Consolidated Financial Statement will be posted on the Company's website at the following URL: (<https://www.nihonkohden.co.jp/ir/info/soukai.html>)

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Distribution of Surplus

With respect to allocation of profit, the Company adopts a basic policy of continuing stable dividend payments to shareholders over a long period while considering securing internal reserves to fund activities necessary for future corporate growth such as research and development, capital investments, M&A and human resource development.

Based on this policy, the Company hereby proposes the distribution of surplus as follows.

#### 1. Matters related to the year-end dividend:

##### (1) Matters concerning allotment of dividend property to shareholders and total amount

18 yen per share of the Company's common stock

Total amount: 1,532,804,688 yen

Note: Combined with the interim dividend (17 yen per share), the total annual dividend for the fiscal year ended March 31, 2020 will be 35 yen per share.

##### (2) Effective date of distribution of surplus

June 26, 2020

#### 2. Other matters related to distribution of surplus:

##### (1) Item of surplus increased and amount

General reserve	8,500,000,000 yen
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##### (2) Item of surplus decreased and amount

Retained earnings brought forward	8,500,000,000 yen
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**Proposal No. 2:** Election of Nine Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

The terms of office for all (nine) Directors (excluding Directors serving as Audit & Supervisory Committee Members) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of nine Directors (excluding Directors serving as Audit & Supervisory Committee Members) is proposed.

The nomination of candidates for the Directors (excluding Directors serving as Audit & Supervisory Committee Members) was resolved by the Board of Directors, after deliberation by the Nominating & Compensation Committee, which has been established for the purpose of securing transparency and objectivity of the management as an optional advisory body for the Board of Directors and of which majority of members of the committee consists of Outside Directors.

The candidates are as follows:

No.	Name	Current Position at the Company	Years served as Director
1	Hirokazu Ogino (Reappointment)	Representative Director	8 years
2	Takashi Tamura (Reappointment)	Representative Director	12 years
3	Tadashi Hasegawa (Reappointment)	Corporate Director	5 years
4	Kazuteru Yanagihara (Reappointment)	Corporate Director	5 years
5	Fumio Hirose (Reappointment)	Corporate Director	5 years
6	Eiichi Tanaka (Reappointment)	Corporate Director	3 years
7	Yasuhiro Yoshitake (Reappointment)	Corporate Director	3 years
8	Minoru Obara (Reappointment) Candidate for Outside Director / Independent Director	Outside Director	8 years
9	Kanako Muraoka (New Appointment) Candidate for Outside Director/ Independent Director	—	—

No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
1	Hirokazu Ogino (May 28, 1970)  (Reappointment)	April 1995	Joined the Company	25,000 shares
		April 2007	President of Nihon Kohden Europe GmbH	
		April 2011	General Manager of Marketing Strategy Department	
		June 2011	Operating Officer	
		June 2012	Corporate Director and Operating Officer	
		April 2013	General Manager of International Operations	
		June 2013	Corporate Director and Senior Operating Officer	
		October 2013	CEO of Nihon Kohden America, Inc.	
		June 2015	Representative Director, President and COO	
		June 2017	Representative Director, President and CEO (current position)	
(Reasons for nomination of the candidate for Director)				
Mr. Hirokazu Ogino has abundant experience and achievements acquired through his career in the Company and its group companies, including the President of foreign sales subsidiaries and the General Manager of Marketing Strategy and International Operations. In addition, he has been responsible for management of the Company since 2015 as the President and been devoted to increasing the corporate value through implementing the Company’s mid-term business plan. We anticipate that he will make the most of his expertise and experience of management he has accumulated to date for reinforcement of the Board of Director’s decision-making and supervision of management. Accordingly, we propose that he be elected as Director continuously.				
2	Takashi Tamura (March 22, 1959)  (Reappointment)	April 1983	Joined the Company	23,900 shares
		April 2003	President of Nihon Kohden Kansai Corporation	
		April 2007	General Manager of Sales Operations	
		June 2007	Operating Officer	
		June 2008	Corporate Director and Operating Officer	
		April 2011	General Manager of International Operations	
		April 2013	General Manager of Service Business Division	
		April 2014	General Manager of Customer Service Operations	
		June 2015	Corporate Director and Senior Operating Officer	
		April 2016	General Manager of Sales Operations	
		June 2017	Representative Director and Executive Operating Officer (current position) [In Charge of Domestic Operations]	
(Reasons for nomination of the candidate for Director)				
Mr. Takashi Tamura is currently in charge of Domestic Operations after serving as the President of domestic sales subsidiaries and the General Manager of Domestic Operations, International Operations and Customer Service and has abundant experience and achievements. We anticipate that he will make the most of his expertise and experience he has accumulated to date for reinforcement of the Board of Director’s decision-making and supervision of management. Accordingly, we propose that he be elected as Director continuously.				

No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
3	Tadashi Hasegawa (June 17, 1959)  (Reappointment)	April 1983	Joined Saitama Bank Ltd.	10,800 shares
		June 2009	Operating Officer of Saitama Resona Bank Limited	
		June 2011	Senior Operating Officer of Saitama Resona Bank Limited	
		June 2013	Corporate Director and Senior Operating Officer of Saitama Resona Bank Limited	
		March 2014	Retired as Corporate Director and Senior Operating Officer of Saitama Resona Bank Limited	
		April 2014	Joined the Company	
		June 2014	Operating Officer (responsible for Internal Auditing Department)	
		June 2015	Corporate Director and Senior Operating Officer (current position)	
		April 2020	General Manager of Global Corporate Administration Department (current position)	
(Reasons for nomination of the candidate for Director)				
Mr. Tadashi Hasegawa has plenty of knowledge of finance and accounting acquired through his abundant experience in banking institutions. After he joined the Company, he served as the Director responsible for Internal Auditing Department and he is currently the General Manager of Global Corporate Administration Department and the Director responsible for Finance, Legal Affairs, Compliance, Human Resources, General Affairs and Information Systems. We anticipate that he will make the most of his expertise and experience he has accumulated to date for reinforcement of the Board of Director's decision-making and supervision of management. Accordingly, we propose that he be elected as Director continuously.				
4	Kazuteru Yanagihara (January 22, 1957)  (Reappointment)	April 1980	Joined the Company	8,600 shares
		April 2009	Deputy General Manager of Biomedical Instrument Technology Center	
		April 2011	General Manager of Technology Promotion Center	
		June 2011	Deputy General Manager of Biomedical Instrument Technology Center	
		April 2012	General Manager of Biomedical Instrument Technology Center	
		June 2012	Operating Officer	
		April 2014	General Manager of Strategic Technology Operations (current position)	
		June 2015	Corporate Director and Operating Officer	
		June 2017	Corporate Director and Senior Operating Officer (current position)	
(Reasons for nomination of the candidate for Director)				
Mr. Kazuteru Yanagihara has been engaged in product development and is currently the General Manager of Strategic Technology Operations and has abundant experience and achievements. We anticipate that he will make the most of his expertise and experience he has accumulated to date for reinforcement of the Board of Director's decision-making and supervision of management. Accordingly, we propose that he be elected as Director continuously.				

No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
5	Fumio Hirose (March 2, 1960)  (Reappointment)	April 1982	Joined the Company	11,600 shares
		April 2003	President of Nihon Kohden Chushikoku Corporation	
		April 2006	Chief Manager of Global Marketing Operations	
		April 2009	General Manager of Corporate Planning Department	
		June 2009	Operating Officer	
		April 2013	General Manager of Ventilator & Anesthesia Device Business Operations	
		June 2015	Corporate Director and Operating Officer	
		June 2017	Corporate Director and Senior Operating Officer (current position)	
		April 2018	General Manager of IVD Business Operations	
		April 2020	General Manager of Business Strategy Operations (current position)	
(Reasons for nomination of the candidate for Director)				
Mr. Fumio Hirose is currently the General Manager of Business Strategy Operations after serving as the President of a domestic sales subsidiary and the General Manager of Marketing, Corporate Planning, Ventilator & Anesthesia Device Business and IVD Business Operations and has abundant experience and achievements. We anticipate that he will make the most of his expertise and experience he has accumulated to date for reinforcement of the Board of Director's decision-making and supervision of management. Accordingly, we propose that he be elected as Director continuously.				
6	Eiichi Tanaka (July 15, 1962)  (Reappointment)	April 1985	Joined the Company	4,200 shares
		April 2002	General Manager of Marketing & Business Development Department	
		October 2003	President of Nihon Kohden America, Inc.	
		April 2008	General Manager of General Affairs and Human Resources Department	
		June 2008	Operating Officer	
		April 2011	General Manager of Accessories & Consumables Business Operations	
		April 2013	Corporate Director & Senior Operating Officer of Nihon Kohden Tomioka Corporation	
		June 2013	Operating Officer	
		April 2014	President of Nihon Kohden Tomioka Corporation	
		April 2017	General Manager of Import Business Operations	
		June 2017	Corporate Director and Operating Officer (current position)	
		April 2019	General Manager of Corporate Strategy Division	
		April 2020	General Manager of US Operations (current position)	
(Reasons for nomination of the candidate for Director)				
Mr. Eiichi Tanaka is currently the General Manager of US Operations after serving as the General Manager of Marketing & Business Development, General Affairs & Human Resources, Import Business Operations and Corporate Strategy and the President of a foreign and domestic sales subsidiary and a domestic manufacturing subsidiary and has abundant experience and achievements. We anticipate that he will make the most of his expertise and experience he has accumulated to date for reinforcement of the Board of Director's decision-making and supervision of management. Accordingly, we propose that he be elected as Director continuously.				

No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Yasuhiro Yoshitake (March 20, 1966)  (Reappointment)	<p>April 1988      Joined the Company</p> <p>October 2003    President of Nihon Kohden Europe GmbH</p> <p>April 2007      General Manager of Sales Promotion Division, International Operations</p> <p>April 2008      Managing Director of Nihon Kohden Trading (Shanghai) Co., Ltd.</p> <p>April 2011      General Manager, China Operations</p> <p>June 2011      Operating Officer</p> <p>April 2013      General Manager, Asia and Middle East Operations</p> <p>April 2015      General Manager of International Operations (current position)</p> <p>June 2017      Corporate Director and Operating Officer (current position)</p> <p>February 2019   President and CEO of Nihon Kohden America, Inc.</p>	3,500 shares
<p>(Reasons for nomination of the candidate for Director)</p> <p>Mr. Yasuhiro Yoshitake is currently the General Manager of International Operations after serving as the President of foreign sales subsidiaries and the General Manager of Asia and Middle East Operations and has abundant experience and achievements. We anticipate that he will make the most of his expertise and experience he has accumulated to date for reinforcement of the Board of Director's decision-making and supervision of management. Accordingly, we propose that he be elected as Director continuously.</p>			



No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
8	Minoru Obara (September 29, 1947)  (Reappointment) Candidate for Outside Director / Independent Director	April 1986	Associate Professor at Dept. of Electrical Engineering, Faculty of Science and Technology, Keio University	0 shares
		April 1993	Professor at Dept. of Electrical Engineering (currently Dept. of Electronics and Electrical Engineering), Faculty of Science and Technology, Keio University	
		June 2012	Outside Director (current position)	
		April 2013	Professor Emeritus at Keio University (current position)	
(Reasons for nomination of the candidate for Director)				
<p>Mr. Minoru Obara is a candidate for Outside Director.</p> <p>(1) Although Mr. Minoru Obara has not been engaged in corporate management in any capacity other than as an Outside Director, we anticipate that he will make the most of his knowledge and experience as a university professor specialized in electronics engineering, information engineering and laser medical treatment for providing objective and neutral advices to and for independent supervisory of the Company's management. Accordingly, we propose that he be elected as Outside Director continuously. He will have been in office as Outside Director of the Company for eight years at the conclusion of this General Meeting of Shareholders.</p> <p>(2) The Company has concluded a liability limitation agreement with Mr. Minoru Obara to limit his liability under the provisions of Article 423, Paragraph 1 of the Companies Act up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If his re-election is approved, we will continue the liability limitation agreement with him.</p> <p>(3) The Company has filed with the Tokyo Stock Exchange a notification to establish that Mr. Minoru Obara is an independent director as provided by the Exchange, because he satisfies the requirements therefor. If his re-election is approved, the Company will notify the Tokyo Stock Exchange again that he is an Independent Director. Although the Company has a business relationship with and has been making contribution to Keio University where Mr. Minoru Obara belongs as a professor emeritus, the Company's business with the university has been primarily occupied by Keio University Hospital and the contribution has been primarily made to the International Medical Association of Keio University School of Medicine. With regard to the 69th fiscal year, the amount of the transaction with the university is less than 1% of the Company's consolidated sales and the amount of the contribution to the university is less than 10 million yen.</p>				

	<div>Kanako Muraoka (April 26, 1965)</div> <div>(New appointment) Candidate for Outside Director / Independent Director</div>	<div>April 1988 April 1993</div> <div>October 1999</div> <div>June 2019 April 2020</div>	<div>Joined Mitsubishi Corporation Registered as an attorney (Daini Tokyo Bar Association) Joined Anderson &amp; Mōri (currently Anderson Mōri &amp; Tomotsune)</div> <div>Joined Mori Sogo (currently Mori Hamada &amp; Matsumoto)</div> <div>Established Mars Law Office Joined Kowa Law Office (to present)</div>	<div>0 shares</div>
9	<div>(Reasons for nomination of the candidate for Director)</div> <div>Ms. Kanako Muraoka is a candidate for Outside Director.</div> <div>(1) Although Ms. Kanako Muraoka has not been engaged in corporate management, she is closely acquainted with corporate legal affairs as an attorney. We anticipate that she will make the most of the expertise and experience she has accumulated to date for providing objective and neutral advices to and for independent supervisory of the Company’s management. Accordingly, we propose that she be elected as Outside Director.</div> <div>(2) If her election is approved, the Company will conclude a liability limitation agreement with Ms. Kanako Muraoka to limit her liability under the provisions of Article 423, Paragraph 1 of the Companies Act up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act.</div> <div>(3) The Company will file with the Tokyo Stock Exchange a notification to establish that Ms. Kanako Muraoka is an Independent Director as provided by the Exchange, because she satisfies the requirements therefor. No material conflict of interest exists between the Company and Kowa Law Office where she holds the significant concurrent position.</div>			

- Notes: 1. No material conflict of interest exists between the Company and each candidate.  
 2. Current responsibilities of each candidate at the Company are described in [     ].

**\*Opinions of Audit & Supervisory Committee**

As for the election and the compensation of Directors (excluding Directors serving as Audit & Supervisory Committee Members), two Outside Directors who are Audit and Supervisory Committee Members and concurrently serving as the chairman and a member of the Nominating & Compensation Committee reported the result of deliberation on the matter by the Nominating & Compensation Committee to the Audit & Supervisory Committee. And as the result of review on it by the Audit & Supervisory Committee, the Audit & Supervisory Committee has reached the conclusion that it has no opinion on the election and the compensation of Directors (excluding Directors serving as Audit & Supervisory Committee Members) to state at this General Meeting of Shareholders in accordance with the Companies Act.

**Proposal No. 3:** Election of Three Directors Serving as Audit & Supervisory Committee Members

The terms of office for all (three) Directors serving as Audit & Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of three Directors serving as Audit & Supervisory Committee Members is proposed.

The Audit & Supervisory Committee has consented to this proposal.

The candidates are as follows:

No.	Name	Current Position at the Company	Years served as Director
1	Kazuhiko Ikuta (Reappointment)	Corporate Director (serving as a standing Audit & Supervisory Committee Member)	4 years
2	Shigeru Kawatsuhara (Reappointment) Candidate for Outside Director /Independent Director	Outside Director (serving as an Audit & Supervisory Committee Member)	4 years
3	Kazuo Shimizu (New appointment) Candidate for Outside Director /Independent Director	—	—

No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
1	Kazuhiko Ikuta (May 29, 1956)  (Reappointment)	April 1980 April 2006  April 2009 June 2009 June 2016	Joined the Company Senior Manager of Finance Department, General Administrative Division General Manager of Finance Department Operating Officer Corporate Director (serving as a standing Audit & Supervisory Committee Member) (current position)	16,900 shares
	(Reason for candidacy as a Director serving as an Audit & Supervisory Committee Member, etc.) Mr. Kazuhiko Ikuta has abundant experience and plenty of knowledge of finance and accounting primarily acquired through his career of Company's business in finance, accounting, and affairs relating to information system adding to his former position of General Manager of Finance Department. We anticipate in his work with the Company's audit system he will make the most of his expertise and experience he has accumulated to date for supervision of the Company's management from the view point of non-managing Director. Accordingly, we propose that he be nominated to continue in the position of Director serving as an Audit & Supervisory Committee Member.			
2	Shigeru Kawatsuhara (February 14, 1952)  (Reappointment) Candidate for Outside Director / Independent Director	April 1975 April 2002  April 2004 June 2005  April 2008 May 2014 March 2015 April 2016 June 2016	Joined Toko, Inc. Senior Manager of Sales Department 1, Sales Operations, Toko, Inc. General Manager of Sales Center, Toko, Inc. Corporate Director and General Manager of Sales Center, Toko, Inc. President of Toko, Inc. Chairman of Toko, Inc. Senior Advisor of Toko, Inc. Part-time Advisor of Toko, Inc. Outside Director (serving as an Audit & Supervisory Committee Member) (current position)	0 shares
	(Reason for candidacy as an Outside Director serving as an Audit & Supervisory Committee Member, etc.) Mr. Shigeru Kawatsuhara is a candidate for Outside Director. (1) We anticipate that in his work with the Company's audit system he will make the most of his excellent expertise and abundant experience of the management of a company acquired through his carrier in Toko, Inc. for independent supervision of the Company's management. Accordingly, we propose that he be nominated to continue in the position of Outside Director serving as an Audit & Supervisory Committee Member. He will have been in office as Outside Director serving as an Audit & Supervisory Committee Member of the Company for four years at the conclusion of this General Meeting of Shareholder. (2) The Company has concluded a liability limitation agreement with Mr. Shigeru Kawatsuhara to limit his liability under the provisions of Article 423, Paragraph 1 of the Companies Act up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If his re-election is approved, we will continue the liability limitation agreement with him. (3) The Company has filed with the Tokyo Stock Exchange a notification to establish that Mr. Shigeru Kawatsuhara is an independent director as provided by the Exchange, because he satisfies the requirements therefor. If his re-election is approved, the Company will notify the Tokyo Stock Exchange again that he is an Independent Director.			

No.	Name (Date of birth)	Career summaries, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Kazuo Shimizu (May 16, 1959)  (New appointment)  Candidate for Outside Director /Independent Director	April 1983    Joined Nippon Yusen Kabushiki Kaisha October 1989    Joined Asahi Audit Corporation (currently KPMG AZSA LLC) October 1992    Joined Shimizu Susumu Certified Tax Accountant Office March 1993    Registered as a certified public accountant May 1994    Registered as a certified tax accountant January 2003    Joined Ernst & Young Shinnihon Tax (currently Ernst & Young Tax Co.) September 2013    Joined Shimizu Accounting Office (to present) Representative Partner of Ryoh-koh Audit Corporation (current position)	0 shares
	(Reason for candidacy as an Outside Director serving as an Audit & Supervisory Committee Member, etc.) Mr. Kazuo Shimizu is a candidate for Outside Director. (1) Although Mr. Kazuo Shimizu has not been engaged in corporate management, we anticipate that in his work with the Company's audit system he will make the most of his excellent expertise and abundant experience acquired through his career as a certified public accountant and a certified tax accountant for independent supervision of the Company's management. Accordingly, we propose that he be nominated in the position of Outside Director serving as an Audit & Supervisory Committee Member. (2) If his election is approved, the Company will conclude a liability limitation agreement with Mr. Kazuo Shimizu to limit his liability under the provisions of Article 423, Paragraph 1 of the Companies Act up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. (3) The Company will file with the Tokyo Stock Exchange a notification to establish that Mr. Kazuo Shimizu is an Independent Director as provided by the Exchange, because he satisfies the requirements therefor. No material conflict of interest exists between the Company and Shimizu Accounting Office and Ryoh-koh Audit Corporation where he holds the significant concurrent position.		

**Proposal No. 4:** Election of One Substitute Director Serving as an Audit & Supervisory Committee Member

The election of One Director serving as an Audit & Supervisory Committee Member is proposed in order to prepare for the contingency that the number of Directors serving as Audit & Supervisory Committee Members falls below the required number stipulated by laws and regulations.

If this election is approved, the effectiveness of the election may be cancelled by a resolution of the Board of Directors with the consent of the Audit & Supervisory Committee only before the newly elected Substitute Director serving as an Audit & Supervisory Committee Member assumes office as Director serving as an Audit & Supervisory Committee Member.

The Audit & Supervisory Committee has consented to this proposal.

The candidate is as follow:

Name (Date of birth)	Career summaries, positions, and significant concurrent positions		Number of shares of the Company held
Sumio Moriwaki (March 3, 1957)  Candidate for Outside Director/Independent Director	April 1981	Registered as an attorney (Daini Tokyo Bar Association) Joined Ishii Law Office	0 shares
	April 1991	Partner, Ishii Law Office (current position)	
	June 2007	Member of the Independent Committee of the Company	
	June 2011	Substitute Audit & Supervisory Board Member	
	June 2016	Substitute Director (serving as an Audit & Supervisory Committee Member) (current position)	
	June 2017	Outside Audit & Supervisory Board Member of JSR Corporation (current position) Outside Director of Topy Industries, Limited (current position)	
(Reason for candidacy as a Substitute Outside Director serving as an Audit & Supervisory Committee Member, etc.)			
Mr. Sumio Moriwaki is a candidate for Substitute Outside Director serving as an Audit & Supervisory Committee Member.			
(1) Although Mr. Sumio Moriwaki has not been directly engaged in corporate management in any capacity other than as an Outside Director or Outside Audit & Supervisory Board Member, he is closely acquainted with corporate legal affairs as an attorney. We anticipate that in his work with the Company's audit system he will make the most of the expertise and experience he has accumulated to date for independent supervision of the Company's management. Accordingly, we propose that he be elected as Substitute Audit & Supervisory Committee Member.			
(2) If Mr. Sumio Moriwaki assumes office as Outside Director serving as an Audit & Supervisory Committee Member, the Company intends to conclude a liability limitation agreement with him to limit his liability under the provisions of Article 423, Paragraph 1 of the Companies Act up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act.			
(3) If Mr. Sumio Moriwaki assumes office as Outside Director serving as an Audit & Supervisory Committee Member, the Company will file with the Tokyo Stock Exchange a notification to establish that Mr. Sumio Moriwaki is an Independent Director as provided by the Exchange because he satisfies the requirements therefor. No material conflict of interest exists between the Company and JSR Corporation and Topy Industries, Limited where Mr. Sumio Moriwaki holds offices.			

Note: No material conflict of interest exists between the Company and Mr. Sumio Moriwaki.

**Proposal No. 5:** Determination of Compensation for Allotting Restricted Stock to Directors (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors)

It was previously approved at the Company's 65th Ordinary General Meeting of Shareholders held on June 28, 2016 that the total amount of compensation to Directors (excluding Directors serving as Audit & Supervisory Committee Members) be limited to within 400 million yen per year (including the maximum amount of compensation to Outside Directors, 30 million yen per year), not including the total amount of the Directors' salaries as employees of the Company.

In this Proposal, the Company proposes to allot stock of the Company with a certain transfer restriction period and bound by provisions such as grounds for acquisition without consideration by the Company (hereinafter the "Restricted Stock") to Directors (excluding Outside Directors and Directors serving as Audit & Supervisory Committee Members, hereinafter the "Eligible Directors") with the details as shown below, in order to provide incentives for Eligible Directors to continuously improve the Company's corporate value, as well as to facilitate their sense of sharing value with shareholders.

The Company proposes to set the total amount of monetary compensation receivables to be used for granting Restricted Stock to Eligible Directors as compensation, etc. at within the annual amount of ¥100 million, separate from the above-stated amount of annual compensation for Directors. The annual amount of ¥100 million has been determined upon comprehensively taking into consideration various circumstances including the degree of contribution made by Eligible Directors and thus the Company deems this annual amount to be reasonable.

Currently, the number of Directors (excluding Directors serving as Audit & Supervisory Committee Members) is nine (9) (including two Outside Directors) and this will remain the same even after Proposal No.2 is approved.

**Specific Details of Restricted Stock for Eligible Directors and the Maximum Number of Stock**

**1. Allotment and Payment of Restricted Stock**

The Company will grant monetary compensation receivables within the above annual limit as compensation related to Restricted Stock to Eligible Directors based on a resolution of the Board of Directors of the Company. Each Eligible Director will receive Restricted Stock by making an in-kind contribution of all monetary compensation receivables.

The payment amount for Restricted Stock will be determined by the Board of Directors of the Company, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the day when the Board of Directors of the Company makes a resolution related to the issuance or disposal of Restricted Stock (in case no trade is concluded on that day, the closing price on the most recent trading day before that), within a range such that the amount is not particularly advantageous to Eligible Directors who receive Restricted Stock.

The above monetary compensation receivables will be granted to Eligible Directors on the condition that they agree to the above in-kind contribution and that they have concluded with the Company an agreement on allotting Restricted Stock containing the terms stipulated in 3 below.

**2. Total Number of Shares of Restricted Stock**

The maximum number of shares of Restricted Stock to be allotted to Eligible Directors will be 160,000 shares per fiscal year.

However, if a share split of the Company's common stock (including allotment of the Company's common stock without consideration), a share consolidation of the Company's common stock, or any other event occurs that requires an adjustment of the total number of shares of Restricted Stock to be allotted to Eligible Directors after the day of the resolution of this proposal, the Company may reasonably adjust the total number of Restricted Stock.

**3. Details of the Agreement on Allotting Restricted Stock**

The agreement on allotting Restricted Stock to be concluded between the Company and Eligible Directors who receive an allotment of Restricted Stock based on a resolution of the Board of Directors of the Company shall contain the following terms.

**(1) Details of the restriction on the transfer of shares**

Eligible Directors to whom Restricted Stock is allotted may not transfer to a third-party, create a pledge

or mortgage by transfer on, make an advancement, make a bequest, or otherwise dispose of Restricted Stock allotted to them (“Allotted Stock”) during the period from the grant date of the Restricted Stock to the date when the Eligible Director retires from the position of Director or Operating Officer of the Company (“Transfer Restriction Period”).

(2) Acquisition of Restricted Stock without consideration

If an Eligible Director who receives an allotment of Restricted Stock retires from both the position of Director and Operating Officer of the Company before the day of the first Ordinary General Meeting of Shareholders after the start of the Transfer Restriction Period, all of his or her Allotted Stock will automatically be acquired by the Company without consideration except in the case that the Board of Directors of the Company deems that the reason for the resignation is valid.

The Company will automatically acquire all Allotted Stock without consideration if the restriction on transfer of the Allotted Stock has not been lifted at the expiration of the Transfer Restriction Period in (1) above based on the terms provided in (3) “Lifting of transfer restriction” below.

(3) Lifting of transfer restriction

On the condition that an Eligible Director to whom the Restricted Stocks were allotted has continuously held the position of Director or Operating Officer of the Company for the period commencing on the first date of the Transfer Restriction Period and ending on the date of the next Ordinary General Meeting of Shareholders to be held immediately following such first date, the transfer restriction on all of his or her Allotted Stock will be lifted by the Company when the Transfer Restriction Period expires.

However, even when an Eligible Director retires from both the position of Director and Operating Officer of the Company before the date of the next Ordinary General Meeting of Shareholders after the first date of the Transfer Restriction Period, if the Eligible director retires for reasons deemed valid by the Board of Directors of the Company, the transfer restriction may nevertheless be lifted, with the number of shares of Allotted Stock for which the transfer restriction will be lifted and the timing of the lifting of the transfer restriction to be reasonably adjusted as necessary.

(4) Treatment in the event of reorganization

During the Transfer Restriction Period, if proposals relating to a merger agreement in which the Company is the dissolving company, share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or other reorganization, are approved at a General Meeting of Shareholders of the Company (or if approval at a General Meeting of Shareholders of the Company is not required in relation to the reorganization in question, approval by the Board of Directors of the Company), and if an Eligible Director whom the Restricted Stocks were allotted retires from both the position of Director and Operating Officer of the Company due to reorganization, the Company will lift the transfer restriction prior to the date on which the reorganization becomes effective for the number of shares of Allotted Stock that is reasonably calculated on the basis of the period from the beginning of the Transfer Restriction Period to the date of the approval of the reorganization, provided the effective date of the reorganization comes before the expiry of the Transfer Restriction Period.

At the time when the reorganization is approved, the Company will automatically acquire without consideration Allotted Stock on which the transfer restriction is not lifted, as of the day immediately preceding the effective date of the reorganization.

(Reference information)

The Company will allot stock with transfer restrictions which shall be equivalent to Restricted Stock described above to Operating Officers of the Company after the end of the 69<sup>th</sup> Ordinary General Meeting of Shareholders.