

*Translation: Please note that the following purports to be an accurate and complete translation of the original Japanese version prepared for the convenience of investors. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.*

TSE Code: 9697 ISIN: JP3218900003 SEDOL: 6173694 JP
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May 24, 2019

To: Shareholders

Notice of Convocation of the 40th Ordinary General Meeting of Shareholders

We are pleased to inform you that the 40th Ordinary General Meeting of Shareholders of the Company will be held as described below. Your presence at the Meeting is cordially requested.

If you are unable to attend the Meeting, it is still possible to exercise your voting rights by either the methods stated below. To exercise voting rights, please review the Reference Document Concerning the General Meeting of Shareholders below and exercise your rights by 5:30 PM on June 14, 2019 (Friday), JST.

[In case of exercising voting rights by mail]

Please indicate on the Voting Right Exercise Form enclosed herewith your approval or disapproval of each proposal listed thereon and return the form to the Company before the deadline stated above.

[In case of exercising voting rights via the Internet]

*Note: Voting via the Internet other than ICJ platform is only available for registered shareholders in Japan with Japanese language only. The ICJ platform is an electronic voting platform for institutional investors via ProxyEdge® system of Broadridge. For further details, please consult with your custodian(s), nominee(s) and/or broker(s).*

Exercising a voting right can only be made by accessing the website of Mitsubishi UFJ Trust and Banking Corporation, the administrator of shareholders' register ( <https://evote.tr.mufg.jp/> ). Please use the log-in ID and temporary password which are shown on the Voting Right Exercise Form. After logging in, please indicate your approval or disapproval of each proposal by following the instructions on the display screen before the deadline stated above.

Please see the Guidance for the Exercise of Voting Rights via the Internet attached below (p.\*-p.\* *note: intentionally omitted*).

The Company has participated in the electronic voting right execution platform for institutional investors operated by ICJ, Inc.

In case that a voting right is exercised both by the Voting Right Exercise Form and via the Internet, only the vote registered via the Internet will be recognized as valid.

*(Note)*

*Your vote is important. We will appreciate your participation in the Meeting through providing instruction to your custodian(s), broker(s), nominee(s), voting agent(s) or other authorized intermediaries to process your vote as soon as possible. We look forward to receiving your vote.*

Yours faithfully,

CAPCOM Co., Ltd.

1-3, Uchihirano-machi 3-chome, Chuo-ku,  
Osaka, Japan

By: Kenzo Tsujimoto  
Chairman and CEO  
Representative Director

Particulars

1. Date & Time: June17, 2019 (Monday) at 10:00 a.m.  
(Reception is scheduled to open at 9:00 a.m.)
2. Place: Osaka Castle Hotel, 6F Hall  
1-1, Tenmabashikyomachi Chuo-ku, Osaka
3. Agenda:

Matters to be reported:

- 1 Report on the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 40th Fiscal Year (from April 1, 2018 to March 31, 2019); and
- 2 Report on the Results of Audit for Consolidated Financial Statements for the 40th Fiscal Year (from April 1, 2018 to March 31, 2019) by Accounting Auditor and the Audit and Supervisory Committee.

Matters to be resolved:

- First proposal: Proposed Appropriation of Retained Earnings**  
**Second proposal: Partial Amendments to the Articles of Incorporation**  
**Third proposal: Election of Eight (8) Directors (excluding Directors who are members of the Audit and Supervisory Committee)**

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◎ When you attend the Meeting in person, please submit the Voting Right Exercise Form enclosed herewith to the receptionist at the place of the Meeting.

◎ For saving natural resources, please take this notice of convocation with you to the Meeting.

## Reference Document Concerning the General Meeting of Shareholders

### Proposals and reference matters:

#### First proposal: Proposed Appropriation of Retained Earnings

The Company considers returning profits to the shareholders to be one of the most important management issues. The Company, taking into account the future business development and changes in operating circumstances, makes best efforts to pay stable and continued dividends on the basis of fundamental policy under which consolidated payout ratio is 30%.

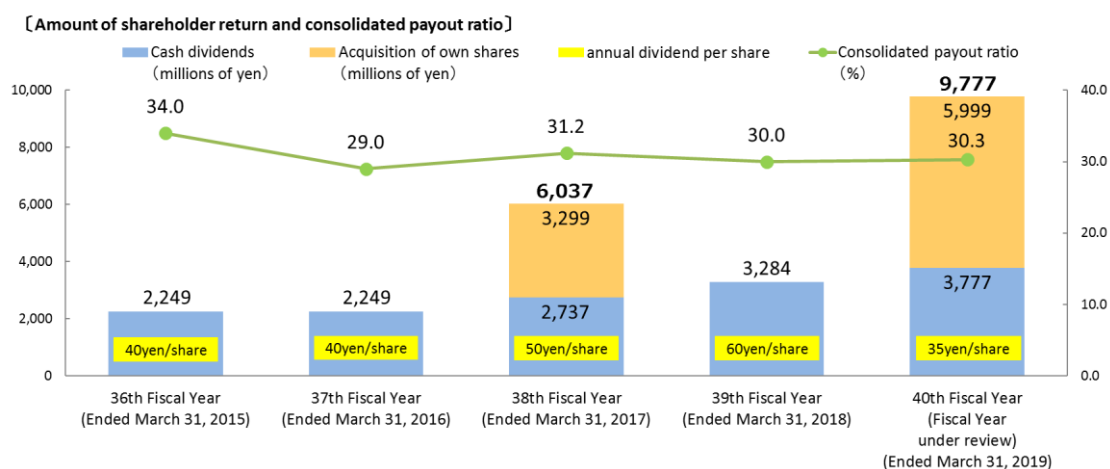
The Company, taking into account the policy set forth above, and with net income attributable to owners of the parent having renewed a record high, proposes to distribute ¥20 per share, as the year-end dividend for the fiscal year under review, an increase in ¥5 per share from previous fiscal year end as follows:

1. Type of dividend property: Cash
2. Matters concerning the allotment of dividend property and the total amount paid to shareholders:

¥20 per share of common stock of the Company; the total amount to be ¥2,135,026,160

Note: For interim dividend the Company paid ¥15 per share, thus the annual dividend for the fiscal year under review is ¥35 per share and the consolidated payout ratio is 30.3 %.

3. Date when dividends of retained earnings take effect: June 18, 2019(Tuesday)



Note: A stock split took place as at April 1, 2018, whereby one ordinary share was split into two shares; the annual dividend per share for the fiscal year under review would be ¥70 if it were calculated based on the number of shares before the stock split.

**Second proposal: Partial Amendments to the Articles of Incorporation**

1. Reason for the amendments

The proposed amendment adds a new business purpose to the current Articles of Incorporation, Article 2 (Purpose), to enable the Company to expand business domains.

2. Outline of the amendments

The details of the amendment are as follows:

(Parts to be amended are underlined.)

Current Articles of Incorporation	Proposed amendments
<p>(Purpose) Article 2. The Company is to engage in the following businesses.</p> <p>1.   (Omitted) 17.</p> <p>&lt;Newly established&gt;</p> <p><u>18.</u> Any and all businesses associated with to or incidental to any of the foregoing items</p>	<p>(Purpose) Article 2. The Company is to engage in the following businesses.</p> <p>1.   (As per current) 17.</p> <p><u>18. The planning, development, and operation of esports (a competitive sport involving a computer game)</u></p> <p><u>19.</u> Any and all businesses associated with to or incidental to any of the foregoing items</p>

**Third proposal: Election of Eight (8) Directors (excluding Directors who are members of the Audit and Supervisory Committee)**

The term of office for all eight (8) Directors (excluding Directors who are members of the Audit and Supervisory Committee) shall expire at the closing of this Ordinary General Meeting of Shareholders.

Therefore, the Company proposes to elect eight (8) Directors.

For the purpose of selecting Candidates for Directors, the Nomination and Remuneration Committee, the majority of which consists of Independent Directors and of which the Chairman is an Independent External Director so as to enhance transparency and objectivity, was referred to and the Board of Directors decided Candidates for Directors upon receipt of the recommendation (results of assessment of suitability, status of execution of duties, and evaluation of the same) of the Nomination and Remuneration Committee.

Furthermore, it was reported that the Audit and Supervisory Committee expressed its opinion that this Third proposal is appropriate upon deliberation.

If this proposal is approved as originally proposed, 11 Directors will comprise six Internal Directors and five External Directors, including the three Directors (one Internal Director and two External Directors) who are members of the Audit and Supervisory Committee, whose positions are not subject to re-election this year. Furthermore, it is intended that all five External Directors will be independent directors.

Candidates for Directors are as follows:

Candidate No.	Name	Career position and assignment in the Company	Term of office as a Director*	Attendance of the Board of Directors meetings	Number of positions at other listed companies
1	Kenzo Tsujimoto <input type="checkbox"/> Internal <input type="checkbox"/> Re-election	Chairman and Representative Director Chief Executive Officer (CEO)	36 years	10/10 times (100%)	—
2	Haruhiro Tsujimoto <input type="checkbox"/> Internal <input type="checkbox"/> Re-election	Representative Director President and Chief Operating Officer (COO), in charge of Arcade Operations Business	22 years	10/10 times (100%)	—
3	Yoichi Egawa <input type="checkbox"/> Internal <input type="checkbox"/> Re-election	Director Executive Corporate Officer, in charge of Consumer Games Development and Pachinko & Pachislo Business Division	6 years	10/10 times (100%)	—
4	Kenkichi Nomura <input type="checkbox"/> Internal <input type="checkbox"/> Re-election	Director Executive Corporate Officer, Chief Financial Officer (CFO) in charge of Corporate Management	3 years	10/10 times (100%)	—
5	Kunio Neo <input type="checkbox"/> Internal <input type="checkbox"/> Re-election	Director Executive Corporate Officer, in charge of Global Marketing Business, Head of Global Marketing Group	1 year	8/8 times (100%)	—

6	Masao Sato External Re-election Independent Director	Director	3 years	10/10 times (100%)	—
7	Toru Muranaka External Re-election Independent Director	Director	3 years	10/10 times (100%)	2 companies
8	Yutaka Mizukoshi External Re-election Independent Director	Director	1 year	8/8 times (100%)	2 companies

\*The term of office as Director represents the period from assumption at the closing of this General Meeting of Shareholders.


For your immediate reference:

**【Criteria of Independence of External Director】**

The Company established judgment criteria of independence of External Director by which the Company makes judgment that he/she should be independent External Director if he/she does not fall under any of the following events:

- (i) A business executer of the Company group (“the Company and its consolidated subsidiaries” and the same applicable hereinafter) currently or in the past ten (10) years;
- (ii) A main business partner or a business executer of such business partner (enterprise and the like), “main” meaning that consolidated net sales or trading value between the Company group and the business partner accounts for not less than one (1) % of the Company group and the business partner (as the case may be) on an annual basis;
- (iii) A person or enterprise having main business relationship with the Company group or a business executer of such enterprise, “main” meaning that consolidated net sales or trading value between the Company group and such enterprise accounts for not less than one (1) % of the Company group and such enterprise (as the case may be) on an annual basis;
- (iv) The principle shareholders of the Company (holding not less than 10% of the total voting rights) or a business executer of such shareholder or corporation of which the Company group is principle shareholder;
- (v) A business executer of organization or corporation to which the Company group donated, financed or guaranteed in a large amount;
- (vi) A business executer of corporation with which the Company group has cross directorship;
- (vii) Lawyer, certified public accountant, consultant and the like who received ¥10 million or more in cash or assets per annum (in case of corporation or association who receives such assets, person belonging to such corporation or association that an amount involved in transactions between the Company group accounts for not less than one (1) % of the consolidated net sales or trading value of the Company group (as the case may be) on an annual basis) and ¥10 million or more.
- (viii) In case of (ii) to (vii) above, person falling under any of business year in the past five (5) years; and
- (ix) Spouse or relative within the second degree of kinship of the person falling under any of (i) to (viii) above.



Candi- date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
1	<p data-bbox="312 488 539 521">Kenzo Tsujimoto</p>  <p data-bbox="389 835 651 869">Internal Re-election</p> <ul data-bbox="323 891 715 1294" style="list-style-type: none"> <li>• Date of birth: December 15, 1940</li> <li>• Term of office as Director: 36 years (At the closing of this Ordinary General Meeting of Shareholders)</li> <li>• Attendance of the Board of Directors meetings: 10/10 times (100%)</li> <li>• Number of shares of the Company held: 4,019,280 shares</li> </ul>	<p data-bbox="738 517 1385 573">July 1985: President and Representative Director of the Company</p> <p data-bbox="738 573 1377 678">Apr. 1997: Head of The Association of Copyright for Computer Software (Currently The General Incorporated Association of Copyright for Computer Software) (to present)</p> <p data-bbox="738 678 1425 734">Apr. 2001: Chief Executive Officer (CEO) of the Company (to present)</p> <p data-bbox="738 734 1393 790">July 2007: Chairman and Representative Director of the Company (to present)</p> <p data-bbox="738 790 1433 846">Feb. 2010: Representative Director of Kenzo Estate Winery Japan Co., Ltd. (to present)</p> <p data-bbox="738 869 1425 1003">[Important concurrent office of other organizations] Representative Director of Kenzo Estate Winery Japan Co., Ltd. Head of The General Incorporated Association of Copyright for Computer Software</p>


**【Reasons for nomination】**

Mr. Kenzo Tsujimoto has promoted the Company with his strong leadership as a top of management, in addition to exceeded ability to grasp future development and abundant experiences, by virtue of his power for swift determination and execution. His existence as a charismatic founder of the Company is mental pole as well as centripetal force of the Company's officers, and employees.

Taking into consideration the results of the Company until today, the Company continues to ask shareholders to elect him as Director since the Company could expect him to contribute to the enhancement of the corporate value of the Company hereafter.

**【Special Interests between the candidate and the Company】**

He is concurrently the representative director of Kenzo Estate Winery Japan Co., Ltd., with which the Company has a trading relationship including purchase of its products, etc.

Candi- date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
2	<p data-bbox="312 488 568 521">Haruhiro Tsujimoto</p>  <p data-bbox="384 831 651 869">Internal Re-election</p> <ul data-bbox="320 887 719 1263" style="list-style-type: none"> <li>• Date of birth: October 19, 1964</li> <li>• Term of office as Director: 22 years (At the closing of this Ordinary General Meeting of Shareholders)</li> <li>• Attendance of the Board of Directors meetings: 10/10 times (100%)</li> <li>• Number of shares of the Company held: 3,099,000 shares</li> </ul>	<p data-bbox="735 517 1177 551">Apr. 1987: Entered into the Company</p> <p data-bbox="735 551 1166 584">June 1997: Director of the Company</p> <p data-bbox="735 584 1286 618">Feb. 1999: Managing Director of the Company</p> <p data-bbox="735 618 1366 651">Apr. 2001: Senior Managing Director of the Company</p> <p data-bbox="735 651 1430 685">July 2004: Director and Executive Corporate Officer of the Company</p> <p data-bbox="735 685 1390 719">Apr. 2006: Director and Executive Vice President of the Company</p> <p data-bbox="735 719 1398 808">July 2007: President and Representative Director, Chief Operating Officer (COO) of the Company (to present)</p> <p data-bbox="735 808 1439 898">Aug. 2016: President and Representative Director, and Director in charge of Global Marketing Business and Arcade Operations Business of the Company</p> <p data-bbox="735 898 1366 987">June 2018: President and Representative Director, and Director in charge of Arcade Operations Business of the Company (to present)</p>


**【Reasons for nomination】**

Mr. Haruhiro Tsujimoto has, since assumption of the office of President, been engaged in deep plowing of the existing business and diversifying business fields such as strengthening software development, the core business of the Company and promoting one contents multi-use development. He contributed to strengthening steadily management base by agile management suited for environment changes and steady management method.

The Company continues to ask shareholders to elect him as Director since the Company could expect him to contribute to the development of the Company hereafter.

**【Special Interests between the candidate and the Company】**

There is no special interest relationship between Mr. Tsujimoto and the Company.


Candi- date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
3	<p data-bbox="308 477 491 521">Yoichi Egawa</p>  <p data-bbox="379 831 643 869">Internal Re-election</p> <ul data-bbox="308 891 719 1263" style="list-style-type: none"> <li>• Date of birth: November 15, 1963</li> <li>• Term of office as Director: 6 years (At the closing of this Ordinary General Meeting of Shareholders)</li> <li>• Attendance of the Board of Directors meetings: 10/10 times (100%)</li> <li>• Number of shares of the Company held: 3,800 shares</li> </ul>	<p data-bbox="727 521 1383 1055"> Apr. 1985: Entered into the Company  Apr. 1999: General Manager of Creative Division 5 of the Company  Aug. 1999: Corporate Officer, General Manager of Creative Division 5 of the Company  Apr. 2011: Managing Corporate Officer of the Company  Apr. 2013: Executive Corporate Officer of the Company (to present)  June 2013: Director, in charge of Arcade Business and Pachinko &amp; Pachislo Business of the Company  July 2016: Director, in charge of Amusement Equipment Business, Arcade Operations Business and Consumer Games Development of the Company  Apr. 2019: Director, in charge of Consumer Games Development and Pachinko &amp; Pachislo Business Divisions of the Company (to present) </p>

**【Reasons for nomination】**

Mr. Yoichi Egawa has, since his entrance into the Company, been engaged in development, manufacture, sales and operation of amusement facilities for many years so that he owns high profession, abundant experiences and know-how. He is fully acquainted with a wide range of knowledge and practice with respect to overall games and it is expected for him to contribute to expansion of the Company's overall business hereafter so that the Company asks shareholders to continue to elect him as Director.

**【Special interests between the candidate and the Company】**

There is no special interested relationship between Mr. Egawa and the Company.


Candi -date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
4	<p data-bbox="312 488 544 517">Kenkichi Nomura</p>  <p data-bbox="389 831 651 869">Internal Re-election</p> <ul data-bbox="323 887 715 1234" style="list-style-type: none"> <li>• Date of birth: May 18, 1955</li> <li>• Term of office as Director: 3 years (At the closing of this Ordinary General Meeting of Shareholders)</li> <li>• Attendance of the Board of Directors meetings: 10/10 times (100%)</li> <li>• Number of shares of the Company held: 3,700 shares</li> </ul>	<p data-bbox="738 517 1414 573">Apr. 2009: Corporate Officer in charge of Internal Control of the Company</p> <p data-bbox="738 573 1350 651">July 2010: Managing Corporate Officer in charge of Financial and Accounting Division of the Company</p> <p data-bbox="738 651 1398 752">June 2015: Managing Corporate Officer in charge of Financial and Accounting Division and Secretarial Affairs, PR and IR Division of the Company</p> <p data-bbox="738 752 1342 831">Apr. 2016: Executive Corporate Officer (to present) Head of Finance, Accounting and Public Relations Divisions</p> <p data-bbox="738 831 1414 931">June 2016: Director, Chief Financial Officer (CFO) and in charge of Corporate Management of the Company (to present)</p>

**【Reasons for nomination】**

Mr. Kenkichi Nomura has expertise on a wide range of business fields including finance, accounting, IR and public relations and the like so that Mr. Nomura oversees overall management and duly discharges his duties. The Company asks shareholders to continue to elect him as Director since he is expected to contribute to development of the Company.

**【Special Interests between the candidate and the Company】**

There is no special interested relationship between Mr. Nomura and the Company.


Candi -date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
5	<p data-bbox="312 488 454 517">Kunio Neo</p>  <p data-bbox="387 831 651 869">Internal Re-election</p> <ul data-bbox="323 887 715 1263" style="list-style-type: none"> <li>• Date of birth: February 12, 1948</li> <li>• Term of office as Director: 1 year (At the closing of this Ordinary General Meeting of Shareholders)</li> <li>• Attendance of the Board of Directors meetings: 8/8 times (100%)</li> <li>• Number of shares of the Company held: 600 shares</li> </ul>	<p data-bbox="738 495 1177 524">Oct. 2012: Entered into the Company</p> <p data-bbox="738 524 1398 575">Feb. 2013: Chief Executive Officer (CEO) of CE Europe Ltd.</p> <p data-bbox="738 575 1267 604">Dec. 2014: Left from CEO of CE Europe Ltd.</p> <p data-bbox="738 604 1161 633">Apr. 2015: Advisor of the Company</p> <p data-bbox="738 633 1393 685">Apr. 2016: Managing Corporate Officer, Head of Global Marketing Division of the Company</p> <p data-bbox="738 685 1430 752">May 2018: Executive Corporate Officer, Head of Global Marketing Division of the Company (to present)</p> <p data-bbox="738 752 1441 819">June 2018: Director, in charge of Global Marketing Business of the Company (to present)</p>

**【Reasons for nomination】**

Mr. Kunio Neo has expertise on game markets and business environments and has affluent experiences and broad knowledges. He has brought off good results in overseas business of the Company as a Head of Global Marketing. It is expected for him to contribute to expansion of the Company's overall business hereafter so that the Company asks shareholders to re-elect him as a Director.

**【Special Interests between the candidate and the Company】**

There is no special interested relationship between Mr. Neo and the Company.

Candi- date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
6	<p data-bbox="312 488 464 517">Masao Sato</p>  <p data-bbox="384 831 655 869">External Re-election</p> <p data-bbox="384 882 655 920">Independent Director</p> <ul data-bbox="323 936 715 1279" style="list-style-type: none"> <li>• Date of birth: Feb 25, 1951</li> <li>• Term of office as Director: 3 years (At the closing of this Ordinary General Meeting of Shareholders)</li> <li>• Attendance of the Board of Directors meetings: 10/10 times (100%)</li> <li>• Number of shares of the Company held: 500 shares</li> </ul>	<p data-bbox="738 517 1433 837"> Apr. 1975: Entered into the National Police Agency  Nov. 1995: Chief of Ehime Prefectural Police Headquarters  Jan. 2001: Chief of Miyagi Prefectural Police Headquarters  Aug. 2005: Chief of Chiba Prefectural Police Headquarters  Jan. 2007: Director General of Kanto Regional Police Bureau  Mar. 2008: Resigned from the National Police Agency  June 2008: External Corporate Auditor of the Chugoku Electric Power Co., Inc.  June 2016: External Director of the Company (to present)  June 2017: Director, Public Interest Corporation, Furuoka Scholarship Foundation (to present) </p>

**【Reasons for nomination】**

Mr. Masao Sato has no direct management experiences for private companies other than acting as an External Director or an External member of Corporate Auditors, but he had been engaged in administration of the National Police Agency for many years so that he is acquainted with a wide range of professional knowledges and abundant experiences on overall laws, and he makes presentations from the standpoint of neutral and objective views.

Since it is expected that he will contribute to strengthen audit and supervision of the Board of Directors from the viewpoint of risk management and securing legitimacy, the Company asks shareholders to continue to elect him as External Director.

**【Special interests between the candidate and the Company】**

There is no special interested relationship between Mr. Sato and the Company.

**【Independence】**

The Company filed him to the Tokyo Stock Exchange, Inc., as an independent director so defined therein. In the event that he is re-elected, the Company plans to continue filing him to the Tokyo Stock Exchange, Inc., to be an independent director.

For Criteria of Independence of External Director, please refer to P.8.

**【Liability limit agreement】**

The Company has entered into a liability limit agreement pursuant to Article 427, Paragraph 1 of the Companies Act, limiting compensation liability for damages provided for in Article 423, Paragraph 1 of the Companies Act. The limit of compensation liability for damages under the aforesaid agreement is the minimum amount provided for in the laws and ordinances. When he is re-elected, the Company is scheduled to continue the subject liability limit agreement.

Candi- date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
7	<p data-bbox="316 488 515 517">Toru Muranaka</p>  <p data-bbox="384 835 655 913"> <span data-bbox="384 835 496 869">External</span> <span data-bbox="496 835 655 869">Re-election</span>  <span data-bbox="384 880 655 913">Independent Director</span> </p> <ul data-bbox="323 936 715 1279" style="list-style-type: none"> <li>• Date of birth: June 3, 1965</li> <li>• Term of office as Director: 3 years (At the closing of this Ordinary General Meeting of Shareholders)</li> <li>• Attendance of the Board of Directors meetings: 10/10times (100%)</li> <li>• Number of shares of the Company held: 500 shares</li> </ul>	<p data-bbox="738 517 1382 595">Apr. 1995: Registered Lawyer (Osaka Bar Association) Entered into Daiichi Law Office (Currently Daiichi Law Office, P.C.)</p> <p data-bbox="738 595 1422 629">Dec. 2007: Partner of Daiichi Law Office, P.C. (to present)</p> <p data-bbox="738 629 1406 685">May 2014: External Corporate Auditor of Furuno Electric Co., Ltd. (to present)</p> <p data-bbox="738 685 1430 730">June 2015: External Corporate Auditor of Suzuken Co., Ltd. (to present)</p> <p data-bbox="738 730 1398 763">June 2016: External Director of the Company (to present)</p> <p data-bbox="738 786 1326 819">[Important concurrent office of other organizations]</p> <p data-bbox="738 819 1374 887">Partner of Daiichi Law Office, P.C. External Corporate Auditor of Furuno Electric Co., Ltd. External Corporate Auditor of Suzuken Co., Ltd.</p>

**【Reasons for nomination】**

Mr. Toru Muranaka has not participated in management of companies other than in the way as an External Director or an External Corporate Auditor. He is a lawyer specialized in the field of the Companies Act, Financial Instruments and Exchange Act and others, and in addition to holding a high level of professional knowledge and wide ranging insight and expertise, he makes suggestions and gives advice to the Company on legitimacy and appropriateness from a professional viewpoint.

It is expected that he will contribute to strengthen audit and supervision of the Board of Directors from the legal viewpoint. Accordingly, the Company asks shareholders to elect him as External Director.

Furthermore, he is a member of Legal Professional Corporation (LPC) Daiichi Law Office, P.C. with which the Company has entered into legal counsel agreement. Since the total amount involved in transactions between the two parties on an annual basis accounts for less than one (1) % of consolidated net sales of the Company and the P.C. and less than ¥10 million, the Company made judgment that such agreement does not affect the independence of External Director as he meets the criteria laid down by the Company.

**【Special interests between the candidate and the Company】**

There is no special interested relationship between Mr. Muranaka and the Company.



**【Independence】**

The Company filed him to the Tokyo Stock Exchange, Inc., as an independent director so defined therein. In the event that he is re-elected, the Company plans to continue filing him to the Tokyo Stock Exchange, Inc., to be an independent director.

For Criteria of Independence of External Director, please refer to P.8.

**【Liability limit agreement】**

The Company has entered into a liability limit agreement pursuant to Article 427, Paragraph 1 of the Companies Act, limiting compensation liability for damages provided for in Article 423, Paragraph 1 of the Companies Act. The limit of compensation liability for damages under the aforesaid agreement is the minimum amount provided for in the laws and ordinances. When he is re-elected, the Company is scheduled to continue the subject liability limit agreement.

Candi- date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
8	<p data-bbox="316 488 550 517">Yutaka Mizukoshi</p>  <p data-bbox="384 835 655 869">External Re-election</p> <p data-bbox="384 887 655 920">Independent Director</p> <ul data-bbox="323 936 715 1281" style="list-style-type: none"> <li>• Date of birth: August 29, 1956</li> <li>• Term of office as Director: 1 year (At the closing of this Ordinary General Meeting of Shareholders)</li> <li>• Attendance of the Board of Directors meetings: 8/8 times (100%)</li> <li>• Number of shares of the Company held: 300 shares</li> </ul>	<p data-bbox="738 517 1433 600">Apr. 1980: Entered into Nippon Steel Corporation May 2004: Senior Vice President of The Boston Consulting Group</p> <p data-bbox="738 600 1433 633">Jan. 2005: Japan Co-chair of The Boston Consulting Group</p> <p data-bbox="738 633 1433 678">Jan. 2016: Senior Partner and Managing Director of The Boston Consulting Group</p> <p data-bbox="738 678 1433 779">June 2016: External Director of Lifenet Insurance Company (to present) External Director of Asagami Corporation (to present)</p> <p data-bbox="738 779 1433 835">Jan. 2018: Senior Advisor of The Boston Consulting Group, Tokyo (to present)</p> <p data-bbox="738 835 1433 869">June 2018: External Director of the Company (to present)</p> <p data-bbox="738 891 1377 1003">[Important concurrent office of other organizations] Senior Advisor of The Boston Consulting Group, Tokyo External Director of Lifenet Insurance Company External Director of Asagami Corporation</p>

**【Reasons for nomination】**

In addition to possessing expertise in management analysis and the formulation of management strategy, acquired through years of experience in, and insights from, the consultancy industry, Mr. Yutaka Mizukoshi proactively provides opinions and proposals from an independent standpoint, based on a high level of insight and a developed international sensibility. Going forward, it is expected that he will contribute to stronger audit and supervision of the Board of Directors from an outside viewpoint. Accordingly, the Company asks shareholders to re-elect him as External Director.

**【Special interests between the candidate and the Company】**

There is no special interested relationship between Mr. Mizukoshi and the Company.

**【Independence】**

The Company filed him to the Tokyo Stock Exchange, Inc., as an independent director so defined therein. In the event that he is re-elected, the Company plans to continue filing him to the Tokyo Stock Exchange, Inc., to be an independent director.

For Criteria of Independence of External Director, please refer to P.8.

**【Liability limit agreement】**

The Company has entered into a liability limit agreement pursuant to Article 427, Paragraph 1 of the Companies Act, limiting compensation liability for damages provided for in Article 423, Paragraph 1 of the Companies Act. The limit of compensation liability for damages under the aforesaid agreement is the minimum amount provided for in the laws and ordinances. When he is re-elected, the Company is scheduled to continue the subject liability limit agreement.

(For your reference)

If this proposal is approved in its current form, the Nomination and Remuneration Committee will be formed by the Board of Directors after this Ordinary General Meeting of Shareholders, comprising the following members (two Internal Directors, three External Directors), including the three Directors who are members of the Audit and Supervisory Committee, whose positions are not subject to re-election this year:

Yoshihiko Iwasaki	(Chairman and full-time member of the Audit and Supervisory Committee, External Director)
Kenkichi Nomura	(Internal Director)
Yutaka Mizukoshi	(External Director)
Kazushi Hirao	(Full-time Audit and Supervisory Committee member, Internal Director)
Makoto Matsuo	(Audit and Supervisory Committee member, External Director)

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