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Securities Code: 6804
June 7, 2017

To Those Shareholders with Voting Rights

Kenji Furuhashi
President and Representative Director
Hosiden Corporation
4-33, Kitakyuhoji 1-Chome, Yao City,
Osaka

NOTICE OF THE 67th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 67th Ordinary General Meeting of Shareholders of Hosiden Corporation (the "Company"). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by paper ballot. Please review the Reference Documents for the General Meeting of Shareholders, and return the Voting Rights Exercise Form with your vote and seal by 5:00 p.m., Wednesday, June 28, 2017.

- 1. Date and Time:** Thursday, June 29, 2017 at 9:00 a.m.
- 2. Place:** Meeting room of Hosiden Corporation
4-33, Kitakyuhoji 1-Chome, Yao City, Osaka, Japan
- 3. Agenda of the Meeting:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the 67th Fiscal Term (from April 1, 2016 to March 31, 2017), and results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 67th Fiscal Term (from April 1, 2016 to March 31, 2017)
 - Matters to be resolved:**
 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Election of Six Directors
 - Proposal No. 3:** Election of Two Substitutes for Statutory Auditors

-For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.

-Any and all corrections that occurred with regard to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated and Consolidated Financial Statements will be published on our website (<http://www.hosiden.co.jp/>).

(REFERENCE)

Financial Highlights
(Year ended March 31)

		March 2013	March 2014	March 2015	March 2016	March 2017
1. Consolidated financial highlights						
Net sales	(Millions of yen)	230,883	205,148	148,237	139,949	150,082
Ordinary income (loss)	(Millions of yen)	5,950	3,555	1,819	(5,134)	1,804
Net income (loss)	(Millions of yen)	2,141	(3,361)	122	(10,698)	2,053
Comprehensive income	(Millions of yen)	3,327	(997)	1,025	(11,531)	3,018
Net assets	(Millions of yen)	93,241	91,560	89,918	76,162	76,661
Total assets	(Millions of yen)	130,006	123,179	128,517	106,716	119,045
Net assets per share	(Yen)	1,409.96	1,384.56	1,421.02	1,239.20	1,289.30
Net income (loss) per share	(Yen)	32.37	(50.83)	1.88	(173.65)	33.59
Diluted net income per share	(Yen)	-	-	-	-	-
Equity ratio	(%)	71.7	74.3	70.0	71.4	64.4
Return on equity	(%)	2.3	-	0.1	-	2.7
Cash flows from operating activities	(Millions of yen)	(2,615)	8,422	7,641	4,156	(1,572)
Cash flows from investing activities	(Millions of yen)	(4,020)	(5,348)	(3,692)	(2,372)	(3,456)
Cash flows from financing activities	(Millions of yen)	(1,136)	(219)	(2,785)	(2,986)	(3,192)
Cash and cash equivalents at year-end	(Millions of yen)	49,972	54,259	55,744	54,015	45,457
2. Non-Consolidated financial highlights						
Net sales	(Millions of yen)	194,615	141,885	107,953	93,246	100,622
Ordinary income (loss)	(Millions of yen)	5,746	1,530	3,206	(4,159)	1,617
Net income (loss)	(Millions of yen)	2,893	(6,261)	(2,539)	(9,385)	1,609
Common stock	(Millions of yen)	13,660	13,660	13,660	13,660	13,660
Total number of shares issued	(Thousand shares)	72,710	72,710	69,710	69,710	69,710
Net assets	(Millions of yen)	81,636	75,110	70,487	58,397	58,355
Total assets	(Millions of yen)	106,079	96,739	103,817	88,746	103,465
Net assets per share	(Yen)	1,234.48	1,135.80	1,113.94	950.16	981.42
Annual dividends per share [Interim dividends per share]	(Yen)	10 [5]	10 [5]	10 [5]	10 [5]	8 [3]
Net income (loss) per share	(Yen)	43.75	(94.68)	(39.09)	(152.34)	26.32
Diluted net income per share	(Yen)	-	-	-	-	-
Equity ratio	(%)	77.0	77.6	67.9	65.8	56.4
Return on equity	(%)	3.6	-	-	-	2.8
Payout ratio	(%)	22.9	-	-	-	29.9

Notes: 1. The financial highlights are not presented in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

2. Moreover, some of the figures in this document have been prepared based on financial statements, which are not included in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

3. Figures have been prepared in accordance with the accounting principles generally accepted in Japan, which are different in certain respects from application and disclosure requirements of the International Financial Reporting Standards.

Consolidated Balance Sheet

(As of March 31, 2017)

(Millions of yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	100,386	Current liabilities	34,872
Cash and deposits	40,275	Notes payable and accounts payable—trade	24,227
Notes receivable and accounts receivable—trade	28,752	Short-term borrowings	5,769
Short-term investment securities	5,500	Accrued income taxes	705
Merchandise and finished goods	5,323	Deferred tax liabilities	2
Work in process	2,212	Other	4,168
Raw materials and supplies	12,960	Long-term liabilities	7,511
Deferred tax assets	610	Deferred tax liabilities	1,736
Operating accounts receivable	1,441	Net defined benefit liability	5,013
Other	3,342	Other	761
Allowance for doubtful accounts	(33)	Total Liabilities	42,384
Fixed assets	18,658	Net assets	
Tangible fixed assets	12,517	Owners' equity	76,528
Buildings and Structures	4,013	Capital	13,660
Machinery and vehicles	2,604	Additional paid-in capital	19,596
Land	3,604	Retained earnings	52,898
Construction in progress	121	Treasury stock	(9,626)
Other	2,172	Accumulated other comprehensive income	132
Intangible fixed assets	243	Unrealized gains on available-for-sale securities	2,106
Software and other	243	Exchange adjustment account	(2,107)
Investments and other assets	5,898	Re-measurements of defined benefit plans	134
Investment securities	4,929	Total Net Assets	76,661
Net defined benefit asset	2	Total Liabilities and Net Assets	119,045
Deferred tax assets	479		
Other	892		
Allowance for doubtful accounts	(406)		
Total Assets	119,045		

Consolidated Statement of Income
(From April 1, 2016 to March 31, 2017)

(Millions of yen)

Account item	Amount	
Net sales		150,082
Cost of sales		137,304
Gross profit		12,778
Selling, general and administrative expenses		10,405
Operating income		2,373
Non-operating income		
Interest and dividends income	137	
Other	90	227
Non-operating expenses		
Interest expenses	116	
Exchange loss	655	
Other	23	796
Ordinary income		1,804
Extraordinary income		
Profit on disposal of fixed assets	607	
Profit on sales of investment securities	7	615
Extraordinary losses		
Loss on disposal and sales of fixed assets	23	
Loss on valuation of investment securities	85	
Other	4	113
Income before income taxes and minority interests		2,306
Income taxes—current		425
Income taxes—deferred		(172)
Net income		2,053
Profit attributable to non-controlling interests		—
Profit attributable to owners of parent		2,053

Consolidated Statement of Changes in Net Assets
(From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Owners' equity				
	Capital	Additional paid-in capital	Retained earnings	Treasury stock	Total owners' equity
Balance as of April 1, 2016	13,660	19,596	51,336	(7,599)	76,994
Changes during the fiscal year					
Dividends from surplus			(491)		(491)
Profit attributable to owners of parent			2,053		2,053
Acquisition of treasury stock				(2,027)	(2,027)
Net changes in items other than owners' equity during the fiscal year					
Total changes during the fiscal year	—	—	1,561	(2,027)	(465)
Balance as of March 31, 2017	13,660	19,596	52,898	(9,626)	76,528

	Accumulated other comprehensive income				Total net assets
	Unrealized gains on available-for-sale securities	Exchange adjustment account	Re-measurements of defined benefit plans	Total accumulated other comprehensive income	
Balance as of April 1, 2016	1,241	(2,016)	(56)	(832)	76,162
Changes during the fiscal year					
Dividends from surplus					(491)
Profit attributable to owners of parent					2,053
Acquisition of treasury stock					(2,027)
Net changes in items other than owners' equity during the fiscal year	865	(91)	190	964	964
Total changes during the fiscal year	865	(91)	190	964	498
Balance as of March 31, 2017	2,106	(2,107)	134	132	76,661

Non-Consolidated Balance Sheet

(As of March 31, 2017)

(Millions of yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	84,468	Current liabilities	31,949
Cash and deposits	26,683	Notes payable—trade	2,250
Notes receivable—trade	1,217	Accounts payable—trade	20,074
Accounts receivable—trade	25,353	Short-term borrowings	1,050
Short-term investment securities	5,500	Accounts payable—other	861
Merchandise and finished goods	753	Accrued expenses	923
Work in process	476	Income taxes payable	219
Raw materials and supplies	123	Deposits received	6,366
Deferred tax assets	282	Other	202
Operating accounts receivable	23,021	Long-term liabilities	13,160
Accounts receivable—other	798	Reserve for retirement benefits	3,124
Other	257	Reserve for loss on guarantees of subsidiaries and affiliates	3,473
Fixed assets	18,997	Reserve for loss on business of subsidiaries and affiliates	4,833
Tangible fixed assets	7,097	Deferred tax liabilities	1,179
Buildings	1,846	Other	549
Structures	17	Total Liabilities	45,109
Machinery and equipment	593	Net assets	
Vehicles and transportation equipment	1	Owners' equity	56,248
Tools, furniture and fixtures	845	Capital	13,660
Molds	602	Additional paid-in capital	19,596
Land	3,100	Capital reserve	19,596
Construction in progress	88	Retained earnings	32,618
Intangible fixed assets	180	Legal reserve	1,049
Software	149	Other retained earnings	31,568
Other	30	Reserve for special depreciation	3
Investments and other assets	11,719	Reserve for dividends	200
Investment securities	4,929	Reserve for advanced depreciation of fixed assets	481
Stocks of subsidiaries and affiliates	4,031	General reserve	26,350
Investments in equity of subsidiaries and affiliates	2,134	Retained earnings brought forward	4,532
Long-term loans receivable from subsidiaries and affiliates	2,127	Treasury stock	(9,626)
Other	2,689	Valuation and translation adjustments	2,106
Allowance for doubtful accounts	(4,192)	Unrealized gains on available-for-sale securities	2,106
		Total Net Assets	58,355
Total Assets	103,465	Total Liabilities and Net Assets	103,465

Non-Consolidated Statement of Income

(From April 1, 2016 to March 31, 2017)

(Millions of yen)

Account item	Amount	
Net sales		100,622
Cost of sales		94,641
Gross profit		5,981
Selling, general and administrative expenses		5,130
Operating income		850
Non-operating income		
Interest and dividends income	523	
Foreign exchange gains	80	
Other	227	831
Non-operating expenses		
Interest expenses	4	
Rent expenses	57	
Other	1	64
Ordinary income		1,617
Extraordinary income		
Profit on disposal of fixed assets	1	
Profit on sales of investment securities	0	2
Extraordinary losses		
Loss on disposal of fixed assets	4	
Provision of reserve for loss on guarantees of subsidiaries and affiliates	129	
Loss on valuation of investment securities	84	218
Income before income taxes		1,401
Income taxes—current		79
Income taxes—deferred		(287)
Net income		1,609

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Owners' equity									
	Capital	Additional paid-in capital		Legal reserve	Retained earnings					Total retained earnings
		Capital reserve	Total additional paid-in capital		Other retained earnings					
					Reserve for special depreciation	Reserve for dividends	Reserve for advanced depreciation of fixed assets	General reserve	Retained earnings brought forward	
Balance as of April 1, 2016	13,660	19,596	19,596	1,049	4	200	493	36,350	(6,596)	31,500
Changes during the fiscal year										
Reversal of reserve for special depreciation					(0)				0	—
Reversal of reserve for advanced depreciation of fixed assets							(11)		11	—
Reversal of general reserve								(10,000)	10,000	—
Dividends from surplus									(491)	(491)
Net income									1,609	1,609
Acquisition of treasury stock										
Net changes in items other than owners' equity during the fiscal year										
Changes during the fiscal year	—	—	—	—	(0)	—	(11)	(10,000)	11,129	1,117
Balance as of March 31, 2017	13,660	19,596	19,596	1,049	3	200	481	26,350	4,532	32,618

(Millions of yen)

	Owners' equity		Valuation and translation adjustments	Total net assets
	Treasury stock	Total owners' equity	Unrealized gains on available-for-sale securities	
Balance as of April 1, 2016	(7,599)	57,158	1,238	58,397
Changes during the fiscal year				
Reversal of reserve for special depreciation		—		—
Reversal of reserve for advanced depreciation of fixed assets		—		—
Reversal of general reserve		—		—
Dividends from surplus		(491)		(491)
Net income		1,609		1,609
Acquisition of treasury stock	(2,027)	(2,027)		(2,027)
Net changes in items other than owners' equity during the fiscal year			867	867
Changes during the fiscal year	(2,027)	(910)	867	(42)
Balance as of March 31, 2017	(9,626)	56,248	2,106	58,355

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of Surplus

Hosiden Corporation embraces providing returns to shareholders as one of our important corporate policies. While striving to increase corporate value with respect to research and development, and to increase investment in production equipment, etc. in response to rapidly advancing technology, the Company is steadfastly working to maintain and improve the level of profit return to shareholders, and is expanding business and reinforcing its financial position through such efforts as securing internal reserves from a long-term viewpoint.

Under this policy, the Company proposes the year-end dividend and other appropriation of surplus for the fiscal year as follows.

1. Types of dividend properties
Cash
2. Matters related to distribution of dividend properties and the amount
Shares of common stock of the Company: ¥5 per share
Aggregate amount: ¥297,299,665
The annual dividend for the term, along with the interim dividend of ¥3 per share, will be ¥8 per share.
3. Effective date of the dividend of surplus
June 30, 2017

Proposal No. 2: Election of Six Directors

The term of office of all five Directors will expire at the conclusion of this General Meeting of Shareholders. To strengthen the supervisory functions for execution of duties of Directors and enhance corporate governance, we would like to add one Outside Director. Accordingly, the election of six Directors is proposed.

The candidates for Directors are as follows:

Candidate No.	Name (Date of Birth)	Career summary and positions in the Company and important concurrent position	Number of shares of the Company held
1	Kenji Furuhashi (March 11, 1955)	<p>April 1978 Joined Hosiden Corporation</p> <p>April 1986 General Manager, Production Operation Department</p> <p>June 1987 Director</p> <p>April 1990 General Manager, Production Operational Headquarters</p> <p>June 1990 Senior Managing Director</p> <p>April 1991 President and Representative Director (to the present)</p> <p>[Important concurrent positions]</p> <p>Chairman and Director, Hosiden F.D. Corporation</p> <p>Chairman and Director, Hosiden Kyushu Corporation</p> <p>President and Representative Director, Korea Hosiden Electronics Co., Ltd.</p> <p>Chairman, Qingdao Hosiden Electronics Co., Ltd.</p> <p>President and Director, Hong Kong Hosiden Ltd.</p> <p>President and Director, Hosiden Europe GmbH</p> <p>President and Director, Hosiden America Corp.</p>	1,038,273 shares
2	Haremi Kitatani (November 13, 1937)	<p>February 1957 Joined Hosiden Corporation</p> <p>April 1982 General Manager, Connector Manufacturing Department, Production Headquarters</p> <p>June 1984 Director</p> <p>April 1987 General Manager, Mechanical Component Operational Division and Composite Part Operational Division, Production Operational Headquarters</p> <p>June 1990 Managing Director</p> <p>April 1991 General Manager, Production Operation Department and General Manager, Production Operational Headquarters</p> <p>June 1992 Senior Managing Director</p> <p>April 1997 In charge of whole Hosiden Group (to the present)</p> <p>June 1997 Vice-President and Director</p> <p>June 1998 Vice-President and Representative Director (to the present)</p> <p>[Important concurrent positions]</p> <p>President and Director, Hosiden F.D. Corporation</p> <p>President and Director, Hosiden Kyushu Corporation</p>	109,031 shares

Candidate No.	Name (Date of Birth)	Career summary and positions in the Company and important concurrent position	Number of shares of the Company held
3	Yasuhiro Shigeno (September 25, 1953)	<p>March 1984 Joined Hosiden Corporation</p> <p>April 1995 General Manager, Technical Department, PLCD Operational Division of the Company</p> <p>April 1997 General Manager, PLCD Operational Division</p> <p>June 1997 Director</p> <p>April 1999 In charge of PLCD Operation</p> <p>April 2001 In charge of Development and Research</p> <p>April 2004 General Manager, Technology and Quality Center</p> <p>April 2005 In charge of Technology and Quality</p> <p>June 2005 Managing Director (to the present)</p> <p>April 2006 In charge of Technology Center and Quality Center</p> <p>April 2010 In charge of Technical Administration Department, Research Development Department and Quality Center</p> <p>April 2011 In charge of Technical Administration Department and Research Development Department (to the present)</p>	50,858 shares
4	Shinji Hombo (January 29, 1948)	<p>April 1972 Joined Hosiden Corporation</p> <p>April 2000 General Manager, President Office</p> <p>June 2005 Director (to the present)</p> <p>April 2015 In charge of President Office (to the present)</p> <p>April 2016 In charge of General Affairs Department, Personnel Department and Finance Department (to the present)</p>	56,625 shares
5	Kenichi Takahashi (August 31, 1945)	<p>April 2002 Director, Industrial Technology Institute, Miyagi Prefectural Government</p> <p>March 2006 Left Industrial Technology Institute, Miyagi Prefectural Government</p> <p>June 2007 Statutory Auditor of the Company</p> <p>June 2015 Director (to the present)</p>	11,277 shares
6	Hiroshi Horie (July 10, 1949)	<p>April 1972 Joined Osaka Regional Taxation Bureau</p> <p>July 2004 District Director, Izumisano District Tax Office</p> <p>July 2007 Deputy Director, Investigation Department 2, Osaka Regional Taxation Bureau</p> <p>July 2008 District Director, Sakai District Tax Office</p> <p>September 2009 Established Hiroshi Horie Certified Tax Accountant Office (to the present)</p> <p>[Important concurrent positions]</p> <p>Director, Hiroshi Horie Certified Tax Accountant Office</p>	0 shares

- Note:
1. Those marked with an asterisk (*) are newly appointed candidates for Directors.
 2. No conflict of interest exists between the Company and the above candidates for Directors.
 3. As stated in the "Important concurrent positions" above, candidates, Mr. Kenji Furuhashi, Mr. Haremi Kitatani, Mr. Yasuhiro Shigeno and Mr. Shinji Hombo have abundant experience and achievements on the management of the Company. In comprehensive consideration of their knowledge, expertise and objective decision-making ability based thereon, the Company has judged that they will be able to fully perform their duties, and hereby proposes that they be elected as Directors.
 4. The matters concerning the candidate for Outside Directors are described as follows:
 - (1) Kenichi Takahashi is a candidate for Outside Director. Mr. Takahashi is designated and notified as an independent officer as stipulated by the Tokyo Stock Exchange, Inc.

- (2) Kenichi Takahashi has extensive experience from years of corporate employment, experience promoting the reform of corporate support structures at the Industrial Technology Institute, Miyagi Prefectural Government, and experience performing activities and expressing views appropriate as an Outside Statutory Auditor in the Company during the period from his election as an Outside Statutory Auditor at the 57th Ordinary General Meeting of Shareholders held on June 28, 2007 to his retirement from office. Based on these experiences, the Company expects Mr. Takahashi to continuously reinforce the Company's corporate governance by appropriately supervising the execution of business operations as an Outside Director, and hereby proposes that he be elected as an Outside Director. Although he has not directly participated in business management other than participation as an Outside Director or Outside Statutory Auditor, the Company has judged that he will be able to fully perform his duties as an Outside Director for the above reasons.
- (3) Kenichi Takahashi is currently Outside Director of the Company and will have been in office for two years as of the conclusion of this General Meeting of Shareholders. Mr. Takahashi also assumed office as the Company's Outside Statutory Auditor for eight years from his election as Outside Statutory Auditor at the 57th Ordinary General Meeting of Shareholders held on June 28, 2007 to his retirement from office at the 65th Ordinary General Meeting of Shareholders held on June 26, 2015.
- (4) Pursuant to the provisions of the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Kenichi Takahashi to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount specified in laws and regulations. If his reelection is approved, the Company will continue said agreement for the limitation of liability with him.
- (5) Hiroshi Horie is a candidate for Outside Director. If his election is approved, Mr. Horie will be notified to Tokyo Stock Exchange, Inc. ("TSE") as an independent officer, since he satisfies the requirements for independent officers as stipulated by the TSE.
- (6) The Company has judged that Mr. Horie has considerable knowledge on finance and accounting as a certified tax accountant, as well as experience in serving in various positions including tax bureau chief. The Company also expects Mr. Horie to reinforce the Company's corporate governance by appropriately supervising the execution of business operations as an Outside Director by utilizing said experiences, and hereby proposes that he be elected as an Outside Director. Although he has not directly participated in business management other than participation as an Outside Director or Outside Statutory Auditor, the Company has judged that he will be able to fully perform his duties as an Outside Director for the above reasons.
- (7) In the event the election of Mr. Horie as Outside Director is approved, the Company, pursuant to the provisions of its Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, will enter into an agreement with Mr. Horie to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount specified in laws and ordinances.

Proposal No. 3: Election of Two Substitutes for Statutory Auditors

The effect of electing Hitoshi Soizumi and Hiroshi Horie, who were elected as substitutes for Statutory Auditors at the 66th Ordinary General Meeting of Shareholders, held on June 29, 2016, shall expire at the beginning of this General Meeting of Shareholders. In the case of a vacancy of Statutory Auditors, as stipulated by law, we hereby propose that Kazunori Nishimura be elected as a substitute for Statutory Auditor Saburo Kikyo and that Masashi Mori be elected as a substitute for Outside Statutory Auditors Takayuki Tanemura and Susumu Maruno.

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

The candidates for substitutes for Statutory Auditors are as follows:

Candidate No.	Name (Date of Birth)	Career summary and positions in the Company and important concurrent position		Number of shares of the Company held
1	Kazunori Nishimura (November 3, 1958)	April 1981 April 2017	Joined Hosiden Corporation General Manager, General Affairs Department (to the present)	3,995 shares
2	Masashi Mori (March 4, 1956)	April 1974 July 2008 July 2011 July 2014 August 2016	Joined Osaka Regional Taxation Bureau District Director, Shingu District Tax Office District Director, Itami District Tax Office District Director, Joto District Tax Office Established Masashi Mori Certified Tax Accountant Office (to the present) [Important concurrent positions] Director, Masashi Mori Certified Tax Accountant Office	0 shares

Notes: 1. No conflict of interest exists between the Company and the above candidates for substitutes for Statutory Auditors.

2. The matters concerning the candidate for substitute for Outside Statutory Auditors are described as follows:

- (1) Masashi Mori is a candidate for substitute for Outside Statutory Auditor. If he is appointed as an Outside Statutory Auditor, Mr. Mori will be notified to the Tokyo Stock Exchange, Inc. as an independent officer, since he satisfies the requirements for independent officers as stipulated by the TSE.
- (2) Having considered that Mr. Mori has considerable knowledge on finance and accounting as a certified tax accountant, as well as experience in serving in various positions including tax bureau chief, the Company has judged that he will be able to fully perform his duties as an Outside Statutory Auditor, and hereby proposes that he be elected as a substitute for Outside Statutory Auditor. Although he has not directly participated in business management other than participation as an Outside Director or Outside Statutory Auditor, the Company has judged that he will be able to fully perform his duties as an Outside Statutory Auditor for the above reasons.
- (3) In the event the election of Masashi Mori as a substitute for Statutory Auditor is approved and he assumes office as an Outside Statutory Auditor in the case of a vacancy of Statutory Auditors as stipulated by laws and ordinances, the Company, pursuant to the provisions of its Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, will enter into an agreement with Mr. Mori to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount specified in laws and ordinances.