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Securities code: 6844

June 6, 2019

**To our shareholders**

2-2-1, Ohtemachi, Chiyoda-ku, Tokyo, Japan

**Shindengen Electric Manufacturing Co., Ltd.**

Yoshinori Suzuki, President

### **Notice of Convocation of the 95th Ordinary General Meeting of Shareholders**

We would like to express our heartfelt appreciation for your long-standing patronage of Shindengen Electric Manufacturing Co., Ltd.

We hereby notify you that the 95th Ordinary General Meeting of Shareholders (hereinafter, the “Meeting”) of Shindengen Electric Manufacturing Co., Ltd. will be held as stated below, and that you are cordially invited to attend the Meeting.

If you are not able to attend the Meeting, you can exercise your voting rights by mail or electromagnetic means (the Internet etc.). After reading the reference documents below, your voting instructions must be received no later than 5:10 p.m. on Wednesday, June 26, 2019 in accordance with “Instructions concerning the exercising of voting rights” on page 3.

## Notice of Meeting

1. **Date and time:** Thursday, June 27, 2019, 10:00 a.m.
2. **Place:** Hotel Heritage HANNO sta., Heritage Hall (6th floor)  
11-21 Nakacho, Hanno, Saitama, Japan
3. **Agenda**
  - Reports:**
    1. Business report, consolidated financial statements, and consolidated financial statement audit reports by the accounting auditors and the Board of Corporate Auditors for the 96th fiscal year (from April 1, 2018 to March 31, 2019)
    2. Non-consolidated financial statements for the 96th fiscal year (from April 1, 2018 to March 31, 2019)

### Resolutions:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Six (6) Directors
- Proposal 3:** Election of Two (2) Audit & Supervisory Board Members
- Proposal 4:** Election of One (1) Substitute Audit & Supervisory Board Member
- Proposal 5:** Adoption of a remuneration system for offering transfer-restricted shares to directors, excluding outside ones
- Proposal 6:** Continuation of the policy against the buying of an enormous amount of shares of our company (anti-takeover measures)

### 4. Decisions concerning the convocation of the Meeting

Please refer to “Instructions concerning the exercising of voting rights” on the next page.

If you plan to attend the Meeting, please bring the enclosed voting card with you and present it at the reception desk at the Meeting.

If revisions are made to any of the reference documents for shareholders, business reports, financial statements, and consolidated financial statements, said revisions will be posted on our website at (<https://www.shindengen.co.jp/ir/>).

### **Instructions concerning the exercising of voting rights**

Voting rights may be exercised in the following three ways.

#### **If attending the General Meeting of Shareholders**

Please bring the voting card with you and present it at the reception desk at the Meeting. (Your personal seal is not necessary.)

**Date and time:** 10:00 a.m. on Thursday, June 27, 2019

**Place:** Hotel Heritage HANNO sta., Heritage Hall (6th floor)

#### **If exercising voting rights by post**

Please indicate your answers to the proposals on the enclosed voting card and send the card by post. You need not affix any postage.

**Exercise deadline:** Receipt by 5:10 p.m. on Wednesday, June 26, 2019

#### **If exercising voting rights via the Internet**

Access the voting website (<https://evote.tr.mufg.jp/>) via personal computer, smartphone or mobile phone. Enter the login ID and temporary password shown on the enclosed voting card, and enter your answer according to the instructions on the screen.

**Exercise deadline:** Until 5:10 p.m. on Wednesday, June 26, 2019

(1) In the case of voting twice via mail (voting card) and via the Internet

Please take note that if you vote twice via mail (voting card) and via the Internet, the vote that you gave via the Internet will be taken as an effective vote.

(2) In the case of voting via the Internet more than once

If you vote via the Internet more than once, the last vote you give will be taken as an effective vote.

(3) Procedures for voting via the Internet

When voting via the Internet, please confirm the following points before doing so.

If you plan to attend the Meeting on the day, you do not have to complete the procedures for voting via mail (voting card) or via the Internet.

***Website for voting***

- (i) Voting via the Internet can only be done by visiting the voting website specified by our Company (<https://evote.tr.mufg.jp/>) using a personal computer, a smartphone, or a mobile phone\* (i-mode, EZweb, or Yahoo!). (Please note that the site is not accessible from 2:00 a.m. to 5:00 a.m.)  
\* “i-mode,” “EZweb,” and “Yahoo!” are trademarks or registered trademarks of NTT DOCOMO, Inc., KDDI Corporation, and Yahoo! Inc., respectively.
- (ii) You may not be able to exercise your voting rights via the Internet depending on your environment for using the Internet, such as having a firewall for your Internet connection, setting up an anti-virus software on your personal computer, using a proxy server, or not using a TLS-encrypted communication, etc.
- (iii) If you vote via a mobile phone, please use i-mode, EZweb, or Yahoo! To ensure security, the voting website is not compatible with models incapable of using TLS-encrypted communications or sending mobile phone information.
- (iv) You can exercise your voting rights via the Internet until 5:10 p.m. on Wednesday, June 26, 2019, but are advised to do so early. If you have any questions, please contact the Help Desk.

***Method for voting via the Internet***

- (i) On the voting website (<https://evote.tr.mufg.jp/>), use the login ID and temporary password written on your voting card, and enter your answers according to the instructions on the screen.
- (ii) Please be aware that the site will ask you to change your temporary password in order to prevent other people from hacking your account or falsifying your vote.
- (iii) You will be provided with a new login ID and temporary password each time a General Meeting of Shareholders is convened.

***Expenses incurred when accessing the voting site***

All expenses incurred when accessing the voting site (fee for Internet connection, etc.) shall be borne by the shareholders. And expenses incurred when accessing the voting site via mobile phones, etc. (packet communication fees, etc.) shall be borne by the shareholders.

***Platform for electronic voting***

Nominee shareholders (including standing proxies) such as trust management banks may apply in advance to use the platform for electronic voting operated by the ICJ Inc., a joint venture company established by the Tokyo Stock Exchange, Inc., and others. In such a case, the shareholders can use the ICJ platform to vote at the General Meeting of Shareholders in addition to the Internet and other methods mentioned above.

<p>All inquiries regarding the computing system, etc. should be addressed to: Corporate Agency Division (Help Desk) Mitsubishi UFJ Trust and Banking Corporation Phone: 0120-173-027 (09:00–21:00, toll-free)</p>
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## Reference Documents for Shareholders Meeting

### Proposal 1: Appropriation of Surplus

The Company desires to appropriate the surplus in the following manner.

Matters concerning the year-end dividend.

The Company regards the return of profits to shareholders as one of management's important tasks and makes it our basic policy to determine the distribution of profits by taking into account in a general manner the internal reserve to maintain and strengthen its competitiveness in the industry, the level of the return on equity, the performance or the like. The Company desires to declare the year-end dividend of the current term in the following manner.

(1) Type of dividend property

Cash

(2) Matter concerning the assignment of the dividend property and its total amount

The sum of 125 yen per one common share of the Company

The total amount shall be 1,287,437,125 yen.

(3) The day on which the distribution of dividend of surplus shall take effect:

June 28, 2019

**Proposal 2: Election of Six (6) Directors**

The term of office of all of the six Directors will expire upon conclusion of this Ordinary General Meeting of Shareholders. It is therefore requested that six Directors be elected from the candidates listed below.

Candi-date No.	Name	Positions, tasks and responsibilities at the Company	Category
1	Yoshinori Suzuki	President	<b>Reappointment</b>
2	Yasumi Negishi	Director (Senior Executive Officer) Corporate Planning Group In Charge of Administration Departments	<b>Reappointment</b>
3	Kenji Horiguchi	Director (Executive Officer) Factory Director In Charge of Structural Reform, Magnetic Components	<b>Reappointment</b>
4	Nobuyoshi Tanaka	Director (Executive Officer) Division Director, Sales Div. Group In Charge of Electric Vehicle Project	<b>Reappointment</b>
5	Ichiro Yamada	Director	<b>Reappointment</b> <b>Outside</b> <b>Independent</b>
6	Hideyuki Hashimoto	Director	<b>Reappointment</b> <b>Outside</b> <b>Independent</b>
<b>Reappointment</b> Candidate for reappointment as Director			
<b>Outside</b> Candidate for Outside Director			
<b>Independent</b> Independent Director pursuant to the rules specified by the stock exchange and others			

Candi-date No.	Name (Date of birth)	Brief background description, positions/tasks at the Company (Situation of important concurrent posts, if any)	No. of the Company's shares held by the candidate
1	Yoshinori Suzuki (May 21, 1957)  <b>Reappointment</b>	<p>April 1982      Joined the Company</p> <p>March 1996      Managing Director, Shindengen Singapore Pte Ltd.</p> <p>April 1999      Department Manager, Device Overseas Sales Dept., Semiconductor Div., Electronic Device Div. Group</p> <p>April 2000      Department Manager, Device Overseas Sales Dept., Sales Div., Electronic Device Div. Group</p> <p>April 2002      Department Manager, Sales Planning Dept., Sales Div., Electronic Device Div. Group</p> <p>April 2003      Department Manager, Marketing Dept. II, Consumer Electronics Sales Div., Electronic Device Div. Group</p> <p>April 2005      Branch Manager, Osaka Branch, Area Sales Management Div., Sales Div. Group</p> <p>April 2006      Branch Manager, Osaka Branch, Area Sales Div., Electronic Device Sales Div. Group</p> <p>April 2007      General Manager, Electronic Device Sales Div., the Electronic Device Div. Group</p> <p>June 2008      Officer, Deputy Division Director, Electronic Device Div. Group and General Manager, Electronic Device Sales Div., Electronic Device Div. Group</p> <p>February 2009      Officer, Corporate Planning Group</p> <p>June 2009      Director and Officer, Corporate Planning Group</p> <p>June 2012      Director and Officer, In charge of Overseas and Area Sales</p> <p>April 2013      Director and Officer, Division Director, Sales Division Group</p> <p>June 2013      Director and Officer, In charge of Sales and Car Electrics</p> <p>June 2014      Director and Senior Officer, In charge of Sales and Car Electrics</p> <p>April 2015      Director and Senior Officer, President, Shindengen Device Commerce Co., Ltd.</p> <p>June 2015      Director and Senior Officer, In charge of structural reform President, Shindengen Device Commerce Co., Ltd.</p> <p>April 2016      President (current position)</p>	5,311 common shares
<b>Significant concurrent positions:</b>			
Not applicable			
<b>Reasons for nomination as candidate:</b>			
Having been taking the leadership of domestic and overseas sales departments for many years, Mr. Yoshinori Suzuki has a great deal of business experience and excellent credentials as a business person. In addition, he has been serving as President since April 2016 after he had served as Director of the Corporate Planning Group as well as served as a Director and Officer. In his capacity as the President, he has been appropriately exercising control and supervision over the Company's business. We therefore anticipate that he is well-qualified for a leader who is responsible for enhancing the Company's value in a sustainable manner, and he has been nominated as candidate for a Director for the following term.			
<b>Special-interest relationships:</b>			
No special-interest relationships exist between Mr. Yoshinori Suzuki and the Company.			

Candi-date No.	Name (Date of birth)	Brief background description, positions/tasks at the Company (Situation of important concurrent posts, if any)	No. of the Company's shares held by the candidate
2	Yasumi Negishi (October 8, 1958)  <b>Reappointment</b>	<p>April 1982      Joined the Company</p> <p>November 2004      Department Manager, Finance Dept.</p> <p>February 2009      Department Manager, Personnel Dept.</p> <p>April 2009      Department Manager, Personnel Dept. and Learning Center</p> <p>June 2012      Director and Officer, Corporate Planning Group, In charge of Personnel, Administration and Learning Center</p> <p>October 2012      Director and Officer, Corporate Planning Group In charge of Personnel, Administration and Human Resources Development</p> <p>June 2015      Director and Senior Officer, Corporate Planning Group In charge of Personnel, Administration and Human Resources Development</p> <p>July 2015      Director and Senior Officer, Corporate Planning Group In charge of Personnel, Administration and Human Resources Development.</p> <p>                                 President, Shindengen Enterprise Co., Ltd.</p> <p>April 2016      Director and Executive Officer, Corporate Planning Group In charge of accounting and administration departments</p> <p>April 2017      Director and Executive Officer, Corporate Planning Group In Charge of Administration Departments</p> <p>April 2018      Director and Senior Executive Officer (current position), Corporate Planning Group In Charge of Administration Departments (current position)</p>	3,395  common shares
<p><b>Significant concurrent positions:</b> Not applicable</p>			
<p><b>Reasons for nomination as candidate:</b> Having been taking the leadership of administration departments for many years, Mr. Yasumi Negishi has wide business experience in accounting, personnel affairs, general affairs, business planning and others, as well as in-depth knowledge of business. Furthermore, he has been acting as Director since June 2012 and has been appropriately overseeing management of the Company. In view of this, the Company recognizes him as an indispensable person for management of the Company; therefore, the Company has continued to choose him as a candidate for the position of Director.</p>			
<p><b>Special-interest relationships:</b> No special-interest relationships exist between Mr. Yasumi Negishi and the Company.</p>			



Candi-date No.	Name (Date of birth)	Brief background description, positions/tasks at the Company (Situation of important concurrent posts, if any)	No. of the Company's shares held by the candidate
3	<p style="text-align: center;"><b>Kenji Horiguchi</b> (November 16, 1959)</p> <p style="text-align: center;"><b>Reappointment</b></p>	<p>April 1983      Joined the Company</p> <p>April 2000      Department Manager, Device Design Dept., Advanced Power Products Div., Advanced Power Products Div. Group</p> <p>October 2003    Associate General Manager, Advanced Power Products Div., Electronic Device Div. Group; Department Manager, Design Dept., Advanced Power Products Div., Electronic Device Div. Group</p> <p>April 2005      General Manager, Advanced Power Products Div., Electronic Device Div. Group; Department Manager, Design Dept., Advanced Power Products Div., Electronic Device Div. Group</p> <p>April 2006      General Manager, Advanced Power Products Div., Electronic Device Div. Group</p> <p>April 2008      General Manager, IC Development Center, Technology &amp; Development Div. Group</p> <p>April 2009      Deputy Division Director, Technology &amp; Development Center</p> <p>June 2010      Officer</p> <p>June 2012      President, Higashine Shindengen Co., Ltd.</p> <p>June 2012      Officer President, Higashine Shindengen Co., Ltd.; In Charge of Shindengen group Productivity Innovation System (SPIS) Project</p> <p>March 2013    Officer President, Higashine Shindengen Co., Ltd.; General Manager, SPIS Project; In Charge of SPIS Project</p> <p>April 2013      Officer President, Higashine Shindengen Co., Ltd.</p> <p>June 2013      Director and Officer; In Charge of Technology, Production, Quality, Intellectual Property and Power Module Products</p> <p>June 2014      Director and Officer; General Manager, Technology &amp; Development Center; In Charge of Technology, Production, Quality, Intellectual Property and Power Module Products</p> <p>June 2015      Director and Officer; In Charge of Technology, Production and Quality</p> <p>April 2016      Director and Senior Officer; In Charge of Technology, Production and Quality</p> <p>April 2017      Director and Senior Officer Factory Director; In Charge of Structural Reform, Materials, Distribution, Magnetic Components</p> <p>April 2018      Director and Executive Officer; Factory Director; In Charge of Structural Reform, Materials, Distribution, Magnetic Components</p> <p>April 2019      Director and Executive Officer (current position); Factory Director (current position); In Charge of Structural Reform, Magnetic Components (current position)</p>	2,669 common shares
<p><b>Significant concurrent positions:</b> Not applicable</p>			
<p><b>Reasons for nomination as candidate:</b> Mr. Kenji Horiguchi has been mainly engaged in the Design, Production and Quality Management departments and has great insight and plenty of experience in those fields. Furthermore, he has been acting as Director since June 2013 and has been appropriately overseeing management of the Company. In view of this, the Company recognizes him as an indispensable person for management of the Company; therefore, the Company has continued to choose him as a candidate for the position of Director.</p>			
<p><b>Special-interest relationships:</b> No special-interest relationships exist between Mr. Kenji Horiguchi and the Company.</p>			

Candi-date No.	Name (Date of birth)	Brief background description, positions/tasks at the Company (Situation of important concurrent posts, if any)	No. of the Company's shares held by the candidate
4	Nobuyoshi Tanaka (July 20, 1961)  <b>Reappointment</b>	April 1985      Joined the Company October 2006    Department Manager, Planning Dept., Corporate Planning Group April 2010      Department Manager, Administration Dept., Electronic Device Management Div., Electronic Device Div. Group July 2010        General Manager, Electronic Device Management Div., Electronic Device Div. Group June 2011        Officer; Division Director, Electronic Device Div. Group June 2015        Officer; Division Director, Electronic Device Div. Group; Division Director, Sales Div. Group April 2016       Senior Officer; Division Director, Electronic Device Div. Group; Division Director, Sales Div. Group April 2017       Senior Officer; Division Director, Sales Div. Group; In Charge of Electric Vehicle Project June 2017       Director and Senior Officer; Division Director, Sales Div. Group; In Charge of Electric Vehicle Project April 2018       Director and Executive Officer (current position); Division Director, Sales Div. Group (current position); In Charge of Electric Vehicle Project (current position)	2,641 common shares
<b>Significant concurrent positions:</b> Not applicable			
<b>Reasons for nomination as candidate:</b> Mr. Nobuyoshi Tanaka has been engaged in the Sales departments inside and outside Japan. He has broad business experience and great insight, leading the Corporate Planning Group and the Electronic Device Div. Group. Furthermore, he has been as Director since June 2017 and has been appropriately overseeing management of the Company. In view of this, the Company recognizes his experience and knowledge to be indispensable for sustainable improvement in the corporate value; therefore, the Company has chosen him as a candidate for the position of Director.			
<b>Special-interest relationships:</b> No special-interest relationships exist between Mr. Nobuyoshi Tanaka and the Company.			

Candi-date No.	Name (Date of birth)	Brief background description, positions/tasks at the Company (Situation of important concurrent posts, if any)	No. of the Company's shares held by the candidate
5	<p data-bbox="320 680 480 741">Ichiro Yamada (August 1, 1949)</p> <p data-bbox="320 763 472 837"><b>Reappointment Outside Independent</b></p>	<p data-bbox="515 461 1254 512">April 1974      Joined Musashino Electrical Communication Laboratories, Nippon Telegraph and Telephone Public Corporation</p> <p data-bbox="515 521 1090 546">September 1985      Doctor of Engineering, The University of Tokyo</p> <p data-bbox="515 555 1267 607">January 1993      Deputy Executive Manager, Technology Information, Technology Research Department, Nippon Telegraph and Telephone Corporation</p> <p data-bbox="515 616 1249 689">February 1995      Executive Manager, Telecommunications Energy Laboratory, NTT Interdisciplinary Research Laboratories, Nippon Telegraph and Telephone Corporation</p> <p data-bbox="515 698 1238 772">January 1999      Executive Manager, Energy Systems Laboratory, NTT Telecommunications Energy Laboratories, Nippon Telegraph and Telephone Corporation</p> <p data-bbox="515 781 1275 833">July 2000      Director, NTT Lifestyle and Environmental Technology Laboratories, Nippon Telegraph and Telephone Corporation</p> <p data-bbox="515 842 1182 866">July 2002      Professor, School of Engineering, The University of Tokyo</p> <p data-bbox="515 875 1259 927">May 2009      Vice President (Director General, Division for Environment, Health and Safety), The University of Tokyo</p> <p data-bbox="515 936 1254 987">April 2012      Professor, Graduate School of Frontier Sciences, The University of Tokyo</p> <p data-bbox="515 996 1046 1021">June 2014      Director of the Company (current position)</p> <p data-bbox="515 1030 1217 1055">June 2015      Professor Emeritus, The University of Tokyo (current position)</p>	533 common shares
<p data-bbox="296 1079 600 1104"><b>Significant concurrent positions:</b></p> <p data-bbox="296 1113 687 1137">Professor Emeritus, The University of Tokyo</p>			
<p data-bbox="296 1164 644 1189"><b>Reasons for nomination as candidate:</b></p> <p data-bbox="296 1198 1398 1272">As a university professor, Mr. Ichiro Yamada has filled various important posts. The Company has continued to choose him as a candidate for the position of Outside Director with expectations that he will guide and advise on management of the Company using his specialized knowledge and a wealth of experience.</p> <p data-bbox="296 1281 1294 1305">Mr. Ichiro Yamada's term of office as Outside Director will be 4 years as of the conclusion of this General Meeting.</p> <p data-bbox="296 1314 1410 1366">The Company has registered Mr. Ichiro Yamada as an Independent Director with the Tokyo Stock Exchange, Inc., pursuant to the rules specified by the exchange. The Company plans to continue appointing him as an Independent Director if he is reappointed.</p>			
<p data-bbox="296 1391 571 1415"><b>Special-interest relationships:</b></p> <p data-bbox="296 1424 1026 1449">No special-interest relationships exist between Mr. Ichiro Yamada and the Company.</p>			
<p data-bbox="296 1471 557 1496"><b>Limited liability agreement:</b></p> <p data-bbox="296 1505 1422 1606">The Company has entered into an agreement with Mr. Ichiro Yamada pursuant to Article 427, Paragraph 1 of the Companies Act to limit the amount of the liability for damages prescribed in Article 423, Paragraph 1 of the same law. The limit of the liability for damages in this agreement is in line with the amount stipulated by laws and regulations. The Company plans to extend said agreement with him if his reappointment is approved at the General Meeting.</p>			

Candi-date No.	Name (Date of birth)	Brief background description, positions/tasks at the Company (Situation of important concurrent posts, if any)	No. of the Company's shares held by the candidate
6	Hideyuki Hashimoto (January 25, 1964)  <b>Reappointment Outside Independent</b>	October 1991      Joined Chuo Shinkou Audit Corporation	0  common shares
		April 1995        Registered as a certified public accountant	
		January 2000      Opened Hashimoto Public Accounting Office	
		April 2000        Registered as a certified tax accountant	
		May 2007         Joined BDO Toyo & Co.	
		June 2014         Senior Partner, BDO Toyo & Co. (current position)	
		<b>Significant concurrent positions:</b> Certified public accountant, certified tax accountant	
		<b>Reasons for nomination as candidate:</b> Mr. Hideyuki Hashimoto has specialized knowledge and a wealth of experience as both a certified public accountant and a certified tax accountant. The Company has continued to choose him as a candidate for the position of Outside Director with expectations that he will provide useful advice on management of the Company. Mr. Hideyuki Hashimoto's term of office as Outside Director will be 3 years as of the conclusion of this General Meeting. The Company has registered Mr. Hideyuki Hashimoto as an Independent Director with the Tokyo Stock Exchange, Inc., pursuant to the rules specified by the exchange. The Company plans to continue appointing him as an Independent Director if he is reappointed.	
		<b>Special-interest relationships:</b> No special-interest relationships exist between Mr. Hideyuki Hashimoto and the Company.	
		<b>Limited liability agreement:</b> The Company has entered into an agreement with Mr. Hideyuki Hashimoto pursuant to Article 427, Paragraph 1 of the Companies Act to limit the amount of the liability for damages prescribed in Article 423, Paragraph 1 of the same law. The limit of the liability for damages in this agreement is in line with the amount stipulated by laws and regulations. The Company plans to extend said agreement with him if his reappointment is approved at the General Meeting.	

**Proposal 3: Election of Two (2) Audit & Supervisory Board Members**

The term of office of the two Audit & Supervisory Board Members, Yoshiaki Higo and Yuichiro Miyake, will expire upon conclusion of this Ordinary General Meeting of Shareholders. It is therefore requested that two Audit & Supervisory Board Members be elected from the candidates listed below. This proposal has been already approved by the Audit & Supervisory Board.

Candi-date No.	Name (Date of birth)	Brief background description, positions/tasks at the Company (Situation of important concurrent posts, if any)	No. of the Company's shares held by the candidate
1	Yoshiaki Higo (July 12, 1955)  <b>Reappointment</b>	April 1979      Joined the Company	2,889 common shares
		April 2001      Section Manager, Tohoku Office	
		April 2003      Department Manager, Administration/Personnel Dept.	
		April 2004      Department Manager, Personnel Dept.	
		February 2009      Branch Manager, Nagoya Branch	
		April 2010      Manager of Western Japan Branch	
		June 2013      Officer	
		President of HigashineShindengen Co., Ltd.	
		June 2015      Full-time Audit & Supervisory Board Member (current position)	
	<b>Significant concurrent positions:</b> Not applicable		
	<b>Reasons for nomination as candidate:</b> Mr. Yoshiaki Higo broadly experienced the tasks for sales, general affairs, and human resources in the Company, and possesses profound knowledge about them. In addition, he has been serving as a full-time Audit & Supervisory Board Member since June 2015, and has appropriately audited the management system and business operation of the Company. Accordingly, he has been selected as a candidate Audit & Supervisory Board Member.		
	<b>Special-interest relationships:</b> No special-interest relationships exist between Mr. Yoshiaki Higo and the Company.		

Candi-date No.	Name (Date of birth)	Brief background description, positions/tasks at the Company (Situation of important concurrent posts, if any)		No. of the Company's shares held by the candidate
2	Yuichiro Miyake (August 8, 1947)  <b>Reappointment Outside Independent</b>	April 1972	Registered as a lawyer (Tokyo Bar Association), and went into practice, and has been in practice (current position)	10,383 common shares
	June 2003	Audit & Supervisory Board Member of the Company (current position)		
	<b>Significant concurrent positions:</b>			
	Lawyer Outside director of Sanyo Denki Co., Ltd. Outside director (Audit Committee Member) of Asahi Yukizai Corporation Outside auditor of Tadano Ltd.			
	<b>Reasons for nomination as candidate:</b>			
<p>Mr. Yuichiro Miyake has been nominated as an outside Audit &amp; Supervisory Board Member, so that he will be able to reflect his expertise as a lawyer and profound knowledge of business administration in audit in the Company. He has no experience of getting directly involved with the management of a company, but is versed in corporate legal affairs as a lawyer and possesses adequate knowledge for overseeing business operation. Accordingly, he is expected to fulfill his duties as an outside Audit &amp; Supervisory Board Member.</p> <p>When this General Meeting of Shareholders ends, Mr. Yuichiro Miyake will have been serving as an outside Audit &amp; Supervisory Board Member for 16 years.</p> <p>In addition, Mr. Yuichiro Miyake has been registered as an independent executive in accordance with the regulations of Tokyo Stock Exchange. If he is reappointed, the Company will register him as an independent executive again.</p>				
<b>Special-interest relationships:</b>				
No special-interest relationships exist between Mr. Yuichiro Miyake and the Company.				
<b>Limited liability agreement:</b>				
The Company has entered into an agreement with Mr. Yuichiro Miyake pursuant to Article 427, Paragraph 1 of the Companies Act to limit the amount of the liability for damages prescribed in Article 423, Paragraph 1 of the same law. The limit of the liability for damages in this agreement is in line with the amount stipulated by laws and regulations. The Company plans to extend said agreement with him if his reappointment is approved at the General Meeting.				

**Proposal 4:** Election of One (1) Substitute Audit & Supervisory Board Member

The Company proposes that one person be elected as Substitute Audit & Supervisory Board Member in case the Company should face a shortfall in the number of Audit & Supervisory Board Members stipulated by laws and regulations.

This proposal has obtained the consent of the Audit & Supervisory Board.

The candidate for the position of Substitute Audit & Supervisory Board Member is as follows:

Name (Date of Birth)	Brief Personal History, Positions at the Company and Important Concurrent Positions	Number of the Company's Shares Held
Shoji Chiba (June 25, 1965)	April 1988      Joined the Company	1,079 common shares
	April 2010      Department Manager, Planning Dept.	
	April 2014      Department Manager, Finance Dept. (current position)	
	<b>Significant concurrent positions:</b> Not applicable	
<b>Special-interest relationships:</b> No special-interest relationships exist between Mr. Shoji Chiba and the Company.		

**Proposal 5:** Adoption of a remuneration system for offering transfer-restricted shares to directors, excluding outside ones

At the 64<sup>th</sup> Annual Meeting of Shareholders held on March 30, 1989, it was approved that the amount of remunerations, etc. for directors of our company is up to 25 million yen per month (excluding the salary for an employee).

This time, the Company proposes to provide directors of our company (excluding outside ones; hereinafter referred to as “the Directors”) with remunerations for giving shares with restriction on transfer in addition to the above-mentioned remunerations, for the purposes of giving them incentives to attain our medium and long-term visions as part of revision to the executive compensation system and also enhancing corporate governance and promoting them to share value with shareholders.

In this proposal, the remunerations given to the Directors for offering transfer-restricted shares are monetary claims (hereinafter referred to as “the Receivables”), and their total amount is up to 60 million yen per year (excluding the salary for an employee). In addition, the exact timing of payment and allotment to the Directors will be determined by the Board of Directors.

The current number of directors is 6 (including 2 outside directors). If the **Proposal 2:** “Election of Six (6) Directors” is approved and adopted as it is, the number of directors will be 6 (including 2 outside directors).

Based on the resolution of the Company’s Board of Directors, the Directors will contribute all of the Receivables provided in accordance with this proposal in kind, so that common shares of the Company will be issued or disposed of, and the total number of common shares of the Company issued or disposed of in this manner is up to 40,000 shares per year; provided, however, that said total number will be adjusted in a reasonable range, if it becomes necessary to adjust the total number of common shares to be issued or disposed of as shares with restriction on transfer, for example, because of the split (including the allotment of common shares without contribution) or reverse split of common shares on or after the day on which this proposal is approved and adopted.

The payment amount per share will be determined by the Board of Directors within the range where the Directors receiving said common shares will not have some advantage, based on the closing price of the common share of the Company at Tokyo Stock Exchange on the business day before the date of resolution of the Board of Directors (if transactions are not made on that date, the closing price on the latest date of transactions will be used). For issuing or disposing of common shares of the Company, the Company and the Directors will conclude a contract for allotment of shares with restriction on transfer including the following contents (hereinafter referred to as “the Allotment Contract”).



(1) Transfer-restricted period

The Directors shall not transfer any common shares of the Company allotted in accordance with the Allotment Contract (hereinafter referred to as “the Allotted Shares”), create a security interest, or dispose of the Allotted Shares in any other way (hereinafter referred to as “the restriction on transfer”), during a period predetermined by the Company’s Board of Directors in 3 to 6 years after the date of allotment conducted pursuant to the Allotment Contract (hereinafter referred to as “the transfer-restricted period”).

(2) Handling at the time of retirement

If the Directors resigns from a position predetermined by the Company’s Board of Directors before the expiration of the transfer-restricted period, the Company will acquire the Allotted Shares free of charge as a matter of course, unless there is a good reason for said resignation, such as the expiration of the term of office and death.

(3) Lifting of the restriction on transfer

Notwithstanding the above section (1), the Company will remove the restriction on transfer from all of the Allotted Shares at the time of expiration of the transfer-restricted period, as long as the Directors keep serving in a position specified by the Company’s Board of Directors during the transfer-restricted period. However, if the Directors retire from the position specified in the above section (2) before the expiration of the transfer-restricted period for a good reason, such as the expiration of the term of office and death, set forth in the above section (2), the number of the Allotted Shares whose restriction on transfer will be removed and the timing of lifting the restriction on transfer may be adjusted reasonably when necessary. In addition, the Company will acquire, free of charge, the Allotted Shares whose restriction on transfer has not been lifted as a matter of course immediately after the removal of the restriction on transfer pursuant to the above provisions.

(4) Handling in cases of organizational restructuring, etc.

Notwithstanding the above section (1), if a contract for merger with the Company being a merged one, a contract for exchange of shares or a share transfer plan with the Company becoming a 100% subsidiary, or any other bill regarding organizational restructuring is approved at a General Meeting of Shareholders of the Company (or approved by the Company’s Board of Directors if a bill for said organizational restructuring does not require the approval at a General Meeting of Shareholders of the Company), the Company will lift the restriction on transfer for the Allotted Shares whose quantity is specified reasonably by the Board of Directors while considering the period from the start of the transfer-restricted period to the date of approval for said organizational restructuring, before the effective date of said organizational restructuring. In the above-mentioned case, the Company will acquire the Allotted Shares whose restriction on transfer has not been lifted free of charge as a matter of course, immediately after the restriction on transfer is removed.

(5) Other provisions

Other provisions regarding the Allotment Contract will be set forth by the Company’s Board of Directors.

**Proposal 6:** Continuation of the policy against the buying of an enormous amount of shares of our company (anti-takeover measures)

At the 92<sup>nd</sup> General Meeting of Shareholders held on June 29, 2016, we decided to continue our policy for handling mass purchases of shares of the Company (hereinafter referred to as the “Current Plan”). Our shareholders have shown that they approve of this decision.

The effective period of the Current Plan expires at the General Meeting of Shareholders in the Mar. 2019 term. Based on our current situation and improvements made to anti-takeover measures, we have been considering the ideal way to proceed with the Current Plan. Our goal is to further secure and improve the corporate value of the Company and the common interests of shareholders.

As a result, at the Company’s Board of Directors meeting on May 13, 2019, it was decided that after obtaining approval from shareholders at the 95<sup>th</sup> General Meeting of Shareholders in June 2019 (hereinafter referred to as the “General Meeting of Shareholders”), we will continue our policy for handling mass purchases of shares (hereinafter referred to as “this plan”).

All three of our corporate auditors (two of which are outside corporate auditors) have stated that they are in favor of this plan, provided that it is undertaken properly.

As of now, there are no proposals for mass purchases, and no particular threats have arisen with regards to mass purchases.

Although we have altered some words and phrases in this plan, there are no substantial changes.

1. Efforts to secure and improve the corporate value of the Company and the common interests of shareholders

(1) Business Philosophy

Our corporate mission is “Maximizing energy conversion efficiency for the benefit of humanity and society” while setting “A company that grows together with society, clients, and employees” as a management philosophy. This means that we will contribute to the realization of a low carbon society by focusing on environmental performance during product development (such as improving conversion efficiency in power semiconductors and power supply circuits, our main products).

Since the Company’s founding in 1949, we have refined core technologies such as semiconductors, circuits, and mounting, and by combining these technologies, we have become a specialized developer and manufacturer of “power electronics.” Moving forward, we will develop new growth strategies and aim for continuous business development in pursuit of achieving our corporate mission.

## (2) Mid-Term Business Plan

The Company Group formulated the 15<sup>th</sup> Mid-Term Business Plan, which covers a three-year period from fiscal 2019 to fiscal 2021.

The management policy is to “accelerate the development of product strategy to achieve sustainable growth.” Of the four priority markets outlined in the previous mid-term business plan (mobility, energy, industrial equipment, and healthcare), this plan will focus on mobility and industrial equipment with three goals in mind: 1. Strengthen competitiveness of core products, 2. Develop the growing business, and 3. Create next-generation products in anticipation of the next 10 years. Although this plan is scheduled to end in the 2021 term, our vision extends even further into the future.

Specifically, we will strive to strengthen the competitiveness of core products and develop the growing business by expanding overseas businesses, improving productivity with a focus on overall optimization, and effectively utilizing business synergy and external resources. Looking 10 years ahead, we will build the foundation for next-generation products by making business alliances and creating new systems that are not covered by existing business frameworks. In order to better implement the above measures, we will also strive to bettering the working environment by improving corporate governance, risk management, and working styles. By doing so, we will realize sustainable growth and high profitability, which will lead to the improvement of the corporate value and the common interests of shareholders.

Based on the current situation and our future goals, we have revised the figures of managerial indicators given in 2016 for our medium-and long-term business objectives as follows.

### Business objectives for fiscal 2021 (consolidated)

- Sales: 115 billion yen
- Operating income ratio: 7.6% or greater
- ROE: 10% or greater

## 2. Reason and necessity for continuing this plan

As long as it is allowed to freely buy and sell our listed shares, the Company's Board of Directors believes that the final decision on whether to accept large-scale purchases from specific parties should be made by shareholders.

If a mass purchase is to be made, then it is the Company's responsibility to provide shareholders with the information they need in order to make an informed decision regarding whether or not to accept said purchase. Therefore, our Board of Directors requests that the party making the mass purchase provide information for them to evaluate and discuss, in order to provide shareholders with a summary of the Board of Director's opinions to use as reference. The Board of Directors may also negotiate with the party making the mass purchase as necessary, or present alternatives to shareholders.

For these reasons, the Company's Board of Directors believes that mass purchases need to be made in accordance with the rules of logic in order to be consistent with the Company's goal of securing and improving the corporate value of the Company and the common interests of shareholders and has decided to continue this plan, pending approval of our shareholders.

## 3. Rules for mass purchases

### (a) Target purchases

All purchases of shares of the Company (Note 3) by a specific shareholder group (Note 1) which amount to a voting rights ratio (Note 2) of 20% or more; or would cause said group's voting rights ratio to exceed 20% as a result of the purchase are subject to this plan (This includes specific methods of purchase such as market transactions and tender offers, with the exception of purchases which the Company's Board of Directors has agreed to in advance. Such purchases will be referred to as "Mass Purchases," and the person making the offer will be referred to as the "Mass Buyer"). The Mass Buyer shall follow the procedures prescribed in this plan (hereinafter referred to as the "Rules for Mass Purchase").

#### Note 1: Specific shareholder group

A specific shareholder group refers to:

- (i) Holders (includes the parties defined in Article 27-23, paragraph 3 of the Financial Instruments and Exchange Act; the same shall apply hereinafter) and joint holders (defined in Article 27-23, paragraph 5; includes the parties listed in paragraph 6 who are considered to be joint holders; the same shall apply hereinafter) of shares of the Company (share certificates as defined in Article 27-23, paragraph 1).
- (ii) A party making a purchase (purchases as defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act; includes transactions in the securities market) of shares of the Company (share certificates as defined in Article 27-2, paragraph 1) and those in a special relationship with said party (special relationships defined in Article 27-2, paragraph 7).

Note 2: Voting rights ratio

- (i) If the specific shareholder group is subject to the conditions described in Note 1-(i), then the voting rights ratio refers to the percentage of shares held by the shareholder (the shareholding ratio as defined in Article 27-23, paragraph 4 of the Financial Instruments and Exchange Act). This includes shares which are jointly held (defined in Article 27-23, paragraph 4 as jointly held shares; the same shall apply hereinafter).
- (ii) If the specific shareholder group is subject to the conditions described in Note 1-(ii), then the voting rights ratio refers to the total percentage of shares held by the shareholder and those in a special relationship with the shareholder (the shareholding ratio as defined in Article 27-2, paragraph 8 of the Financial Instruments and Exchange Act).

In calculating each shareholding ratio, the total number of voting rights (as defined in Article 27-2, paragraph 8) and the total number of issued shares (as defined in Article 27-23, paragraph 4) may be determined by referencing the Shareholder Registry and the Report on Large Shareholdings, in addition to the most recently submitted document from the following list: Annual Securities Report, Semi-Annual Report, Extraordinary Report, and Share Buyback Report.

Note 3: “Shares” refers to share certificates as defined in either Article 27-23, paragraph 1 and Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act.

(b) Requests for Information to Mass Buyers

Unless otherwise specified by the Company’s Board of Directors, prior to making the Mass Purchase, the Mass Buyer shall present the Board of Directors with the information specified below (hereinafter referred to as “Necessary Information”), along with a written statement of intent to abide by the rules at the time of the Mass Purchase (hereinafter referred to as the “Tender Offer Statement”). Company regulations require that the Necessary Information and Tender Offer Statement need to be submitted in Japanese and in a form prescribed by the Company.

- ① Details (specific name, capital structure, description of business, financial information, etc.) about the Mass Buyer and their group (including joint holders, special parties, and, in the case of funds, each other member).
- ② The purpose, method, and other details of the Mass Purchase (including the type, value, timing, legality, and feasibility of the Mass Purchase; and other related transactions).
- ③ The basis for calculating the value of the Mass Purchase (premise, calculation method, numerical information used in the calculation, and information regarding anticipated synergistic effects resulting from the series of Mass Purchase-related transactions. Synergistic effects include those experienced by minority shareholders).
- ④ Proof that the Mass Buyer is able to procure the funds required for the Mass Purchase (specific name of the fund’s provider (including the substantial provider), means of procurement, and information regarding related transactions).
- ⑤ The business philosophy, business plan, capital policy and dividend policy of the Company and Company Group after the Mass Purchase.
- ⑥ Policies regarding the treatment of employees, labor unions, business partners, customers, local communities, and other Company stakeholders after the Mass Purchase.
- ⑦ Specific measures to avoid conflicts of interest with our other shareholders
- ⑧ Information that the Company’s Board of Directors deems to be reasonably necessary

If the Company's Board of Directors finds the content of the Necessary Information to be insufficient, the Board of Directors will request additional information from the Mass Buyer and set an appropriate deadline. In this case, the Mass Buyer will be required to submit the additional information by the deadline.

If the Company's Board of Directors finds the content of the Necessary Information to be sufficient, the Board of Directors will notify the Mass Buyer (hereinafter referred to as the "Notice of Information Provided") and promptly disclose it.

(c) Examining the details of the Mass Purchase, negotiating with the Mass Buyer, and discussing alternatives

① Review by the Board of Directors

The Company's Board of Directors confirms that the Mass Buyer has provided sufficient information and materials (including those that were specifically requested), and sets the period of review (hereinafter referred to as the "Review Period") to begin one day after the Notice of Information Provided is delivered. Provided that shares of the Company are purchased by tender offer, in cash, and in Japanese yen, the Review Period generally does not exceed 60 days; however for other purchases the Review Period may be extended up to 90 days.

The Board of Directors examines the details of the Mass Purchase by the Mass Buyer, considers alternatives, and presents their opinion based on the information and materials provided by the Mass Buyer during the Review Period, keeping in mind the Company's goal of securing and improving the corporate value of the Company and the common interests of shareholders.

During the Review Period, the Mass Buyer shall promptly respond to requests from the Board of Directors with regard to consultations, negotiations, and the provision of materials and other information. The Mass Buyer may not initiate a Mass Purchase until the Review Period has ended.

In addition, the Company's Board of Directors shall, as necessary, consult independent third parties (financial advisors, CPAs, lawyers, consultants, and other experts) when reviewing the Necessary Information and during discussions and negotiations with the Mass Buyer. If a decision about whether or not to employ countermeasures is not reached by the end of the Review Period, a vote may be taken to extend the review period by a length of time deemed reasonably necessary for the Board of Directors to review the details of the Mass Purchase by the Mass Buyer, and for discussions, negotiations, and alternative proposals to the Mass Buyer, up to a maximum of 30 days. In such a case, we will promptly disclose the circumstances, extension period, and outline of the reason for extension. If the review period is extended, the Board of Directors will continue to review and collect information, and will endeavor to reach a decision within the extension period regarding whether or not to employ countermeasures.

② Disclosure of information to shareholders and stakeholders

The Board of Directors will make a prompt disclosure when the Mass Buyer has submitted a proposal for the Mass Purchase, and an outline of the proposal along with the Necessary Information and other information the Board of Directors deems necessary will be disclosed at the timing that the Board of Directors considers appropriate.

#### 4. Response to Mass Purchases

(1) When the Mass Buyer complies with the Rules for Mass Purchase

In principle, when the Mass Buyer has complied with the Rules for Mass Purchase specified in 3. (b), the Board of Directors will not take any actions to stop the Mass Purchase, even if they object to the proposal. In such a case, the Board of Directors may instead make their opinion known and present shareholders with alternatives for persuading shareholders. Shareholders make the final decision of

whether to approve or reject the Mass Buyer's proposal, in consideration of the proposal for Mass Purchase and opinion and alternatives that the Company provides.

However, if the Mass Purchase would cause irreparable damage to the Company or significantly lower the corporate value of the Company and the common interests of shareholders (Note 4); and the Board of Directors deems it appropriate to take action, the Company will enable gratis allotment of share as an exceptional measure based on the Board of Directors' duty of care, even if the Mass Buyer has complied with the Rules for Mass Purchase.

Note 4: Mass Purchases that would cause irreparable damage to the Company or significantly lower the corporate value of the Company and the common interests of shareholders

- ① Purchasing shares and asking the Company to buy them back at a high price, without any intention of participating in the Company's management
- ② Abusing the management position by profiting at the expense of the Company, such as temporarily gaining control of Company management in order to acquire critical assets at a low price.
- ③ Using Company assets as collateral to settle the debts of the Mass Buyer and related group companies.
- ④ Taking temporary control of the Company to sell large assets that are not immediately related to the Company's business, with the intention of using the proceeds to temporarily raise the dividend or sell shares at high prices after causing stock prices to rise due to the high dividend.
- ⑤ Mass Purchases that would effectively force shareholders to sell their shares, such as forced two-step acquisition (executing the first phase of the Mass Purchase, whereby no solicitations for purchasing all the shares are made at the first phase, and disadvantageous purchase terms are set or the purchase terms are not made explicitly clear in the second phase).

In the case where the Company decides whether or not to take exceptional countermeasures as mentioned above, the Company's Board of Directors will consult with independent third parties, such as financial advisors, certified public accountants, lawyers, and consultants, to secure the objectivity and rationality of said decision. The gratis allotment of share acquisition rights as countermeasures is outlined in Exhibit 1, but if share acquisition rights are actually issued, the Company may specify an exercise period, exercise conditions, acquisition clauses, acquisition conditions, etc. considering the effects as countermeasures, for example, by stipulating that share acquisition rights can be exercised only by those who do not belong to a specific group of shareholders whose voting rights account for 20% or higher.

(2) Holding of a general meeting for confirming the intentions of shareholders

In the case of the above section (1), if the Company's Board of Directors considers that it is reasonable to take countermeasures in accordance with the rules for Mass Purchases, the Board of Directors will hold a general meeting for confirming the intentions of shareholders as soon as possible, make a proposal for the implementation of countermeasures discussed, and ask shareholders to approve said proposal. In this case, the Mass Buyer shall not buy a large amount of shares until a resolution at the General Meeting of Shareholders. If the proposal for the implementation of countermeasures in accordance with the rules for Mass Purchases is rejected, the countermeasures will not be implemented against said Mass Buyer.

(3) If a Mass Buyer does not follow the rules for Mass Purchases

If a Mass Buyer does not follow the rules for Mass Purchases, the Company's Board of Directors may conduct the gratis allotment of share acquisition rights as a countermeasure, regardless of concrete

buying methods, in order to protect the corporate value of the Company and the common interests of shareholders.

(4) Case where the implementation of countermeasures is cancelled

The implementation of countermeasures may be suspended or changed, if the Company's Board of Directors judges that it is not appropriate to implement them, for example, when a Mass Buyer cancels or changes Mass Purchases after the Company decides to take countermeasures as mentioned in the above section (1), (2), or (3). For example, until the effective date of gratis allotment of share acquisition rights, the Company may cancel the gratis allotment of share acquisition rights and, during a period from the effective date of gratis allotment of share acquisition rights to the day before the first day of the exercise period of share acquisition rights, the Company may make a decision, including the free acquisition of share acquisition rights.

5. Effective period, discontinuation, and revision of this plan

This plan will be put into action on the day when it is approved by shareholders at the General Meeting of Shareholders, and its effective period will be until the conclusion of the Annual Meeting of Shareholders to be held in June 2022.

Even before the expiration of the effective period, if it is resolved, at a General Meeting of Shareholders, that this plan will be revised or discontinued, this plan will be revised or discontinued immediately in accordance with said resolution. In addition, if the Board of Directors composed of directors elected at a General Meeting of Shareholders of the Company resolves to discontinue this plan, this plan will be discontinued immediately.

The Company's Board of Directors may correct or revise this plan as long as it does not go against this plan or within a reasonably necessary range for responding to an amendment to the Companies Act, the Financial Instruments and Exchange Act, stock exchange regulations, other laws or regulations, a change in interpretation or application thereof, or a revision to a tax system, a precedent, or the like.

If this plan is discontinued or revised, the Company will immediately disclose the fact and details of said discontinuation or revision and other items considered appropriate by the Company's Board of Directors.

6. Reasonability of this plan

(1) Satisfaction of all requirements of the guidelines for anti-takeover measures

This plan fully satisfies the three principles (the principle of securing and improving corporate value of the Company and common interests of shareholders, the principle of prior disclosure and shareholders' intentions, and the principle of securing necessity and fairness) set in "the guidelines regarding anti-takeover measures for securing and improving corporate value of the Company and common interests of shareholders" announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice. This plan was designed with reference to the report titled "Ideal anti-takeover measures considering recent changes in the business environment" announced by the corporate value workshop of the Ministry of Economy, Trade and Industry on June 30, 2008.

(2) Continuation of this plan with the aim of securing and improving common interests of shareholders

This plan will be continued for the purpose of securing and improving the corporate value of the Company and the common interests of shareholders by securing necessary information and time for shareholders to decide whether or not to respond to the Mass Purchases of shares, etc. of the Company or



for the Board of Directors to give an alternate proposal, and enabling the negotiation with the Mass Buyer for shareholders, and so on.

(3) Importance on the intentions of shareholders

This plan will be put into action when it is approved by shareholders at the Annual Meeting of Shareholders. As mentioned in the above section 4 “Response to Mass Purchases,” if the Company’s Board of Directors considers that it is reasonable to take countermeasures, the Board of Directors will hold a general meeting for confirming the intentions of shareholders and ask shareholders to approve the implementation of countermeasures.

If it is resolved, at a General Meeting of Shareholders of the Company, that this plan will be revised or discontinued, this plan will be revised or discontinued in accordance with said resolution.

Namely, the intentions of shareholders will be sufficiently reflected in the continuation of this plan, the implementation of countermeasures, the discontinuation and revision of this plan.

(4) Setting of reasonable and objective requirements for implementation

The countermeasures in this plan cannot be implemented, unless the predetermined reasonable and objective requirements are satisfied as mentioned in the above section 4 “Response to Mass Purchases,” and in order to implement countermeasures exceptionally, it is necessary to hold a general meeting for confirming the intentions of shareholders and ask them to approve said implementation. This system prevents the Company’s Board of Directors from implementing countermeasures in an arbitrary manner.

(5) Garnering of opinions from third-party experts

As mentioned in Section 4. (1), if it is necessary to discuss and judge whether or not an act of Mass Purchases would degrade the corporate value of the Company or the common interests of shareholders, the Company will receive advice from independent third parties, such as financial advisors, certified public accountants, lawyers, and consultants, to secure the fairness and objectiveness of judgment by the Board of Directors.

(6) It is neither the dead nor slow hand-type measure against takeover

As mentioned in the above section 5 “Effective period, discontinuation, and revision of this plan,” this plan may be discontinued by the Board of Directors composed of directors elected at a General Meeting of Shareholders of the Company at any time. Therefore, this plan is not a dead hand-type measure against takeover (which means an anti-takeover measure whose implementation cannot be stopped even when a majority of members of the Board of Directors are replaced).

Since the term of office varies among directors of the Company, this plan is not a slow hand type (which means an anti-takeover measure for which it takes some time to stop implementation because the members of the Board of Directors cannot be replaced at once).

7. Effects on shareholders and investors

(1) Effects of continuation of this plan on shareholders and investors

This plan is aimed at offering necessary information for shareholders to decide whether or not to respond to Mass Purchases, opinions of the Board of Directors, which engages in business administration of the Company, and so on, and guaranteeing shareholders’ opportunities to receive alternate proposals. With this plan, shareholders will be able to obtain sufficient information and make an appropriate judgment about whether or not to respond to Mass Purchases. This will contribute to protect the common interests of shareholders and investors. Accordingly, in a broad sense, the setting of this plan is a

prerequisite for shareholders and investors to make an appropriate investment decision, and contributes to common interests with shareholders and investors. In a narrow sense, the gratis allotment of share acquisition rights is not conducted when this plan is continued; accordingly, this plan will not directly affect the rights and interests of shareholders.

As mentioned in the above section 4 “Response to Mass Purchases,” the Company’s response to Mass Purchases depends on whether the Mass Buyer follows this plan. Therefore, we would like shareholders and investors to pay attention to the behaviors of Mass Buyers.

## (2) Effects of countermeasures on shareholders and investors

The Company’s Board of Directors may implement countermeasures mentioned in the above section 4, for the purpose of protecting the corporate value of the Company and the common interests of shareholders, but we do not assume any event in which shareholders (excluding the Mass Buyers who do not follow the rules for Mass Purchases and the Mass Buyers who conduct an act of Mass Purchases that will certainly degrade the corporate value of the Company or the common interests of shareholders significantly) will incur an exceptional loss in their legal rights or economic aspect. If the Board of Directors decides to take countermeasures, the Company will disclose appropriate information timely in accordance with laws, regulations, and the rules of stock exchanges.

In the case where the Board of Directors resolves to carry out the gratis allotment of share acquisition rights as a countermeasure, unless shareholders pay the specified exercise amount and complete the procedures for the exercise of share acquisition rights mentioned in (b) of the following clause (3) “Procedures shareholders need to complete at the time of gratis allotment of share acquisition rights” during the exercise period for share acquisition rights, the shares they hold will be diluted through the exercise of stock acquisition rights by other shareholders; provided, however, that the Company may obtain share acquisition rights from shareholders other than Mass Buyers through the procedures described in (c) of the following clause (3) “Procedures shareholders need to complete at the time of gratis allotment of share acquisition rights” and issue the shares of the Company in exchange. In this case, the shares held by shareholders other than Mass Buyers will not be diluted, because they will receive the shares of the Company without exercising share acquisition rights or paying the amount equivalent to the specified exercise price.

As mentioned in the above section 4. (4) “Case where the implementation of countermeasures is cancelled,” the Company’s Board of Directors may cancel the gratis allotment of share acquisition rights or conduct the free acquisition of share acquisition rights. In this case, stock value per share will not be diluted. Accordingly, there is a possibility that the shareholders and investors who have traded any shares of the Company while assuming the dilution of stock value per share will incur some damage due to share price fluctuations.

## (3) Procedures shareholders need to complete at the time of gratis allotment of share acquisition rights

### (a) Procedure on the date of allotment

If the Company’s Board of Directors resolves to conduct the gratis allotment of share acquisition rights, the Company will announce the date of said allotment. Shareholders will become the holders of the share acquisition rights on the effective date of said allotment. Accordingly, the shareholders do not need to complete the procedures for application or the like.

### (b) Procedure for exercising share acquisition rights

In principle, the Company will send the request forms for exercising share acquisition rights (in the format specified by the Company, including the details and number of share acquisition rights, necessary items, such as the date of exercising the rights, the clause for shareholders’ declaration and guarantee that

they satisfy the conditions for exercising the rights, compensation clauses, and other declarations) and other necessary documents to the shareholders recorded in the latest list of shareholders as of the data of allotment. After the gratis allotment of share acquisition rights, shareholders shall submit these necessary documents during the period for exercise of share acquisition rights, and pay the price determined by the Board of Directors through the resolution for gratis allotment of share acquisition rights at a designated place with the lower limit being 1 yen per share acquisition right and the upper limit being 50% of the market share price per share. Then, one common share for each share acquisition right will be issued.

(C) Procedure for the Company to acquire share acquisition rights

If the Board of Directors decides to acquire share acquisition rights, the Board of Directors may obtain share acquisition rights on a separately designated date and issue the shares of the Company to shareholders, in accordance with the statutory procedures. In this case, the shareholders may need to submit documents including the declaration that they are not Mass Buyers, compensation clauses, and other declarations in the format designated by the Company.

In addition to the above mentioned, we will announce or notify shareholders of the detailed methods for allotment, exercise, and the Company's acquisition, after the Board of Directors makes a resolution regarding the gratis allotment of share acquisition rights. Please check said content.

Guide to gratis allotment of share acquisition rights

I. Determination of matters related to the gratis allotment of share acquisition rights

(1) Content and number of share acquisition rights

Share acquisition rights allocated to shareholders (hereinafter individually or collectively referred to as “share acquisition rights”) shall be based on the contents described in Section II below. When the Board of Directors decides to enable the gratis allotment of share acquisition rights (hereinafter referred to as “Gratis Allotment Resolution”), the number of share acquisition rights and the day on which they are to be allocated (hereinafter referred to as the “Allocation Date”) shall each be determined separately by the Gratis Allotment Resolution by the Board of Directors. The number of share acquisition rights is equal to the total number of shares issued by the Company on the Allocation Date (not including shares owned by the Company at that time; the same shall apply hereinafter).

(2) Shareholders targeted for allocation

For shareholders other than those listed in the Company's final shareholder registry on the Allocation Date, the Board of Directors may allocate up to one free share acquisition right per share held, at the ratio set when determining the gratis allotment of share acquisition rights.

(3) Effective date of the gratis allotment of share acquisition rights

The date set separately by the Company's Board of Directors when determining the Gratis Allotment Resolution.

II. Content of share acquisition rights

(1) Type and number of shares issued when exercising share acquisition rights

① The type of shares to be issued when exercising share acquisition rights shall be the Company's common shares, and the number of shares to be issued per share acquisition right (hereinafter referred to as the “Number of Target Shares”) shall be 1 share. However, if the Company splits or consolidates shares, the Number of Target Shares will be adjusted according to the following equation. Fractions of shares will be rounded down, with no cash adjustments made.

Adjusted Number of Target Shares = Number of Target Shares before adjustment × ratio of split shares to consolidated shares

② In the case of a stock split, the adjusted Number of Target Shares will be applicable from the day following the split; and in the case of consolidation, the adjusted Number of Target Shares will be applicable one day after the effective date.

③ In addition to the cases described in ① above, in cases such as the gratis allotment of share acquisition rights, mergers, company splits, or other events where there is a change or potential change in the total number of shares issued by the Company (excluding the number of treasury shares held by the Company), the Company will consider each case and make reasonable adjustments to the Number of Target Shares as necessary.

(2) Value of assets to be contributed when exercising share acquisition rights

① The purpose of contributing assets when exercising share acquisition rights is money, and the value is the Exercise Price (as defined in ② below) multiplied by the target shares.

② The value of assets, per share, to be contributed when exercising share acquisition rights (hereinafter referred to as the “Exercise Price”) has a lower limit of 1 yen and an upper limit of 50% of the market value of one common share. The Board of Directors will set the Exercise Price separately when determining the Gratis Allotment Resolution. The “Current Price” is the average TSE closing price (including quotations) for the regular trade of common shares during the 90 days leading up to the Gratis Allotment Resolution (excluding days where there is no closing price). Amounts will be rounded up to the nearest yen.

(3) Exercise period of share acquisition rights

The exercise period starts on either the effective date of the gratis allotment of share acquisition rights or a date set by the Board of Directors when determining the Gratis Allotment Resolution. The Board of Directors generally sets the length of the exercise period between 1 and 2 months by the Gratis Allotment Resolution; however if share acquisition rights are acquired from the Company as described in (6)-② below, the exercise period for the share acquisition rights pertaining to that acquisition shall last up until the business day prior to the date of acquisition. In addition, if the final day of the exercise period falls on a holiday for the institution handling the exercise payments, the final day will instead be on the following business day.

(4) Conditions for exercising share acquisition rights

① The following parties are not able to exercise share acquisition rights, and will hereinafter be collectively referred to as “Special Buyers.”

(i) Special Mass Shareholders; (ii) Joint holders of Special Mass Shareholders; (iii) Special Mass Buyers; (iv) Parties in a Special Relationship with the Special Mass Buyer; (v) Other parties who have acquired or inherited share acquisition rights from those falling under categories (i) through (iv) above without the consent of the Company’s Board of Directors; or (vi) Other parties related to those described in (i) through (v) above.

The terms used above are defined as follows.

(a) “Special Mass Shareholder” refers to holders (including the holders defined in Article 27-23, paragraph 3 of the Financial Instruments and Exchange Act) of shares issued by the Company (share certificates as defined in Article 27-23, paragraph 1; the same shall apply below unless stated otherwise) whose shareholding ratio is confirmed by the Board of Directors to be at least 20% (shareholding ratio as defined in Article 27-23, paragraph 4).

(b) “Joint holder” means a joint holder as defined in Article 27-23, paragraph 5 of the Financial Instruments and Exchange Act, and includes those who the Board of Directors considers to be joint holders based on Article 27-23, paragraph 6.

(c) “Special Mass Buyer” refers to a party who has made a public announcement to purchase shares (purchases and share certificates as defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act; the same applies to the remainder of this (c) section) issued by the Company through a Tender Offer (as defined in Article 27-2, paragraph 6); and the Board of Directors considers whose total percentage of shares held (including the cases described in Article 7, paragraph 1 of the Ordinance for Enforcement of the Financial Instruments and Exchange Act) is 20% or greater when combined with the

shareholding ratio (the shareholding ratio as defined in Article 27-2, paragraph 8) of those who share a special relationship with said party.

(d) “Special Relationship” means special relationship as defined in Article 27-2, paragraph 7 of the Financial Instruments and Exchange Act (including parties recognized by the Company’s Board of Directors as falling under this category). However, the parties described in item 1 of paragraph 7 do not include those specified in Article 3, paragraph 2 of the Cabinet Office Ordinance regarding the disclosure of Tender Offers by persons other than the issuer.

(e) “Other parties” refers to persons related to the party in question who the Board of Directors has recognized as effectively controlling that party; or who are operating in joint control. “Control” (as defined in Article 3, paragraph 3 of the Ordinance for Enforcement of the Companies Act) means possessing the ability to decide the financial and business policies of another company.

② Regardless of the terms described in ① above, the following parties listed in (a) through (d) below shall not be considered Special Mass Holders or Special Mass Buyers.

(a) The Company, subsidiaries of the Company (as defined in Article 8, paragraph 3 of the Regulations on Terms, Shares, and Preparation Methods of Financial Statements), or affiliates of the Company (as defined in Article 8, Paragraph 5 of the same Regulations)

(b) Parties who have been found to meet the conditions described in ①-(a) above, but are recognized by the Company’s Board of Directors as having no intention to control the Company; and parties who lose their status as a Special Mass Shareholder within 10 days of becoming a Special Mass Shareholder due to disposing of shares of the Company (the Board of Directors may extend the 10 day period).

(c) Parties who are recognized by the Company’s Board of Directors as becoming Special Mass Shareholders as described in ①-(a) above due to reasons out of their control, such as the buyback of treasury shares by the Company (unless said party later decides to purchase additional shares of the Company).

(d) Parties who the Company’s Board of Directors believes will not damage the corporate value of the Company and the common interests of shareholders by acquiring or holding shares of the Company (in the case of Special Buyers, the Board of Directors can make a separate determination as to whether they pose a threat to the corporate value of the Company and the common interests of shareholders. If, under certain circumstances, the Company’s Board of Directors considers the Special Buyer doesn’t threaten the corporate value of the Company and the common interests of shareholders, it is applied only when these conditions will be fulfilled).

③ When exercising share acquisition rights that fall under the jurisdiction of applicable foreign laws and regulations, parties subject to said jurisdiction shall (i) fulfill the necessary procedures; (ii) satisfy the necessary conditions (including submitting additional documents or agreeing to exercise limitations for a certain period); or (iii) both fulfill the necessary procedures and satisfy the necessary conditions (hereinafter collectively referred to as “Applicable Exercise Laws”). Such share acquisition rights can only be exercised once it has been confirmed by the Board of Directors that all conditions have been fulfilled or satisfied, and cannot be exercised without this confirmation. It is also not the Board of Directors’ responsibility to fulfill or satisfy the Applicable Exercise Laws required in order to exercise

share acquisition rights falling under other jurisdictions. Share acquisition rights cannot be exercised in areas where the exercising party is legally unable to do so.

④ Regardless of the terms described in ③ above, parties located in the United States may only exercise share acquisition rights if they have expressed and can prove to the Company that (i) they qualify as an accredited investor as defined in Rule 501 (a) of the Securities Act of 1933; and if (ii) they have pledged that common shares acquired as a result of exercising share acquisition rights shall only be sold through regular transactions on the TSE (provided that such transactions are not based on prior arrangements and that no prior solicitation was made). In order for parties located in the United States to exercise share acquisition rights, they must fulfill or satisfy the Applicable Exercise Laws described in United States State Law and Regulation D of the United States Securities Act of 1933, which includes procedures and conditions that must be handled by the Company. The Company will only fulfill or satisfy these Applicable Exercise Laws if the above terms have been met. Furthermore, even if a party located in the United States satisfies the conditions described in (i) and (ii) above, they may be unable to exercise share acquisition rights if the Board of Directors determines that they are not legally able to do so due to changes in United States laws and regulations.

⑤ Parties owning share acquisition rights may exercise those share acquisition rights only if they are not considered by the Company to be Special Buyers; are not attempting to exercise share acquisition rights for Special Buyers; have submitted all documents required by law; and have sworn to have fulfilled all Share Option exercise requirements regarding declaration, guarantee, reimbursement, and breach of contract.

⑥ Even if parties owning share acquisition rights are unable to exercise those share acquisition rights based on the circumstances described in ④ above, the Company will not bear responsibility or be liable for any damages to said parties.

(5) Restrictions on transfer of share acquisition rights

① Acquiring share acquisition rights through transfers requires the approval of the Company's Board of Directors.

② When the party attempting to transfer share acquisition rights is located outside of Japan and is unable to exercise share acquisition rights due to the reasons described in (4)-③ and (4)-④ above (not including Special Buyers), the Company's Board of Directors will consider the following, and decide whether or not to approve the transfer (① above).

(a) Whether or not an agreement has been signed or sealed by the assignor and assignee when share acquisition rights would be acquired through transfer (in full or in part) by parties located outside of Japan (including the conditions related to (b) through (d) below regarding declaration, guarantee, reimbursement, and breach of contract).

(b) Whether or not it is clear that the assignor and assignee are not considered to be Special Buyers.

(c) Whether or not it is clear that the assignee is not located outside of Japan and is not attempting to receive a transfer from persons outside of Japan.

(d) Whether or not it is clear that the assignee is not attempting to receive a transfer on behalf of a Special Buyer.

(6) Acquisition of share acquisition rights by the Company

① If deemed appropriate by the Board of Directors, the Company may, at any time up until one day prior to the start of the Share Option exercise period, acquire all share acquisition rights at no charge on a day determined separately by the Board of Directors.

② The Company may, on a day determined separately by the Board of Directors, acquire all share acquisition rights which are not held by a Special Buyer and have not been exercised as of the business day prior to that day. In exchange, the Company will issue shares whose number is equal to the number of shares pertaining to each share acquisition right. The Company may acquire such share acquisition rights more than once.

(7) Regarding mergers (if the Company would cease to exist due to the merger), absorption-type splits, incorporation-type splits, share exchanges, and the issue of share acquisition rights in the case of share transfers, the gratis allotment of share acquisition rights will be determined separately by the Company's Board of Directors.

(8) The Company will not issue certificates for share acquisition rights.

(9) Amendments due to changes in laws and regulations

The rules described above are based on the laws and regulations in effect as of May 13, 2019. If, at a later date, it becomes necessary to amend these rules, alter their wording, or replace certain terminology due to the creation of new laws and regulations or changes made to existing laws and regulations, the Board of Directors may do so to a reasonable extent after considering the reasons for the newly created or changed laws and regulations.