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(Stock Exchange Code 3132)
June 7, 2021

To Shareholders with Voting Rights:

Kiyoshi Nakashima
Chairman and Representative
Director
MACNICA FUJI
ELECTRONICS HOLDINGS, INC.
6-3, Shinyokohama 1-chome, Kohoku-ku,
Yokohama-shi, Kanagawa

**NOTICE OF
THE 6TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We are pleased to notify you that the 6th Annual General Meeting of Shareholders of MACNICA FUJI ELECTRONICS HOLDINGS, INC. (the “Company”) will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights either in writing or via the Internet. Please review the “Reference Documents for the General Meeting of Shareholders” described hereinafter, and exercise your voting rights no later than 5:00 p.m. on Wednesday, June 23, 2021, Japan time.

1. Date and Time: Thursday, June 24, 2021 at 10:00 a.m. Japan time

2. Place: Queen’s Hall, 2nd floor, South Building, Shin Yokohama Kokusai Hotel
18-1, Shinyokohama 3-chome, Kohoku-ku, Yokohama-shi, Kanagawa, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements for the Company’s 6th Fiscal Year (April 1, 2020 - March 31, 2021), and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 6th Fiscal Year (April 1, 2020 - March 31, 2021)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to Articles of Incorporation
Proposal 3: Election of Twelve (12) Directors

- ◎ The reception will open at 9:00 a.m. Please note that we will have no waiting room; this is a preventive measure against the spread of COVID-19 infection.
- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk of the meeting venue.
- ◎ On the day of the meeting, staff will be wearing light attire (“Cool Biz”). We appreciate your understanding, and also encourage shareholders to attend in light attire.
- ◎ Regarding Disclosure of “Notes” on the Internet
Of the documents to be provided with this Notice of Convocation, “Matters Related to the Company's Share Options, etc.” and “System to Ensure Adequacy of Business and the Operational Status” of the Business Report, “Consolidated Statements of Changes in Net Assets” and “Notes to Consolidated Financial Statements” of the Consolidated Financial Statements, and “Non-consolidated Statements of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements” of the Non-consolidated Financial Statements are posted on the Company’s website (<https://www.macfehd.co.jp/ir/ja/Top.html>) in accordance with the stipulations of applicable laws and regulations and Article 16 of the Company’s Articles of Incorporation, and are not included in the attached documents.
Furthermore, the attached documents to be posted on the above website have been audited by the Audit & Supervisory Board and the Accounting Auditor in preparing the audit report, as part of the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements.
Subsequent amendments to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements, if any, will be listed on the above website.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company's basic policy for dividends is to secure the required internal reserves to further enrich and strengthen future business expansion and the management structure while returning profits as much as possible to shareholders, with the focus of continuing stable dividends in consideration of all factors concerned.

Based on the above basic policy, in view of trends in business results for the fiscal year under review and the future business environment, the Company proposes year-end dividends as shown below.

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount
25 yen per share of common stock
Total dividends of 1,552,507,000 yen
Furthermore, as 25 yen per share has been paid as interim dividends in December 2020, annual dividends will be 50 yen per share for the fiscal year under review.
- (3) Effective date of distribution of surplus
June 25, 2021

Proposal 2: Partial Amendments to Articles of Incorporation

1. Reasons for the Proposal

To enable the Person Authorized to Convene Meetings of the Board of Directors and the Chairman of the Board of Director to be elected from among Directors, but not be limited to the Representative Director and with the aim of separating oversight function from execution and strengthening it, the Company proposes to amend current Article 23 (Person Authorized to Convene Meetings of the Board of Directors and the Chairman of the Board of Directors) of the Company's Articles of Incorporation.

2. Details of Amendments

The details of the amendment are as follows.

(Amended sections are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Person Authorized to Convene Meetings of the Board of Directors and the Chairman of the Board of Directors) Article 23</p> <p>1. Unless otherwise provided by laws and regulations, meetings of the Board of Directors shall be convened and chaired by <u>Representative Director</u>.</p> <p>2. <u>If the number of Representative Directors is more than one (1), meetings of the Board of Directors shall be convened and chaired by the first Representative Director, in accordance with the order provided for in advance by the Board of Directors.</u></p> <p><u>In the cases of accident to Representative Director,</u> meetings of the Board of Directors shall be convened and chaired by <u>another</u> Director, in accordance with the order provided for in advance by the Board of Directors.</p>	<p>(Person Authorized to Convene Meetings of the Board of Directors and the Chairman of the Board of Directors) Article 23</p> <p>1. Unless otherwise provided by laws and regulations, meetings of the Board of Directors shall be convened and chaired <u>by the person who is elected from among Directors by the resolution of the Board of Directors</u></p> <p>2. <u>In the cases of accident to the elected Director,</u> meetings of the Board of Directors shall be convened and chaired by <u>the first</u> Director, in accordance with the order provided for in advance by the Board of Directors.</p>

Proposal 3: Election of Twelve (12) Directors

The terms of office of all the twelve (12) Directors will expire at the conclusion of the Annual General Meeting of Shareholders. Accordingly, the election of twelve (12) Directors, including four (4) Outside Directors is proposed.

The candidates for Directors are as follows:

No.	Name		Current positions at the Company
1	Kiyoshi Nakashima	[Reappointment]	Representative Director
2	Kazumasa Hara	[Reappointment]	Representative Director
3	Akinobu Miyoshi	[Reappointment]	Representative Director
4	Fumihiko Arai	[Reappointment]	Director
5	Shigeyuki Sano	[Reappointment]	Director
6	Takemasa Sato	[Reappointment]	Director
7	SEU, DAVID DAEKYUNG	[Reappointment]	Director
8	Eiichi Nishizawa	[Reappointment]	Director
9	Toyokazu Terada	[Reappointment] [Outside Director] [Independent Director]	Outside Director
10	Hitoshi Kinoshita	[Reappointment] [Outside Director] [Independent Director]	Outside Director
11	Tsunesaburo Sugaya	[Reappointment] [Outside Director] [Independent Director]	Outside Director
12	Makiko Noda	[Reappointment] [Outside Director] [Independent Director]	Outside Director

(Reference) Policy and process to elect candidates for Directors

When deciding on candidates for inside Directors, the Company has a system where Directors with different expertise and experience make up the Board of Directors so that it can exercise comprehensive supervision over management as a whole. We also select candidates for Outside Directors who come from backgrounds different from what the Company does and whose experience and insight contribute to management supervision.

In addition, President and Representative Director is selected following the deliberation of the Nomination and Remuneration Advisory Committee with a majority of Outside Officers, whose establishment was decided at the Board of Directors meeting held on September 25, 2018 with the objective of improving transparency, objectivity, and fairness in the election, dismissal, and remuneration of President and Representative Director.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Kiyoshi Nakashima (March 13, 1955) [Reappointment]	<p>April 1981 Joined Macnica, Inc.</p> <p>May 1991 Director and Component First Business Department General Manager, Macnica, Inc.</p> <p>April 1999 Director and Network Business General Manager, Macnica, Inc.</p> <p>June 2003 Managing Director, Macnica, Inc.</p> <p>March 2004 Representative Director, Macnica Networks Corp.</p> <p>April 2005 Executive Vice President, Macnica, Inc.</p> <p> Representative Director, ALTIMA Corp. (currently Altima Company, Macnica, Inc.)</p> <p>June 2008 President and CEO, Macnica, Inc.</p> <p>April 2015 President and Representative Director, the Company</p> <p>June 2019 Representative Director and Chairman, Macnica, Inc. (to present)</p> <p> Representative Director and Chairman, the Company (to present)</p> <p>[Significant concurrent positions]</p> <p>Representative Director and Chairman, Macnica, Inc.</p>	110,399
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Kiyoshi Nakashima has served as President and CEO of Macnica, Inc., a subsidiary of the Company, since 2008 and concurrently serves as President and Representative Director of the Company since 2015 in accordance with its establishment, and Representative Director and Chairman of the Company since June 2019. He possesses extensive experience and achievements and broad knowledge as top management. For these reasons, the Company has judged that he is qualified for supervising and promoting the Group's management, and has therefore renominated him as a candidate for Director.</p>			
2	Kazumasa Hara (October 18, 1971) [Reappointment]	<p>September 1995 Joined Macnica, Inc.</p> <p>April 2007 General Manager of First Sales, TecStar Company, Macnica, Inc.</p> <p>April 2011 President, TecStar Company, Macnica, Inc.</p> <p>April 2018 General Manager of Strategic Innovation Business Group</p> <p>June 2018 Director, Macnica, Inc.</p> <p>June 2019 President and CEO, Macnica, Inc. (to present)</p> <p> President and Representative Director, the Company (to present)</p> <p>[Significant concurrent positions]</p> <p>President and CEO, Macnica, Inc.</p>	39,138
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Kazumasa Hara has engaged in marketing and sales of the semiconductor business at Macnica, Inc., a subsidiary of the Company. He has also promoted new businesses as the person in charge and he has been serving as Director of Macnica, Inc. since 2018, and President and Representative Director of the Company and President and CEO of Macnica, Inc. since 2019. He possesses extensive knowledge about the industry to which the Company belongs, as well as experience and achievements in management. He has also been promoting the Group's long-term strategies and reform topics as a person in charge of new businesses. The Company has judged that he is qualified for promoting the Group's management and leading efforts to achieve the Group's long-term vision, and has therefore renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Akinobu Miyoshi (July 13, 1971) [Reappointment]	<p>July 1995 Joined Macnica, Inc.</p> <p>April 2007 General Manager of Product Sales, ALTIMA Corp. (currently Altima Company, Macnica, Inc.)</p> <p>June 2009 Director, ALTIMA Corp.</p> <p>June 2010 Executive Vice President, ALTIMA Corp.</p> <p>June 2011 President and CEO, ALTIMA Corp.</p> <p>October 2011 General Manager of Asia Pacific Business Group, Macnica, Inc. President, MACNICA ASIA PACIFIC PTE LTD President, MACNICA HONG KONG, LIMITED</p> <p>April 2015 General Manager of Global Business Development Office, Macnica, Inc. CEO, MACNICA AMERICAS, INC.</p> <p>June 2018 Director, Macnica, Inc.</p> <p>June 2019 Co-CEO, Macnica, Inc. (to present) Representative Director and Vice President, the Company (to present)</p> <p>[Significant concurrent positions] Co-CEO, Macnica, Inc.</p>	32,230
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Akinobu Miyoshi has engaged in marketing and sales of the semiconductor business at Macnica, Inc., a subsidiary of the Company. He has also been promoting the formulation and implementation of the Group's global strategy as a person in charge of overseas business since 2011. He has also served as Representative Director and Vice President of the Company and Co-CEO of Macnica, Inc. since 2019. He possesses extensive experience and knowledge including management, and the Company has judged that he is qualified for promoting the Group's management, and has therefore renominated him as a candidate for Director.</p>			
4	Fumihiko Arai (January 4, 1965) [Reappointment]	<p>March 1990 Joined Macnica, Inc.</p> <p>June 2003 Director and General Manager of Strategic Business, ALTIMA Corp. (currently Altima Company, Macnica, Inc.)</p> <p>April 2006 Director and Vice President, ALTIMA Corp.</p> <p>June 2007 President and CEO, ALTIMA Corp.</p> <p>June 2011 Director, Macnica, Inc.</p> <p>April 2015 Director, the Company (to present)</p> <p>June 2018 Managing Director, Macnica, Inc. (to present)</p> <p>[Significant concurrent positions] Managing Director, Macnica, Inc.</p>	20,260
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Fumihiko Arai has engaged in marketing and sales of the semiconductor business at Macnica, Inc., a subsidiary of the Company. He served as Director of Macnica, Inc. and has extensive experience and knowledge in management in general. In addition, he has served as Director of the Company since 2015 in accordance with its establishment. For these reasons, the Company has judged that he is qualified for promoting the Group's management into the future, and has therefore renominated him as a candidate for Director.</p>			
5	Shigeyuki Sano (June 9, 1959) [Reappointment]	<p>April 1981 Joined Macnica, Inc.</p> <p>March 1995 General Manager of Accounting Division, Macnica, Inc.</p> <p>June 1997 Director and General Manager of Accounting Division, Macnica, Inc.</p> <p>June 2003 Director, in charge of General Affairs, Macnica, Inc.</p> <p>April 2007 Managing Director, Macnica, Inc. (to present)</p> <p>April 2015 Director, the Company (to present)</p> <p>[Significant concurrent positions] Managing Director, Macnica, Inc.</p>	65,305
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Shigeyuki Sano has engaged in accounting and general affairs operations at Macnica, Inc., a subsidiary of the Company. He also possesses high-level knowledge and expertise in the fields of accounting and business management as an officer in charge of administration divisions of Macnica, Inc. In addition, he has served as Director of the Company since 2015 in accordance with its establishment. For these reasons, the Company has judged that he is qualified for promoting the Group's management, and has therefore renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
6	Takemasa Sato (August 26, 1963) [Reappointment]	April 1989	Joined Macnica, Inc.	36,356
		April 2004	Vice President, Clavis Company, Macnica, Inc.	
		April 2007	President, Clavis Company, Macnica, Inc.	
		April 2011	Vice President of Worldwide Sales, Japanese Accounts, Macnica, Inc. (to present)	
		April 2018	Executive Vice President, Fuji Electronics Co., Ltd.	
		June 2018	Managing Director, Macnica, Inc. (to present)	
		June 2019	Director, the Company (to present)	
		[Significant concurrent positions] Managing Director, Macnica, Inc.		
	[Reason for nomination as candidate for Director] Mr. Takemasa Sato has engaged in marketing and sales of the semiconductor business and since 2018, he has served as Director of Macnica, Inc., a subsidiary of the Company and has served Executive Vice President of Fuji Electronics Co., Ltd. until September 2020. He has also been promoting the formulation and implementation of the Group’s customer strategies and leading efforts to strengthen its customer relationships as a person in charge of domestic sales. He possesses extensive experience and knowledge including management and, the Company has judged that he is qualified for promoting the Group’s management, and has therefore renominated him as a candidate for Director.			
7	SEU, DAVID DAEKYUNG (November 23, 1959) [Reappointment]	September 1986	Joined Merrill Lynch & Co., Inc. (Investment Banking Division, New York, USA)	19,510
		October 1990	Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)	
		February 2000	Director, Sumishin Investment Co., Ltd. (currently Sumitomo Mitsui Trust Investment Co., Ltd.) (to present)	
		June 2007	Director, Macnica, Inc. (to present)	
		April 2015	Director, the Company (to present)	
		[Significant concurrent positions] Director, Macnica, Inc. Director, Sumitomo Mitsui Trust Investment Co., Ltd.		
	[Reason for nomination as candidate for Director] Mr. SEU, DAVID DAEKYUNG has abundant overseas experience and additionally possesses extensive knowledge and expertise in global business from his experience in engaging in investment banking business, etc. In addition to serving as Director of Macnica, Inc., he has served as Director of the Company since 2015 in accordance with its establishment. For these reasons, the Company has judged that he is qualified for promoting the Group's management, and has therefore renominated him as a candidate for Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
8	Eiichi Nishizawa (March 26, 1957) [Reappointment]	April 1982	Joined Toho Mutual Life Insurance Company (currently The Gibraltar Life Insurance Co., Ltd.)	17,515
		December 1999	Joined Fuji Electronics Co., Ltd.	
		May 2001	Head of Strategic Planning Office, Fuji Electronics Co., Ltd.	
		May 2006	Executive Officer, Head of Strategic Planning Office and General Manager of General Affairs Div., Fuji Electronics Co., Ltd.	
		May 2010	Senior Executive Officer and General Manager of Strategic Planning Div., Fuji Electronics Co., Ltd.	
		May 2011	Director and General Manager of Financial & Accounting Div., Fuji Electronics Co., Ltd.	
		May 2014	Managing Director, Fuji Electronics Co., Ltd.	
		April 2015	Director, the Company (to present)	
		June 2017	Representative Director Vice President, Fuji Electronics Co., Ltd.	
		[Significant concurrent positions]		
		None		
	[Reason for nomination as candidate for Director] Mr. Eiichi Nishizawa has engaged in strategic planning, personnel, and accounting operations at Fuji Electronics Co., Ltd., a subsidiary of the Company. He also possesses extensive experience and knowledge in management in general as Representative Director Vice President in charge of administration divisions. In addition, he has served as Director of the Company since 2015 in accordance with its establishment. Additionally, as he possesses extensive knowledge and experience in overall management, for these reasons, the Company has judged that he is qualified for promoting the Group's management, and has therefore renominated him as a candidate for Director.			
9	Toyokazu Terada (September 19, 1963) [Reappointment] [Outside] [Independent]	April 1988	Joined ITOCHU Corporation	0
		April 2004	Senior Vice President, ITOCHU Technology, Inc.	
		May 2006	Managing Director, ITOCHU Technology Ventures, Inc.	
		October 2013	Chief Executive Officer, A2O, Inc. (to present)	
		June 2016	Director, the Company (to present)	
		[Significant concurrent positions]		
		Chief Executive Officer, A2O, Inc.		
	[Reason for nomination as candidate for Outside Director] Mr. Toyokazu Terada is currently an Outside Director of the Company and has been providing advises and opinions at the Board of Directors based on his extensive industry experience and knowledge through business management, business development and venture capital business, etc. in domestic and overseas. He also stands as a member of the Nominating and Compensation Advisory Committee from a standpoint of objectivity and independence. The Company expects that he will provide appropriate advice on sustainable improvement of the Group's corporate value, and fill the role of member of the Nominating and Compensation Advisory Committee. Therefore, the Company renominated him as a candidate for Outside Director. Mr. Toyokazu Terada's term of office as an Outside Director of the Company will be five years at the conclusion of this General Meeting of Shareholders.			
10	Hitoshi Kinoshita (February 19, 1955) [Reappointment] [Outside] [Independent]	April 1978	Joined Mitsubishi Research Institute, Inc.	10,000
		March 1985	Established ASTEC, Inc. (currently Rworks, Inc.), President and Representative Director	
		October 2015	Advisor and Director, Rworks, Inc. (to present)	
		October 2015	President and Director, System Consultant Co., Ltd.	
		September 2016	President and Representative Director, System Consultant Co., Ltd. (to present)	
		June 2018	Director, the Company (to present)	
		[Significant concurrent positions]		
		Advisor and Director, Rworks, Inc.		
		President and Representative Director, System Consultant Co., Ltd.		
	[Reason for nomination as candidate for Outside Director] Mr. Hitoshi Kinoshita is currently an Outside Director of the Company and has been providing advises and opinions at the Board of Directors based on knowledge and experience in the IT industry or corporate management. He also stands as a member of Nominating and Compensation Advisory Committee from a standpoint of objectivity and independence. The Company expects that he will provide appropriate advice on sustainable improvement of the Group's corporate value, and fill the role of member of the Nominating and Compensation Advisory Committee. Therefore, the Company renominated him as a candidate for Outside Director. Mr. Hitoshi Kinoshita's term of office as an Outside Director of the Company will be three years at the conclusion of this General Meeting of Shareholders.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
11	<p>Tsunesaburo Sugaya (November 24, 1963)</p> <p>[Reappointment] [Outside] [Independent]</p>	<p>April 1988 Joined Motorola, Co., Ltd. June 1999 Joined JAFCO Co., Ltd. January 2003 President & CEO, JAFCO America Ventures Inc. (currently Icon Ventures), JAFCO Co., Ltd. March 2008 Executive Officer responsible for United States, JAFCO Co., Ltd. June 2015 Outside Director, Plat'Home Co., Ltd. (to present) December 2015 Representative Director, MIYAKO CAPITAL (to present) October 2018 Outside Director, Artiza Networks, Inc. (to present) June 2019 Director, the Company (to present) [Significant concurrent positions] Outside Director, Plat'Home Co., Ltd. Representative Director, MIYAKO CAPITAL Outside Director, Artiza Networks, Inc.</p>	0
<p>[Reason for nomination as candidate for Outside Director] Mr. Tsunesaburo Sugaya is currently Outside Director of the Company and has been providing advises and opinions at the Board of Directors based on the experience and expertise cultivated in the management of foreign investment businesses. He also stands as a member of Nominating and Compensation Advisory Committee from a standpoint of objectivity and independence. The Company expects that he will provide appropriate advice on sustainable improvement of the Group's corporate value, and fill the role of member of the Nominating and Compensation Advisory Committee. Therefore, the Company has renominated him as a candidate for Outside Director. Mr. Tsunesaburo Sugaya's term of office as an Outside Director of the Company will be two years at the conclusion of this General Meeting of Shareholders.</p>			
12	<p>Makiko Noda (August 25, 1970)</p> <p>[Reappointment] [Outside] [Independent]</p>	<p>April 1993 Joined Venture Link Co., Ltd. April 2010 Director, Venture Link Co., Ltd. December 2010 President and Representative Director, Human Delight Inc. (to present) March 2011 President and Representative Director, INCGROW Co., Ltd. February 2015 Chairman and Director, INCGROW Co., Ltd. June 2017 Outside Director, The Bank of Toyama (to present) June 2019 Director, the Company (to present) June 2019 Outside Director, Keyware Solutions Inc. (to present) March 2020 Outside Director, Arte Salon Holdings, Inc. (to present) [Significant concurrent positions] President and Representative Director, Human Delight Inc.</p>	0
<p>[Reason for nomination as candidate for Outside Director] Ms. Makiko Noda is currently an Outside Director of the Company, and has been providing advises and opinions at the Board of Directors based on experience and knowledge in support operations for local financial institute and expanding opportunities for women. She also stands as a member of Nominating and Compensation Advisory Committee from a standpoint of objectivity and independence. The Company expects that she will provide appropriate advice on sustainable improvement of the Group's corporate value, and fill the role of member of the Nominating and Compensation Advisory Committee. Therefore, the Company has renominated her as a candidate for Outside Director. Ms. Makiko Noda's term of office as an Outside Director of the Company will be two years at the conclusion of this General Meeting of Shareholders.</p>			

(Notes)

1. Mr. Kiyoshi Nakashima, a candidate for Director, will assume office as the Chairman and Chairman of the Board of Directors at the meeting of the Board of Directors that will be held after this General Meeting of Shareholders. The appointment of Mr. Kiyoshi Nakashima as Chairperson of meetings of the Board of Directors will be subject to the approval of Proposal 1: Partial Amendments to Articles of Incorporation.
2. The candidates Messrs. Toyokazu Terada, Hitoshi Kinoshita, and Tsunesaburo Sugaya, and Ms. Makiko Noda are candidates for Outside Director. The Company has appointed Messrs. Toyokazu Terada, Hitoshi Kinoshita, and Tsunesaburo Sugaya, and Ms. Makiko Noda as Independent Directors as prescribed by the Tokyo Stock Exchange and submitted a notification of appointment to the same Exchange. If their reelection is approved as proposed, the Company intends to continue their appointment as Independent Directors.
3. Independence of Outside Directors
In accordance with the independence standards of the Tokyo Stock Exchange, Inc., the Company excludes parties that hold the Company and its group operating companies as major transaction partners and business executives thereof, consultants, etc., that receive a significant amount of remuneration from the Company and parties affiliated with said organizations, and parties that are relatives, etc., of parties to which the above items apply.
There are no special conflicts of interest between the Company and each of Mr. Toyokazu Terada, Mr. Hitoshi Kinoshita, Mr. Tsunesaburo Sugaya, and Ms. Makiko Noda

4. The Company has entered into liability limitation agreements with Messrs. Toyokazu Terada, Hitoshi Kinoshita, and Tsunesaburo Sugaya, and Ms. Makiko Noda pursuant to Article 28 of the Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability as prescribed by laws and regulations. If their reelection is approved as proposed, the Company intends to continue the above agreement with them.
5. The Company has concluded a directors and officers liability insurance agreement with an insurance company. The insurance covers any damages that may result from claims in pursuit of their liability borne from performance of their duties as Director. However, measures to ensure the proper execution of duties by the directors is not impaired, by excluding damages caused as a result of the individual intentionally committing an illegal act, or criminal acts such as bribery from indemnity. Each candidate will be included as the insured under this insurance agreement. The said insurance agreement will be renewed on April 1 every year, and the Company plans to renew the insurance with the above details at the next time of renewal.

End