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Securities code: 3156

June 11, 2018

To our shareholders:

Nobuki Kurita
President
UKC Holdings Corporation
1-11-2 Osaki, Shinagawa-ku, Tokyo

Notice of Convocation of the 9th Ordinary General Meeting of Shareholders

UKC Holdings Corporation (hereinafter referred to as “the Company”) will hold its 9th Ordinary General Meeting of Shareholders as explained below, and we respectfully request your attendance at the meeting.

If you are unable to attend the meeting in person on the day, you may exercise your voting rights by one of the methods below. Please review the accompanying Reference Materials for the General Meeting of Shareholders and exercise your voting rights.

[Exercising voting rights by mail]

Please indicate your approval or disapproval for each of the proposals on the enclosed form and return it to the Company no later than 5:30 PM on Monday, June 25, 2018 (JST).

[Exercising voting rights via the Internet]

Please access our designated voting web site (<https://evote.tr.mufg.jp/>) by entering the login ID and temporary password printed on the enclosed form for exercising voting rights and follow the on-screen instructions to enter your approval or disapproval for each of the proposals no later than 5:30 PM on Monday, June 25, 2018 (JST).

In addition, if using the Internet to exercise your voting rights, we request that you kindly check “Exercising your Voting Rights via the Internet” in “Instructions on Exercising your Voting Rights etc.” (Japanese only).

- 1. Date and Time:** 10:00 AM on Tuesday, June 26, 2018 (JST)
- 2. Venue:** Shinagawa Prince Hotel Main Tower, 30F, Diamond 30
4-10-30 Takanawa, Minato-ku, Tokyo

3. Agenda:

Matters to be reported:

1. Business Report for the 9th fiscal year (April 1, 2017 to March 31, 2018), Consolidated Financial Statements and audit reports on the Consolidated Financial Statements from the Financial Auditor and the Board of Statutory Auditors
2. Report on Non-consolidated Financial Statements for the 9th fiscal year (April 1, 2017 to March 31, 2018)

Matters to be resolved:

- Proposal No. 1:** Partial Amendments to the Articles of Incorporation
- Proposal No. 2:** Election of Four Directors (Excluding Directors Who are Audit and Supervisory Committee Members)
- Proposal No. 3:** Election of Three Directors Who are Audit and Supervisory Committee Members
- Proposal No. 4:** Election of One Substitute Director Who is an Audit and Supervisory Committee Member
- Proposal No. 5:** Determination of Remuneration Amount for Directors (Excluding Directors Who are Audit and Supervisory Committee Members)
- Proposal No. 6:** Determination of Remuneration Amount for Directors Who are Audit and Supervisory Committee Members
- Proposal No. 7:** Approval of Issuance of Stock Acquisition Rights as Stock Options to Directors, Executive Officers, and Employees

We ask that those attending in person on the day to present their form for exercising voting rights at the reception desk of the meeting.

In the event of revisions to the Reference Materials for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements or the Consolidated Financial Statements, the revised documents will be made available on the Company's web site (<http://www.ukcgroup.com/>).

Reference Materials for the General Meeting of Shareholders

Proposals and reference matters

Reference matters common to Proposal No.1 to Proposal No.6

Proposal No.1 to Proposal No.6 set forth in pages 4 to 16 of the Reference Materials for the General Meeting of Shareholders concern the transition to a company with audit and supervisory committee. With the presentation of these proposals, we explain the reasons for the transition to a company with audit and supervisory committee as well as the features of a company with audit and supervisory committee.

- Reasons for the transition to a company with audit and supervisory committee

The Company positions the reinforcement of corporate governance as a top-priority management issue and has long worked to enhance the transparency of management and to accelerate decision making. The Company believes that making the transition to a company with audit and supervisory committee will enable it to reinforce the supervisory functions of the Board of Directors and raise the soundness and transparency of management even further by granting Audit and Supervisory Committee Members who are Outside Directors voting rights in the Board of Directors. In addition, the Company will establish structures for the timely and bold decision-making necessary for the Company's current business environment by separating functions relating to the execution of business from the Board of Directors and accelerating decision making regarding operations.

- Company with audit and supervisory committee

A company with audit and supervisory committee establishes an Audit and Supervisory Committee made up of three or more Directors, of which a majority is Outside Directors, in place of appointing Statutory Auditor and establishing a Board of Statutory Auditors. Directors who are Audit and Supervisory Committee Members differ from Statutory Auditors in that they have voting rights as Directors in the Board of Directors and have the right to express their opinions regarding election, dismissal, and remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) at General Meeting of Shareholders. From these perspectives, the Audit and Supervisory Committee Members and the Audit and Supervisory Committee can be expected to reinforce supervisory functions.

In addition, a company with audit and supervisory committee may delegate to Directors all or part of decision-making authority by resolution of the Board of Directors in accordance with the Articles of Incorporation. This will enable more rapid decision-making regarding operations and will allow for the separation of the execution of business and supervision, which will make it possible to increase the effectiveness of supervision.

Proposal No. 1: Partial Amendments to the Articles of Incorporation

(1) Reasons for the proposal

- (i) Due to the transition to being a company with audit and supervisory committee with the goal of further improving transparency of management and realizing acceleration of decision making, we will make the necessary amendments such as enacting provisions on the Audit and Supervisory Committee and Audit and Supervisory Committee Members, as well as deleting provisions on the Board of Statutory Auditors and Statutory Auditors.
- (ii) The amendments to the Articles of Incorporation pursuant to this proposal will take effect at the conclusion of this General Meeting.

(2) Details of amendments

The details of the amendment are as follows.

(Amendments are underlined)

Current Articles of Incorporation	Proposed amendments
Article 1 - Article 3 (Omitted)	(Unchanged)
(Organs) Article 4 The Company shall have, in addition to the General Meeting of Shareholders and Directors, the following organs: (1) Board of Directors (2) <u>Statutory Auditors</u> (3) <u>Board of Statutory Auditors</u> (4) Financial Auditors	(Organs) Article 4 The Company shall have, in addition to the General Meeting of Shareholders and Directors, the following organs: (1) Board of Directors (2) <u>Audit and Supervisory Committee</u> (Deleted) (3) Financial Auditors
Article 5 - Article 10 (Omitted)	(Unchanged)
(Share Handling Regulations) Article 11 Handling of the Company's shares and the fees therefor and procedures and so on relating to the exercise of shareholder rights shall be governed by the Share Handling Regulations established by the Board of Directors, in addition to applicable laws and regulations and these Articles of Incorporation.	(Share Handling Regulations) Article 11 Handling of the Company's shares and the fees therefor and <u>procedures</u> and so on relating to the exercise of shareholder rights shall be governed by the Share Handling Regulations established by the Board of Directors, in addition to applicable laws and regulations and these Articles of Incorporation.
Article 12 - Article 17 (Omitted)	(Unchanged)
Chapter 4 Directors and Board of Directors	Chapter 4 Directors_Board of Directors_ <u>and Audit and Supervisory Committee</u>
(Number of Members) Article 18 The Company's Directors shall have no more than ten members. (Newly established)	(Number of Members) Article 18 1 The Company's Directors (<u>excluding Directors who are Audit and Supervisory Committee Members</u>) shall have no more than ten members. 2 <u>The Company's Directors who are Audit and Supervisory Committee Members shall have no more than five members.</u>
(Method of Election) Article 19 1 Directors shall be elected at a General Meeting of Shareholders.	(Method of Election) Article 19 1 Directors shall be elected at a General Meeting of Shareholders, <u>distinguishing between those Directors who are Audit and Supervisory Committee Members and other Directors.</u>

Current Articles of Incorporation	Proposed amendments
<p>2 Resolutions on the election of a Director shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</p> <p>3 Resolutions for the election of Directors shall not be conducted by cumulative voting.</p>	<p>2 Resolutions on the election of a Director shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</p> <p>3 Resolutions for the election of Directors shall not be conducted by cumulative voting.</p>
<p>(Term of Office) Article 20</p>	<p>(Term of Office) Article 20</p>
<p>The term of office of a Director shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year out of the business years terminating within one year after the election of the Director.</p>	<p><u>1</u> The term of office of a Director <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year out of the business years terminating within one year after the election of the Director.</p>
<p>(Newly established)</p>	<p><u>2</u> <u>The term of office of a Director who is an Audit and Supervisory Committee Member shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year out of the business years terminating within two years after the election of the Director.</u></p>
<p>(Newly established)</p>	<p><u>3</u> <u>The term of office of a Director who is an Audit and Supervisory Committee Member elected as a substitute of a Director who is an Audit and Supervisory Committee Member and who retired from office before the expiration of the term of office shall continue until the time the term of office of the retired Director who is an Audit and Supervisory Committee Member is to expire.</u></p>
<p>(Newly established)</p>	<p><u>4</u> <u>The valid period of a resolution to elect a Director who is an Audit and Supervisory Committee Member elected as a substitute pursuant to Article 329, Paragraph 3 of the Companies Act shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year out of the business years terminating within two years after the election of the Director.</u></p>
<p>(Representative Directors and Directors With Special Titles) Article 21</p>	<p>(Representative Directors and Directors With Special Titles) Article 21</p>
<p>1 The Board of Directors shall appoint Representative Directors by its resolution.</p>	<p>1 The Board of Directors shall appoint Representative Directors <u>from Directors (excluding Directors who are Audit and Supervisory Committee Members)</u> by its resolution.</p>
<p>2 The Board of Directors may appoint, by its resolution, one Chairman, one Vice Chairman, one President, one or a small number of Executive Vice Presidents, one or a small number of Senior Managing Directors, one or a small number of Managing Directors, and one or a small number of Director and Advisors.</p>	<p>2 The Board of Directors may appoint, by its resolution, <u>from Directors (excluding Directors who are Audit and Supervisory Committee Members)</u>, one Chairman, one Vice Chairman, one President, one or a small number of Executive Vice Presidents, one or a small number of Senior Managing Directors, one or a small number of Managing Directors, and one or a small number of Director and Advisors.</p>
<p>Article 22 (Omitted)</p>	<p>(Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p>(Notice of the Board of Directors Meeting)</p> <p>Article 23</p> <p>1 When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director <u>and each Statutory Auditor</u> at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</p> <p>2 With the consent of all Directors <u>and Statutory Auditors</u>, a meeting of the Board of Directors may be held without following the convening procedures.</p> <p style="text-align: center;">(Newly established)</p>	<p>(Notice of the Board of Directors Meeting)</p> <p>Article 23</p> <p>1 When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</p> <p>2 With the consent of all Directors, a meeting of the Board of Directors may be held without following the convening procedures.</p> <p><u>(Notice of the Audit and Supervisory Committee)</u></p> <p><u>Article 24</u></p> <p><u>1 When convening a meeting of the Audit and Supervisory Committee, a notice shall be dispatched to each Audit and Supervisory Committee Member at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</u></p> <p><u>2 With the consent of all Audit and Supervisory Committee Members, a meeting of the Audit and Supervisory Committee may be held without following the convening procedures.</u></p>
<p>Article <u>24</u> (Omitted)</p> <p style="text-align: center;">(Newly established)</p>	<p>Article <u>25</u> (Unchanged)</p> <p><u>(Delegation to Directors)</u></p> <p><u>Article 26</u></p> <p><u>The Company may delegate to Directors decision-making regarding execution of business operations by resolution of the Board of Directors (excluding matters specified in each item of Article 399-13, Paragraph 5 of the Companies Act) pursuant to Article 399-13, Paragraph 6 of the Companies Act.</u></p>
<p>Article <u>25</u> (Omitted)</p> <p style="text-align: center;">(Newly established)</p>	<p>Article <u>27</u> (Unchanged)</p> <p><u>(Audit and Supervisory Committee Regulations)</u></p> <p><u>Article 28</u></p> <p><u>Matters concerning the Audit and Supervisory Committee shall be governed by the Audit and Supervisory Committee Regulations established by the Audit and Supervisory Committee, in addition to applicable laws and regulations and these Articles of Incorporation.</u></p>
<p>(Remuneration, Etc.)</p> <p>Article <u>26</u></p> <p>Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties (hereinafter referred to as the “Remuneration, Etc.”) to Directors shall be determined by resolution of a General Meeting of Shareholders.</p>	<p>(Remuneration, Etc.)</p> <p>Article <u>29</u></p> <p>Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties (hereinafter referred to as the “Remuneration, Etc.”) to Directors shall be determined by resolution of a General Meeting of Shareholders, <u>distinguishing between those Directors who are Audit and Supervisory Committee Members and other Directors.</u></p>
<p>Article <u>27</u> (Omitted)</p>	<p>Article <u>30</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;"><u>Chapter 5</u> <u>Statutory Auditors and Board of Statutory Auditors</u></p>	(Deleted)
<u>(Number of Members)</u>	(Deleted)
<p><u>Article 28</u> <u>The Company shall have no more than five Statutory Auditors.</u></p>	
<u>(Method of Election)</u>	(Deleted)
<p><u>Article 29</u> <ol style="list-style-type: none"> <u>1 Statutory Auditors shall be elected at a General Meeting of Shareholders.</u> <u>2 Resolutions on the election of a Statutory Auditor shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</u> </p>	
<u>(Term of Office)</u>	(Deleted)
<p><u>Article 30</u> <ol style="list-style-type: none"> <u>1 The term of office of a Statutory Auditor shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year out of the business years terminating within four years after the election of the Statutory Auditor.</u> <u>2 The term of office of a Statutory Auditor who is elected as the substitute for a Statutory Auditor who retired from office before the expiration of the term of office shall continue until the time the term of office of a Statutory Auditor who retired from office is to expire.</u> </p>	
<u>(Full-Time Statutory Auditors)</u>	(Deleted)
<p><u>Article 31</u> <u>Board of Statutory Auditors shall appoint full-time Statutory Auditors by its resolution.</u></p>	
<u>(Notice of the Board of Statutory Auditors Meeting)</u>	(Deleted)
<p><u>Article 32</u> <ol style="list-style-type: none"> <u>1 When convening a meeting of the Board of Statutory Auditors, a notice shall be dispatched to each Statutory Auditor at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</u> <u>2 With the consent of all Statutory Auditors, a meeting of the Board of Statutory Auditors may be held without following the convening procedures.</u> </p>	
<u>(Regulations of the Board of Statutory Auditors)</u>	(Deleted)
<p><u>Article 33</u> <u>Matters concerning the Board of Statutory Auditors shall be governed by the Regulations of the Board of Statutory Auditors established by the Board of Statutory Auditors, in addition to applicable laws and regulations and these Articles of Incorporation.</u></p>	
<u>(Remuneration, Etc.)</u>	(Deleted)
<p><u>Article 34</u> <u>The Remuneration, Etc. to Statutory Auditors shall be determined by resolution of a General Meeting of Shareholders.</u></p>	

Current Articles of Incorporation	Proposed amendments
<p><u>(Exemption of Statutory Auditors from Liabilities)</u> <u>Article 35</u> <u>1 Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Statutory Auditors (including former Statutory Auditors) from his/her liability for damages arising from neglecting his/her duties to the extent permitted by laws and regulations.</u> <u>2 The Company may conclude agreements with Statutory Auditors to limit their liabilities for damages due to negligence of their duties pursuant to Article 427, Paragraph 1 of the Companies Act; provided, however, the maximum amount of the liabilities pursuant to such agreement shall be limited to the amount prescribed by laws and regulations.</u></p> <p style="text-align: center;">Chapter <u>6</u> Financial Auditors</p>	<p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">Chapter <u>5</u> Financial Auditors</p>
<p>Article <u>36</u> - Article <u>37</u> (Omitted)</p> <p>(Remuneration of Financial Auditors, Etc.) <u>Article 38</u> Remuneration etc. of the Financial Auditors shall be determined by the Representative Director with the consent of the <u>Board of Statutory Auditors</u>.</p> <p style="text-align: center;">Chapter <u>7</u> Accounts</p>	<p>Article <u>31</u> - Article <u>32</u> (Unchanged)</p> <p>(Remuneration of Financial Auditors, Etc.) <u>Article 33</u> Remuneration etc. of the Financial Auditors shall be determined by the Representative Director with the consent of the <u>Audit and Supervisory Committee</u>.</p> <p style="text-align: center;">Chapter <u>6</u> Accounts</p>
<p>Article <u>39</u> - Article <u>42</u> (Omitted)</p> <p style="text-align: center;">(Newly established)</p>	<p>Article <u>34</u> - Article <u>37</u> (Unchanged)</p> <p><u>Supplementary Provisions</u> <u>(Provisional Measures regarding Exemption of Statutory Auditors from Liabilities)</u> <u>1 The Company may, by resolution of the Board of Directors, exempt Statutory Auditors (including former Statutory Auditors) from liability specified in Article 423, Paragraph 1 of the Companies Act resulting from conduct prior to conclusion of the ninth Ordinary General Meeting of Shareholders to the extent permitted by laws and regulations.</u> <u>2 Agreements limiting the liability specified in Article 423, Paragraph 1 of the Companies Act relating to the conduct of Statutory Auditors (including former Statutory Auditors) prior to conclusion of the ninth Ordinary General Meeting of Shareholders shall be as set forth in Article 35, Paragraph 2 of the Articles of Incorporation prior to amendment by resolution of that Ordinary General Meeting of Shareholders.</u></p>

Proposal No. 2: Election of Four Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

Subject to the approval and adoption of Proposal No. 1 “Partial Amendments to the Articles of Incorporation” in its original form, the Company will make the transition to a company with audit and supervisory committee, and the terms of office of all five Directors expire when the amendments to the Articles of Incorporation take effect.

Therefore, the Company proposes that four Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal) be elected. This proposal can only take effect after the amendments to the Articles of Incorporation under Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates for Director (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
1	Nobuki Kurita (May 6, 1955) Reelection Tenure as Director Nine months Record of attendance at Board of Directors meetings for this fiscal term 11 / 11 (100%)	Apr. 1979 Joined Sony Corporation May 1999 President, Sony de Mexico S.A. de C.V. Apr. 2003 President, e-Vehicle Company, IT & Mobile Solutions Network Company, Sony Corporation July 2009 Representative Director, Executive President, Sony Marketing Inc. Group Executive, Sony Corporation Apr. 2012 President, Sony (China) Limited Sept. 2017 President, the Company Oct. 2017 President, the Company (in charge of Administration) (present post) [Significant concurrent positions outside the Company] None.	430
[Reasons for nomination] Mr. Nobuki Kurita has been nominated due to his abundant management experience and wide-ranging knowledge of businesses both in Japan and overseas. In addition to long years involved in the electronics industry, he has held positions such as Representative Director, Executive President of Sony Marketing Inc. and Chairman and President of Sony (China) Limited, and is expected to continue fulfilling his duties as a Director of the Company. [Significant conflicts of interest between the candidate and the Company] There are no significant conflicts of interest.			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
2	Hiroshi Yajima (August 24, 1957) Reelection Tenure as Director Nine months Record of attendance at Board of Directors meetings for this fiscal term 11 / 11 (100%)	Apr. 1981 Joined Ryoyo Electronics Corporation (currently Ryoyo Electro Corporation) Feb. 1987 Joined Sony Corporation Apr. 2001 General Manager, SoC Marketing Department, Component Headquarters, Sony Corporation June 2005 Vice President, Device Marketing, Sony Taiwan Limited. Oct. 2006 President, Device Marketing, Sony Taiwan Limited. Mar. 2010 President, Device Marketing Department, Sony Korea Corporation July 2014 President, Device Marketing Department, Sony (China) Limited and Sony Corporation of Hong Kong Ltd. Sept. 2017 Director, the Company (in charge of Sales and Marketing) (present post) [Significant concurrent positions outside the Company] None.	105
<p>[Reasons for nomination] Mr. Hiroshi Yajima has been nominated due to the Company's belief that his continued participation in management as a Director, with his abundant experience and insights in device marketing and in overseas business, will contribute to the realization of the Group's growth strategy.</p> <p>[Significant conflicts of interest between the candidate and the Company] There are no significant conflicts of interest.</p>			
3	Rintaro Miyoshi (May 4, 1957) New election	Apr. 1981 Joined Sony Corporation Apr. 2003 General Manager, Corporate Planning Division, Headquarters, Sony Corporation June 2004 EVP and CFO, Sony Electronics Inc. (United States) Sept. 2010 VP, General Manager, Transformation Management Office, Sony Corporation Apr. 2012 VP, General Manager, Corporate Planning Division, Digital Imaging Business Headquarters, Sony Corporation Apr. 2014 VP, Sony Corporation, and Director and CFO, Sony (China) Limited Sept. 2017 Special Advisor, the Company Oct. 2017 Group Senior Executive Officer, CFO, in charge of Administrative Divisions, the Group (present post) [Significant concurrent positions outside the Company] None.	0
<p>[Reasons for nomination] Mr. Rintaro Miyoshi has been nominated due to the Company's belief that the participation in management of the candidate with such abundant experience and insights through a career including important posts relating to corporate planning and CFO at a global electronics company will contribute to the strengthening of the Group's management strategy and financial strategy.</p> <p>[Significant conflicts of interest between the candidate and the Company] There are no significant conflicts of interest.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
4	Eisaburo Iwamoto (November 4, 1945) Reelection Outside Independent Tenure as Outside Director Nine months Record of attendance at Board of Directors meetings for this fiscal term 11 / 11 (100%)	June 1971 Joined Eiko Business Machine K.K. Oct. 1975 Joined Texas Instruments Japan Limited July 1985 Joined Sony Corporation June 2006 President, Vitec Co., Ltd. Sept. 2010 Representative Director, iP Networks Co., Ltd. Oct. 2010 Auditor, W-SCOPE Corporation (present post) June 2012 Auditor, Kook Je Electric Korea Co., Ltd. (Kokusai Electric Korea Co., Ltd.) Sept. 2017 Outside Director, the Company (present post) [Significant concurrent positions outside the Company] Auditor, W-SCOPE Corporation	0
<p>[Reasons for nomination] Mr. Eisaburo Iwamoto has been nominated due to his wide-ranging experience, including management roles, and superior insights accumulated at semiconductor manufacturers and trading companies both in Japan and overseas. In particular, he is expected to be able to provide appropriate advice from an objective standpoint regarding the semiconductor and electronic parts operations, which comprise the main businesses of the Company.</p> <p>[Significant conflicts of interest between the candidate and the Company] There are no significant conflicts of interest.</p>			

- (Notes)
1. Mr. Eisaburo Iwamoto is a candidate for Outside Director.
 2. The Company has concluded a liability limitation contract with Mr. Eisaburo Iwamoto pursuant to Article 427, Paragraph 1 of the Companies Act such that his liability for damages outlined under Article 423, Paragraph 1 of the same act shall be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act. If the reelection of Mr. Eisaburo Iwamoto is approved, the Company plans to renew the aforementioned contract with him.
 3. The Company has notified the Tokyo Stock Exchange that Mr. Eisaburo Iwamoto is being designated an Independent Director according to the rules of the said stock exchange. If the reelection of Mr. Eisaburo Iwamoto is approved, the Company plans for his appointment as an Independent Director to continue. Mr. Eisaburo Iwamoto had worked for Sony Corporation, a major client of the Group, until February 2006. However, the Company believes that there is no risk of conflict of interest with general shareholders as 12 years and three months has elapsed since he left the company. Furthermore, the Company's criteria for determining independence of Outside Directors is appended for your reference.

Proposal No. 3: Election of Three Directors Who are Audit and Supervisory Committee Members

Subject to the approval and adoption of Proposal No. 1 “Partial Amendments to the Articles of Incorporation” in its original form, the Company will make the transition to a company with audit and supervisory committee. Therefore, the Company proposes that three Directors who are Audit and Supervisory Committee Members be elected.

In addition, the consent of the Board of Statutory Auditors has been obtained for this proposal.

This proposal can only take effect after the amendments to the Articles of Incorporation under Proposal No. 1 “Partial Amendments to the Articles of Incorporation” takes effect.

The candidates for Director who is an Audit and Supervisory Committee Member are as follows.

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
1	Tomoharu Asaka (January 28, 1952) New election	Apr. 1974 Joined Sumitomo Corporation May 2001 CFO, Sumitomo Corporation Europe Limited May 2004 Assistant General Manager, Financial and Resources Group, Sumitomo Corporation June 2006 Representative Director and President, Sumitomo Shoji Financial Management Co., Ltd. June 2009 Full-time Corporate Auditor, Sumisho Computer Systems Corporation (currently SCSK Corporation) Oct. 2011 Full-time Corporate Auditor, SCSK Corporation June 2013 Full-time Corporate Auditor, JIEC Co., Ltd. July 2017 Advisor, the Company (present post) Aug. 2017 Director, UKC ELECTRONICS (H.K.) CO., LTD. [Significant concurrent positions outside the Company] None.	0
[Reasons for nomination] Mr. Tomoharu Asaka has abundant experience and specialist knowledge in general trading companies, as well as a wealth of experience as a full-time corporate auditor of an operating company; the Company anticipates that he will be able to provide useful opinions mainly on financial and administrative affairs from an objective perspective at meetings of the Board of Directors, etc., and in addition, has determined that he will play a role in the supervision and auditing of management. [Significant conflicts of interest between the candidate and the Company] There are no significant conflicts of interest.			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities within the Company	Number of shares of the Company owned
3	Kiyoshi Togawa (May 21, 1948) New election Outside Independent	<p>Apr. 1971 Joined Hitachi Chemical Co., Ltd.</p> <p>Apr. 2000 Executive Officer, Manager, International Business Promotion Office, Hitachi Chemical Co., Ltd.</p> <p>Apr. 2004 Vice President and Executive Officer, General Manager, Marketing & Sales Operations, Hitachi Chemical Co., Ltd.</p> <p>Apr. 2007 Senior Vice President and Executive Officer, General Manager, Marketing & Sales Operations, Hitachi Chemical Co., Ltd.</p> <p>Apr. 2010 Senior Vice President and Executive Officer, General Manager, Corporate Business Strategy Headquarters and Manager, Group Company Office, Hitachi Chemical Co., Ltd.</p> <p>Apr. 2012 Part-time lecturer, Aoyama Gakuin University Faculty of Law; Graduate School of Law</p> <p>Mar. 2013 Representative, VISTOM Marketing (present post) Outside Director, SWCC SHOWA HOLDINGS CO., LTD. (present post)</p> <p>Oct. 2013 Part-time lecturer, Sophia University Faculty of Economics</p> <p>Sept. 2017 Outside Statutory Auditor, the Company (present post)</p> <p>[Significant concurrent positions outside the Company] Representative, VISTOM Marketing Outside Director, SWCC SHOWA HOLDINGS CO., LTD.</p>	0
<p>[Reasons for nomination] Mr. Kiyoshi Togawa has been nominated due to his wide-ranging experience and outstanding insights accumulated in his managerial roles in sales and management strategy at a manufacturer of functional materials and cutting-edge components and systems, and as a university lecturer, which the Company expects him to apply to supervising and auditing the management, leading to a further strengthening of the Company's corporate governance.</p> <p>[Significant conflicts of interest between the candidate and the Company] There are no significant conflicts of interest.</p>			

- (Notes)
1. Mr. Noriaki Shimazaki and Mr. Kiyoshi Togawa are candidates for Outside Directors.
 2. Mr. Noriaki Shimazaki is currently an Outside Director of the Company, and at the conclusion of this General Meeting of Shareholders, his term of office as Outside Director will have been three years. Furthermore, his record of attendance at Board of Directors meetings for this fiscal term since being appointed as Director has been 23 / 23 (100%).
 3. Mr. Kiyoshi Togawa is currently an Outside Statutory Auditor of the Company, and at the conclusion of this General Meeting of Shareholders, his term of office as Outside Statutory Auditor will have reached nine months. Furthermore, his records of attendance at Board of Directors meetings for this fiscal term since being appointed as Statutory Auditor has been 10 / 11 (90%) and attendance at Board of Statutory Auditors meetings has been 10 / 11 (90%).
 4. If Mr. Tomoharu Asaka assumes the position of Director who is an Audit and Supervisory Committee Member, the Company intends to conclude a liability limitation contract with him pursuant to Article 427, Paragraph 1 of the Companies Act such that his liability for damages outlined under Article 423, Paragraph 1 of the same act shall be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act. In addition, the Company has concluded liability limitation contracts with Mr. Noriaki Shimazaki and Mr. Kiyoshi Togawa pursuant to Article 427, Paragraph 1 of the Companies Act such that their liability for damages outlined under Article 423, Paragraph 1 of the same act shall be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act. If the reelection of Mr. Noriaki Shimazaki and Mr. Kiyoshi Togawa is approved, the Company plans to renew the aforementioned contract with them.
 5. If Mr. Noriaki Shimazaki and Mr. Kiyoshi Togawa assume the position of Director who is an Audit and Supervisory Committee Member, the Company intends to notify the Tokyo Stock Exchange that they are being designated an Independent Director.
Furthermore, the Company's criteria for determining independence of Outside Directors is appended for your reference.

Proposal No. 4: Election of One Substitute Director Who is an Audit and Supervisory Committee Member

Subject to the approval and adoption of Proposal No. 1 “Partial Amendments to the Articles of Incorporation” in its original form, the Company will make the transition to a company with audit and supervisory committee.

In regard to this, the Company proposes that one substitute Director who is an Audit and Supervisory Committee Member be elected to prevent situations in which the number of Directors who are Audit and Supervisory Committee Members might fall below the minimum number required by laws and regulations.

In addition, the consent of the Board of Statutory Auditors has been obtained for this proposal.

This proposal can only take effect after the amendments to the Articles of Incorporation under Proposal No. 1 “Partial Amendments to the Articles of Incorporation” takes effect.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows.

Name (Date of birth)	Career summary and positions within the Company	Number of shares of the Company owned
Yuji Sakakura (May 3, 1951) New election Outside Independent	Apr. 1974 Joined Nissho Iwai Corporation Apr. 1998 General Manager, Financial Market Dept., Nissho Iwai Corporation June 1999 President and Chief Executive Officer, Nissho Iwai Securities Co., Ltd. Mar. 2004 President and Chief Executive Officer, Fides Securities Corporation Apr. 2005 Executive Officer, General Manager, Corporate Business Dept., E*Trade Securities Co., Ltd. Sept. 2005 Chief Financial Officer, GCA Co., Ltd. May 2006 Board Member and Chief Financial Officer, GCA Co., Ltd. July 2007 Chief Development Officer, GCA Savvian Corporation May 2011 Representative Director, Relations Japan Corporation (present post) June 2011 Outside Audit and Supervisory Board Member, AUTOBACS SEVEN CO., LTD. (present post) Mar. 2014 Outside Audit and Supervisory Board Member, Fullcast Holdings Co., Ltd. June 2016 Outside Statutory Auditor, the Company (present post) [Significant concurrent positions outside the Company] Representative Director, Relations Japan Corporation Outside Audit and Supervisory Board Member, AUTOBACS SEVEN CO., LTD.	0

[Reasons for nomination]

Mr. Yuji Sakakura has been nominated due to his many years of practical experience and various knowledge accumulated as a financial executive of a general trading company, a management executive of a securities company and the CFO of an M&A advisory firm, which the Company expects him to apply to supervising and auditing the management, leading to a further strengthening of the Company’s corporate governance.

[Significant conflicts of interest between the candidate and the Company]

There are no significant conflicts of interest.

- (Notes)
1. Mr. Yuji Sakakura is a candidate for substitute Outside Director.
 2. Mr. Yuji Sakakura is currently an Outside Statutory Auditor of the Company, and at the conclusion of this General Meeting of Shareholders, his term of office as Outside Statutory Auditor will have been two years. Furthermore, his records of attendance at Board of Directors meetings and Board of Statutory Auditors meetings for this fiscal term since being appointed as Statutory Auditor have been 22 / 23 (95%) for Board of Directors meetings and 19/19 (100%) for Board of Statutory Auditors meetings.
 3. If Mr. Yuji Sakakura assumes the position of Director who is an Audit and Supervisory Committee Member, the Company intends to conclude a liability limitation contract with him pursuant to Article 427, Paragraph 1 of the Companies Act such that his liability for damages outlined under Article 423, Paragraph 1 of the same act shall be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act.
 4. If Mr. Yuji Sakakura assumes the position of Director who is an Audit and Supervisory Committee Member, the Company intends to notify the Tokyo Stock Exchange that he is being designated an Independent Director. Furthermore, the Company’s criteria for determining independence of Outside Directors is appended for your reference.

Proposal No. 5: Determination of Remuneration Amount for Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

Subject to the approval and adoption of Proposal No. 1 “Partial Amendments to the Articles of Incorporation,” the Company will make the transition to a company with audit and supervisory committee.

The amount of remuneration of Directors of the Company was approved as being up to 350 million yen per year at the 1st Ordinary General Meeting of Shareholders held on June 29, 2010, and has been unchanged since then, however, in conjunction with the transition to a company with an audit and supervisory committee, the Company proposes to abolish this and prescribe a new remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members); in consideration of the past remuneration amount of Directors and various circumstances such as the current economic situation, the remuneration amount shall be set at up to 300 million yen per year (up to 50 million yen per year for Outside Directors).

Furthermore, said remuneration amount shall not include the employee salary for Directors who are concurrently serving as employees.

There are currently five Directors (of which two are Outside Directors), and the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) subject to this Proposal, if Proposal No. 1 and Proposal No. 2 are approved as originally proposed, shall be four (of which one is an Outside Director).

This proposal can only take effect after the amendments to the Articles of Incorporation under Proposal No. 1 “Partial Amendments to the Articles of Incorporation” takes effect.

Proposal No. 6: Determination of Remuneration Amount for Directors Who are Audit and Supervisory Committee Members

Subject to the approval and adoption of Proposal No. 1 “Partial Amendments to the Articles of Incorporation,” the Company will make the transition to a company with audit and supervisory committee.

In regard to this, in consideration of various circumstances such as the recent economic situation, it is proposed that the remuneration amount of Directors who are Audit and Supervisory Committee Members be set at up to 100 million yen per year.

The number of Directors who are Audit and Supervisory Committee Members subject to this Proposal, if Proposal No. 1 and Proposal No. 3 are approved as originally proposed, shall be three.

This proposal can only take effect after the amendments to the Articles of Incorporation under Proposal No. 1 “Partial Amendments to the Articles of Incorporation” takes effect.

Proposal No. 7: Approval of Issuance of Stock Acquisition Rights as Stock Options to Directors, Executive Officers, and Employees

The Company, based on the provisions of Article 236, Article 238 and Article 239 of the Companies Act, in order to improve corporate value by further raising the morale and motivation for results by the Company's Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members), Executive Officers, employees and Directors (excluding Outside Directors) of the Company's subsidiaries, requests the approval for the entrusting to the Board of Directors of decisions on the solicitation of stock acquisition rights issued as stock options with particularly advantageous conditions to the eligible persons in accordance with the below.

Furthermore, the issuance of stock acquisition rights to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) of the Company falls applicable as remuneration, etc. of Article 361, Paragraph 1, Item 3 of the Companies Act. In regard to the amount of remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company, if Proposal No. 5 "Determination of Remuneration Amount for Directors (Excluding Directors Who are Audit and Supervisory Committee Members)" is approved as originally proposed, this will be set at up to 300 million yen per year (up to 50 million yen for Outside Directors). In conjunction with this, the Company requests the approval for the issuance of stock acquisition rights as remuneration, etc. to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) separate from the amount.

The reasons for the issuance of stock acquisition rights with particularly favorable conditions to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members), Executive Officers, employees and Directors (excluding Outside Directors) of subsidiaries of the Company, and the details of such stock acquisition rights, are as set forth below.

1. Reasons for issuing stock acquisition rights with particularly favorable conditions

The issuance of stock acquisition rights to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members), Executive Officers, employees and Directors (excluding Outside Directors) of subsidiaries of the Company, is in order to raise morale and motivation towards improving the performance of the Company, and to develop business that further emphasizes the interests of shareholders.

In addition, the stock acquisition rights for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) of the Company shall be issued as stock options, and this is believed suitable as Director remuneration, etc.

Furthermore, the specific calculation method of remuneration, etc. shall be the amount obtained by multiplying the total number of stock acquisition rights to be assigned by a fair appraisal value per stock acquisition right calculated in accordance with the Black-Scholes Model on the stock acquisition rights allocation date.

2. Details of the stock acquisition rights

(1) Persons to whom stock acquisition rights will be allotted

Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members), Executive Officers, employees and Directors (excluding Outside Directors) of subsidiaries of the Company

(2) Type and number of shares subject to the stock acquisition rights

The number of shares subject to the stock acquisition rights shall not exceed 250,000 shares of the Company's common stock. Of these, the total number of shares subject to stock acquisition rights eligible for issuance to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) of the Company shall be limited to 100,000 shares.

If the Company conducts a share split or share consolidation, the number of shares subject to the stock acquisition rights shall be adjusted using the following formula. However, such adjustment shall be made for the number of the shares subject to the stock acquisition rights that have not been exercised at the time of such share split or share consolidation, and that any fraction less than one share which may arise as a result of such adjustment shall be rounded down.

$$\text{Number of shares after adjustment} = \text{Number of shares prior to adjustment} \times \text{Ratio of share split or consolidation}$$

In addition, in the event that it is necessary for the Company to make an adjustment to the number of shares, such as in cases where the Company carries out a merger, company split, share exchange or share transfer (collectively “a merger (etc.)”), or a gratis allotment of shares, the Company may adjust the number of shares to an extent considered reasonable after taking into account the conditions of the merger (etc.) or gratis allotment of shares.

(3) Total number of the stock acquisition rights

The number of the stock acquisition rights shall not exceed 2,500 units. Of these, the stock acquisition rights to be issued to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) of the Company shall be limited to 1,000 units. (The number of shares to be issued upon exercise of one stock acquisition right will be 100 shares, provided however, that when the number of shares prescribed in the above (2) has been adjusted, the same adjustment shall be made.)

(4) Amount of assets to be contributed upon exercise of the stock acquisition rights

The subject of investment upon the exercising of stock acquisition rights shall be cash, the price shall be the price obtained by multiplying the number of shares subject to each stock acquisition right by the amount per share that should be paid when stock acquisition rights are exercised (hereinafter referred to as “Exercise Price”), and the Exercise Price shall be the amount obtained by multiplying the average closing price for regular transactions of the Company’s common stock on the Tokyo Stock Exchange on each day of the month preceding the day in which the stock acquisition rights were allocated (hereinafter referred to as “Allocation Date”) (excludes days on which transactions did not occur) by 1.05; fractions of 1 yen shall be rounded up. However, in the event of that amount being lower than the closing price on the Allocation Date (if there was no closing price on that day, the immediately preceding closing price), the price shall be the closing price on the Allocation Date.

Furthermore, in the event of the Company performing a stock split or consolidation of shares on the Company’s common stock, the Exercise Price stated above shall be adjusted by the following formula, in accordance with the ratio of the stock split or consolidation of shares, and fractions of less than 1 yen arising from the adjustment will be rounded up.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{1}{\text{Ratio of share split or consolidation}}$$

In addition, in regard to the Company’s common stock, in the event of the Company issuing new shares or disposing of treasury stock at a price lower than the market price (excludes where treasury stock is sold based on the provisions of Article 194 of the Companies Act [Demand for the Sale of Shares Less than One Unit by a Holder of Shares Less than One Unit], and the transfer or exercising of stock acquisition rights [includes those attached to corporate bonds with stock acquisition rights] for which a request may be made for the issuance of securities transferred to the Company’s common stock, certificates that can be converted, or for the issuance of the Company’s common stock), the Exercise Price of the above shall be adjusted in accordance with the following formula, and fractions of less than 1 yen arising from the adjustment shall be rounded up.

$$\text{Exercise price after adjustment} = \frac{\text{Exercise price before adjustment} \times \text{Number of shares outstanding} + \frac{\text{Number of shares to be issued} \times \text{Subscription price per share to be issued}}{\text{Market price per share}}}{\text{Number of shares outstanding} + \text{Number of shares to be issued}}$$

In the formula above, “Number of shares outstanding” shall be the number obtained by deducting the number of treasury shares relating to common stock held by the Company from the total number of issued common stock of the Company, and in addition, in the event of the performance of a disposal of

treasury stock, “Number of shares to be issued” and “Subscription price per share” shall be replaced with “Number of treasury shares to be disposed of” and “Disposal price per share” respectively.

Furthermore, in the event that it is necessary for the Company to perform a merger (etc.), or to perform a gratis allotment of shares, or make other adjustments to the aforementioned exercise price, the Company may adjust the exercise price to an extent considered reasonable after taking into account the conditions of the merger (etc.) or gratis allotment of shares.

(5) Stock acquisition right exercise period

A period of two years from the day on which two years have elapsed since the day following the stock acquisition right allocation date. However, if the final day of the right exercise period is a holiday of the Company, the final day shall be the previous business day.

(6) Main conditions for the exercising of stock acquisition rights

(i) A stock acquisition right holder, when exercising rights, shall be required to be a Director, Executive Officer or employee of the Company or an affiliate of the Company. However, this shall not apply in the event of a Director having retired due to expiration of his or her term, or in the case of an Executive Officer or employee having retired due to having reached the statutory retirement age. In addition, this shall not apply in cases where the Board of Directors of the Company deems there to be valid reason.

(ii) The exercising of stock acquisition rights by heirs of stock acquisition right holders shall not be permitted.

(7) Matters concerning increase in capital and capital reserve resulting from issuance of shares upon exercise of stock acquisition rights

(i) The amount of increase in capital resulting from the issuance of shares upon exercise of stock acquisition rights shall be one half of the Maximum Amount of Increase in Stated Capital calculated in accordance with Article 17, Paragraph 1 of the Rules of Corporate Accounting, and in the event of such a calculation resulting in a fraction of 1 yen, such a fraction shall be rounded up.

(ii) The amount of increase in capital reserve resulting from the issuance of shares upon exercise of stock acquisition rights shall be the Maximum Amount of Increase in Stated Capital as provided in the above (i) less the amount of increase in capital as determined in the above (i).

(8) Restrictions on transfer of stock acquisition rights

The acquisition of the stock acquisition rights through transfer shall require approval by resolution of the Company’s Board of Directors.

(9) Matters relating to the obtaining of stock acquisition rights

(i) The Company, in the event of holder of stock acquisition rights no longer falling applicable under the conditions for the exercising of stock acquisition rights in accordance with (6) above, may obtain said stock acquisition rights at no cost.

(ii) The Company, in the event of a proposal for the approval of a merger agreement in which the Company is the absorbed company being approved at General Meetings of Shareholders of the Company, or in the event of a proposal for the approval of a share exchange agreement or proposal for approval of a share transfer plan in which the Company becomes a wholly owned subsidiary being approved at General Meetings of Shareholders of the Company, may obtain the stock acquisition rights at no cost.

(10) Handling of the stock acquisition rights in the event that the Company conducts organizational restructuring

In the event that a contract or plan document prepared at the time of organizational restructuring stipulates that stock acquisition rights of the reorganized public company as specified below are delivered, the stock acquisition rights of the reorganized public company as specified below are issued in accordance with the ratio of the said organizational restructuring.

1) Merger (limited to cases in which the Company is to become extinct)

Public company which survives the merger or the public company incorporated as a result of the merger

2) Absorption-type company split

Public company which succeeds all or part of the rights and obligations related to the absorbed business of a company which conducts absorption-type company split

3) Incorporation-type company split

Newly established public company through the incorporation-type company split

4) Share exchange

Public company which acquires all of the issued shares of a company with which the public company exchanges shares

5) Share transfer

Public company which is established through the share transfer

(11) Rounding down of fractions through the exercise of the stock acquisition rights

Any fractions less than one share included in the number of shares to be delivered to the stock acquisition rights holder shall be rounded down.

(12) Handling in the case of issuance of certificates for stock acquisition rights

Certificates shall not be issued for stock acquisition rights.

(13) Other details of the stock acquisition rights

Other details of the stock acquisition rights shall be determined, along with other items relating to the subscription, at the meeting of Board of Directors that shall be held in the future where the details of issuance of the stock acquisition rights shall be resolved.

3. Amount of payments for the stock acquisition rights

No cash payment is required for the stock acquisition rights.

4. Allotment date of stock acquisition rights

This matter shall be delegated to the Board of Directors of the Company.

5. Specific calculation method of remuneration, etc. for Directors, and calculation standards for fair appraisal value of stock acquisition rights

In regard to the specific calculation method of remuneration, etc. for Directors, this shall be the amount obtained by multiplying the fair appraisal value of each stock acquisition right by the total number of stock acquisition rights allotted to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) of the Company serving as of the allotment date of the stock acquisition rights.

The fair appraisal value per stock acquisition right shall be based on a fair appraisal conducted through the use of the Black-Scholes Model under various conditions on the allotment date.

[Reference: Criteria for determining independence]

In cases in which the Company determines that an Outside Director or a candidate for Outside Director does not fall into any of the following categories, it considers the Outside Director or candidate for Outside Director to have independence from the Company.

1. Person who is a business executive^{*1} of the Company or of an affiliate of the Company (collectively, “the Group”), or who has within the past 10 years been a business executive of the Group;
2. Major customer of the Group,^{*2} or business executive of the same;
3. Person for whom the Group is a major customer^{*3}, or business executive of the same;
4. Major lender of the Group^{*4}, or business executive of the same;
5. Shareholder, or business executive of the same, who hold 10% or more of the total voting rights of the Company, either directly or indirectly;
6. Business executive of companies of which 10% or more of the total voting rights are held by the Group, either directly or indirectly;
7. Person belonging to audit corporation that is a Financial Auditor to the Company or to consolidated subsidiaries of the Company;
8. Person such as consultant, certified public accountant, lawyer, etc. that offer specialist services and receive large sums^{*5} of money or other assets, excluding officer’s remuneration, from the Group (in cases where the person receiving said assets is a corporate, a union or other organization, a person belonging to said organization);
9. Person receiving large sums of money in donations or subsidies from the Group (in cases where the person receiving said donations or subsidies is a corporate, a union or other organization, operating officer belonging to said organization);
10. Business executive of companies at which business executive of the Group serve as Outside Director or Outside Auditor
11. Person falling into any of categories 2 to 8 within the past 3 years; and,
12. In cases where a person falling into any of categories 1 to 8 or 11 is a significant person^{*6}, the spouse of that person and their relatives up to the second degree of kinship.

*1: “Business executive” shall mean an Executive Director, Operating Officer or Executive Officer, or any other person or employee, of a corporation or other organization.

*2: “Major customer of the Group” shall mean a person who has paid an amount equivalent to 2% or more of the Company’s annual consolidated net sales to the Group in the most recent business year.

*3: “Person for whom the Group is a major customer” shall mean a person that has received an amount equivalent to 2% or more of their annual consolidated net sales from the Group in the most recent business year.

*4: “Major lender of the Group” shall mean a person who has provided financing equivalent to 2% or more of the consolidated total assets of the Group at the end of the most recent business year.

*5: “Large sums” shall mean 10 million yen or more annually in the case of an individual, and 2% or more of annual consolidated net sales or total income in the case of an organization, such as a corporation or a union.

*6: “Significant person” shall mean a member of upper management, such as an Executive Director, Operating Officer, Executive Officer or General Manager, and in the case of organizations other than companies, persons belonging to said organization.