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(Securities Code: 1942)

June 11, 2020

To our shareholders:

Kiyoshi Goto, Chairman and Director
Kandenko Co., Ltd.
4-8-33 Shibaura, Minato-ku, Tokyo

Notice of the 106th Annual General Meeting of Shareholders

We are pleased to announce the 106th Annual General Meeting of Shareholders of Kandenko Co., Ltd. (the “Company”) to be held as described below.

If you exercise your voting rights prior to the meeting, please refer to the “Guide to Exercise Voting Rights” (Japanese only) on page 3 and page 4 and exercise your voting rights in writing or via the Internet, after examining the Reference Documents for the General Meeting of Shareholders as stated hereafter.

1. Date and Time: Friday, June 26, 2020, at 10 a.m. (JST)

2. Venue: Head Office of the Company
4-8-33 Shibaura, Minato-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported:

1. Reports on the Business Report and the Non-Consolidated Financial Statements for the 106th fiscal year (from April 1, 2019 to March 31, 2020)
2. Reports on the Consolidated Financial Statements for the 106th fiscal year (from April 1, 2019 to March 31, 2020) and the results of the audits of the Consolidated Financial Statements by the Independent Accounting Auditor and the Board of Auditors

Matters to be resolved:

- | | |
|-----------------------|---------------------------------|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of 14 Directors |
| Proposal No. 3 | Election of Five Auditors |
| Proposal No. 4 | Payment of Bonuses to Directors |

1. If you are attending the meeting in person, please submit the enclosed voting form to the reception.
2. Notes to the non-consolidated financial statements and notes to the consolidated financial statements are posted on the Company’s website (<https://www.kandenko.co.jp/>) pursuant to the applicable laws and regulations and the Company’s Articles of Incorporation. The financial statements, etc., attached hereto are a part of the financial statements, etc. which the Auditors and the Independent Accounting Auditor audited in preparing their audit reports.
3. If any modifications are made to items in the documents attached hereto or the Reference Documents for General Meeting of Shareholders will be posted on the Company’s website (<https://www.kandenko.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus by means of a year-end dividend of ¥13 per share, totaling ¥2,655,361,423, based on its dividend policy of adhering to the stable and continuous payment of dividends. It is also proposed that the effective date of the year-end dividend shall be June 29, 2020.




- (1) Type of dividend property
Cash
- (2) Allotment of dividend property and their aggregate amount
¥13 per share
Total dividends: ¥2,655,361,423
- (3) Effective Date
June 29, 2020

Proposal No. 2 Election of 14 Directors



At the conclusion of this meeting, the terms of office of all 14 Directors will expire. Therefore, the Company proposes the election of 14 Directors.



The candidates for Director are as follows:



Candidate No.	Name		Current Position at the Company	Board of Directors' Meeting Attendance
1	Kiyoshi Goto	Reelection	Chairman and Director	17/17 (100.0%)
2	Yoshimi Morito	Reelection	President and Executive Officer	17/17 (100.0%)
3	Toshio Nakama	Reelection	Executive Vice President and Executive Officer	16/17 (94.1%)
4	Shigenori Takaoka	Reelection	Executive Vice President	17/17 (100.0%)
5	Shoichiro Kashiwabara	Reelection	Executive Vice President and Executive Officer	17/17 (100.0%)
6	Shinichiro Kitayama	Reelection	Executive Vice President and Executive Officer	17/17 (100.0%)
7	Shinichi Miyauchi	Reelection	Managing Director and Executive Officer	12/12 (100.0%)
8	Yuji Ueda	Reelection	Managing Director and Executive Officer	17/17 (100.0%)
9	Koji Tsuru	New election	Executive Managing Officer	—
10	Nobuhiro Iida	New election	Executive Managing Officer	—
11	Hitoshi Sugizaki	New election	Executive Managing Officer	—
12	Takashi Uchino	Reelection Outside Independent	Director	17/17 (100.0%)
13	Masataka Ishizuka	Reelection Outside Independent	Director	16/17 (94.1%)
14	Hajime Saito	Reelection Outside Independent	Director	11/12 (91.6%)



Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the company	Number of the Company's shares owned
1	<p>Kiyoshi Goto (July 15, 1950)</p>  <p>Reelection</p> <p>Tenure as Director (as of the conclusion of this meeting) 9 years</p>	<p>Apr. 2008 Executive Officer of KDDI CORPORATION</p> <p>Apr. 2011 Joined the Company as Advisor</p> <p>June 2011 Managing Director and Executive Officer</p> <p>June 2014 Senior Managing Director and Executive Officer</p> <p>June 2015 Executive Vice President</p> <p>June 2017 Chairman and Director (current position)</p> <p>Oct. 2017 President of Japan Electrical Construction Association (current position)</p> <p><Significant Concurrent Positions outside the Company> President of Japan Electrical Construction Association</p>	34,800 shares
	<p>Reasons for nomination as candidate for Director</p> <p>Kiyoshi Goto has experience and expertise, etc. gained through serving in positions that include Chairman and Director of the Company which will contribute to management of the Company.</p>		
2	<p>Yoshimi Morito (January 5, 1956)</p>  <p>Reelection</p> <p>Tenure as Director (as of the conclusion of this meeting) 6 years</p>	<p>Apr. 1974 Joined the Company</p> <p>July 2013 Executive Managing Officer and Branch Manager of Kanagawa Branch</p> <p>June 2014 Managing Director and Executive Officer</p> <p>June 2015 Executive Vice President</p> <p>June 2016 President and Executive Officer (current position)</p>	25,500 shares
	<p>Reasons for nomination as candidate for Director</p> <p>Yoshimi Morito has experience and expertise, etc. gained through serving in positions that include President and Executive Officer which will contribute to management of the Company.</p>		
3	<p>Toshio Nakama (February 25, 1960)</p>  <p>Reelection</p> <p>Tenure as Director (as of the conclusion of this meeting) 5 years</p>	<p>Apr. 1982 Joined the Company</p> <p>Oct. 2014 Senior Executive Officer, Division Manager of Kitakanto & Hokushinetsu Sales Division, and General Manager of Saitama Branch</p> <p>June 2015 Managing Director and Executive Officer</p> <p>June 2017 Executive Vice President and Executive Officer</p> <p>July 2019 Executive Vice President, Executive Officer, and Division Manager of Sales Division (current position)</p>	14,900 shares
	<p>Reasons for nomination as candidate for Director</p> <p>Toshio Nakama has knowledge of operations in the areas of electrical engineering, environmental facilities and systems, and renovation as well as experience and expertise, etc. gained through serving in positions that include Executive Vice President and Executive Officer which will contribute to management of the Company.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the company		Number of the Company's shares owned
4	Shigenori Takaoka (September 13, 1958)  Reelection Tenure as Director (as of the conclusion of this meeting) 5 years	June 2013 Oct. 2014 June 2015 June 2016 June 2017 Oct. 2018	Dispatched to the Company from Power Grid Company of Tokyo Electric Power Company, Incorporated (until June 2015) Senior Executive Officer and Deputy Executive General Manager of Power Division of the Company Managing Director and Executive Officer Senior Managing Director and Executive Officer Executive Vice President Executive Vice President in charge of Overall Operations, Social Infrastructure Division, and Fukushima Division (current position)	16,500 shares
	Reasons for nomination as candidate for Director Shigenori Takaoka has knowledge of operations in the areas of power distribution as well as experience and expertise, etc. gained through serving in positions that include Executive Vice President of the Company which will contribute to management of the Company.			
5	Shoichiro Kashiwabara (December 14, 1958)  Reelection Tenure as Director (as of the conclusion of this meeting) 5 years	Apr. 1981 Oct. 2014 June 2015 June 2016 June 2017 Oct. 2018	Joined the Company Senior Executive Officer (management planning, general affairs and human resources & welfare) Managing Director and Executive Officer Senior Managing Director and Executive Officer Executive Vice President Executive Vice President, Executive Officer, and Division Manager of Corporate Division in charge of Overall Operations and Internal Control Division (current position)	24,018 shares
	Reasons for nomination as candidate for Director Shoichiro Kashiwabara has knowledge of operations in the areas of administration as well as experience and expertise, etc. gained through serving in positions that include Executive Vice President and Executive Officer which will contribute to management of the Company.			
6	Shinichiro Kitayama (July 14, 1955)  Reelection Tenure as Director (as of the conclusion of this meeting) 6 years	Apr. 1979 July 2013 June 2014 June 2016 June 2019 July 2019	Joined the Company Executive Managing Officer, Branch Manager of Kansai Branch Managing Director and Executive Officer Senior Managing Director and Executive Officer Executive Vice President and Executive Officer Executive Vice President and Executive Officer, Division Manager of Social Infrastructure Division, and Head of Sales Unit (current position)	15,574 shares
	Reasons for nomination as candidate for Director Shinichiro Kitayama has knowledge of operations in the areas of electric power and civil engineering as well as experience and expertise, etc. gained through his service in positions that include Executive Vice President and Executive Officer which will contribute to management of the Company.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the company	Number of the Company's shares owned
7	Shinichi Miyauchi (January 8, 1960)  Reelection Tenure as Director (as of the conclusion of this meeting) 1 year	Apr. 1982 Joined the Company Oct. 2018 Senior Executive Managing Officer and Division Manager of Cost Management Division June 2019 Managing Director and Executive Officer July 2019 Managing Director, Executive Officer and Division Manager of Cost Management Division (in charge of Safety & Environment Division) (current position)	4,800 shares
	Reasons for nomination as candidate for Director Shinichi Miyauchi has knowledge of operations in the area of administration as well as experience and expertise, etc. gained through his service in positions that include Division Manager of Cost Management Division, Managing Director and Executive Officer.		
8	Yuji Ueda (January 26, 1960)  Reelection Tenure as Director (as of the conclusion of this meeting) 2 years	Apr. 2016 Managing Director of TEPCO Energy Partner, Inc. July 2017 Joined the Company as Executive Managing Officer and Deputy Executive General Manager of Sales Division and in charge of Group Business June 2018 Managing Director and Executive Officer July 2019 Managing Director, Executive Officer, and Deputy Executive General Manager of Sales Division (in charge of Strategy & Technology Development Division and Group Business Department) (current position)	6,700 shares
	Reasons for nomination as candidate for Director Yuji Ueda has experience and expertise, etc. gained through serving in positions that include Managing Director of TEPCO Energy Partner, Inc. as well as Managing Director and Executive Officer of the Company which will contribute to management of the Company.		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the company	Number of the Company's shares owned
9	<p>Koji Tsuru (July 21, 1958)</p>  <p>New election</p>	<p>Apr. 1983 Joined the Company</p> <p>July 2011 Department Manager of Quality & Construction Management Department, Sales Division</p> <p>July 2014 Executive Officer and Department Manager of Quality & Construction Management Department, Sales Division</p> <p>Oct. 2014 Executive Officer, Deputy Executive General Manager of Minamikanto & Tokai Sales Division and General Manager of Shizuoka Branch</p> <p>July 2015 Executive Officer, Deputy Executive General Manager of Minamikanto & Tokai Sales Division and General Manager of Shizuoka Branch (in charge of Shizuoka Distribution Branch)</p> <p>June 2016 Executive Managing Officer, Division Manager of Higashikanto Sales Division and General Manager of Chiba Branch (in charge of Chiba Distribution Branch)</p> <p>Oct. 2018 Executive Managing Officer, Division Manager of Higashikanto Sales Division and Branch Manager of Chiba Branch (current position)</p>	9,300 shares
<p>Reasons for nomination as candidate for Director</p> <p>Koji Tsuru has knowledge of operations in the areas of electric engineering, environmental facilities and systems as well as experience and expertise, etc. gained through his service in posts that include Division Manager of Higashikanto Sales Division and Branch Manager of Chiba Branch which will contribute to management of the Company.</p>			
10	<p>Nobuhiro Iida (November 30, 1961)</p>  <p>New election</p>	<p>Apr. 1985 Joined the Company</p> <p>July 2010 Department Manager of Sales Department II, Sales Division</p> <p>July 2015 Executive Officer and Deputy Executive General Manager of Sales Division (in charge of sales)</p> <p>July 2016 Executive Managing Officer and Deputy Executive General Manager of Sales Division (in charge of sales)</p> <p>Oct. 2018 Executive Managing Officer, Division Manager of Minamikanto & Tokai Sales Division, and Branch Manager of Kanagawa Branch (current position)</p>	9,300 shares
<p>Reasons for nomination as candidate for Director</p> <p>Nobuhiro Iida has knowledge of operations in the areas of electric engineering, environmental facilities and systems as well as experience and expertise, etc. gained through his service in posts that include Division Manager of Minamikanto & Tokai Sales Division and Branch Manager of the Kanagawa Branch which will contribute to management of the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the company	Number of the Company's shares owned
11	<p>Hitoshi Sugizaki (November 1, 1961)</p>  <p>New election</p>	<p>Apr. 1985 Joined the Company</p> <p>July 2012 Department Manager of Accounting Department</p> <p>July 2016 Executive Officer and Department Manager of Accounting Department</p> <p>July 2017 Executive Officer and Department Manager of Group Operation Administration Department</p> <p>Oct. 2018 Executive Officer and Head of Accounting & IT Unit, Corporate Division</p> <p>July 2019 Executive Managing Officer and Head of Accounting & IT Unit, Corporate Division (current position)</p>	5,800 shares
<p>Reasons for nomination as candidate for Director</p> <p>Hitoshi Sugizaki has knowledge of operations in the area of administration and has experience and expertise, etc. gained through his service in positions that include the head of accounting and the IT unit in the Corporate Division which will contribute to management of the Company.</p>			
12	<p>Takashi Uchino (November 17, 1951)</p>  <p>Reelection Outside Independent</p> <p>Tenure as Director (as of the conclusion of this meeting) 7 years</p>	<p>Apr. 1990 Professor of Department of Management, Gakushuin University Faculty of Economics (until March 2019)</p> <p>June 2013 Director of the Company (current position)</p>	0 shares
<p>Reasons for nomination as candidate for outside Director</p> <p>Takashi Uchino has experience and expertise, etc. as a university professor and as a business administration expert which will contribute to management of the Company, even though he has never been involved in the management of a company.</p> <p>Summary of details of the limited liability agreement</p> <p>Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Takashi Uchino to limit his liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the company	Number of the Company's shares owned
13	<p>Masataka Ishizuka (February 18, 1943)</p>  <p>Reelection Outside Independent</p> <p>Tenure as Director (as of the conclusion of this meeting) 5 years</p>	<p>June 2004 Executive Vice President of Central Japan Railway Company</p> <p>June 2008 President of JR TOKAI AGENCY CO., LTD. (until June 2012)</p> <p>May 2014 Curator of GRANSHIP convention center, Shizuoka Cultural Foundation (current position)</p> <p>June 2015 Director of the Company (current position)</p> <p><Significant Concurrent Positions outside the Company> Curator of GRANSHIP convention center, Shizuoka Cultural Foundation</p>	0 shares
<p>Reasons for nomination as candidate for outside Director Masataka Ishizuka has experience and expertise, etc. gained through serving as Director of Central Japan Railway Company and JR TOKAI AGENCY CO., LTD which will contribute to management of the Company.</p> <p>Summary of details of the limited liability agreement Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Masataka Ishizuka to limit his liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act.</p>			
14	<p>Hajime Saito (July 7, 1956)</p>  <p>Reelection Outside Independent</p> <p>Tenure as Director (as of the conclusion of this meeting) 1 year</p>	<p>June 2009 Executive Managing Director of Mizuho Financial Group, Inc.</p> <p>Apr. 2011 Deputy President & Executive Officer of Mizuho Securities Co., Ltd.</p> <p>June 2011 Deputy President and Deputy President & Executive Officer of Mizuho Securities Co., Ltd.</p> <p>Apr. 2015 Advisor of Mizuho Capital Co., Ltd.</p> <p>May 2015 Deputy President of Mizuho Capital Co., Ltd.</p> <p>Apr. 2016 President of Mizuho Capital Co., Ltd. (until April 2019)</p> <p>June 2019 Director of the Company (current position)</p>	0 shares
<p>Reasons for nomination as candidate for outside Director Hajime Saito has experience and expertise, etc. gained through serving in positions that include Director of Mizuho Financial Group, Inc. and Mizuho Securities Co., Ltd., etc. which will contribute to the management of the Company.</p> <p>Summary of details of the limited liability agreement Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Hajime Saito to limit his liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act.</p>			



Proposal No. 3 Election of Five Auditors


At the conclusion of this meeting, the terms of office of all five Auditors will expire. Therefore, the Company proposes the election of five Auditors.


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


The candidate for Auditor is as follows:

Candidate No.	Name		Current Position at the Company	Board of Directors' Meeting Attendance	Board of Auditors' Meeting Attendance
1	Toru Yukimura	New election	Managing Director and Executive Officer	17/17 (100.0%)	—
2	Hidekazu Tanaka	New election	Senior Fellow	—	—
3	Sumihito Okawa	Reelection Outside Independent	Auditor	16/17 (94.1%)	15/15 (100.0%)
4	Takashi Suetsuna	Reelection Outside Independent	Auditor	15/17 (88.2%)	13/15 (86.6%)
5	Shoichi Muto	Reelection Outside	Auditor	12/12 (100.0%)	10/10 (100.0%)

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the company		Number of the Company's shares owned
1	<p>Toru Yukimura (December 3, 1957)</p>  <p>New election</p>	<p>Apr. 1981 June 2015 June 2016 Oct. 2018</p>	<p>Joined the Company Executive Officer (Dispatched to KANKO SYOJI CO., LTD. (President of the same company)) Managing Director and Executive Officer Managing Director, Executive Officer, and Acting Division Manager of Corporate Division (accounting and IT unit) (current position)</p>	16,300 shares
<p>Reasons for nomination as candidate for Auditor Toru Yukimura has knowledge in the areas of finance and accounting as well as experience and expertise, etc. gained through his service as a business manager which will be beneficial to the audit of the Company.</p> <p>Summary of details of the limited liability agreement If Toru Yukimura assumes the office of Auditor, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the same Act.</p>				
2	<p>Hidekazu Tanaka (November 25, 1957)</p>  <p>New election</p>	<p>Apr. 1981 June 2010 July 2012 July 2013 Oct. 2014 July 2015 July 2016 Oct. 2018 July 2019</p>	<p>Joined the Company Branch Manager of Ibaraki Branch Executive Officer and Branch Manager of Ibaraki Branch Executive Officer, Deputy Executive General Manager of the Power Division and Department Manager of Sales Department Executive Officer, Deputy Executive General Manager of Energy System Division and Department Manager of Sales Department Executive Officer, Division Manager of Technology Development Division, and Head of Technology Development Unit Executive Managing Officer and Division Manager of Technology Development Division Executive Managing Officer, Acting Executive General Manager of Strategy & Technology Development Division, and Head of Technology Development Unit Senior Fellow and Acting Executive General Manager of Strategy & Technology Development Division (current position)</p>	15,300 shares
<p>Reasons for nomination as candidate for Auditor Hidekazu Tanaka has knowledge of operations in the areas of electric power, civil engineering and technology development as well as experience and expertise, etc. gained through his service in positions that include Executive Officer which will be beneficial to the audit of the Company.</p> <p>Summary of details of the limited liability agreement If Hidekazu Tanaka assumes the office of Auditor, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the same Act.</p>				

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the company	Number of the Company's shares owned
3	<p data-bbox="347 264 531 320">Sumihito Okawa (January 27, 1947)</p>  <p data-bbox="379 555 499 645">Reelection Outside Independent</p> <p data-bbox="304 678 574 768">Tenure as Auditor (as of the conclusion of this meeting) 12 years</p>	<p data-bbox="611 264 1238 297">June 2004 Vice President of Development Bank of Japan</p> <p data-bbox="611 297 1238 365">June 2007 President of The Japan Economic Research Institute (until June 2011)</p> <p data-bbox="611 365 1238 432">June 2007 Corporate Auditor of Japan Freight Railway Company (until June 2013)</p> <p data-bbox="611 432 1238 465">June 2008 Auditor of the Company (current position)</p> <p data-bbox="611 465 1238 533">June 2011 Standing Auditor of ALL NIPPON AIRWAYS CO., LTD</p> <p data-bbox="611 533 1238 600">Apr. 2013 Outside Auditor of ANA HOLDINGS INC. (until June 2019)</p> <p data-bbox="611 600 1238 667">Apr. 2013 Auditor of ALL NIPPON AIRWAYS CO., LTD. (until June 2019)</p>	15,700 shares
<p data-bbox="276 779 826 813">Reasons for nomination as candidate for outside Auditor</p> <p data-bbox="276 813 1425 880">Sumihito Okawa has experience and expertise, etc. gained as an auditor of ANA HOLDINGS INC. and ALL NIPPON AIRWAYS CO., LTD. which will be beneficial to the audit of the Company.</p> <p data-bbox="276 902 794 936">Summary of details of the limited liability agreement</p> <p data-bbox="276 936 1433 1025">Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Sumihito Okawa to limit his liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the company	Number of the Company's shares owned
4	<p style="text-align: center;">Takashi Suetsuna (March 8, 1949)</p>  <p style="text-align: center;">Reelection Outside Independent</p> <p style="text-align: center;">Tenure as Auditor (as of the conclusion of this meeting) 4 years</p>	<p>Aug. 2004 Deputy Superintendent General of the Tokyo Metropolitan Police Department</p> <p>Sept. 2005 Chief Chamberlain of the Board of the Crown Prince's Household of the Imperial Household Agency</p> <p>Apr. 2009 Ambassador Extraordinary and Plenipotentiary of Japan to Grand Duchy of Luxembourg</p> <p>June 2012 Retired from the Ministry of Foreign Affairs</p> <p>June 2013 Independent Audit & Supervisory Board Member of Marubeni Corporation (until June 2017)</p> <p>June 2015 Outside Director of Totetsu Kogyo Co., Ltd. (current position)</p> <p>June 2016 Outside Audit & Supervisory Board Member of Keikyu Corporation (current position)</p> <p>June 2016 Outside Audit & Supervisory Board Member of JCR Pharmaceuticals Co., Ltd.</p> <p>June 2016 Auditor of the Company (current position)</p> <p>June 2017 Outside Director of JCR Pharmaceuticals Co., Ltd. (current position)</p> <p>June 2018 Outside Audit & Supervisory Board Member of Aioi Nissay Dowa Insurance Co., Ltd. (current position)</p> <p><Significant Concurrent Positions outside the Company></p> <p>Outside Director of Totetsu Kogyo Co., Ltd.</p> <p>Outside Director of JCR Pharmaceuticals Co., Ltd.</p> <p>Outside Audit & Supervisory Board Member of Aioi Nissay Dowa Insurance Co., Ltd.</p> <p>Outside Audit & Supervisory Board Member of Keikyu Corporation</p>	0 shares
<p>Reasons for nomination as candidate for outside Auditor</p> <p>Takashi Suetsuna has experience and expertise, etc. gained through his service as an executive in government agencies as well as an outside Officer of Marubeni Corporation, Totetsu Kogyo Co., Ltd., JCR Pharmaceuticals Co., Ltd., Aioi Nissay Dowa Insurance Co., Ltd., and Keikyu Corporation which will be beneficial to the audit of the Company, even though he has never been involved in the management of a company.</p> <p>Summary of details of the limited liability agreement</p> <p>Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Takashi Suetsuna to limit his liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the company	Number of the Company's shares owned
5	<p>Shoichi Muto (June 20, 1956)</p>  <p>Reelection Outside</p> <p>Tenure as Auditor (as of the conclusion of this meeting) 1 year</p>	<p>Apr. 2016 General Manager of Decontamination Promotion Office, Fukushima Division of Tokyo Electric Power Company Holdings</p> <p>June 2019 Auditor of the Company (current position)</p>	0 shares
<p>Reasons for nomination as candidate for outside Auditor Shoichi Muto has experience and expertise, etc. gained through serving in positions at Tokyo Electric Power Company Holdings which will contribute to effective auditing of the Company, even though he has never been involved in the management of a company. Furthermore, Tokyo Electric Power Company Holdings has a special business relationship with the Company.</p> <p>Summary of details of the limited liability agreement Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Shoichi Muto to limit his liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act.</p>			

Proposal No. 4 Payment of Bonuses to Directors

The Company proposes to pay bonuses to 14 Directors (including three outside Directors) in office at the end of the current fiscal year, at the total amount of ¥130,000,000, taking into consideration the business results for the fiscal year under review, among others.

[Reference] Independence Criteria for Outside Directors and Outside Auditors of the Company

The Company determines an outside Director or an outside Auditor is independent if none of the criteria below is satisfied.

- (1) A person who executes business of the Company or its subsidiaries or a person who was someone who executed that business
- (2) A person who executes business of a major shareholder of the Company (shareholder who has 10% or more voting rights, including indirectly held voting rights) or a person who executes business of a company where the Company is a major shareholder
- (3) A person who executes business of a major lender of the Company (lender of the borrowings that exceed 1% of the total consolidated assets of the most recent fiscal year)
- (4) A person who executes business of a major business partner of the Company (dealings with an amount that exceeds 1% of consolidated revenue of the most recent fiscal year) or a person who executes business for a company who is a major partner of the Company
- (5) A representative partner or employee of an independent accounting auditor of the Company
- (6) A person who has received substantial economic benefits or donations from the Company (more than ¥10 million, excluding director's compensation) or a person who belongs to an association that has received such benefits or donations from the Company
- (7) A person who executes business for a company which has a relationship involving cross-assumption of office of outside officers
- (8) A person who has a relative (guardian or relatives by a collateral line up to the second degree) that fits the criteria in (1) through (6) (limited to officers and vital employees)
- (9) A person who satisfies (2) through (8) in the past five years