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(Stock Exchange Code 1941)  
June 3, 2021

**To Shareholders with Voting Rights:**

OBATA Hirofumi  
Representative Director and Chairperson  
CHUDENKO CORPORATION  
6-12 Koamicho, Naka-ku, Hiroshima

**NOTICE OF CONVOCAION OF  
THE 105th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our sincere gratitude for your continued support.

You are cordially invited to attend the 105th Annual General Meeting of Shareholders of CHUDENKO CORPORATION (the “Company”). The meeting will be held for the purposes as described below.

**From the viewpoint of preventing the spread of COVID-19, we ask that shareholders exercise voting rights by mail or via the Internet or other similar means to the extent possible and refrain from attending the venue of the General Meeting of Shareholders.**

Additionally, please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:30 p.m. on Wednesday, June 23, 2021, Japan time.

**To exercise voting rights by mail**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it such that it arrives by the above exercise deadline.

**To exercise voting rights via the Internet or other similar means**

Please read the “Procedures for the Exercise of Voting Rights via the Internet or other similar means” on pages 5 to 6 of the Japanese version of this document and enter your vote for or against the proposals by the above exercise deadline.

Additionally, the Company participates in the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc., and voting rights may be exercised on the said platform.

1. **Date and Time:** Thursday, June 24, 2021 at 10:00 a.m., Japan time  
The reception is scheduled to begin at 9:00 a.m.
2. **Venue:** Large Conference Room, 11th floor of the Head Quarter of the Company  
6-12 Koamicho, Naka-ku, Hiroshima (Chudenko Heiwa-odori Building)
3. **Meeting Agenda:**  
**Matters to be reported:**
  1. The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the Company's 105th Fiscal Year (April 1, 2020 - March 31, 2021)
  2. Results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements for the Company's 105th Fiscal Year**Proposals to be resolved:**
  - Proposal 1:** Appropriation of Surplus
  - Proposal 2:** Election of 11 Directors
  - Proposal 3:** Revision of the Amount of Remuneration for Directors (Outside Directors)

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- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  - The meeting will be held in light attire ("Cool biz"), and we ask shareholders to also attend in light attire.
  - The Company will implement required infection prevention measures according to the state of COVID-19 infections on the day of the General Meeting of Shareholders.  
If you are planning to attend the General Meeting of Shareholders, please make sure that you are feeling well on the day of the Meeting, and we ask for your cooperation with wearing a face mask, using alcohol disinfectant, and taking your temperature at the venue of the Meeting.  
If you are showing symptoms such as fever or cough, you may be refused admission.
  - The venue or start time may be changed out of necessity depending on future events. In such a case, we will announce the changes on **the Company's website**. Therefore, please check the website before departing for the venue on the day of the meeting.
  - Please note that no gifts will be provided for shareholders attending the General Meeting of Shareholders.
  - Pursuant to laws and regulations and the Articles of Incorporation, the following matters are provided on **the Company's website** on the Internet and are not provided in the attached documents to the Japanese version of this Notice of Convocation.
    1. **"Matters Regarding Stock Acquisition Rights, etc. of the Company" and "Structures to Secure the Appropriateness of Operations and Operational Status of Said Structures" of the Business Report**
    2. **"Consolidated Statements of Changes in Net Assets" and "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements**
    3. **"Non-consolidated Statements of Changes in Net Assets" and "Notes to the Non-consolidated Financial Statements" of the Non-consolidated Financial Statements**Furthermore, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements in the attached documents to the Japanese version of this Notice of Convocation are a subset of the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Corporate Auditors or the Accounting Auditor in the course of preparation of the Corporate Auditors' Report or the Accounting Auditor's Report. Additionally, for portions provided on the website, copies can be mailed to shareholders who make such a request. Please make such requests to the General Affairs Department of the Company (Phone: +81-82-291-7411).
  - Any revisions to the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, or Reference Documents for the General Meeting of Shareholders will be provided on **the Company's website** after revisions have been made.

The Company's website: <https://www.chudenko.co.jp/info/stock/>

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

Based on the “Basic Principles on Capital Policy” below, the Company emphasizes continued and stable dividends, with a dividend policy of providing dividends with a DOE (dividends on consolidated equity) of about 2.7%.

#### **[Basic Principles on Capital Policy]**

Upon consideration of ordinary operating funds and response to unexpected risk, the Company utilizes internal funds for investment toward continued growth while comprehensively considering factors including business results and the management environment, aiming to improve corporate value over the medium to long term through enriching shareholder returns.

##### **(1) Investment toward continued growth**

Effectively utilize internal funds for investment that will lead to future growth, including initiatives in business expansion, personnel development, and strengthening research and development.

##### **(2) Enriching shareholder returns**

Provide continued and stable dividends in view of business results and other factors.

Furthermore, in comprehensive consideration of the management environment, among other factors, implement treasury stock acquisitions as necessary.

As a result, the Company proposes the following regarding year-end dividends for the 105th fiscal year (FY2020):

- (1) Type of dividend property  
Cash
- (2) Matters related to allocation of dividend property to shareholders and its total amount  
52 yen per share of the Company’s common stock  
Total of 2,896,454,756 yen
- (3) Effective date of distribution of surplus  
June 25, 2021

## Proposal 2: Election of 11 Directors

The terms of office of all Directors (11 persons) will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, in order to strengthen the supervisory function of the Board of Directors, the Company proposes to increase the number of Outside Directors (Independent Directors) by two and proposes the election of 11 Directors.

Furthermore, the candidates for Director have been selected after seeking opinions from the Nomination Advisory Committee, which is comprised of a majority of Independent Directors/Auditors.

The candidates for Director are as follows.

Candidate No.	Name		Current positions and responsibilities at the Company	Status of attendance at Board of Directors Meetings
1	SAKOTANI Akira	Reelection	Representative Director and President	12/12 (100%)
2	TSUTSUMI Takanobu	Reelection	Representative Director and Executive Vice President Overall Operations and in charge of Examination Department; in charge of Safety, Sanitation, Quality, and Environmental Department; in charge of Purchasing Department	12/12 (100%)
3	UENO Kiyofumi	Reelection	Director and Senior Managing Executive Officer General Manager, Engineering Division; Responsible for Tokyo Headquarters	12/12 (100%)
4	YAMADA Masashi	Reelection	Director and Managing Executive Officer General Manager, Electricity Division	12/12 (100%)
5	NISHIKAWA Kosaburo	Reelection	Director and Managing Executive Officer General Manager, Hiroshima Head Office	12/12 (100%)
6	TANIGUCHI Jitsuo	Reelection	Director and Managing Executive Officer General Manager, Sales Division	12/12 (100%)
7	HIGASHIOKA Takakazu	Reelection	Director and Managing Executive Officer General Manager, Planning Division	10/10 (100%)
8	INAMOTO Nobuhide	Reelection Outside Independent	Director (Outside Director)	10/10 (100%)
9	YORINO Naoto	New Outside Independent		
10	EKUNI Shigeki	New Outside Independent		
11	MURATA Haruko	New Outside Independent		

## 1 SAKOTANI Akira (Born October 10, 1951)

Reelection

### Past experience, positions, responsibilities, and significant concurrent positions

- Jun. 2011 Managing Director and Head, Public Relations and Environmental Division, The Chugoku Electric Power Company, Incorporated
- Jun. 2012 Managing Director; Deputy Head, Power Generation Division; Head, Property Management Division
- Jun. 2013 Managing Director; Deputy Head, Power Generation Division; Head, Kaminoseki Nuclear Power Plant Siting Project
- Jun. 2015 Representative Director and Vice President; Deputy Head, Power Generation Division; Head, Kaminoseki Nuclear Power Plant Siting Project
- Apr. 2016 Representative Director and Vice President; Head, Power Generation Division; Head, Kaminoseki Nuclear Power Plant Siting Project
- Jun. 2016 Representative Director and Vice President & Senior Managing Executive Officer; Head, Power Generation Division
- Jun. 2018 Representative Director and President, the Company
- To the present

Number of shares of the Company held: 9,300 shares

Significant concurrent positions: Chairperson, Hiroshima Electrical Association

### Reasons for selection as a candidate for Director

As the COO of the Company, he has made timely and accurate decisions on important business execution and policies, and has steadily promoted them. Moreover, he has a wealth of experience and achievements as a business manager, and has appropriately fulfilled the role of monitoring and supervising business execution. Accordingly, the Company has continued to select him as a candidate for Director.

## 2 TSUTSUMI Takanobu (Born December 17, 1952)

Reelection

### Past experience, positions, responsibilities, and significant concurrent positions

- Apr. 1975 Joined the Company
- Jun. 2014 Director; Executive Officer and Deputy General Manager, Engineering Division; General Manager, Electrical Engineering Department, Engineering Division
- Jun. 2016 Director, Managing Executive Officer, and Deputy General Manager, Engineering Division; General Manager, Electrical Engineering Department, Engineering Division
- Jun. 2017 Director, Senior Managing Executive Officer, and General Manager, Engineering Division
- Jun. 2019 Representative Director, Executive Vice President, Overall Operations, and in charge of Examination Department; in charge of Safety, Sanitation, Quality, and Environmental Department; in charge of Materials Department
- Jul. 2019 Representative Director, Executive Vice President, Overall Operations, and in charge of Examination Department; in charge of Safety, Sanitation, Quality, and Environmental Department; in charge of Purchasing Department
- To the present

Number of shares of the Company held: 6,900 shares

### Reasons for selection as a candidate for Director

He has a wealth of experience and achievements, including experience in the Company's technology field and serving as the head of a business office, and is currently overseeing business execution to achieve goals of each field as the Executive Vice President. Moreover, as a Director, he has appropriately fulfilled the roles of decision-making, monitoring and supervision of important business execution. Accordingly, the Company has continued to select him as a candidate for Director.

### 3 UENO Kiyofumi (Born February 26, 1957)

**Reelection**

#### **Past experience, positions, responsibilities, and significant concurrent positions**

Apr. 1975 Joined the Company  
 Jun. 2013 General Manager, Sales Department, Sales Division  
 Jun. 2015 Executive Officer and General Manager, Sales Department, Sales Division  
 Jun. 2016 Managing Executive Officer and General Manager, Tokyo Headquarters  
 Jun. 2019 Director, Managing Executive Officer, and General Manager, Engineering Division; Responsible for Tokyo Headquarters  
 Jun. 2020 Director, Senior Managing Executive Officer, and General Manager, Engineering Division; Responsible for Tokyo Headquarters  
 To the present

Number of shares of the Company held:  
 4,400 shares

Significant concurrent positions: Director, CHUDENKO (Malaysia) Sdn. Bhd.

#### **Reasons for selection as a candidate for Director**

He has a wealth of experience and achievements, including experience in the Company's engineering and sales fields and serving as the head of a business office, and is currently formulating field policies and overseeing business execution to achieve goals as the supervisor of the technology field. Moreover, as a Director, he has appropriately fulfilled the roles of decision-making, monitoring and supervision of important business execution. Accordingly, the Company has continued to select him as a candidate for Director.

### 4 YAMADA Masashi (Born January 5, 1960)

**Reelection**

#### **Past experience, positions, responsibilities, and significant concurrent positions**

Feb. 2010 Head, Energy Sales Division (General Supervisor of Distribution), The Chugoku Electric Power Company, Incorporated  
 Jun. 2010 Associated with Energy Sales Division; Seconded to the Company Deputy General Manager, Electricity Division; General Manager, Electric Power Distribution Department, Electricity Division, the Company  
 Jun. 2011 Executive Officer and Deputy General Manager, Electricity Division; General Manager, Electric Power Distribution Department, Electricity Division  
 Jun. 2012 Head, Customer Service Division (Distribution Safety and Quality), The Chugoku Electric Power Company, Incorporated  
 Jun. 2016 Head, Customer Service Division (Distribution)  
 Jun. 2017 Director, Managing Executive Officer, and General Manager, Electricity Division, the Company  
 Feb. 2020 Director, Managing Executive Officer, and General Manager, Electricity Division; General Manager, Electricity Department, Electricity Division  
 Jun. 2020 Director, Managing Executive Officer, and General Manager, Electricity Division  
 To the present

Number of shares of the Company held:  
 2,700 shares

#### **Reasons for selection as a candidate for Director**

He has a wealth of experience and achievements in the power distribution field in the Chugoku Electric Power Company, Incorporated and the Company, and is currently formulating field policies and overseeing business execution to achieve goals as the supervisor of the electricity field of the Company. Moreover, as a Director, he has appropriately fulfilled the roles of decision-making, monitoring and supervision of important business execution. Accordingly, the Company has continued to select him as a candidate for Director.

## 5 NISHIKAWA Kosaburo (Born October 17, 1955)

**Reelection**

### **Past experience, positions, responsibilities, and significant concurrent positions**

Apr. 1974 Joined the Company

Jun. 2013 General Manager, Eastern Yamaguchi Branch

Jun. 2015 Executive Officer and General Manager, Eastern Yamaguchi Branch

Jun. 2016 Executive Officer and General Manager, Osaka Headquarters

Jun. 2019 Director, Managing Executive Officer, and General Manager,  
Hiroshima Supervising Branch

To the present

Number of shares of  
the Company held:  
3,700 shares

### **Reasons for selection as a candidate for Director**

He has a wealth of experience and achievements, including experience in the Company's sales field and serving as the head of a business office in various regions, and is currently overseeing business execution to achieve the goals of the region for which he is responsible as the head of a business office. Moreover, as a Director, he has appropriately fulfilled the roles of decision-making, monitoring and supervision of important business execution. Accordingly, the Company has continued to select him as a candidate for Director.

## 6 TANIGUCHI Jitsuo (Born January 27, 1961)

**Reelection**

### **Past experience, positions, responsibilities, and significant concurrent positions**

Sep. 1987 Joined the Company

Jul. 2014 General Manager, Miyoshi Sales Office

Jun. 2016 General Manager, Air Conditioning Piping Engineering Department,  
Engineering Division

Jun. 2017 Executive Officer and General Manager, Air Conditioning Piping  
Engineering Department, Engineering Division

Jun. 2019 Director, Managing Executive Officer, and General Manager, Sales  
Division

To the present

Significant concurrent positions: Director, Showa Corporation

Number of shares of  
the Company held:  
3,472 shares

### **Reasons for selection as a candidate for Director**

He has a wealth of experience and achievements, including experience in the Company's technology field and serving as the head of a business office, and is currently formulating field policies and overseeing business execution to achieve goals as the supervisor of the sales field. Moreover, as a Director, he has appropriately fulfilled the roles of decision-making, monitoring and supervision of important business execution. Accordingly, the Company has continued to select him as a candidate for Director.

## 7 HIGASHIOKA Takakazu (Born December 29, 1960)

**Reelection**

### **Past experience, positions, responsibilities, and significant concurrent positions**

Apr. 1983 Joined the Company

Jul. 2014 General Manager, Business Creation Department

Jun. 2016 General Manager, Business Creation Department I, Planning Division

Jun. 2017 Executive Officer and General Manager, Business Creation Department I, Planning Division

Jun. 2018 Managing Executive Officer and General Manager, Okayama Supervising Branch

Jun. 2020 Director, Managing Executive Officer, and General Manager, Planning Division

To the present

Significant concurrent positions: Director, Hiroshima Home Television Co., Ltd.

Number of shares of  
the Company held:  
6,846 shares

### **Reasons for selection as a candidate for Director**

He has a wealth of experience and achievements, including experience in the Company's electricity and planning fields and serving as the head of a business office, and is currently formulating field policies and overseeing business execution to achieve goals as the supervisor of the planning field. Moreover, as a Director, he has appropriately fulfilled the roles of decision-making, monitoring and supervision of important business execution. Accordingly, the Company has continued to select him as a candidate for Director.



## 8 INAMOTO Nobuhide (Born November 10, 1953)

Reelection	Outside
Independent	

### Past experience, positions, responsibilities, and significant concurrent positions

Jun. 2001 Director and General Manager, Business Logistics Division, Mazda Motor Corporation

Mar. 2002 Director and General Manager, Production Engineering Division

Jun. 2002 Executive Officer and General Manager, Production Engineering Division

Jun. 2003 Executive Officer and General Manager, Quality Division

Apr. 2007 Managing Executive Officer and in charge of Quality Assurance and Environment

Apr. 2008 Managing Executive Officer and General Manager, Domestic Business Division

Nov. 2008 Managing Executive Officer, in charge of Domestic Business, and General Manager, Domestic Business Division

Apr. 2011 Managing Executive Officer and in charge of Domestic Business and Fleet Sales

Jun. 2012 Managing Executive Officer and in charge of Domestic Business, Fleet Sales, and Customer Service

Jun. 2013 Director, Senior Managing Executive Officer, oversight of Operations in China, Domestic Sales, Fleet Sales No. 1, and Chairperson, Mazda Motor (China) Co., Ltd.

Jun. 2015 Director, Senior Managing Executive Officer, oversight of Operations in China, Domestic Sales, Fleet Sales No. 1, in charge of Global Auditing, and Chairman, Mazda Motor (China) Co., Ltd

Apr. 2016 Director, Senior Managing Executive Officer, oversight of Operations in China, Domestic Sales and Fleet Sales, and in charge of Global Auditing

Apr. 2017 Director, Senior Managing Executive Officer, and oversight of Operations in China, Domestic Sales and Fleet Sales

Jun. 2019 Special Advisor

Jun. 2020 Director, the Company

To the present

Number of shares of the Company held:  
100 shares

Term of office as Outside Director:  
1 year

(At the conclusion of this General Meeting of Shareholders)

Status of attendance at Board of Directors Meetings in the 105th fiscal year (FY2020) (since his appointment):  
10/10

### Reasons for selection as a candidate for Outside Director and outline of expected role

By utilizing his high level of insight based on a wealth of experience as a business manager of Mazda Motor Corporation, he has provided remarks from an independent and fair standpoint at Board of Directors Meetings and has appropriately fulfilled his role in monitoring and supervising business execution, as well as provided advice from an objective perspective at the Nomination Advisory Committee and the Remuneration Advisory Committee. The Company believes that we can expect that he will continue to fulfill these roles and has continued to select him as a candidate for Outside Director.

### Views on independence

He satisfies the “Criteria for Assessing Independence” of the Company, and the Company has determined that he possesses independence.

He was a business executive at Mazda Motor Corporation until June 2019. Although there are transactional relationships such as facilities construction between the Company and Mazda Motor Corporation, the amount of transactions in the previous fiscal year of the Company is insignificant at less than 1% of consolidated sales.

## 9 YORINO Naoto (Born January 24, 1958)

New	Outside
Independent	

### Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1983 Joined Fuji Electric Manufacturing Co., Ltd.  
 Apr. 1985 Research Assistant, School of Science and Engineering, Waseda University  
 Apr. 1987 Research Associate, School of Engineering, Hiroshima University  
 Jun. 1990 Associate Professor, School of Engineering  
 Apr. 1991 Visiting Professor, McGill University, Canada  
 Apr. 2005 Professor, Graduate School of Engineering, Hiroshima University  
 Apr. 2009 Vice-Dean, Graduate School of Engineering  
 Apr. 2019 Vice-Dean, Graduate School of Engineering, and Vice-Dean, School of Engineering  
 Apr. 2020 Professor, Graduate School of Advanced Science and Engineering  
 To the present

Number of shares of  
the Company held:  
0 shares

Significant concurrent positions: Professor, Graduate School of Advanced Science and Engineering, Hiroshima University

### Reasons for selection as a candidate for Outside Director and outline of expected role

Although he has not been directly involved in corporate management, the Company expects that he will provide remarks from an independent and fair standpoint at Board of Directors Meetings and appropriately fulfill his role in monitoring and supervising business execution, as well as provide advice from an objective perspective at the Nomination Advisory Committee and the Remuneration Advisory Committee by utilizing his many years of experience as a graduate school professor, etc. and high level of insight based on his expertise in the field of power system engineering. Accordingly, the Company has newly selected him as a candidate for Outside Director.

### Views on independence

He satisfies the “Criteria for Assessing Independence” of the Company, and the Company has determined that he possesses independence.

He is a professor at Hiroshima University Graduate School. Although there are transactional relationships such as facilities construction between the Company and Hiroshima University, the amount of transactions in the previous fiscal year of the Company is insignificant at less than 1% of consolidated sales. In addition, although the Company has donated to Hiroshima University, the amount of donation in the previous fiscal year of the Company is insignificant at less than 0.2% of selling, general and administrative expenses.

## 10 EKUNI Shigeki (Born October 9, 1960)

New	Outside
Independent	

### Past experience, positions, responsibilities, and significant concurrent positions

Number of shares of  
the Company held:  
0 shares

Mar. 2012 Executive Officer and in charge of Corporate Planning Group, Head Office Administration Division, Tenmaya Co., Ltd.

May 2013 Director and in charge of Corporate Planning Group, Administration Division

Apr. 2014 Director and General Manager, Corporate Planning Division

Jan. 2016 Director, General Manager, Sales Division, and Manager, Okayama Main Store

Feb. 2017 Director, General Manager, Department Store Business Division, and Manager, Okayama Main Store

May 2017 Managing Director, General Manager, Department Store Business Division, and Manager, Okayama Main Store

Dec. 2017 Representative Director and President, General Manager, Department Store Business Division

Feb. 2019 Representative Director and President, General Manager, Department Store Business Division, and General Manager, Corporate Division

To the present

Significant concurrent positions: Representative Director and President, Tenmaya Co., Ltd.

### Reasons for selection as a candidate for Outside Director and outline of expected role

The Company expects that he will provide remarks from an independent and fair standpoint at Board of Directors Meetings and appropriately fulfill his role in monitoring and supervising business execution, as well as provide advice from an objective perspective at the Nomination Advisory Committee and the Remuneration Advisory Committee by utilizing his high level of insight based on a wealth of experience as a business manager of Tenmaya Co., Ltd. Accordingly, the Company has newly selected him as a candidate for Outside Director.

### Views on independence

He satisfies the "Criteria for Assessing Independence" of the Company, and the Company has determined that he possesses independence.

He is a business executive at Tenmaya Co., Ltd. Although there are transactional relationships such as facilities construction between the Company and Tenmaya Co., Ltd., the amount of transactions in the previous fiscal year of the Company is insignificant at less than 1% of consolidated sales. In addition, although there is a transactional relationship for the purchase of goods between the Company and Tenmaya Co., Ltd., the amount of transactions in the previous fiscal year of the Company is insignificant at less than 0.1% of cost of sales and selling, general and administrative expenses.

# 11 MURATA Haruko (Born April 18, 1968)

New	Outside
Independent	

## Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1989 Joined TOTO KIKI LTD. (currently TOTO LTD.)

Nov. 1992 Joined Kagawa Gakuen

Jul. 2011 Joined AYUMI Audit Corporation

Aug. 2012 Registered as Certified Public Accountant  
To the present

Nov. 2012 Registered as Certified Public Tax Accountant  
To the present

Dec. 2012 Founded Murata Haruko Accounting Firm  
To the present

Jul. 2017 Partner, Choshu Audit Corporation  
To the present

Significant concurrent positions: Certified Public Accountant and Certified Public Tax Accountant  
(Murata Haruko Accounting Firm and Choshu Audit Corporation)

Number of shares of  
the Company held:  
0 shares

## Reasons for selection as a candidate for Outside Director and outline of expected role

Although she has not been directly involved in corporate management, the Company expects that she will provide remarks from an independent and fair standpoint at Board of Directors Meetings and appropriately fulfill her role in monitoring and supervising business execution, as well as provide advice from an objective perspective at the Nomination Advisory Committee and the Remuneration Advisory Committee by utilizing her wealth of experience as a certified public accountant and certified public tax accountant, and high level of insight based on her expertise in accounting and tax affairs. Accordingly, the Company has newly selected her as a candidate for Outside Director.

## Views on independence

She satisfies the “Criteria for Assessing Independence” of the Company, and the Company has determined that she possesses independence.

She runs Murata Haruko Accounting Firm and is a partner at Choshu Audit Corporation. There is no transactional relationship between the Company and Murata Haruko Accounting Firm or Choshu Audit Corporation.

- (Notes)
- There are no special interests between candidates for Director and the Company.
  - The number of shares of the Company held for the candidates for Director represents the status as of March 31, 2021.
  - The Company has entered into a directors and officers liability insurance contract with an insurance company to insure its Directors/Auditors, and the insurance premiums are fully borne by the Company. Said insurance contract covers legal damages and litigation expenses incurred by the insured in the event that a claim for damages is made as a consequence of an act committed by the insured in accordance with his or her position as Director/Auditor of the Company. If the election of each candidate is approved, the candidates who are reappointed will continue to be insured, and the candidates who are newly appointed will be newly insured. The insurance contract will be renewed with the same content when the renewal period comes during the term of office of each candidate.
  - Mr. INAMOTO Nobuhide, Mr. YORINO Naoto, Mr. EKUNI Shigeki, and Ms. MURATA Haruko are candidates for Outside Director.
  - Matters concerning candidates for Outside Director
    - Conclusion of liability limitation agreements
 

The Company has currently concluded liability limitation agreement with Mr. INAMOTO Nobuhide, who is Outside Director, and if his election is approved, the Company will renew the said agreement. If the elections of Mr. YORINO Naoto, Mr. EKUNI Shigeki, and Ms. MURATA Haruko, who are candidates for Outside Director, are approved, the Company will conclude a similar liability limitation agreement with them.

The maximum amount of liability under the said agreements is the highest amount of the total of remuneration and other allowances for each fiscal year, multiplied by two.
    - Criteria for Assessing Independence
 

The Company has set its Criteria for Assessing Independence, which require that candidates satisfy the requirements for Outside Director and Outside Corporate Auditor as stipulated by the Companies Act and the independence criteria based on the listing regulations of the Tokyo Stock Exchange, Inc.
    - Submission of Independent Directors
 

The Company has registered Mr. INAMOTO Nobuhide, Mr. YORINO Naoto, Mr. EKUNI Shigeki, and Ms. MURATA Haruko as Independent Directors based on the stipulations of the Tokyo Stock Exchange, Inc.

### **Proposal 3: Revision of the Amount of Remuneration for Directors (Outside Directors)**

The amount of remuneration, etc. for Directors of the Company was approved at the 96th Annual General Meeting of Shareholders held on June 27, 2012 as a fixed amount remuneration not exceeding 300 million yen per year (of which the amount for Outside Directors was approved at the 100th Annual General Meeting of Shareholders held on June 28, 2016 as an amount not exceeding 13 million yen per year).

Of the fixed amount remuneration for Directors, the Company proposes to revise the fixed amount remuneration for Outside Directors from the current amount of 13 million yen or less per year to 26 million yen or less per year, in consideration of the responsibilities of Outside Directors, the amount of remuneration paid to date, and the level of remuneration paid to other Directors of the Company, in order to strengthen the supervisory function of the Board of Directors, and in light of the increase in the number of Outside Directors (Independent Directors) by two proposed in “Proposal 2: Election of 11 Directors.”

The Company believes that this proposal is in line with the policy for determining the contents of remuneration, etc. for individual Directors/Auditors stated on pages 19 to 20 of the Japanese version of this Notice of Convocation, and is appropriate.

The fixed amount remuneration for Directors shall remain unchanged at the current amount of 300 million yen or less per year.

The number of Directors is currently 11 (including 2 Outside Directors). If Proposal 2 is approved as proposed, the number will be 11 (including 4 Outside Directors) at the conclusion of this General Meeting of Shareholders.