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(Securities Code 4348)  
May 27, 2020

**Dear Shareholders with Voting Rights:**

Norihiro Takehara  
President  
INFOCOM CORPORATION  
2-34-17 Jingumae, Shibuya, Tokyo, Japan

## NOTICE OF THE 38th ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

You are hereby informed that the 38th Annual General Meeting of Shareholders of INFOCOM CORPORATION (the “Company”) will be held for the purposes described below.

**In order to avoid the risk of COVID-19 infection at this General Meeting of Shareholders, shareholders are strongly advised to refrain from attending the meeting in person, and instead exercising voting rights in writing or via the Internet.** Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by following the below “Guide to Exercising Voting Rights.”

In view of the spread of COVID-19, shareholders considering attending this General Meeting of Shareholders in person are requested to confirm the status of the pandemic and their own health beforehand, and take the utmost precautions, including wearing a face mask, to prevent infection. Special measures will be implemented at the venue to prioritize the safety of all shareholders attending. We request your understanding in this matter.

- 1. Date and Time:** Tuesday, June 16, 2020 at 3:00 p.m. Japan time (reception desk opens at 2:30 p.m.)
- 2. Venue:** Tower Hall, Roppongi Academyhills  
Roppongi Hills Mori Tower 49F, 6-10-1 Roppongi, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
  - Matters to be reported:** The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the 38th Fiscal Year (from April 1, 2019 to March 31, 2020) and results of audits by the Accounting Auditors and the Audit Committee on the Consolidated Financial Statements
  - Matters to be resolved:**
    - Proposal 1:** Distribution of Surplus
    - Proposal 2:** Election of Seven (7) Directors
    - Proposal 3:** Election of Three (3) Auditors
    - Proposal 4:** Determination of Compensation Amounts and Details concerning the Granting of Restricted Stock for Directors (Excluding Outside Directors)

- © Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website.
- © Japanese and English versions of this Notice can be viewed on the Company’s website.  
The Company’s Japanese website: <https://www.infocom.co.jp/>  
The Company’s English website: <https://www.infocom.co.jp/en/>

# Guide to Exercising Voting Rights

## Shareholders who will not be attending the meeting

<b>Exercise by postal mail in writing</b>	Please indicate your vote for or against the proposals on the Voting Rights Exercise Form and return it by mail.
	Deadline
	Voting Rights Exercise Forms should arrive no later than 5:30 p.m. Japan time on Monday, June 15, 2020.

<b>Exercise via the Internet</b>	Please refer to the "Exercise of Voting Rights via the Internet" on the next page and indicate your vote for or against.
	Deadline
	Voting rights should be exercised no later than 5:30 p.m. Japan time on Monday, June 15, 2020.

## Shareholders who will be attending the meeting

<b>Exercise by attending the meeting</b>	Please present the Voting Rights Exercise Form at the reception desk. Please be advised that persons other than shareholders with voting rights, such as proxies who are not shareholders and persons accompanying shareholders, are not permitted to enter the venue of the General Meeting of Shareholders.
	Date and time of the meeting
	Tuesday, June 16, 2020 at 3:00 p.m. Japan time

## **Exercise of Voting Rights via the Internet**

You can exercise your voting rights via the Internet only by accessing the Company's designated Voting Rights Exercise Website (<https://evote.tr.mufg.jp/>) via a personal computer, a smartphone or a cellular phone.

### **Scanning QR code by your smartphone**

You can exercise voting rights **without entering "login ID" and "temporary password"** by using your smartphone. You may login to the website by scanning the **"QR code for log in"** provided on the voting stub (right-hand side) of the enclosed Voting Rights Exercise Form.

**\*You may exercise your voting rights only once by the above method.**

To log in to the website more than once, please follow the instructions below.

### **Entering login ID and temporary password**

How to use Voting Rights Exercise Website

1. Access the Voting Rights Exercise Website.
2. Enter your "login ID" and "temporary password" printed at the bottom right of the Voting Rights Exercise Form.
3. Enter both a "New password" and "New password (for confirmation)"
4. Indicate your approval or disapproval by following the instructions on the screen.

(Notes)

- \* Votes via the Internet will be accepted until 5:30 p.m. Japan time on the day before the general meeting of shareholders (Monday, June 15, 2020).
- \* If you have exercised your voting rights both by postal mail and via the Internet, only the vote exercised via the Internet will be valid.
- \* If you have exercised your voting rights more than once via the Internet, the last vote will be valid.

Inquiries regarding the system, etc. (Help Desk)

Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation  
Toll-free number 0120-173-027 (9:00 a.m. - 9:00 p.m., toll-free within Japan)

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Distribution of Surplus

The Company Group considers stable profit distribution an important management issue in order to enhance shareholder value. Our policy is to aim for a dividend payout ratio of 30%, in consideration of the balance of demand for funds, by maintaining a sound financial position and prioritizing investments necessary for mid- to long-term business expansion as well as by striving to provide stable dividends, and increase dividends in line with improved business performance.

Based on this policy, for the year under review, the year-end dividend will be 21 yen per share as detailed below.

(1) Type of dividend property:

Cash

(2) Matters regarding allocation of dividend property and total amount thereof:

21 yen per ordinary share of the Company

Total amount of dividend                      1,149,430,317 yen

(3) Effective date for distribution of surplus:

June 18, 2020

**Proposal 2:** Election of Seven (7) Directors

The terms of office for all six (6) Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of seven (7) Directors is proposed, increasing the number of Outside Directors by one (1), in order to ensure management transparency and further strengthen corporate governance.

The candidates are as follows:

No.	Name	Current positions	Attributes	Attendance at the Board of Directors Meetings	Number of years served as Director
1	Norihiro Takehara	President and CEO	Reappointment	17/17 (100%)	11 years
2	Toshihiro Satomi	Senior Managing Director, CFO and CTO	Reappointment	17/17 (100%)	9 years
3	Jun Kuroda	Managing Executive Officer and CSRO	New appointment	—	—
4	Taizo Makari	Director	Reappointment	17/17 (100%)	2 years
5	Kazuhiko Tsuda	Outside Director	Reappointment Outside Director Independent Officer	17/17 (100%)	6 years
6	Kazuhiko Fujita	Outside Director	Reappointment Outside Director Independent Officer	17/17 (100%)	4 years
7	Sachiko Awai	—	New appointment Outside Director Independent Officer	—	—

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of the shares of the Company held:
1	<p><b>Norihiro Takehara</b> (September 24, 1957) (Age 62)</p> <p><u>Reappointment</u></p> <p>[Attendance at the Board of Directors Meetings in FY2019] 17/17 (100%)</p> <p>[Term of office as Director as of the day of the Annual General Meeting of Shareholders] 11 years</p> <p>[Term of office as President] 8 years</p>	<p>October 2003 Deputy General Manager, Mobile and Internet Division of the Company</p> <p>April 2007 General Manager, Digital Entertainment Business Division of the Company</p> <p>June 2008 Executive Officer of the Company</p> <p>June 2009 Director of the Company</p> <p>April 2011 CHO and CSRO of the Company</p> <p><b>April 2012 President and CEO of the Company (to present)</b> Teijin Group Corporate Officer (retired in March 2018); General Manager, IT Business Group of Teijin Limited (retired in December 2017)</p> <p>[Significant concurrent positions] —</p>	37,000
<p>[Reasons for nomination as a candidate for Director] After working to commercialize and strengthen the competitiveness of the e-comics business, which grew into the Company's mainstay business, Mr. Norihiro Takehara has been leading the management and business execution of the Company Group such as by serving as chief officer in the administrative department. Since assuming office as President and CEO in April 2012, he has engaged in structural reform, leveraging his strong leadership, and achieved successes including sustained growth and higher profitability. Based on the above, we propose his reappointment as Director in the belief that he is a suitable person for realizing sustainable growth of corporate value of the Company.</p>			
2	<p><b>Toshihiro Satomi</b> (May 15, 1960) (Age 60)</p> <p><u>Reappointment</u></p> <p>[Attendance at the Board of Directors Meetings in FY2019] 17/17 (100%)</p> <p>[Term of office as Director as of the day of the Annual General Meeting of Shareholders] 9 years</p>	<p>April 2004 Deputy General Manager, Knowledge Management Division of the Company</p> <p>April 2005 CTO; Deputy General Manager, Enterprise Division of the Company</p> <p>April 2006 CTO; General Manager, Enterprise Division of the Company</p> <p>June 2008 Executive Officer of the Company</p> <p>April 2009 CHO and CSRO of the Company</p> <p>April 2011 General Manager, New Business Development Division of the Company</p> <p>June 2011 Director of the Company</p> <p><b>April 2012 CFO and CTO of the Company (to present)</b></p> <p><b>August 2013 Director of Amutus Corporation (to present)</b></p> <p>April 2016 Managing Director of the Company</p> <p><b>April 2019 Senior Managing Director of the Company (to present)</b></p> <p>[Significant concurrent positions] Director of Amutus Corporation</p>	12,900
<p>[Reasons for nomination as a candidate for Director] Serving as operating officer of the IT service department, as well as head of the technology department and the new business development department of the Company, Dr. Toshiro Satomi has broad knowledge in the IT field and has been leading the management and business execution of the Company Group such as by serving as chief officer in the administrative department. He presently serves as CFO, exercising his skill to build a robust financial structure for the Company. Based on the above, we propose his reappointment as Director in the belief that he is a suitable person for realizing sustainable growth of corporate value of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company		Number of the shares of the Company held:
3	<b>Jun Kuroda</b> (April 5, 1965) (Age 55)  <u>New appointment</u>	April 2011	Deputy General Manager, Digital Entertainment Business Division of the Company	27,700
		April 2012	General Manager, Digital Entertainment Business Division of the Company	
		June 2013	Executive Officer of the Company	
		October 2013	Representative Director and President of Amutus Corporation	
		<b>April 2017</b>	<b>Managing Executive Officer of the Company (to present)</b>	
		<b>April 2020</b>	<b>CSRO of the Company (to present)</b>	
		[Significant concurrent positions]		
		—		
<p>[Reasons for nomination as a candidate for Director]</p> <p>Serving as head of the digital entertainment business department, Mr. Jun Kuroda has directed the operation of the e-comics business, successfully overseeing its growth into one of the top businesses in the industry. From FY2020, he has been working to enhance corporate value by supervising and directing compliance and risk management in the Company Group as CSRO.</p> <p>Based on the above, we propose his appointment as Director in the belief that he is a suitable person for realizing sustainable growth of corporate value of the Company.</p>				
4	<b>Taizo Makari</b> (January 19, 1959) (Age 61)  <u>Reappointment</u>  [Attendance at the Board of Directors Meetings in FY2019] 17/17 (100%)  [Term of office as Director as of the day of the Annual General Meeting of Shareholders] 2 years	June 2011	Representative Director; Managing Director of Teijin Engineering Limited	0
		April 2012	Teijin Group Chief Representative in Europe of Teijin Limited; President of Teijin Holdings Netherlands B.V.	
		April 2013	Teijin Group Corporate Officer of Teijin Limited	
		April 2014	Head, Engineering Unit; Assistant Chief CSR Officer (in charge of disaster prevention) of Teijin Limited	
		<b>April 2017</b>	<b>Teijin Group Corporate Officer; Chief Officer (Engineering); Assistant Chief Social Responsibility Officer (in charge of disaster prevention) of Teijin Limited (to present)</b>	
		<b>June 2018</b>	<b>Director of the Company (to present)</b>	
		<b>April 2020</b>	<b>Teijin Group Executive Officer of Teijin Limited (to present)</b>	
		[Significant concurrent positions]		
		Teijin Group Executive Officer; Chief Officer (Engineering); Assistant Chief Social Responsibility Officer (in charge of disaster prevention) of Teijin Limited		
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Taizo Makari has extensive experience and knowledge from his years of work in engineering field at Teijin Group and his service as Director, etc. at the group's companies in Japan and overseas. He has been providing appropriate advice from a fair and objective position as Director of the Company.</p> <p>Based on the above, we propose his reappointment as Director in the belief that he is a suitable person for realizing sustainable growth of corporate value of the Company.</p>				

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of the shares of the Company held:
5	<p><b>Kazuhiko Tsuda</b> (August 9, 1962) (Age 57)</p> <p><u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u></p> <p>[Attendance at the Board of Directors Meetings in FY2019] 17/17 (100%)</p> <p>[Term of office as Outside Director as of the day of the Annual General Meeting of Shareholders] 6 years</p>	<p>March 1994 Completed Systems Engineering, Division of Engineering, the University of Tokushima Graduate School (PhD in Engineering)</p> <p>April 1998 Assistant Professor, Faculty of Policy and Planning Sciences, University of Tsukuba</p> <p><b>July 2004 Representative and Director of GSSM Tsukuba, Ltd. (to present)</b></p> <p><b>March 2005 Professor, Master's Program in Systems Management, Graduate School of Business Science (currently Faculty of Business Sciences), University of Tsukuba (to present)</b></p> <p>April 2006 Head, Doctoral Program in Systems Management Course, University of Tsukuba</p> <p><b>June 2014 Outside Director of the Company (to present)</b></p> <p>[Significant concurrent positions] Professor, Faculty of Business Sciences, University of Tsukuba Representative and Director of GSSM Tsukuba, Ltd.</p>	0
<p>[Reasons for nomination as a candidate for Outside Director, reasons for judgment that the candidate will appropriately perform duties as Outside Director, etc.]</p> <p>Mr. Kazuhiko Tsuda has experience engaging in management of a university venture business and as a specialist in natural language understanding and information retrieval in the field of management system science and has been providing appropriate advice from a fair and objective position as Outside Director of the Company.</p> <p>Based on the above, we propose his reappointment as Outside Director in the belief that he is a suitable person for realizing sustainable growth of corporate value of the Company.</p>			
6	<p><b>Kazuhiko Fujita</b> (February 5, 1954) (Age 66)</p> <p><u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u></p> <p>[Attendance at the Board of Directors Meetings in FY2019] 17/17 (100%)</p> <p>[Term of office as Outside Director as of the day of the Annual General Meeting of Shareholders] 4 years</p>	<p>April 1976 Joined The Bank of Tokyo, Ltd.</p> <p>July 1989 Left The Bank of Tokyo, Ltd.</p> <p>August 1989 Joined S.G. Warburg &amp; Co.</p> <p>March 1993 Joined Yaohan International Holdings Limited</p> <p>May 2005 Director of TANITA Corporation</p> <p><b>October 2015 Personal consulting services regarding business management, establishment of corporate internal control, overseas strategy, etc. (to present)</b></p> <p>February 2016 Advisor, Overseas Business Promotion Department of AUTOBACS SEVEN CO., LTD.</p> <p><b>June 2016 Outside Director of the Company (to present)</b></p> <p><b>June 2018 Representative Director of ESROH Co. Ltd. (to present)</b></p> <p>[Significant concurrent positions] Representative Director of ESROH Co. Ltd.</p>	1,500
<p>[Reasons for nomination as a candidate for Outside Director, reasons for judgment that the candidate will appropriately perform duties as Outside Director, etc.]</p> <p>Mr. Kazuhiko Fujita has knowledge and experience in corporate management as Director in a health-related company, in addition to broad experience in overseas business. He has also been providing appropriate advice from a fair and objective position as Outside Director of the Company.</p> <p>Based on the above, we propose his reappointment as Outside Director in the belief that he is a suitable person for realizing sustainable growth of corporate value of the Company.</p>			



No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of the shares of the Company held:
7	<p style="text-align: center;"><b>Sachiko Awai</b> (May 21, 1957) (Age 63)</p> <p style="text-align: center;">New appointment Outside Director Independent Officer</p>	<p>July 1984      Joined Japan Office of U.S. Meat Export Federation January 1991      Joined Estée Lauder Companies March 1997      Joined NIHON L'ORÉAL K.K. November 2004      Joined GUERLAIN (LVJ Group) May 2012      Joined fitfit, inc. May 2013      President and Representative Director of La Prairie Japan <b>January 2019      General Manager, INCOCO Business Department of Newport Ltd. (to present)</b> <b>Part Time Adviser, Natural Water Business Department of Harves Co., Ltd. (to present)</b> <b>June 2019      External Director (who is an Audit &amp; Supervisory Committee Member) of A.D.Works Co., Ltd. (to present)</b> <b>April 2020      External Director (who is an Audit &amp; Supervisory Committee Member) of A.D.Works Group Co., Ltd. (to present)</b></p> <p>[Significant concurrent positions] External Director (who is an Audit &amp; Supervisory Committee Member) of A.D.Works Group Co., Ltd. External Director (who is an Audit &amp; Supervisory Committee Member) of A.D.Works Co., Ltd.</p>	0
<p>[Reasons for nomination as a candidate for Outside Director, reasons for judgment that the candidate will appropriately perform duties as Outside Director, etc.] In addition to broad experience in overseas businesses and businesses targeting general consumers, Ms. Sachiko Awai also has knowledge and experience in corporate activities as a corporate manager. Based on the above, we propose her appointment as Outside Director in the belief that she is a suitable person for realizing sustainable growth of corporate value of the Company.</p>			

(Notes) 1. Candidates who have special interests in the Company are as follows:

- Mr. Taizo Makari is Teijin Group Executive Officer of Teijin Limited as of the day of this General Meeting of Shareholders. Teijin Limited is a parent company holding 58.03% of the Company's voting rights, and Teijin Limited and the Company engage in purchase and sale transactions.
  - There are no special interests between candidates other than Mr. Taizo Makari and the Company.
2. Positions and responsibilities Mr. Norihiro Takehara and Mr. Taizo Makari now hold or have held in the past five years as business executors of the parent company (Teijin Limited) or its subsidiaries, etc. are described in the "career summary" above.
3. Both Mr. Kazuhiko Tsuda and Mr. Kazuhiko Fujita are candidates for Outside Directors, and the Company has appointed and registered them with Tokyo Stock Exchange, Inc. as Independent Officers, based on the judgment that they meet the standards for Independent Officers provided by the Exchange. In addition, if the appointment of Ms. Sachiko Awai as Outside Director is approved as proposed, the Company intends to appoint and register her with the Exchange as an Independent Officer.
4. Mr. Kazuhiko Tsuda is a professor at Graduate School of Business Science, University of Tsukuba. At the time of sending this Notice of the meeting, the university has given its approval for Mr. Tsuda's appointment as Director of the Company based on the university's bylaws.
5. In order to broadly invite competent persons for Director from inside and outside the Company, the Company stipulates in its Articles of Incorporation that the Company may enter into an agreement with Directors (excluding those who are Executive Directors, etc.) to limit their liability for damages to the Company within a certain range. The Company has limited liability agreements in place with Mr. Taizo Makari, Mr. Kazuhiko Tsuda and Mr. Kazuhiko Fujita, respectively, and plans to retain the agreements if their election is approved. In addition, if the appointment of Ms. Sachiko Awai is approved, the Company intends to conclude the same limited liability agreement with her. Outline of the contents of the liability limitation agreements is as follows:
- If Directors are liable to the Company for any damage attributable to negligence of their duties, their liability will be limited to the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.
  - The aforementioned liability limitation shall be applied only in cases where such Directors performed, in good faith and without gross negligence, their duties which caused their liabilities.
6. The number of the shares of the Company held by each candidate is that as of March 31, 2020.

**Proposal 3:** Election of Three (3) Auditors

The terms of office for Auditors Takashi Tamai, Noriaki Endo and Hiroyuki Ogura will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of three (3) Auditors is proposed.

The Audit Committee has given its consent to this proposal in advance.

The candidates are as follows:

No.	Name (Date of birth)	Career summary and positions at the Company	Number of the shares of the Company held:
1	<p><b>Takashi Tamai</b> (July 2, 1957) (Age 62)</p> <p><u>Reappointment</u></p> <p>[Attendance at the Board of Directors Meetings in FY2019] 17/17 (100%)</p> <p>[Attendance at the Audit Committee Meetings in FY2019] 14/14 (100%)</p> <p>[Term of office as Auditor as of the day of the Annual General Meeting of Shareholders] 5 years</p>	<p>April 2014 Deputy General Manager, Enterprise Business Division of the Company</p> <p>April 2015 Assistant to CEO of the Company</p> <p><b>June 2015 Full Time Auditor of the Company (to present)</b> <b>Audit &amp; Supervisory Board Member of Amutus Corporation (to present)</b></p> <p>[Significant concurrent positions] Audit &amp; Supervisory Board Member of Amutus Corporation</p>	22,200
	<p>[Reasons for nomination as a candidate for Auditor] In his capacity as an Auditor, Mr. Takashi Tamai has appropriately performed his duties of auditing and supervising the performance of duties and business execution of Directors. As a Full Time Auditor, he is actively engaged in enhancing the audit environment and gathering internal information, as well as in attending meetings of the Board of Directors and other important meetings, and actively giving opinions from the perspectives of auditing legal compliance and appropriateness. In addition, he has a considerable knowledge of the IT field from many years of operational experience in IT services. Based on the above, we propose his reappointment as Auditor.</p>		
2	<p><b>Akio Nakaishi</b> (October 15, 1962) (Age 57)</p> <p><u>New appointment</u></p>	<p>April 1987 Joined Teijin Limited</p> <p>April 2010 CTO, Aramid Business Group of Teijin Limited</p> <p>April 2014 Director of Toho Tenax Co., Ltd.</p> <p>April 2016 Teijin Group Corporate Officer; General Manager, Carbon Fibers and Composites Business Unit of Teijin Limited President &amp; Representative Director of Toho Tenax Co., Ltd.</p> <p>April 2017 General Manager, Composites Business Unit of Teijin Limited</p> <p><b>April 2020 Teijin Group Advisor; Assistant to General Manager, Composites Business Unit of Teijin Limited (to present)</b></p> <p>[Significant concurrent positions] Teijin Group Advisor; Assistant to General Manager, Composites Business Unit of Teijin Limited</p>	0
	<p>[Reasons for nomination as a candidate for Auditor] After gaining experience in product development and quality control in the manufacturing industry, Mr. Akio Nakaishi has directed corporate activities as a corporate manager, and has knowledge and experience of internal controls. Based on the above, we propose his appointment as Auditor in the belief that he will be able to leverage his knowledge to further ensure an appropriate audit function.</p>		

No.	Name (Date of birth)	Career summary and positions at the Company	Number of the shares of the Company held:
3	<b>Kiyo Morikawa</b> (Name on the family register: Kiyo Igarashi) (February 15, 1970) (Age 50)  <div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Auditor</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Officer</div>	October 2001 Registered as an attorney-at-law Joined Okamura Law Office <b>October 2010 Representative of Morikawa Law Office (to present)</b> <b>December 2014 Outside Audit &amp; Supervisory Board Member of TOYO Corporation (to present)</b> <b>September 2015 Outside Audit &amp; Supervisory Board Member of TEMONA Inc. (to present)</b>	0
		[Significant concurrent positions] Outside Audit & Supervisory Board Member of TOYO Corporation Outside Audit & Supervisory Board Member of TEMONA Inc.	
<p>[Reasons for nomination as a candidate for Outside Auditor, reasons for judgment that the candidate will appropriately perform duties as Outside Auditor, etc.]</p> <p>In addition to a high level of expertise and abundant experience as an attorney-at-law, Ms. Kiyo Morikawa also has experience as an outside audit &amp; supervisory board member at other companies.</p> <p>Based on the above, we propose her appointment as Outside Auditor in the belief that she will be able to leverage her knowledge to further ensure an appropriate audit function.</p>			

- (Notes) 1. Candidates who have special interests in the Company are as follows:
- Mr. Akio Nakaishi is Teijin Group Advisor of Teijin Limited as of the day of this General Meeting of Shareholders. Teijin Limited is a parent company holding 58.03% of the Company's voting rights, and Teijin Limited and the Company engage in purchase and sale transactions.
  - There are no special interests between candidates other than Mr. Akio Nakaishi and the Company.
2. If the appointment of Ms. Kiyo Morikawa as Outside Auditor is approved as proposed, the Company intends to appoint and register her with Tokyo Stock Exchange, Inc. as an Independent Officer.
3. In order to broadly invite competent persons for Auditor from inside and outside the Company, the Company stipulates in its Articles of Incorporation that the Company may enter into an agreement with Auditors to limit their liability for damages to the Company within a certain range. The Company has a limited liability agreement in place with Mr. Takashi Tamai, and plans to retain the agreement if his election is approved. In addition, if the appointment of Mr. Akio Nakaishi and Ms. Kiyo Morikawa is approved, the Company intends to conclude the same limited liability agreements with them. Outline of the contents of the liability limitation agreements is as follows:
- If Auditors are liable to the Company for any damage attributable to negligence of their duties, their liability will be limited to the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.
  - The aforementioned liability limitation shall be applied only in cases where such Auditors performed, in good faith and without gross negligence, their duties which caused their liabilities.
4. The number of the shares of the Company held by each candidate is that as of March 31, 2020.

## Reference

### **Policy for Nomination of Candidates for Directors and Auditors**

The Company has set the policy and procedures for nominating candidates for Directors and Auditors as follows.

Candidates for Directors are nominated by decision of the Board of Directors, from among those who have ability, experience, and character enabling them to contribute to the growth and development of the Group. Candidates for Auditors are nominated by decision of the Board of Directors with approval of the Audit Committee, from among those who have ability, experience, and character enabling them to contribute to the sound management of the Group by auditing and supervising the duties and business execution functions of Directors.

Candidates for Independent Officers are nominated by decision of the Board of Directors, from among those who are expected to use their high level of knowledge to supervise management of the Company. This is conditional on them having no personnel relationship, capital relationship, or other interest in the Company, in accordance with the requirements for independence prescribed by the Tokyo Stock Exchange.

**Proposal 4:** Determination of Compensation Amounts and Details concerning the Granting of Restricted Stock for Directors (Excluding Outside Directors)

The amount of Directors' compensation was limited to a total amount of no more than 300 million yen per annum (not including compensation received in the capacity of an employee, for Directors who also serve as employees) as approved at the 20th Annual General Meeting of Shareholders held on June 27, 2002. Payment of compensation within this limit to grant share acquisition rights as stock options for share-based compensation, was subsequently approved at the 30th Annual General Meeting of Shareholders held on June 14, 2012. It is proposed to replace this system of stock options for share-based compensation with a new system of restricted stock compensation, which shall be paid to Directors of the Company (excluding Outside Directors; hereinafter referred to as "Eligible Directors") in addition to the compensation limit indicated above, with the aim of further increasing Directors' motivation to achieve the goals of the medium-term management plan, and sharing the merits and risks of share price fluctuations together with the Company's stakeholders.

Pursuant to the introduction of the new system proposed, the current system of stock options for share-based compensation for Eligible Directors shall be abolished, except where share acquisition rights pertaining to this system have already been granted, and the Company shall no longer issue share acquisition rights to Directors as stock options thereafter.

Compensation under this proposal shall be paid to Eligible Directors in the form of monetary claims for the purpose of granting restricted stock. The total amount of these claims shall be no more than 150 million yen per annum, which is an amount deemed appropriate given the aims described above. It is envisaged that, as a rule, this compensation would be paid as a lump sum in the first fiscal year of the three-fiscal-year period of a medium-term management plan, in an amount appropriate as consideration for the execution of duties during this three-fiscal-year period. The effective amount of compensation attributable to each year would thus be no more than 50 million yen.

The Board of Directors shall determine the specific timing and allocation of compensation to each Eligible Director.

There are presently six (6) Directors of the Company (including two (2) Outside Directors). If Proposal 2 is approved, the number of Directors will be seven (7) (including three (3) Outside Directors).

Eligible Directors shall provide all of the monetary compensation claims to be paid based on a resolution of the Board of Directors of the Company as property contributed in kind, and shall, in return, receive common shares of the Company through issuance or disposal. The total number of common shares of the Company to be issued or disposed of in this way shall not exceed 54,000 shares. (However, where the Company executes a stock split (including a gratis allotment of common shares of the Company) or stock consolidation with an effective date subsequent to the date on which this proposal is approved, the total number of common shares for issuance or disposal indicated above shall be adjusted within a reasonable range, as necessary in view of the stock split ratio or stock consolidation ratio on and after said effective date.) As described above, it is envisaged that, as a rule, the monetary compensation claims under this restricted stock compensation system would be granted to Eligible Directors in the form of a lump sum in the first fiscal year of the three-fiscal-year period of a medium-term management plan, as consideration for the execution of duties during this three-fiscal-year period. The effective number of shares attributable to each year would thus be no more than 18,000 shares.

The paid-in amount per share shall be equal to the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding each meeting of the Board of Directors (or the closing price on the most recent preceding trading day, if trading is not conducted on the day in question). When the Company issues or disposes of common shares to Eligible Directors, the Company shall conclude a restricted stock allotment agreement (hereinafter referred to as the "Allotment Agreement") that includes the content outlined below, with each Eligible Director (the common shares of the Company allotted through the Allotment Agreement are hereinafter referred to as the "Allotted Shares").

(1) Transfer restriction period

During the period of time from the payment date for the Allotted Shares (hereinafter referred to as the "Payment Date") to the time when the Eligible Director retires or resigns from the positions of either Director or Executive Officer of the Company (hereinafter referred to as the "Transfer Restriction Period"), Eligible Directors shall not transfer, pledge as security, or otherwise dispose of the Allotted Shares.

(2) Conditions for removal of transfer restrictions

Transfer restrictions pertaining to all the Allotted Shares shall be removed at the conclusion of the Transfer Restriction Period, conditional upon the Eligible Director having continuously served in the position of either Director or Executive Officer of the Company throughout the entire period commencing the day following the Annual General Meeting of Shareholders for the year containing the Payment Date, and

concluding on the day of the Annual General Meeting of Shareholders for the year containing the final day of the Company's medium-term management plan (hereinafter referred to as the "Period of Service").

(3) Cause for gratis acquisition of the Allotted Shares

1) Where it is confirmed that an Eligible Director no longer serves in the positions of either Director or Executive Officer of the Company, the Company shall, as a rule, acquire all the Allotted Shares free of charge, except where the cessation of service is due to expiration of the Eligible Director's term of appointment, death, retirement due to age, or other reasonable cause.

2) Other cause for gratis acquisition of the Allotted Shares by the Company shall be established in the Allotment Agreement, based on resolution by the Company's Board of Directors.

(4) Treatment in the case of death or mid-term retirement

Notwithstanding the provisions in (2) above, when an Eligible Director ceases to serve in the positions of either Director or Executive Officer of the Company mid-way through the Period of Service due to death or other reasonable cause, transfer restrictions shall be removed from a number of the Allotted Shares to be rationally determined based on the proportion of the Period of Service that has been completed, effective immediately from the time when the Eligible Director ceases service. The Company shall rightfully acquire, free of charge, the remaining Allotted Shares for which transfer restrictions have not been removed immediately after the removal of transfer restrictions in accordance with the provisions above.

(5) Treatment of organizational restructuring, etc.

Notwithstanding the provisions in (1) and (2) above, a merger agreement where the Company becomes a non-surviving company, a share exchange agreement where the Company becomes a wholly-owned subsidiary, a share transfer plan or other matters concerning an organizational restructuring, etc. is approved by the Company's General Meeting of Shareholders (or the Company's Board of Directors, for organizational restructuring, etc. that does not require the approval of the General Meeting of Shareholders) during the Transfer Restriction Period, transfer restrictions shall be removed before the effective date of the organizational restructuring, etc. by resolution of the Board of Directors, for a number of Allotted Shares to be determined reasonably based upon the length of the period from the day when the transfer restriction period commenced to the day when the organizational restructuring, etc. is approved. The Company shall rightfully acquire, free of charge, the remaining Allotted Shares for which transfer restrictions have not been removed immediately after the removal of transfer restrictions in accordance with the provisions above.

(6) Other matters

Other matters concerning the Allotment Agreement shall be determined by the Company's Board of Directors.

(Reference)

The Company intends to extend the granting of restricted stock described above to Executive Officers of the Company by resolution of the Board of Directors, after the conclusion of this Annual General Meeting of Shareholders.