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In the event of any discrepancy between this document and the Japanese original, the original shall prevail.*

Securities code: 4549  
May 31, 2019

To Shareholders:

Morifumi Wada  
President & CEO  
**EIKEN CHEMICAL CO., LTD.**  
19-9, Taito 4-chome, Taito-ku,  
Tokyo 110-8408, Japan

### **NOTICE OF CONVOCATION OF THE 81st GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 81st General Meeting of Shareholders of EIKEN CHEMICAL CO., LTD. ("the Company") to be held as described hereunder.

**If you are unable to attend the meeting in person, you may exercise your voting rights either in writing or electromagnetically (e.g. via the Internet). Please examine the attached Reference Documents for the General Meeting of Shareholders, review the "Instructions for the Exercise of Voting Rights" on page 3 to 4 and exercise your voting rights by 5:30 p.m. on Monday, June 24, 2019 (Japan Standard Time.)**

#### **Meeting Details**

**1. Date and Time:** Tuesday, June 25, 2019 at 10:00 a.m. (Japan Standard Time)  
(The reception desk will open at 9:00 a.m. (Japan Standard Time))

**2. Venue:** **2nd Floor, Rooms D + E, Bellesalle Yaesu,  
Yaesu First Financial Building, 3-7, 1-chome Yaesu, Chuo-ku Tokyo,  
Japan**

**3. Purposes:**

**Items to be reported:**

1. Business Report, Consolidated Financial Statements, and Audit Reports for Consolidated Financial Statements by the Accounting Auditor and the Audit Committee, for the 81st fiscal year (from April 1, 2018 to March 31, 2019)
2. Non-consolidated Financial Statements for the 81st fiscal year (from April 1, 2018 to March 31, 2019)

**Item to be resolved:**

**Proposal:** Election of nine (9) Directors

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Notes: 1. You are kindly requested to present the enclosed Voting Form to the receptionist when you attend the Meeting.

2. If any changes have been made to items in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, such changes will be posted on the Company's website (in Japanese only).
3. Because the Notes to Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements, which must be provided at the time of providing this Notice of Convocation, are posted on the Company's website (in Japanese only) in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company, they are not provided in the attached documents to this Notice.  
Accordingly, the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Audit Committee for the audit report and the Accounting Auditor for the accounting audit report include, in addition to the attached documents to this Notice, items to be presented as the Notes to Consolidated Financial Statements and the Notes to Non-Consolidated Financial Statements.

The Company's website (English)	<a href="http://www.eiken.co.jp/en/index.html">www.eiken.co.jp/en/index.html</a>
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## Instructions for the Exercise of Voting Rights

Exercise of voting rights at the General Meeting of Shareholders is shareholders' important right. Please by all means exercise your voting rights after examining the attached Reference Documents for the General Meeting of Shareholders.

There are three methods to exercise your voting rights as indicated below.

<b>A. Attend the Meeting</b>	<p>Please present the enclosed Voting Form to the receptionist when you attend the Meeting.</p> <p>▶ Date and time of the General Meeting of Shareholders:</p> <p><b>On Tuesday, June 25, 2019, at 10:00 a.m. (Japan Standard Time)</b></p>
<b>B. Exercise the voting rights in writing (by mail)</b>	<p>Please indicate whether you are for or against each proposal on the enclosed Voting Form, and return the form to us.</p> <p>▶ Exercise due date:</p> <p><b>To be returned to us no later than 5:30 p.m., on Monday, June 24, 2019 (Japan Standard Time)</b></p>
<b>C. Exercise the voting rights via the Internet</b>	<p>Please indicate whether you are for or against the proposals following the instructions on the next page</p> <p>▶ Exercise due date:</p> <p><b>No later than 5:30 p.m., on Monday, June 24, 2019 (Japan Standard Time)</b></p>
<p><b>Guide to filling in the Voting Form</b></p> <p><b>Please indicate for or against about each proposal.</b></p> <p><b>Proposals</b></p> <ul style="list-style-type: none"><li>When you are for all of the proposed candidates Mark <input type="radio"/> in the "for" box</li><li>When you are against all of the proposed candidates Mark <input type="radio"/> in the "against" box</li><li>When you are against certain candidates Mark <input type="radio"/> in the "for" box, and also write the candidate number for each candidate you are against inside the parentheses</li></ul>	

Please note that your voting via the Internet shall prevail, if you exercise your voting rights both in writing (by mail) and via the Internet. If you exercise your voting rights more than once via the Internet, only the last vote shall be deemed effective.

## Instructions for the Exercise of Voting Rights via the Internet

### Log in via two-dimensional barcode

It is possible to log in to the voting website without entering the “Code for Exercise of Voting Rights” and the “temporary password” described on the Voting Form Sub Slip.

1. Scan the two-dimensional barcode at the right-hand side of the Voting Form Sub Slip.  
\* “Two-dimensional barcode” is a registered trademark of DENSO WAVE INCORPORATED.
2. Then, please indicate whether you are for or against each of the proposals following the directions on the website.

#### **The two-dimensional barcode may only be used once when logging in.**

If exercising voting rights more than once, or if exercising voting rights without using the two-dimensional barcode, please refer to “Log in with your Code for Exercise of Voting Rights and temporary password,” on the right.

### Log in with your Code for Exercise of Voting Rights and temporary password

Voting website

<https://evote.tr.mufg.jp/> (in Japanese only)

1. Access the voting website.
2. Enter the “Code for Exercise of Voting Rights” and “temporary password” described on the Voting Form, and click.
3. Register a “new password.”
4. Then, please indicate whether you are for or against each of the proposals following the directions on the website.

If you have any inquiries about how to exercise your voting rights via the Internet using a PC, smartphone or mobile phone, please contact “Help Desk” shown on the right.

**Help Desk, Stock Transfer Agency,  
Mitsubishi UFJ Trust and Banking Corporation**  
**Phone: 0120—173—027**  
(9:00 a.m. to 9:00 p.m.; toll free within Japan)

Institutional investors may also use the Electronic Voting Platform for institutional investors operated by ICJ, Inc.

## **Reference Documents for the General Meeting of Shareholders**

**Proposal:**      Election of nine (9) Directors

The terms of office of all eight (8) currently serving Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests the election of nine (9) Directors, increasing the number of Outside Directors by one (1) to further strengthen functions for overseeing and supervising management, based on the decision made by the Nominating Committee.

In selecting candidates for Directors, the Nominating Committee has determined that each of the candidates satisfies all requirements listed in “Standards for Nomination of Directors” (including “Standards for the Independence of Outside Directors” for Outside Directors) separately provided by the Nominating Committee and has qualities suitable as candidate for Director. For details of “Standards for Nomination of Directors” and “Standards for the Independence of Outside Directors,” please see Page 6 to 7. To further enhance functions for overseeing and supervising business executions and improve effectiveness of such functions, the Company has set the number of Outside Directors at more than half of the total number of Directors.

<Reference>

[Standards for Nomination of Directors]

In selecting candidates for Directors, the Nominating Committee shall nominate candidates appropriate for Directors of the Company from among persons satisfying all of the following requirements and determine proposals for election of Directors to be submitted to the General Meeting of Shareholders.

- (1) Having an excellent sense of corporate management and profound insight into various managerial issues
- (2) Having high ethical standards and law-abiding spirit
- (3) Having an excellent personality and sound mind and body
- (4) As for Outside Directors, playing a leading role in the field of corporate management, law, accounting, medicine, administration, consulting, education, etc., and having abundant experience and professional knowledge as well as satisfying the requirements of the independence established by the Company.

### **[Standards for the Independence of Outside Directors]**

In order for the Outside Directors of the Company to be recognized as independent, they should not fall under any of the following categories.

1. Any person who does not fall under legal stipulations
2. Any person whose major business partner is the Company (any person who received a payment from the Company an amount 2% or more of the person's annual consolidated sales for the most recent business year, or 100 million yen a year, whichever is greater)
3. Any person who is a major business partner of the Company (any person who paid the Company an amount equivalent to 2% or more of the Company's annual consolidated sales for the most recent business year, or any person who provided the Company with a loan of an amount equivalent to 2% or more of the Company's consolidated total assets for the business year)
4. Any consultant, accounting expert such as certified public accountant, legal expert such as attorney-at-law, or other expert who receives money or other assets exceeding a certain amount (Note 1) from the Company, in addition to his or her remuneration as a Director
5. Any person who receives donations or subsidies exceeding a certain amount (Note 1) from the Company
6. Major shareholders of the Company (who hold more than 10% of the total number of voting rights of the Company directly or indirectly)
7. Any person who belongs to an auditing firm who conducts audit of the Company
8. If a business executive (Note 2) of the Company currently holds or held a position as Outside Director at another company, any person who is a business executive (Note 2) of that company
9. If a person falling under one of the categories listed in the above items 2 through 6 is a corporation, association or other organization, any person who is a business executive (Note 2) of that corporation, association or other organization
10. Any person falling under one of the categories listed in the above items 2 through 9 in the past 3 years
11. If a person falling under one of the categories listed in the above items 2 through 10 is an important person (Note 3), that person's spouse or family within the second degree of kinship

Notes:

- 1: Where it reads "certain amount," this means "10 million yen a year."
- 2: Where it reads "business executive," this means "Director (excluding Outside Director), Executive Officer, Operating Officer, employees who execute the Company's business, Associate Director (excluding Outside Associate Director), and other similar managerial staff and employees, etc. who performs job duties."
- 3: Where it reads "important person," this means "Director, Executive Officer, Operating Officer, and other important employee."

The candidates for Directors to be elected are as follows:

No.	Name	Current positions and areas of responsibility in the Company	Attendance at Board of Directors' meetings	Attendance at meetings of Audit Committee	Attendance at meetings of Nominating Committee	Attendance at meetings of Remuneration Committee
1	Morifumi Wada [Re-election]	President and CEO Member of Nominating Committee, Remuneration Committee	14 of 14	—	4 of 4 (Note 1)	6 of 6
2	Tsugunori Noutomi [Re-election]	Executive Officer General Manager, R&D Division	10 of 10 (Note 2)	—	—	—
3	Katsushi Abe [Re-election]	Executive Officer General Manager, Business Management Division	10 of 10 (Note 2)	—	—	—
4	Takehisa Irisawa [Re-election] [Outside Director]	Chairman of Nominating Committee	14 of 14	—	5 of 5	—
5	Kunio Uchiyamada [Re-election] [Outside Director]	Chairman of Audit Committee	13 of 14	6 of 6	—	—
6	Shigeru Nomura [Re-election] [Outside Director]	Chairman of Remuneration Committee Member of Audit Committee	14 of 14	6 of 6	—	6 of 6
7	Yukiya Hakozaki [Re-election] [Outside Director]	Member of Remuneration Committee	14 of 14	—	—	6 of 6
8	Kiyoshi Ishii [Newly-nominated] [Outside Director]	—	—	—	—	—
9	Kiyomi Nakamura [Newly-nominated] [Outside Director]	—	—	—	—	—

Notes: 1. Figures shown only reflect his attendance to the Nominating Committee meetings held after he joined the committee.  
 2. Figures shown only reflect their attendance to the Board of Directors meetings held after their assumption as Director.

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions		Number of the Company's shares held		
1	(Re-election) Morifumi Wada (October 8, 1954)	March 1978	Joined the Company	400		
		April 2005	General Manager, Production Planning & Control Division, Production Division, and General Manager, Procurement Department of the Company			
		June 2006	Executive Officer of the Company			
		April 2007	General Manager, Nogi Plant, Production Division of the Company			
		May 2007	General Manager, Togane Plant, Production Division of the Company			
		April 2011	Vice President and Executive Officer of the Company			
		June 2011	Director of the Company (to present)			
		April 2012	General Manager, Sales Division of the Company			
		June 2014	President and CEO of the Company (to present)			
		(Responsibility)	Member of Nominating Committee, Remuneration Committee			
<Reasons for nomination as candidate for Director>						
Mr. Morifumi Wada is responsible for the management of the Company and working on improving corporate value as Director concurrently serving as President & CEO. The Company has selected him as a candidate for continuing as President and CEO and Director of the Company with the expectation that he will provide appropriate explanation of matters to be resolved and reported at Board of Directors' meetings and adequately perform the duties of making key management decisions and supervising business execution.						
2	(Re-election) Tsugunori Noutomi (May 7, 1958)	April 1981	Joined the Company	—		
		May 2001	General Manager, DUG Unit Technology Development Department of the Company			
		October 2005	Deputy General Manager, Biochemical Research Laboratory, R&D Division of the Company			
		April 2009	General Manager, Biochemical Research Laboratory, R&D Division of the Company			
		April 2009	Executive Officer of the Company			
		April 2011	General Manager, Biochemical Research Laboratory-II, R&D Division of the Company			
		April 2018	General Manager, R&D Division of the Company (to present)			
		June 2018	Director of the Company (to present) Vice President and Executive Officer of the Company (to present)			
		(Responsibility)	Member of Nominating Committee, Remuneration Committee			
		(Responsibility)	Member of Nominating Committee, Remuneration Committee			
<Reasons for nomination as candidate for Director>						
Mr. Tsugunori Noutomi has extensive knowledge and a high level of insight based on his broad experience in research and development. The Company has selected him for continuing as a candidate for a Director of the Company with the expectation that he will perform the duties of making key management decisions and supervising business execution.						

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions		Number of the Company's shares held	
3	(Re-election) Katsushi Abe (June 19, 1957)	April 1982	Joined the Company	—	
		April 2009	General Manager, Manufacturing Department, Nasu Plant, Production Division of the Company		
		April 2013	General Manager, Nasu Plant, Production Division of the Company		
		June 2014	Executive Officer of the Company		
		April 2015	General Manager, Nogi Plant, Production Division of the Company		
		April 2016	General Manager, Production Division of the Company		
		April 2018	General Manager, Business Management Division of the Company (to present)		
		June 2018	Director of the Company (to present) Vice President and Executive Officer of the Company (to present)		
		<Reasons for nomination as candidate for Director> Mr. Katsushi Abe has extensive knowledge and a high level of insight based on his broad experience in production. The Company has selected him for continuing as a candidate for a Director of the Company with the expectation that he will perform the duties of making key management decisions and supervising business execution.			
		October 2002	Registered as attorney-at-law Partner, Irisawa Law Office (to present)		
4	(Re-election) Candidate for Outside Director  Takehisa Irisawa (June 1, 1965)	June 2008	Outside Director of the Company (to present)	—	
		June 2008	Outside Corporate Auditor, MEISEI ELECTRIC CO., LTD. (to present)		
		(Responsibility) Chairman of Nominating Committee (Important concurrent positions) Attorney-at-law, Irisawa Law Office Outside Corporate Auditor, MEISEI ELECTRIC CO., LTD.			
		<Reasons for nomination as candidate for Outside Director> Mr. Takehisa Irisawa is an attorney-at-law. Since becoming an Outside Director in 2008, he has provided pertinent opinions and advice from an independent and objective standpoint at Board of Directors' meetings based on his abundant experience and extensive knowledge related to the legal profession. The Company has selected him as a candidate for Outside Director again because, although he has not been directly involved in company management, based on his past achievements, he is qualified to further enhance the Company's corporate governance, and can be expected to oversee and supervise the management of the Company, utilizing his knowledge and experience as a specialist of law gained through his career.			
		His consecutive term of office as Outside Director will be 11 years at the conclusion of this General Meeting of Shareholders.			

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions		Number of the Company's shares held
5	Kunio Uchiyamada (January 8, 1951) (Re-election) Candidate for Outside Director	April 1975      Joined National Police Agency August 1998     Section Chief, Foreign Affairs Division, Security Bureau, National Police Agency August 2002     Chief Controller, National Police Agency June 2003       Head, Police Headquarters, Hiroshima Prefecture January 2006    Director-General, Kanto Regional Police Bureau February 2007   President, National Police Academy March 2008      Retired from President of National Police Academy April 2008       Standing Corporate Advisor, Kobe Steel, Ltd. April 2008       Corporate Advisor, SINFONIA TECHNOLOGY CO., LTD. June 2015       Outside Director of the Company (to present) July 2015       Chairman of Research Division Irregular Subcommittee, The Association for the Study of Security Science April 2016       Corporate Advisor, Kobe Steel, Ltd. June 2016       Outside Director, The Chugoku Electric Power Co., Inc. (to present) April 2018       Managing Executive Officer, Kobe Steel, Ltd. (to present)		—
		(Responsibility) Chairman of Audit Committee (Important concurrent positions) Outside Director, The Chugoku Electric Power Co., Inc. Managing Executive Officer, Kobe Steel, Ltd.		
		<p>&lt;Reasons for nomination as candidate for Outside Director&gt;</p> <p>The Company has selected Mr. Kunio Uchiyamada as a candidate for Outside Director again because, although he has not been directly involved in company management, he can be expected to oversee and supervise the management of the Company, utilizing his professional knowledge and experience in compliance- or risk management-related matters gained through his career.</p> <p>His consecutive term of office as Outside Director will be four years at the conclusion of this General Meeting of Shareholders.</p>		

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions		Number of the Company's shares held
6	(Re-election) Candidate for Outside Director Shigeru Nomura (September 11, 1952)	November 1975 Joined Tokyo Office, Ernst & Whinney (currently Ernst & Young) February 1979 Registered as Certified Public Accountant (to present) April 1988 Partner, Ernst & Young Tax Office (currently Ernst & Young Tax Co.) December 1999 Representative Partner, Ernst & Young Tax Co. July 2011 Practicing Shigeru Nomura Public Accountant Office (to present) April 2012 Outside Auditor, K-GOLD INTERNATIONAL CORPORATION July 2012 Supervisor, View Communications September 2014 Supervisory Officer, Sekisui House Reit, Inc. (to present) June 2015 Outside Director of the Company (to present)		—
(Responsibility) Chairman of Remuneration Committee Member of Audit Committee (Important concurrent positions) Certified Public Accountant Supervisory Officer, Sekisui House Reit, Inc.				
<Reasons for nomination as candidate for Outside Director> Mr. Shigeru Nomura is a certified public accountant. The Company has selected him as a candidate for Outside Director again because he can be expected to oversee and supervise the management of the Company, utilizing his professional knowledge and experience in finance and accounting gained through his career. His consecutive term of office as Outside Director will be four years at the conclusion of this General Meeting of Shareholders.				

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions		Number of the Company's shares held
7	(Re-election) Candidate for Outside Director Yukiya Hakozaki (October 17, 1954)	June 1983 August 1987 October 1997 August 2000 August 2004 December 2006 October 2014 November 2014 June 2015 April 2017	Japan Self Defense Forces Fuji Hospital Medical Director Gastroenterological Medicine, Japan Self Defense Forces Central Hospital Section Chief, Research and Examination Department General Manager, Endoscope Office, Japan Self Defense Forces Central Hospital Director, First Section, Department of Internal Medicine and Chief of Health Care Center, JSDF Hanshin Hospital Medical officer, Overseeing and Directing Department, JGSDF Western Army Head, Internal Medicine, First Section, Self Defense Forces Central Hospital (Medical treatment secretary) Retired President, Genkikai-Yokohama Hospital (Medical Corporation) (to present) Outside Director of the Company (to present) Visiting Professor, Tokyo Metropolitan University (to present)	—
		(Responsibility) Member of Remuneration Committee (Important concurrent positions) President, Genkikai-Yokohama Hospital (Medical Corporation) Visiting Professor, Tokyo Metropolitan University		
		<p>&lt;Reasons for nomination as candidate for Outside Director&gt;</p> <p>Mr. Yukiya Hakozaki is a medical doctor. The Company has selected him as a candidate for Outside Director again because, although he has not been directly involved in company management, he can be expected to oversee and supervise the management of the Company, utilizing his professional knowledge, experience and profound insight as a medical doctor gained through his career.</p> <p>His consecutive term of office as Outside Director will be four years at the conclusion of this General Meeting of Shareholders.</p>		

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions		Number of the Company's shares held		
8	Kiyoshi Ishii (October 24, 1952)	April 1977	Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (currently IHI Corporation)	—		
		April 2005	Associate Director, Division Director, Defense System Business Division, Aero Engine & Space Business Headquarters, Ishikawajima-Harima Heavy Industries, Co., Ltd.			
		April 2007	Executive Officer, Vice President, Aero Engine & Space Business Headquarters, and Division Director, Defense System Business Division, Ishikawajima-Harima Heavy Industries Co., Ltd.			
		April 2008	Senior Managing Director, Ai Eichi Ai AEROSPACE Co., Ltd. (currently IHI AEROSPACE Co., Ltd.)			
		June 2008	President, Ai Eichi Ai AEROSPACE Co., Ltd.			
		June 2012	Chairman, IHI AEROSPACE Co., Ltd. (part-time)			
		June 2012	President, and Chief Executive Officer, MEISEI ELECTRIC CO., LTD.			
		June 2013	Director, IHI AEROSPACE Co., Ltd. (part-time)			
		June 2016	Advisor, MEISEI ELECTRIC CO., LTD.			
		July 2018	Advisor, IHI Corporation (to present) (scheduled to retire on June 30, 2019)			
<p>(Important concurrent positions)</p> <p>Advisor, IHI Corporation</p>						
<p>&lt;Reasons for nomination as candidate for Outside Director&gt;</p> <p>Mr. Kiyoshi Ishii has been engaged in corporate management for many years in the aerospace business and has abundant experience and extensive knowledge in corporate management in such business. The Company has newly selected him as a candidate for an Outside Director of the Company with the expectation that he will provide us with advice on management from an independent and objective standpoint based on his profound insight in corporate management gained through his career as well as overseeing and supervising the management of the Company.</p>						

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions		Number of the Company's shares held
	(Newly-nominated)  Candidate for Outside Director  Kiyomi Nakamura (October 31, 1968)	April 1998  April 1998  January 2008  (Important concurrent positions)	Registered as attorney-at-law  Joined Takao Ono Law Office (currently ONO SOGO LEGAL PROFESSION CORPORATION)  Partner, Akitoshi Ishimoto Law Office (to present)  Attorney-at-law, Akitoshi Ishimoto Law Office	—
9	<p>&lt;Reasons for nomination as candidate for Outside Director&gt;</p> <p>Ms. Kiyomi Nakamura is an attorney-at-law. The Company has newly selected her as a candidate for an Outside Director because, although she has not been directly involved in company management, she can be expected to advise on the management from an independent and objective standpoint based on her abundant experience and extensive knowledge related to the legal profession gained through her career, and to further enhance the Company's corporate governance.</p> <p>As a female attorney, she is also deeply knowledgeable about gender issues, and since 2017 she has been Vice Chairman of the Sex Equality Commission of the Tokyo Bar Association.</p>			

Notes:

1. The Company has advisory contracts with other attorneys-at-law who belong to the Irisawa Law Office to which Mr. Takehisa Irisawa belongs. However, the agreement amount is less than 4.8 million yen a year, and thus Mr. Irisawa satisfies the Company's "Standards for Nomination of Directors" and "Standards for the Independence of Outside Directors" provided for by its Nominating Committee.
2. There are no conflicts of interest between the Company and other candidates for Directors.
3. Messrs. Takehisa Irisawa, Kunio Uchiyamada, Shigeru Nomura, Yukiya Hakozaki, Kiyoshi Ishii, and Ms. Kiyomi Nakamura are candidates for Outside Directors as provided for in Article 2, paragraph 3, item 7 of the Ordinance for Enforcement of the Companies Act.
4. The Company designated Messrs. Takehisa Irisawa, Kunio Uchiyamada, Shigeru Nomura, and Yukiya Hakozaki as Independent Directors as provided for by the regulations of the Tokyo Stock Exchange, and registered them with the Exchange. In case the reelection of the four candidates is approved, they will continue to be Independent Directors.  
Also, in case the election of Mr. Kiyoshi Ishii and Ms. Kiyomi Nakamura are approved, they will be Independent Directors as provided for by the regulations of the Tokyo Stock Exchange.
5. Independence of candidates for Outside Directors
  - (1) None of the candidates for Outside Directors has ever executed operations at the Company or any entity that has special relationship with the Company.
  - (2) None of the candidates for Outside Directors has ever received or plan to receive a large amount of money or other assets except Director's remuneration from the Company or any entity that has special relationship with the Company.
  - (3) None of the candidates for Outside Director has a spouse or any relatives within the third degree or closer with business executors of the Company or any entity that has special relationship with the Company.
6. Overview of the content of limited liability agreements

The Company has concluded a limited liability agreement with Messrs. Takehisa Irisawa, Kunio Uchiyamada, Shigeru Nomura, and Yukiya Hakozaki to limit their liability to compensate for damages prescribed in Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the same Act in accordance with the provisions of the Article of Incorporation enabling the Company to conclude the said contract with them.

In case the reelection of the four candidates is approved, the Company will maintain the agreement with them to limit their liability. Also, if the election of Mr. Kiyoshi Ishii and Ms. Kiyomi Nakamura is approved, the Company will newly conclude the same agreement with them.

The limit of the liability under such agreements shall be the greater of (a) ¥10 million or (b) the minimum amount of liability prescribed by Article 425, paragraph 1 of the Companies Act.