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Securities Code: 6804
June 4, 2020

To Those Shareholders with Voting Rights

Kenji Furuhashi
President and Representative Director
Hosiden Corporation
4-33, Kitakyuhoji 1-Chome, Yao City,
Osaka

NOTICE OF THE 70TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

- You are cordially invited to attend the 70th Ordinary General Meeting of Shareholders of Hosiden Corporation (the "Company"). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by paper ballot. Please review the Reference Documents for the General Meeting of Shareholders, and return the Voting Rights Exercise Form with your vote and seal by 5:00 p.m., Thursday, June 25, 2020

- 1. Date and Time:** Friday, June 26, 2020 at 9:00 a.m. (Reception starting from 8:00 a.m.)
- 2. Place:** Meeting room of Hosiden Corporation
4-33, Kitakyuhoji 1-Chome, Yao City, Osaka, Japan
- 3. Agenda of the Meeting:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the 70th Fiscal Term (from April 1, 2019 to March 31, 2020), and results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 70th Fiscal Term (from April 1, 2019 to March 31, 2020)
 - Matters to be resolved:**
 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Election of One Director
 - Proposal No. 3:** Election of Three Statutory Auditors
 - Proposal No. 4:** Election of Two Substitutes for Statutory Auditors
 - Proposal No. 5:** Payment of Bonuses to Directors

Measures of the Company to Prevent Coronavirus Disease (COVID-19)

The Company will take the following measures to prevent the novel coronavirus infection. We would like to ask all shareholders for their understanding and cooperation.

In the event of any changes in the operation of the General Meeting of Shareholders due to future circumstances, such changes will be published on our website (<https://www.hosiden.co.jp/>).

Requests to Shareholders

- (1) For the prevention of the novel coronavirus infection, shareholders are kindly advised to refrain from attending the General Meeting of Shareholders as much as possible. For shareholders considering attending the General Meeting of Shareholders, please pay careful attention to the situation of the infection and your physical condition on the day of the meeting and ensure that you do not overextend yourself.
- (2) You can exercise your voting rights in writing. Please consider exercising your voting rights by using the enclosed Voting Rights Exercise Form as well.

Please refer to the following page for precautionary measures for prevention of the novel coronavirus infection to be taken by the Company on the day of the General Meeting of Shareholders.
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Measures of the Company at the Meeting and Requests to Our Shareholders Attending the Meeting

- (1) We ask all shareholders attending the General Meeting of Shareholders to cooperate by wearing masks and using alcohol-based disinfectant.
- (2) Officers and operating staff will be wearing masks.
- (3) The admission of shareholders who seem to be unwell and/or who have symptoms such as coughing may be restricted.
- (4) Please be noted that no beverages, etc. will be served. We appreciate your understanding.
- (5) The details of the measures may be changed due to future circumstances.

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-For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.

-The following matters, which should be provided together with this notice, are posted on our website (<https://www.hosiden.co.jp/>) pursuant to the provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company, and are therefore not included in the attachments to this notice.

1. Notes to Consolidated Financial Statements, which are part of the Consolidated Financial Statements
2. Notes to Non-consolidated Financial Statements, which are part of the Non-consolidated Financial Statements

Accordingly, the Consolidated Financial Statements and Non-consolidated Financial Statements included in the attachments to this notice are part of the consolidated financial statements and non-consolidated financial statements audited by the Accounting Auditor and the Statutory Auditors when preparing the audit reports.

-Any and all corrections that occurred with regard to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated and Consolidated Financial Statements will be published on our website (<https://www.hosiden.co.jp/>).

(REFERENCE)

Financial Highlights
(Year ended March 31)

		March 2016	March 2017	March 2018	March 2019	March 2020
1. Consolidated financial highlights						
Net sales	(Millions of yen)	139,949	150,082	299,440	233,435	211,912
Ordinary income (loss)	(Millions of yen)	(5,134)	1,804	10,548	13,357	11,353
Net income (loss)	(Millions of yen)	(10,698)	2,053	10,233	10,709	9,433
Comprehensive income	(Millions of yen)	(11,531)	3,018	10,928	9,516	8,178
Net assets	(Millions of yen)	76,162	76,661	86,992	94,113	100,767
Total assets	(Millions of yen)	106,716	119,045	138,192	133,470	150,161
Net assets per share	(Yen)	1,239.20	1,289.30	1,463.09	1,609.93	1,723.79
Net income (loss) per share	(Yen)	(173.65)	33.59	172.11	180.62	161.37
Diluted net income per share	(Yen)	-	-	165.35	168.70	150.38
Equity ratio	(%)	71.4	64.4	63.0	70.5	67.1
Return on equity	(%)	-	2.7	12.5	11.8	9.7
Cash flows from operating activities	(Millions of yen)	4,156	(1,572)	3,757	25,593	2,122
Cash flows from investing activities	(Millions of yen)	(2,372)	(3,456)	(5,673)	(5,168)	(4,775)
Cash flows from financing activities	(Millions of yen)	(2,986)	(3,192)	8,832	(4,544)	(2,147)
Cash and cash equivalents at year-end	(Millions of yen)	54,015	45,457	52,405	68,061	62,649
2. Non-Consolidated financial highlights						
Net sales	(Millions of yen)	93,246	100,622	239,879	186,942	167,075
Ordinary income (loss)	(Millions of yen)	(4,159)	1,617	7,143	8,811	5,701
Net income (loss)	(Millions of yen)	(9,385)	1,609	6,789	6,584	4,566
Common stock	(Millions of yen)	13,660	13,660	13,660	13,660	13,660
Total number of shares issued	(Thousand shares)	69,710	69,710	67,710	67,710	67,710
Net assets	(Millions of yen)	58,397	58,355	64,815	68,655	71,484
Total assets	(Millions of yen)	88,746	103,465	121,119	110,821	121,913
Net assets per share	(Yen)	950.16	981.42	1,090.09	1,174.45	1,222.87
Annual dividends per share [Interim dividends per share]	(Yen)	10 [5]	8 [3]	20 [5]	25 [10]	25 [10]
Net income (loss) per share	(Yen)	(152.34)	26.32	114.19	111.05	78.12
Diluted net income per share	(Yen)	-	-	109.66	103.63	72.68
Equity ratio	(%)	65.8	56.4	53.5	62.0	58.6
Return on equity	(%)	-	2.8	11.0	9.9	6.5
Payout ratio	(%)	-	29.9	17.5	22.3	32.0

Notes: 1. The financial highlights are not presented in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

2. Moreover, some of the figures in this document have been prepared based on financial statements, which are not included in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

3. Figures have been prepared in accordance with the accounting principles generally accepted in Japan, which are different in certain respects from application and disclosure requirements of the International Financial Reporting Standards.

Consolidated Balance Sheet
(As of March 31, 2020)

(Millions of yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	127,468	Current liabilities	33,223
Cash and deposits	49,213	Notes payable and accounts payable—trade	25,050
Notes receivable and accounts receivable—trade	26,183	Short-term borrowings	1,990
Short-term investment securities	14,599	Accrued income taxes	1,819
Merchandise and finished goods	6,584	Provision for directors' bonuses	166
Work in process	4,680	Other	4,196
Raw materials and supplies	21,787	Long-term liabilities	16,170
Operating accounts receivable	1,571	Convertible bond-type bonds with subscription rights to shares	10,094
Other	2,874	Deferred tax liabilities	780
Allowance for doubtful accounts	(27)	Net defined benefit liability	4,434
		Other	861
Fixed assets	22,693		
Tangible fixed assets	16,797	Total Liabilities	49,394
Buildings and Structures	4,600		
Machinery and vehicles	6,097	Net assets	
Land	3,445	Owners' equity	102,386
Construction in progress	432	Capital	13,660
Other	2,221	Additional paid-in capital	19,596
Intangible fixed assets	393	Retained earnings	77,791
Software and other	393	Treasury stock	(8,661)
Investments and other assets	5,501	Accumulated other comprehensive income	(1,619)
Investment securities	3,683	Unrealized gains on available-for-sale securities	1,676
Net defined benefit asset	231	Exchange adjustment account	(3,334)
Deferred tax assets	915	Re-measurements of defined benefit plans	38
Other	955		
Allowance for doubtful accounts	(284)	Total Net Assets	100,767
Total Assets	150,161	Total Liabilities and Net Assets	150,161

Consolidated Statement of Income
(From April 1, 2019 to March 31, 2020)

(Millions of yen)

Account item	Amount	
Net sales		211,912
Cost of sales		190,571
Gross profit		21,341
Selling, general and administrative expenses		10,121
Operating income		11,219
Non-operating income		
Interest and dividends income	301	
Other	122	423
Non-operating expenses		
Interest expenses	107	
Exchange loss	108	
Commission for syndicate loan	42	
Other	32	290
Ordinary income		11,353
Extraordinary income		
Profit on disposal of fixed assets	20	
Gain on sales of investment securities	313	
Other	16	351
Extraordinary losses		
Loss on disposal and sales of fixed assets	156	
Other	14	171
Income before income taxes		11,532
Income taxes—current		2,338
Income taxes—deferred		(239)
Net income		9,433
Profit attributable to non-controlling interests		-
Profit attributable to owners of parent		9,433

Consolidated Statement of Changes in Net Assets
(From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Owners' equity				
	Capital	Additional paid-in capital	Retained earnings	Treasury stock	Total owners' equity
Balance as of April 1, 2019	13,660	19,596	69,881	(8,660)	94,477
Cumulative effects of changes in accounting policies			(62)		(62)
Restated balance	13,660	19,596	69,819	(8,660)	94,415
Changes during the fiscal year					
Dividends from surplus			(1,461)		(1,461)
Profit attributable to owners of parent			9,433		9,433
Acquisition of treasury stock				(1)	(1)
Net changes in items other than owners' equity during the fiscal year					
Total changes during the fiscal year	-	-	7,971	(1)	7,970
Balance as of March 31, 2020	13,660	19,596	77,791	(8,661)	102,386

	Accumulated other comprehensive income				Total Net Assets
	Unrealized gains on available-for-sale securities	Exchange adjustment account	Re-measurements of defined benefit plans	Total accumulated other comprehensive income	
Balance as of April 1, 2019	1,950	(2,548)	232	(364)	94,113
Cumulative effects of changes in accounting policies					(62)
Restated balance	1,950	(2,548)	232	(364)	94,051
Changes during the fiscal year					
Dividends from surplus					(1,461)
Profit attributable to owners of parent					9,433
Acquisition of treasury stock					(1)
Net changes in items other than owners' equity during the fiscal year	(274)	(786)	(193)	(1,254)	(1,254)
Total changes during the fiscal year	(274)	(786)	(193)	(1,254)	6,715
Balance as of March 31, 2020	1,676	(3,334)	38	(1,619)	100,767

Non-Consolidated Balance Sheet
(As of March 31, 2020)

(Millions of yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	101,947	Current liabilities	29,720
Cash and deposits	35,181	Notes payable—trade	2,398
Notes receivable—trade	1,285	Accounts payable—trade	17,535
Accounts receivable—trade	23,217	Short-term borrowings	1,050
Short-term investment securities	14,599	Accounts payable—other	835
Merchandise and finished goods	647	Accrued expenses	881
Work in process	476	Income taxes payable	873
Raw materials and supplies	12,808	Deposits received	5,972
Operating accounts receivable	12,440	Provision for directors' bonuses	50
Accounts receivable—other	939	Other	123
Other	349	Long-term liabilities	20,707
Fixed assets	19,965	Convertible bond-type bonds with subscription rights to shares	10,094
Tangible fixed assets	8,660	Reserve for retirement benefits	2,786
Buildings	1,633	Reserve for loss on guarantees of subsidiaries and affiliates	1,041
Structures	37	Reserve for loss on business of subsidiaries and affiliates	6,019
Machinery and equipment	3,003		229
Vehicles and transportation equipment	11	Deferred tax liabilities	535
Tools, furniture and fixtures	694		
Molds	114		
Land	3,083	Total Liabilities	50,428
Construction in progress	80	Net assets	
Intangible fixed assets	168	Owners' equity	69,808
Software	150	Capital	13,660
Other	18	Additional paid-in capital	19,596
Investments and other assets	11,136	Capital reserve	19,596
Investment securities	3,683	Retained earnings	45,213
Stocks of subsidiaries and affiliates	3,937	Legal reserve	1,049
Investments in equity of subsidiaries and affiliates	2,622	Other retained earnings	44,163
Long-term loans receivable from subsidiaries and affiliates	4,224	Reserve for special depreciation	1
Other	2,502	Reserve for dividends	200
Allowance for doubtful accounts	(5,833)	Reserve for advanced depreciation of fixed assets	454
		General reserve	26,350
		Retained earnings brought forward	17,158
		Treasury stock	(8,661)
		Valuation and translation adjustments	1,676
		Unrealized gains on available-for-sale securities	1,676
		Total Net Assets	71,484
Total Assets	121,913	Total Liabilities and Net Assets	121,913

Non-Consolidated Statement of Income
(From April 1, 2019 to March 31, 2020)

(Millions of yen)

Account item	Amount	
Net sales		167,075
Cost of sales		157,059
Gross profit		10,016
Selling, general and administrative expenses		4,963
Operating income		5,052
Non-operating income		
Interest and dividends income	822	
Other	266	1,088
Non-operating expenses		
Interest expenses	4	
Rent expenses	50	
Exchange loss	341	
Other	42	439
Ordinary income		5,701
Extraordinary income		
Profit on disposal of fixed assets	0	
Gain on sales of investment securities	313	
Other	13	327
Extraordinary losses		
Loss on disposal of fixed assets	16	
Provision of allowance for doubtful accounts for subsidiaries and associates	294	310
Income before income taxes		5,719
Income taxes—current		1,376
Income taxes—deferred		(223)
Net income		4,566

Non-Consolidated Statement of Changes in Net Assets

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

(Millions of yen)

	Owners' equity									
	Capital	Additional paid-in capital		Retained earnings						
		Capital reserve	Total additional paid-in capital	Legal reserve	Other retained earnings					Total retained earnings
					Reserve for special depreciation	Reserve for dividends	Reserve for advanced depreciation of fixed assets	General reserve	Retained earnings brought forward	
Balance as of April 1, 2019	13,660	19,596	19,596	1,049	2	200	463	26,350	14,043	42,108
Changes during the fiscal year										
Reversal of reserve for special depreciation					(0)				0	-
Reversal of reserve for advanced depreciation of fixed assets							(8)		8	-
Dividends from surplus									(1,461)	(1,461)
Net income									4,566	4,566
Acquisition of treasury stock										
Net changes in items other than owners' equity during the fiscal year										
Changes during the fiscal year	-	-	-	-	(0)	-	(8)	-	3,114	3,105
Balance as of March 31, 2020	13,660	19,596	19,596	1,049	1	200	454	26,350	17,158	45,213

	Owners' equity		Valuation and translation adjustments	Total Net Assets
	Treasury stock	Total owners' equity	Unrealized gains on available-for-sale securities	
Balance as of April 1, 2019	(8,660)	66,705	1,950	68,655
Changes during the fiscal year				
Reversal of reserve for special depreciation		-		-
Reversal of reserve for advanced depreciation of fixed assets		-		-
Dividends from surplus		(1,461)		(1,461)
Net income		4,566		4,566
Acquisition of treasury stock	(1)	(1)		(1)
Net changes in items other than owners' equity during the fiscal year			(274)	(274)
Changes during the fiscal year	(1)	3,103	(274)	2,829
Balance as of March 31, 2020	(8,661)	69,808	1,676	71,484

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of Surplus

Hosiden Corporation embraces providing returns to shareholders as one of our important corporate policies. Meanwhile, in order to increase the corporate value, research and development as well as investment in production equipment, etc. are necessary to cope with rapid technological innovation. To that end, while working to increase business profits and reinforce its financial position by securing internal reserves from a long-term perspective, the Company will strive to maintain and improve the level of profit return to shareholders.

Under this policy, the Company proposes the year-end dividend and other appropriation of surplus for the fiscal year as follows.

1. Types of dividend properties
Cash
2. Matters related to distribution of dividend properties and the amount
Shares of common stock of the Company: ¥15 per share (ordinary dividend of ¥10 and special dividend of ¥5)
Aggregate amount: ¥876,852,615
The annual dividend for the term, along with the interim dividend of ¥10 per share, will be ¥25 per share.
3. Effective date of the dividend of surplus
June 29, 2020

Proposal No. 2: Election of One Director

Mr. Kenichi Takahashi resigned from his office as Director on September 20, 2019. Accordingly, the election of one Director is proposed to fill in for him. Pursuant to the provisions of the Articles of Incorporation of the Company, the term of office of the new Director will be the period until the expiration of the term of office of other incumbent Directors.

The candidate for Director is as follows:

Though Mr. Susumu Maruno, the candidate for Director, is currently Statutory Auditor of the Company, he will resign from office as Statutory Auditor, subject to approval of this proposal.

Name (Date of Birth)	Career summary, positions and responsibilities in the Company and important concurrent position	Number of shares of the Company held
Susumu Maruno July 10, 1955	<p>April 1978 Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation)</p> <p>January 1997 Vice Councilor, Corporate Planning Office, Corporate Headquarters, Matsushita Electric Industrial Co., Ltd.</p> <p>December 2000 General Manager, Corporate Planning Office, Software Development Division, Matsushita Electric Industrial Co., Ltd.</p> <p>September 2003 Director, Intelligent Information Technology Laboratory, Advanced Technology Research Laboratories, Matsushita Electric Industrial Co., Ltd.</p> <p>April 2006 Part-time lecturer, Faculty of Science and Engineering, Doshisha University (to the present)</p> <p>April 2009 Corporate Board Member; Counselor, Advanced Technology Research Laboratories, Panasonic Corporation</p> <p>April 2012 Corporate Board Member; Counselor, Advanced Technology Research Laboratories; Counselor, Device Solutions Center, Panasonic Corporation</p> <p>April 2015 Left Panasonic Corporation</p> <p>May 2015 Supreme Advisor, Public Foundation of Kansai Research Institute</p> <p>June 2015 Statutory Auditor of the Company (to the present)</p> <p>April 2016 Director General, RDMM Promotion Center, Public Foundation of Kansai Research Institute (to the present)</p> <p>[Important concurrent positions]</p> <ul style="list-style-type: none"> • Part-time lecturer, Faculty of Science and Engineering, Doshisha University • Director General, RDMM Promotion Center, Public Foundation of Kansai Research Institute 	2,913 shares
<p>[Reasons for nomination as a candidate]</p> <p>Mr. Maruno has expertise cultivated through years of corporate employment and has track records of social and educational activities based on his expertise. He has also been performing activities and expressing views appropriately as an Outside Statutory Auditor since his election as an Outside Statutory Auditor at the 65th Ordinary General Meeting of Shareholder held on June 26, 2015. Based on such extensive knowledge and experience, the Company expects Mr. Maruno to reinforce the Company's corporate governance by appropriately supervising the execution of business operations as an Outside Director, and hereby proposes that he be elected as an Outside Director.</p>		

Notes: 1. No conflict of interest exists between the Company and the above candidate for Director.

2. The matters concerning the candidate for Outside Director are described as follows:

- (1) Mr. Susumu Maruno is a candidate for Outside Director. If his election is approved, the Company will designate him as an independent officer since he satisfies the requirements for independent officers as stipulated by Tokyo Stock Exchange, Inc.
- (2) Mr. Susumu Maruno was an executing person (employee) of Panasonic Corporation, which is one

of the Company's business partners. However, as the amount of transactions with said company represents approximately 0.8% of the Company's consolidated net sales, we think the Company's decision-making will not be influenced by said company. Therefore, we have judged that Mr. Maruno will be able to fully perform his duties as an independent officer without the possibility of causing a conflict of interest with general shareholders.

- (3) Although Mr. Susumu Maruno has not directly participated in business management other than participation as an Outside Director or an Outside Statutory Auditor, the Company has judged that he will be able to fully perform his duties as an Outside Director for the above reasons.
- (4) Mr. Susumu Maruno will have been in office as Outside Statutory Auditor of the Company for five years as of the conclusion of this General Meeting of Shareholders.
- (5) Pursuant to the provisions of the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Susumu Maruno to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount specified in laws and regulations. If his election is approved, the Company will enter into said agreement for the limitation of liability with him anew.

Proposal No. 3: Election of Three Statutory Auditors

The term of office of Mr. Saburo Kikyo and Mr. Takayuki Tanemura as Statutory Auditor will expire at the conclusion of this General Meeting of Shareholders, and Statutory Auditor Susumu Maruno will resign from his office as Statutory Auditor, subject to approval of Proposal No. 2. Accordingly, the election of three Statutory Auditors is proposed. Since Mr. Masakatsu Maruyama, the candidate for Statutory Auditor, will be elected to fill a vacancy left by Statutory Auditor Susumu Maruno, his term of office will be the period until the expiration of the term of office of the retiring Statutory Auditor, pursuant to the provisions of the Articles of Incorporation of the Company.

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

The candidates for Statutory Auditors are as follows:

Candidate No.	Name (Date of Birth)	Career summary and positions in the Company and important concurrent position		Number of shares of the Company held
1	Saburo Kikyo September 30, 1947	April 1971	Joined Hosiden Corporation	7,868 shares
		April 2002	General Manager, General Affairs Department	
		April 2010	Advisor, General Affairs & Personnel Department	
		June 2010	Full-time Statutory Auditor of the Company (to the present)	
[Reasons for nomination as a candidate] Mr. Kikyo has been in charge of accounting and business management of the Company for about 20 years and has considerable knowledge concerning finance and accounting. The Company believes that he will be able to fully perform his duties as a Statutory Auditor based on his extensive experience and expertise, and hereby proposes that he be elected as a Statutory Auditor.				
2	Takayuki Tanemura January 8, 1959	April 1981	Joined The Dai-Ichi Kangyo Bank, Limited (current Mizuho Bank, Ltd.)	1,252 shares
		May 2004	Credit Officer, Credit Management & Administration Department, Mizuho Bank, Ltd.	
		April 2010	On loan to Total Insurance Service Limited	
		August 2010	Transferred to Total Insurance Service Limited Managing Executive Officer, General Manager, Corporate Planning Department	
		April 2011	Senior Managing Executive Officer, Total Insurance Service Limited	
		June 2011	Statutory Auditor, Hosiden Corporation (to the present)	
		April 2016	Full-time Statutory Auditor, Fujitsu Total Insurance Service Limited	
		June 2017	Full-time Statutory Auditor, Seiwa Sogo Tatemono Co., Ltd. (to the present)	
[Important concurrent position] • Full-time Statutory Auditor, Seiwa Sogo Tatemono Co., Ltd.				
[Reasons for nomination as a candidate] Mr. Tanemura had long worked for a financial institution. The Company believes that Mr. Tanemura will be able to draw on his extensive experience to objectively monitor the execution of duties by Directors. He has also been performing activities and expressing views appropriately as an Outside Statutory Auditor since his election as a Statutory Auditor at the 61st Ordinary General Meeting of Shareholder held on June 29, 2011. The Company hereby proposes that he be reelected as an Outside Statutory Auditor.				

Candidate No.	Name (Date of Birth)	Career summary and positions in the Company and important concurrent position	Number of shares of the Company held
3	Masakatsu Maruyama May 10, 1959	<p>April 1984 Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation)</p> <p>April 2006 In charge of special mission, Development Planning Group, Strategic Semiconductor Development Center, Matsushita Electric Industrial Co., Ltd.</p> <p>May 2017 Seconded to AS ONE Corporation In charge of launch of rental business</p> <p>May 2019 Left Panasonic Corporation</p> <p>October 2019 Joined AIRI Co., Ltd. (to the present)</p> <p>[Important concurrent position] • Patent searcher, Patent Search Business Division, AIRI Co., Ltd.</p>	0 shares
<p>[Reasons for nomination as a candidate] Mr. Maruyama has extensive experience from years of corporate employment not only as an engineer but also in the fields of strategies and management. The Company believes that Mr. Maruyama will be able to draw on his extensive knowledge and experience to objectively monitor the execution of duties by Directors as an Outside Statutory Auditor, and hereby proposes that he be elected as an Outside Statutory Auditor.</p>			

Notes: 1. No conflict of interest exists between the Company and the above candidates for Statutory Auditors.

2. The matters concerning the candidates for Outside Statutory Auditors are described as follows:

- (1) Mr. Takayuki Tanemura and Mr. Masakatsu Maruyama are both candidates for Outside Statutory Auditors. Since they satisfy the requirements for independent officers as stipulated by Tokyo Stock Exchange, Inc., if the reelection of Mr. Takayuki Tanemura is approved, the Company will continue to designate him as an independent officer, while if Mr. Masakatsu Maruyama is elected, the Company will designate him as an independent officer.
- (2) Mr. Takayuki Tanemura was once an employee of Mizuho Bank, Ltd., one of the Company's main banks. However, it should be noted that Mr. Tanemura is not in a position influenced by said bank, since he was assigned to Total Insurance Service Limited in April 2010, transferred to said company in August of the same year, took office as Full-time Statutory Auditor of Fujitsu Total Insurance Service Limited in April 2016 and has served as Full-time Statutory Auditor of Seiwa Sogo Tatemono Co., Ltd. since June 2017. In addition, no conflict of interest exists between the Company and the respective company mentioned above. Furthermore, it does not mean that the Company has a special business relationship only with said bank, since the Company has a business relationship with several financial institutions in addition to said bank. Moreover, as borrowings from said bank represent approximately 0.9% of the Company's total assets, we think the Company's decision-making will not be influenced by said bank. Therefore, we have judged that Mr. Tanemura will be able to fully perform his duties as an independent officer without the possibility of causing a conflict of interest with general shareholders.
- (3) Mr. Masakatsu Maruyama was an executing person (employee) of Panasonic Corporation, one of the Company's business partners. However, as the amount of transactions with said company represents approximately 0.8% of the Company's consolidated net sales, we think the Company's decision-making will not be influenced by said company. Therefore, we have judged that Mr. Maruyama will be able to fully perform his duties as an independent officer without the possibility of causing a conflict of interest with general shareholders.
- (4) Although Mr. Masakatsu Maruyama has not directly participated in business management other than participation as an Outside Director or an Outside Statutory Auditor, the Company has judged that he will be able to fully perform his duties as an Outside Director for the above reasons.
- (5) Mr. Takayuki Tanemura has been in office as an Outside Statutory Auditor of the Company for nine years as of the conclusion of this General Meeting of Shareholders.
- (6) Pursuant to the provisions of the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Takayuki Tanemura to

limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount specified in laws and regulations. If his reelection is approved, the Company will continue said agreement for the limitation of liability with him. If the election of Mr. Masakatsu Maruyama is approved, the Company will enter into an agreement with him to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act.

Proposal No. 4: Election of Two Substitutes for Statutory Auditors

The effect of electing Mr. Kazunori Nishimura and Mr. Masashi Mori, who were elected as substitutes for Statutory Auditors at the 69th Ordinary General Meeting of Shareholders, held on June 27, 2019, shall expire at the beginning of this General Meeting of Shareholders. In the case of a vacancy of Statutory Auditors, as stipulated by laws and regulations, we hereby propose that Mr. Kazunori Nishimura be elected as a substitute for Statutory Auditor Saburo Kikyo and that Mr. Masashi Mori be elected as a substitute for Outside Statutory Auditor Takayuki Tanemura and Outside Statutory Auditor Masakatsu Maruyama, whose election as Statutory Auditor is subject to approval of Proposal No. 3.

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

The candidates for substitutes for Statutory Auditors are as follows:

Candidate No.	Name (Date of Birth)	Career summary and positions in the Company and important concurrent position	Number of shares of the Company held
1	Kazunori Nishimura November 3, 1958	April 1981 Joined Hosiden Corporation April 2017 General Manager, General Affairs Department (to the present)	4,200 shares
	[Reasons for nomination as a candidate] Mr. Nishimura has long engaged in administrative divisions since joining the Company. The Company believes that he will be able to fully perform his duties as a Statutory Auditor by utilizing his extensive experience cultivated over many years at the Company, and hereby proposes that he be elected as a substitute for Statutory Auditor.		
2	Masashi Mori March 4, 1956	April 1974 Joined Osaka Regional Taxation Bureau July 2008 District Director, Shingu District Tax Office July 2011 District Director, Itami District Tax Office July 2014 District Director, Joto District Tax Office August 2016 Established Masashi Mori Certified Tax Accountant Office (to the present) [Important concurrent positions] • Director, Masashi Mori Certified Tax Accountant Office	0 shares
	[Reasons for nomination as a candidate] Mr. Mori has considerable knowledge concerning finance and accounting due to his expertise as a certified tax accountant, as well as experience in serving in various positions including the head of taxation bureaus. The Company believes that Mr. Mori will be able to draw on his extensive knowledge and experience to objectively monitor the execution of duties by Directors as an Outside Statutory Auditor, and hereby proposes that he be elected as a substitute for Statutory Auditor.		

Notes: 1. No conflict of interest exists between the Company and the above candidates for substitutes for Statutory Auditors.

2. The matters concerning the candidate for substitute for Outside Statutory Auditors are described as follows:

- (1) Mr. Masashi Mori is a candidate for substitute for Outside Statutory Auditor. If he is appointed as an Outside Statutory Auditor, Mr. Mori will be notified to Tokyo Stock Exchange, Inc. as an independent officer, since he satisfies the requirements for independent officers as stipulated by the said exchange.
- (2) Although he has not directly participated in business management other than participation as an Outside Director or an Outside Statutory Auditor, the Company has judged that he will be able to fully perform his duties as an Outside Statutory Auditor for the above reasons.
- (3) In the event the election of Mr. Masashi Mori as a substitute for Statutory Auditor is approved and he assumes office as an Outside Statutory Auditor in the case of a vacancy of Statutory Auditors as stipulated by laws and regulations, the Company, pursuant to the provisions of its Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, will enter into an agreement with Mr. Masashi Mori to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount specified in laws and regulations.

Proposal No. 5: Payment of Bonuses to Directors

In consideration of factors such as the business results of the fiscal year, the Company requests approval for payment of ¥50,000,000 as bonuses to Directors for the four Directors in office, excluding Outside Directors, as of the end of the fiscal year.

We also propose that the specific amount to be paid to each Director be left to the discretion of the Board of Directors.