

Notice of the 168th Ordinary General Meeting of Shareholders

Date & Time: 10:00 a.m. (JST), Friday, June 18, 2021

Venue: IBIDEN Co., Ltd. Headquarters Conference Room (the 2nd floor), 2-1 Kanda-cho, Ogaki-city, Gifu Pref.

Agenda:

Matters to be reported:

- (1) Business Report and Consolidated Financial Statements, and Audit Reports by the Accounting Auditors and the Audit and Supervisory Committee on the Consolidated Financial Statements, for the 168th Fiscal Year from April 1, 2020 to March 31, 2021
- (2) Financial Statements for the 168th Fiscal Year from April 1, 2020 to March 31, 2021

Matters to be resolved:

Proposal 1: Election of Seven (7) Directors who are not Audit and Supervisory Committee Members

Proposal 2: Election of Five (5) Directors who are Audit and Supervisory Committee Members

Proposal 3: Election of one (1) Substitute Director who is an Audit and Supervisory Committee Member

Company's Website: <https://www.ibiden.co.jp/>

If there is any minor amendment to the "Reference Materials for General Meeting of Shareholders," "Business Report," "Financial Report" and/or "Consolidated /Non-consolidated Financial Statements", such amendment will be posted on the Company's website indicated above. Additionally, pursuant to the Japanese laws and regulations and Article 15 of the Company's, "Items related to Corporate Director (6) Outside Corporate Director", "Company structure and Company Policy" of Business Report, "Consolidated Financial Statements of Changes in Net Assets" and "Notes to Consolidated Financial Statements of Change in Net Assets" of Consolidated Financial Statements, and "Statements of Changes in Net Assets" and "Notes to Non-Consolidated Financial Statements" of Financial Statement will be posted on the website above, and thus not included in the documents accompanying the Notice of the 168th Ordinary General Meeting of Shareholders. Moreover, these items will be audited by the Accounting Auditors, and Audit and Supervisory Committee.

This document is an English translation of the Notice of the 168th Ordinary General Meeting of Shareholders originally prepared in Japanese. This English translation is for general reference purposes only and is subject to errors and omissions. All information contained herein is deemed accurate, but is not guaranteed.

Proposal 1:

Election of Seven (7) Directors who are not Audit and Supervisory Committee Members

The terms of office of all seven (7) current Directors will expire at the conclusion of the Ordinary General Meeting of Shareholders. Accordingly, it is proposed that seven (7) Members of the Board of Directors who are not Audit and Supervisory Committee Members be elected.

The candidates for the Directors who are not Audit and Supervisory Committee Members are as follow:
The brief personal information for respective candidates is referred to Page 3 through 7.

Candidate Number		Name	Positions and Responsibilities	Attendance at the Board of Directors' Meeting in 2020	Years of Service
1	Reassignment	Hiroki TAKENAKA	Chairman of the Board, Representative Director, Chairman of the Board Meeting, Administrator of Corporate Business Operation	10/10 times (100%)	24 years
2	Reassignment	Takeshi AOKI	President & CEO, Representative Director, Administrator of Corporate Business Operation, R&D Operation Officer and Internal Audit Division Officer	10/10 times (100%)	8 years
3	Reassignment	Kozo KODAMA	Executive Vice President, Representative Director, Quality Unit Officer, Engineering Unit Officer, Production Unit Officer, President of Strategic Manufacturing Operation, DX Promotion Unit Officer and Energy Control Unit Officer	10/10 times (100%)	6 years
4	Reassignment	Masahiko IKUTA	Executive Vice President, Representative Director, President of Strategic Corporate Planning Operation, PKG Operation Officer and IR Officer	10/10 times (100%)	3 years
5	Reassignment	Chiaki YAMAGUCHI	Candidate of Outside Director Candidate of Independent Director	10/10 times (100%)	7 years
6	Reassignment	Toshio MITA	Candidate of Outside Director Candidate of Independent Director	10/10 times (100%)	4 years
7	Reassignment	Noriko ASAI	Candidate of Outside Director Candidate of Independent Director	8/8 times (100%)	1 year



Reassignment

Numbers of the
Company's Shares
Owned
130,100

Including Numbers of the
Company's Shares
Granted on Stock
Compensation Plan
36,500

Candidate Number

1

Hiroki TAKENAKA

Date of Birth:
January 1, 1951

Brief Personal History, Positions, Responsibilities and Significant Positions Concurrently Held

April 1973	Joined IBIDEN Co., Ltd.	January 2015	Corporate Executive
June 1997	Director		Director of R&D Operation
June 2001	Managing Director	March 2016	Corporate Executive
June 2005	Director & Executive Managing Officer		Director of Affiliates and Subsidiaries
April 2007	President & CEO, Representative Director, Administrator of Corporate Business Operation (present)	June 2017	Chairman of the Board, Representative Director (present)
		June 2018	Corporate Executive Director of Electronics Operation

Reasons for his/her Nomination as a Candidate

Mr. Hiroki TAKENAKA has wide-range knowledge as a Corporate Manager and Director of the Company and abundant experience in business operation of the Company. As the Company judges that he has sufficient knowledge and extensive experience that enable him to make decision on the execution of important business for the Company and to supervise the execution of duties by directors, we nominate him as a candidate of Director of the Company.



Reassignment

Numbers of the
Company's Shares
Owned
67,800

Including Numbers of the
Company's Shares
Granted on Stock
Compensation Plan
36,500

Candidate Number

2

Takeshi AOKI

Date of Birth:
February 4, 1958

Brief Personal History, Positions, Responsibilities and Significant Positions Concurrently Held

April 1981	Joined IBIDEN Co., Ltd.	April 2017	Administrator of Corporate Business Operation (present), Corporate Executive Director of Ceramics Operation
April 2008	Corporate Officer		
June 2013	Director & Corporate Officer	June 2017	President & CEO, Representative Director (present)
April 2014	Director & Managing Officer	June 2018	Corporate Executive Director of R&D Operation (present)
March 2016	Executive Vice President, Representative Director	April 2019	Corporate Executive Director of Internal Audit Division (present)
March 2016	President of Ceramics Operation		

Reasons for his/her Nomination as a Candidate

Mr. Takeshi AOKI has wide-range knowledge as a Representative Director of the Company and extensive experience in Ceramics Operation. As the Company judges that he has sufficient knowledge and experience that enable him to make decision on the execution of important business for the Company and to supervise the execution of duties by directors, we nominate him as a candidate of Director of the Company.



Reassignment

Numbers of the
Company's Shares
Owned
47,000

Including Numbers of the
Company's Shares
Granted on Stock
Compensation Plan
25,100

Candidate Number

3

Kozo KODAMA

Date of Birth:
March 23, 1963

Brief Personal History, Positions, Responsibilities and Significant Positions Concurrently Held

April 1986	Joined IBIDEN Co., Ltd.	April 2017	President of Corporate Strategic Manufacturing Operation (present),
April 2012	Corporate Officer		Corporate Executive Director of CSR Promotion Division and Energy Control Division
	Vice President of IBIDEN Philippines Inc.		
January 2015	Managing Officer	February 2018	Chairman of IBIDEN Electronics Malaysia
	Vice President of Electronics Operation	June 2018	Corporate Executive Director of Quality Unit, Engineering Unit & Production Unit (present)
June 2015	Director & Managing Officer		
March 2016	Executive Vice President, Representative Director (present)	December 2018	President of MLB Operation, President of IBIDEN Electronics Beijing (present)
		April 2021	DX Promotion Unit Officer, Energy Control Unit Officer (present)

Reasons for his/her Nomination as a Candidate

Mr. Kozo KODAMA has wide-range knowledge as a Representative Director of the Company, deep knowledge in Technology and Production Operations and experience in affiliating overseas production companies. As the Company judges that he has sufficient knowledge and experience that enable him to make decision on the execution of important business for the Company and to supervise the execution of duties by directors, we nominate him as a candidate of Director of the Company.



Reassignment

Numbers of the
Company's Shares
Owned
43,000

Including Numbers of the
Company's Shares
Granted on Stock
Compensation Plan
18,400

Candidate Number

4

Masahiko IKUTA

Date of Birth:
August 19, 1962

Brief Personal History, Positions, Responsibilities and Significant Positions Concurrently Held

April 1985	Joined IBIDEN Co., Ltd.	April 2017	Corporate Executive Director of Affiliates and Subsidiaries
April 2010	Corporate Officer	June 2017	Executive Managing Officer
October 2013	President of Strategic Corporate Planning Operations (present)	June 2018	Director & Executive Managing Officer
	Corporate Executive Director of IR (present),	April 2019	Corporate Executive Director of PKG Operation
	Corporate Executive Director of FGM Operation	April 2020	Director & Senior Executive Officer
June 2014	Director & Managing Officer	April 2021	Executive Vice President, Representative Director (present), Corporate Executive Director of Electronics Operation (present)
March 2016	Director & Executive Managing Officer		

Reasons for his/her Nomination as a Candidate

Mr. Masahiko IKUTA has wide-range knowledge as a Representative Director of the Company and adequate experience in Strategic Corporate Planning Operation. As the Company judge that he has sufficient knowledge and experience that enable him to make decision on the execution of important business for the Company and to supervise the execution of duties by directors, we nominate him as a candidate of Director of the Company.



Reassignment

Candidate of
Outside Director

Candidate of
Independent Director

Numbers of the
Company's Shares
Owned
12,500

Candidate Number

5

Chiaki YAMAGUCHI

Date of Birth:

December 25, 1949

Brief Personal History, Positions, Responsibilities and Significant Positions Concurrently Held

June 2003 Full-time Corporate Auditor of Toyota Motor Corporation (retired on June 2011)
 June 2011 Executive Managing Director of Toyota Industries Corporation
 June 2012 Representative Director & Senior Vice President of Toyota Industries Corporation (retired on June 2015)
 June 2014 Outside Director of IBIDEN Co., Ltd. (present)
 June 2015 President & Representative Director of Towa Real Estate Co., Ltd. (retired on June, 2018)
 Outside Director of Nakanihon KOGYO Co., Ltd. (retired on June 2019)
 June 2018 Outside Auditor of Central Nippon Expressway Company Limited (present)
 Corporate Advisor of Towa Real Estate Co., Ltd. (retired on June 2019)
 June 2019 Contract Officer for Special Duties of Towa Real Estate Co., Ltd. as former President & Representative Director (present)
Other Major Position Concurrently Held
 Contract Officer for Special Duties of Towa Real Estate Co., Ltd. as former President & Representative Director
 Outside Auditor of Central Nippon Expressway Company Limited

Relation between his/her Major Concurrent Duty and the Company

The Company has no special interest with his concurrent duties.

Reasons and Expectation for his/her Nomination as a Candidate of Outside Director

Mr. Chiaki YAMAGUCHI has extensive and wide-ranging experience and expertise, including those in relation to corporate management as Representative Director & Senior Vice President of Toyota Industries Corporation and President & Representative Director of Towa Real Estate Co., Ltd. The Company proposes that Mr. Chiaki YAMAGUCHI be reelected as Outside Director and be delegated Chairman of Nomination/Remuneration Committee in expectation of the advice and supervision, which he will be able to provide.



Reassignment

Candidate of
Outside Director

Candidate of
Independent Director

Numbers of the
Company's Shares
Owned
2,900

Candidate Number

6

Toshio MITA

Date of Birth:
November 2, 1946

Brief Personal History, Positions, Responsibilities and Significant Positions Concurrently Held

April 1969 Joined Chubu Electric Power Co., Inc.
June 2003 Managing Officer, Tokyo Office Manager of Chubu Electric Power Co., Inc.
June 2005 Director, Senior Managing Executive Officer, President of Sales Company of Chubu Electric Power Co., Inc.
June 2006 President & CEO of Chubu Electric Power Co., Inc.
June 2007 President & CEO, Representative Director of Chubu Electric Power Co., Inc.
June 2010 Chairman of the Board at Chubu Electric Power Co., Inc.
June 2015 Advisor of Chubu Electric Power Co., Inc.
Outside Auditor of NYK Line (retired on June 2019)
June 2017 Outside Director of IBIDEN Co., Ltd. (present)
June 2018 Outside Auditor of Nagoya Railroad Co., Ltd. (present)
June 2019 Outside Auditor of Chubu-Nippon Broadcasting Co., Ltd.(present)
July 2020 Corporate Advisor of Chubu Electric Power Co., Inc. (present)

Other Major Position Concurrently Held

Corporate Advisor of Chubu Electric Power Co., Inc.
Outside Auditor of Nagoya Railroad Co., Ltd.
Outside Auditor of Chubu-Nippon Broadcasting Co., Ltd.

Relation between his/her Major Concurrent Duty and the Company

The Company has no special interest with his concurrent duties.

Reasons and Expectation for his/her Nomination as a Candidate of Outside Director

Mr. Toshio MITA has extensive and wide-ranging experience and expertise, including those in relation to corporate management as President & CEO, Representative Director of Chubu Electric Power Co., Inc. The Company proposes that Mr. Toshio MITA be reelected as Outside Director and be delegated a member of Nomination/Remuneration Committee in expectation of the advice and supervision, which he will be able to provide.



Reassignment

Candidate of
Outside Director

Candidate of
Independent Director

Numbers of the
Company's Shares
Owned
200

Candidate Number

7

Noriko ASAI

Date of Birth:

July 25, 1964

Brief Personal History, Positions, Responsibilities and Significant Positions Concurrently Held

April 1997 Assistant Instructor at the School of Economics of Nagoya
March 1999 Nagoya University Ph.D. in Economics
April 2003 Associate Professor at the School of Management of Chukyo University
April 2007 Professor at the School of Management of Chukyo University (present)
June 2015 Outside Director of CKD Corporation (present)
June 2020 Outside Director of IBIDEN Co., Ltd. (present)

Other Major Position Concurrently Held

Professor at the School of Management of Chukyo University
Outside Director of CKD Corporation

Relation between his/her Major Concurrent Duty and the Company

The Company has no special interest with her concurrent duties.

Reasons and Expectation for his/her Nomination as a Candidate of Outside Director

Ms. Noriko ASAI has abundant and wide-ranging academic knowledge, expertise and experience in business economics as an academic expert even though she has not been directly involved in the management of corporation except being an Outside Director. The Company proposes that Ms. Noriko ASAI be reelected as an Outside Director and be delegated a member of Nomination/Remuneration Committee in expectation of the advice and supervision, which she will be able to provide.

(Annotation)

1. The Company has no special interests with any of the candidates above.
2. The Company has executed with Messrs. Chiaki YAMAGUCHI, Toshio MITA and Ms. Noriko ASAI, Outside Directors, with an agreement for limitation of liability for damage as stipulated in Article 423.1 of the Companies Act. Outline of contents of the liability limitation agreement as follows:
 - (i) Liability for damage incurred due to an outside director's failure to perform his/her duties as an Outside Director shall be up to the amount of 20 million yen or the minimum liability amount stipulated in Article 425.1 of the Companies Act, whichever is higher.
 - (ii) The limitation of liability above applies only if an outside director has performed the duties which have caused his/her liability, without knowledge thereof and has not been grossly negligent in performing the same.
3. The Company has insured Directors' and Officers' Liability Insurance (hereafter "D&O"), which is insurance coverage intended to protect individuals from personal losses on business during serving as a director or an officer of a business or other type of organization except disclaimer clauses on the policy. Full premium payment for the all is made on the Company. If the proposal is approved and then respective candidates are appointed Directors who are not Audit and Supervisory Committee Members, each of them shall be an insured person. On account of the one-year D&O, we will be renewing it in July, 2021.
4. Pursuant to the provisions prescribed by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. Messrs. Chiaki YAMAGUCHI, Toshio MITA and Ms. Noriko ASAI as Independent Directors, have been appointed and registered with both Stock Exchanges.
5. Mr. Toshio MITA engaged in NYK Line as an Outside Director from June 2015 to June 2019. For the duration of the term, he corroborated his suspicion that some of former local management of NYK Car Carrier (China), one of its consolidated subsidiaries, accounted unjust expenditures though the investigation ended on March 2018. Nippon Cargo Airlines Co., Ltd, one of NYK Line's subsidiaries, also received the administrative measures by the Minister of land, Infrastructure, Transport and Tourism for the inappropriate operations of aircraft maintenance etc. and filed implement measures on July 2018. Mr. Toshio MITA had been unaware of the said cases until he was reported. He used to make statements from the point of view of legal compliance until then, and he continued delivering proposals on exhaustive investigations into the cause of them and recurrence preventions for them.

Proposal 2:

Election of Five (5) Directors who are Audit and Supervisory Committee Members

The terms of office of all five (5) current Directors who are Audit and Supervisory Committee Members will expire at the conclusion of the Ordinary General Meeting of Shareholders. Accordingly, it is proposed that five (5) Members of the Board of Directors who are Audit and Supervisory Committee Members be elected. The Company has obtained the consent of the Board of Audit and Supervisory Committee for this proposal. The candidates for the Directors who are Audit and Supervisory Committee Members are as follow: The brief personal information for respective candidates is referred to Page 9 through 13.

Candidate Number		Name	Career, Area in Charge at the Company	Attendance at The Audit and Supervisory Committee's Meeting in 2020	Attendance at The Board of Directors' Meeting in 2020	Years of Service
1	Re-assignment	Yoichi KUWAYAMA	Full-time Member of Audit and Supervisory Committee (present)	11/11 times (100%)	10/10 times (100%)	4 years
2	New	Koji MATSUBAYASHI	Unit Manager of Internal Audit Division (present)	—	—	—
3	Re-assignment	Fumio KATO	Outside Member of Audit and Supervisory Committee (present) Chairman of Audit and Supervisory Committee (present) Candidate of Outside Corporate Auditor Candidate of Independent Director	11/11 times (100%)	10/10 times (100%)	4 years
4	Re-assignment	Masaki HORIE	Outside Member of Audit and Supervisory Committee (present) Candidate of Outside Corporate Auditor Candidate of Independent Director	11/11 times (100%)	10/10 times (100%)	4 years
5	New	Yukiko YABU	Candidate of Outside Corporate Auditor Candidate of Independent Director	—	—	—



Reassignment

Numbers of the
Company's Shares
Owned

44,600

Candidate Number

1

Yoichi KUWAYAMA

Date of Birth:
May 30, 1958

Brief Personal History, Positions, Responsibilities and Significant Positions Concurrently Held

April 1983	Joined IBIDEN Co., Ltd.	April 2014	Director & Executive
April 2008	Corporate Officer		Managing Officer
April 2011	President of DPF Unit		President of Ceramics Unit
April 2012	Managing Officer	March 2016	Corporate Executive Director of Audit
April 2012	Director & Managing Officer	June 2016	Full-time Corporate Auditor
		June 2017	Full-time Member of Audit and Supervisory Committee (present)

Reasons for his/her Nomination as a Candidate

The Company proposes that Mr. Yoichi KUWAYAMA be reelected as a Director who is an Audit and Supervisory Committee Member, in expectation of supervision of the Company business and sufficient advice, which he will be able to provide based on his abundant and wide-ranging experience and expertise through conducting the Company's business.



New

Numbers of the
Company's Shares
Owned

0

Candidate Number

2

Koji MATSUBAYASHI

Date of Birth:
December. 29, 1963

Brief Personal History, Positions, Responsibilities and Significant Positions Concurrently Held

April 1987	Joined The Sumitomo Bank, Ltd.	April 2010	Deputy Manager of Corporate Sales in Saitama
October 1994	Deputy Chicago Branch General Manager	May 2014	London Credit Manager and Joint Audit Manager in Europe Region
October 1996	New York Deputy US Credit Director of US Headquarters	April 2017	Singapore Audit Manager
April 2001	Manager of Sale Credit Division 1 in Sumitomo Mitsui Banking Corporation	October 2020	Joined IBIDEN Co., Ltd Manager of Internal Audit Unit (present)

Reasons for his/her Nomination as a Candidate

The Company proposes that Mr. Koji MATSUBAYASHI be elected as a Director who is an Audit and Supervisory Committee Member, in expectation of supervision of the Company business and sufficient advice, which he will be able to provide based on his abundant and wide-ranging experience and expertise in a financial field.



Reassignment

Candidate of
Outside Director

Candidate of
Independent Director

Numbers of the
Company's Shares
Owned

2,000

Candidate Number

3

Fumio KATO

Date of Birth:
January 20, 1944

Brief Personal History, Positions, Responsibilities and Significant Positions Concurrently Held

July 2000	Deputy Manager of Investigation Department Nagoya Regional Taxation Bureau
July 2001	Superintendent of Showa Tax Office
August 2002	Registered as certified tax accountant, Established Fumio Kato Certified Tax Accountant Office, Representative of Fumio Kato Certified Tax Accountant Office (present)
July 2004	Outside Corporate Auditor of Seino Holdings Co., Ltd. (retired June 2020)
November 2014	Outside Corporate Auditor of HIMARAYA Co., Ltd.
June 2015	Outside Corporate Auditor of IBIDEN Co., Ltd.
November 2015	Outside Director who is an Audit and Supervisory Committee Member of HIMARAYA Co.Ltd. (present)
June 2017	Outside Corporate Director who is Audit and Supervisory Committee Member of IBIDEN Co., Ltd. (present)

Other Major Position Concurrently Held

Representative of Fumio Kato Certified Tax Accountant Office
Outside Director who is an Audit and Supervisory Committee Member of HIMARAYA Co., Ltd.

Reasons and Expectation for his/her Nomination as a Candidate of Outside Director

Mr. Fumio KATO has abundant and wide-ranging knowledge, expertise and experience as a tax accountant even though he has not been directly involved in the management of corporation except being an Outside Director. The Company proposes that Mr. Fumio KATO be reelected as an Outside Director who is an Audit and Supervisory Committee Member and be delegated Chairman of Audit and Supervisory Committee in expectation of the advice and supervision, which he will be able to provide.



Reassignment

Candidate of
Outside Director

Candidate of
Independent Director

Numbers of the
Company's Shares
Owned

0

Candidate Number

4

Masaki HORIE

Date of Birth:
November 25, 1949

Brief Personal History, Positions, Responsibilities and Significant Positions Concurrently Held

April 1973	Joined PricewaterhouseCoopers Co., Ltd.
November 1980	Joined Ito Accounting & Consultancy Office
July 1997	Senior Partner of Ito Accounting & Consultancy Office
January 2001	Senior Partner of Chuo-Aoyama Audit Corporation
September 2006	Senior Partner of Arata Audit Corporation
July 2010	Established Masaki HORIE Certified Public Accountant Office, Director of the Office (present)
June 2011	Outside Corporate Auditor of Tokai Rika Co., Ltd. (retired June 2015)
June 2015	Outside Corporate Auditor of Futaba Industrial Co., Ltd.
June 2016	Outside Corporate Director of Futaba Industrial Co., Ltd. (present) Outside Auditor of IBIDEN Co., Ltd.
June 2017	Outside Corporate Director who is Audit and Supervisory Committee Member of IBIDEN Co., Ltd. (present)

Other Major Position Concurrently Held

Director of Masaki HORIE Certified Public Accountant Office
Outside Corporate Auditor of Futaba Industrial Co., Ltd.
Advisor of Japanese Institute of Certified Public Accountants in Tokai Region

Reasons and Expectation for his/her Nomination as a Candidate of Outside Director

Mr. Masaki HORIE has abundant and wide-ranging knowledge, expertise and experience as a CPA even though he has not been directly involved in the management of corporation except being an Outside Director. The Company proposes that Mr. Masaki HORIE be reelected as an Outside Director who is an Audit and Supervisory Committee Member in expectation of the advice and supervision, which he will be able to provide.

	Candidate Number 5	Yukiko YABU	Date of Birth: June 23, 1958																				
	Brief Personal History, Positions, Responsibilities and Significant Positions Concurrently Held																						
New Candidate of Outside Director Candidate of Independent Director Numbers of the Company's Shares Owned 0	<table border="0"> <tr> <td>April 1981</td> <td>Joined Matsushita Electric Industrial Co., Ltd.</td> </tr> <tr> <td>January 2006</td> <td>Director of Lifestyle Value Research Laboratory, R&D Headquarters, Home Appliances Company, Panasonic Corporation</td> </tr> <tr> <td>January 2011</td> <td>Director of Global Consumer Research Center, Corporate Brand Strategy Division, Panasonic Corporation</td> </tr> <tr> <td>April 2013</td> <td>Director and Group Manager responsible for consumer research at the Global Marketing Planning Center, Appliances Company, Panasonic Corporation</td> </tr> <tr> <td>March 2014</td> <td>Retired from Panasonic Corporation</td> </tr> <tr> <td>June 2014</td> <td>Outside Director of DUSKIN CO., LTD. (retired 2017)</td> </tr> <tr> <td>June 2015</td> <td>Outside Director of TAKARA HOLDINGS INC. (retired 2018)</td> </tr> <tr> <td>June 2016</td> <td>Outside Director of Daiwa House Industry Co., Ltd. (present)</td> </tr> <tr> <td>June 2019</td> <td>Outside Director of Furukawa Electric Co., Ltd. (present)</td> </tr> <tr> <td colspan="2"> Other Major Position Concurrently Held Outside Director of Daiwa House Industry Co., Ltd. Outside Director of Furukawa Electric Co., Ltd. </td> </tr> </table>			April 1981	Joined Matsushita Electric Industrial Co., Ltd.	January 2006	Director of Lifestyle Value Research Laboratory, R&D Headquarters, Home Appliances Company, Panasonic Corporation	January 2011	Director of Global Consumer Research Center, Corporate Brand Strategy Division, Panasonic Corporation	April 2013	Director and Group Manager responsible for consumer research at the Global Marketing Planning Center, Appliances Company, Panasonic Corporation	March 2014	Retired from Panasonic Corporation	June 2014	Outside Director of DUSKIN CO., LTD. (retired 2017)	June 2015	Outside Director of TAKARA HOLDINGS INC. (retired 2018)	June 2016	Outside Director of Daiwa House Industry Co., Ltd. (present)	June 2019	Outside Director of Furukawa Electric Co., Ltd. (present)	Other Major Position Concurrently Held Outside Director of Daiwa House Industry Co., Ltd. Outside Director of Furukawa Electric Co., Ltd.	
April 1981	Joined Matsushita Electric Industrial Co., Ltd.																						
January 2006	Director of Lifestyle Value Research Laboratory, R&D Headquarters, Home Appliances Company, Panasonic Corporation																						
January 2011	Director of Global Consumer Research Center, Corporate Brand Strategy Division, Panasonic Corporation																						
April 2013	Director and Group Manager responsible for consumer research at the Global Marketing Planning Center, Appliances Company, Panasonic Corporation																						
March 2014	Retired from Panasonic Corporation																						
June 2014	Outside Director of DUSKIN CO., LTD. (retired 2017)																						
June 2015	Outside Director of TAKARA HOLDINGS INC. (retired 2018)																						
June 2016	Outside Director of Daiwa House Industry Co., Ltd. (present)																						
June 2019	Outside Director of Furukawa Electric Co., Ltd. (present)																						
Other Major Position Concurrently Held Outside Director of Daiwa House Industry Co., Ltd. Outside Director of Furukawa Electric Co., Ltd.																							
Reasons and Expectation for his/her Nomination as a Candidate of Outside Director																							

Ms. Yukiko YABU has abundant and wide-ranging knowledge, expertise and experience in R&D and marketing with perspectives of general consumers in a leading electric company even though she has not been directly involved in the management of corporation except being an Outside Director. The Company proposes that Ms. Yukiko YABU be elected as an Outside Director who is an Audit and Supervisory Committee Member in expectation of the advice and supervision, which she will be able to provide.

(Annotation)

- The Company has no special interests with any of the candidates above.
- Liability limitation agreements with Outside Directors who are not Audit and Supervisory Committee Members. Outline of contents of the liability limitation agreement as follows:
The Company has executed with Messrs. Fumio KATO and Masaki HORIE, Outside Directors, with an agreement for limitation of liability for damage as stipulated in Article 423.1 of the Companies Act. Outline of contents of the liability limitation agreement as follows:
 - Liability for damage incurred due to an outside director's failure to perform their duties as an outside director shall be up to the amount of 20 million yen or the minimum liability amount stipulated in Article 425.1 of the Companies Act, whichever is higher.
 - The limitation of liability above applies only if an outside director has performed the duties which have caused their liabilities, without knowledge thereof and has not been grossly negligent in performing the same.
 If this proposal is approved, an agreement with the same terms and conditions as those set forth above will also be executed with Ms. Yukiko YABU upon her assumption of office as an Outside Director who is an Audit and Supervisory Committee Member.
- The Company has insured Directors' and Officers' Liability Insurance (hereafter "D&O"), which is insurance coverage intended to protect individuals from personal losses on business during serving as a director or an officer of a business or other type of organization except disclaimer clauses on the policy. Full premium payment for the all is made on the Company. If the proposal is approved and then respective candidates are appointed Directors who are Audit and Supervisory Committee Members, each of them shall be an insured person. On account of the one-year D&O, we will be updating it in July, 2021.
- Pursuant to the provisions prescribed by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., Messrs. Fumio KATO and Masaki HORIE as Independent Directors and Ms. Yukiko YABU as a candidate of Independent Director, have been appointed and registered with both Stock Exchanges.

5. Ms. Yukiko YABU has served as an Outside Director of DAIWA House Industry Co., Ltd. (hereafter “Daiwa House”) since June 2016. In March 2019, Daiwa House disclosed that its fund for approximately 14.15 billion Chinese Yuan, 23.4 billion yen, was fraudulently withdrawn at its affiliate company in China. Furthermore, as a result of its internal investigation in response to a whistleblowing claim, Daiwa House found some of houses and apartment buildings to rent do not conform to the Building Regulations, and reported the fact to MLIT, the Ministry of Land, Infrastructure, Transport and Tourism, in April 2019. Moreover, as a result of its internal investigation triggered by a whistleblowing claim, Daiwa House found that some employees had certification exams even though they had not met the requirement of certain work experience and they were certified as construction managing engineers, some of who were assigned as technical experts at construction sites. Daiwa House reported such facts to the MLIT in December 2019. Ms. YABU had not been aware of the said fact in advance, however, she had reiterated and promoted awareness of the importance of legal compliance based on her extensive experience and considerable insight, on a regular basis at the Board Meeting, Joint Board of Directors and Corporate Governance Committee. After such fact was found out, she proactively performed her duties such as fact-finding, casual analyses and recurrence prevention measures in order to strengthen the company system and take appropriate measures for thorough compliance.

Proposal 3:

Election of one (1) Substitute Outside Director who is an Audit and Supervisory Committee Member

In order to be prepared in the event the Company lacks the number of Outside Directors who are Audit and Supervisory Committee Members, the Company proposes one (1) Substitute Outside Director be elected, which is required by laws and regulations.

The Company has obtained the consent of the Board of Audit and Supervisory Committee for this proposal which shall be effectively withdrawn by the resolution of the Board of Audit and Supervisory Committee before the appointment.

A candidate for a Substitute Outside Director who is an Audit and Supervisory Committee Member is as below:



Shogo KOMORI

Date of Birth:
October 23, 1979

Candidate for a
Substitute Outside
Director

Numbers of the
Company's Shares
Owned

0

Brief Personal History, Positions, Responsibilities and Significant Positions Concurrently Held

October 2003 Registered as attorney at the Second Tokyo Bar Association
Joined Anderson Law Office

October 2004 Switched the registration as attorney to Gifu Prefecture Bar Association
Joined Mori Law Office

March 2012 Established Shogo KOMORI Law Office, Representative of the Office
(present)

April 2012 Deputy Chairman of Gifu Prefecture Bar Association

October 2012 Part-time Nagoya Family Court Judge for mediation

June 2017 Substitute Outside Director who is Audit and Supervisory Committee
Member of IBIDEN Co., Ltd. (present)

April 2020 Deputy Chairman of Gifu Prefecture Bar Association

Other Major Position Concurrently Held
Representative of Shogo KOMORI Law Office

Reasons and Expectation for his/her Nomination as a Candidate of Substitute Outside Director

Mr. Shogo KOMORI has abundant and wide-ranging knowledge, expertise and experience as an attorney even though he has not been directly involved in the management of corporation. The Company proposes that Mr. Shogo KOMORI be reelected as a Substitute Outside Director who is an Audit and Supervisory Committee Member in expectation of the advice and supervision, which he will be able to provide.

(Annotation)

1. The Company has no special interests with Mr. Shogo KOMORI.
2. If this proposal is approved and Mr. Shogo KOMORI assumes office as an Outside Director who is an Audit and Supervisory Committee Member, an agreement for limitation of liability for damage will also be executed with Mr. Shogo KOMORI. Contents of the liability limitation agreement as follows:
 - (i) Liability for damage incurred due to an outside director's failure to perform his/her duties as an outside director shall be up to the amount of 20 million yen or the minimum liability amount stipulated in Article 425.1 of the Companies Act, whichever is higher.
 - (ii) The limitation of liability above applies only if an outside director has performed the duties which have caused his liability, without knowledge thereof and has not been grossly negligent in performing the same.
3. The Company has insured Directors' and Officers' Liability Insurance (hereafter "D&O"), which is insurance coverage intended to protect individuals from personal losses on business during serving as a director or an officer of a business or other type of organization except disclaimer clauses on the policy. Full premium payment for him is made on the Company. If the proposal is approved and then Mr. Shogo KOMORI is appointed Directors who are Audit and Supervisory Committee Members, he shall be an insured person. On account of the one-year D&O, we will be updating it in July, 2021.
4. Pursuant to the provisions prescribed by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., Mr. Shogo KOMORI will be appointed as Independent Director and Substitute Outside Director who is an Audit and Supervisory Committee Member will be registered with both Stock Exchanges, if he is elected.

CONSOLIDATED BALANCE SHEETS

Account	Millions of Yen	Account	Millions of Yen
(Assets)		(Liabilities)	
Current Assets	285,364	Current Liabilities	131,899
Cash and deposits	126,884	Notes and accounts payable - trade	45,717
Notes and accounts receivable - trade	89,796	Short-term loans payable	20,130
Merchandise and finished goods	13,653	Current portion of bonds	15,000
Work in process	18,734	Accounts payable - other	17,492
Raw materials and supplies	24,636	Income taxes payable	5,624
Other - current assets	11,769	Provision for bonuses	4,802
Allowance for doubtful accounts	△109	Provision for bonuses for directors	155
Noncurrent Assets	293,153	Provision for loss on liquidation of subsidiaries and associates	225
Property, plant and equipment	214,828	Notes payable - facilities	8,606
Buildings and Structures	78,782	Other - current liabilities	14,144
Machinery, equipment and vehicles	70,773	Non-Current Liabilities	124,755
Land	19,971	Bonds payable	35,000
Lease assets	246	Long-term loans payable	80,044
Construction in progress	38,590	Lease obligations	172
Other - property, plant and equipment	6,463	Deferred tax liability for land revaluation	68
Intangible assets	5,392	Retirement benefit liability	1,078
Investments and other assets	72,933	Provision for share-based Compensation	352
Investment securities	68,198	Deferred tax liabilities	7,117
Long-term loans receivable	8	Other – non-current liabilities	921
Deferred tax assets	3,488	Total Liabilities	256,655
Other assets	1,480	(Net Assets)	
Allowance for doubtful accounts	△242	Shareholders' Equity	274,679
Total Assets	578,518	Capital stock	64,152
		Capital surplus	64,433
		Retained earnings	149,379
		Treasury shares	△3,286
		Accumulated other comprehensive Income	41,234
		Valuation difference on available-for-sale securities	28,638
		Revaluation reserve for land	160
		Foreign currency translation adjustments	12,435
		Non-controlling interests	5,949
		Total Net Assets	321,863
		Total Liabilities and Net Assets	578,518

Note: Amounts less than one million yen are omitted.

(Concluded)

CONSOLIDATED STATEMENTS OF INCOME

Account	Millions of Yen	
Net sales		323,461
Cost of sales		238,011
Gross profit		85,449
Selling, general and administrative expenses		46,815
Operating income		38,634
Non-operating income		
Interest and dividend income	1,222	
Foreign exchange gain, net	677	
Other - non-operating income	858	2,758
Non-operating expenses		
Interest expenses	258	
Other - non-operating expenses	418	676
Ordinary income		40,716
Extraordinary income		
Gain on sales of non-current assets	75	
Gain on sales of investment securities	64	
Insurance claim income	151	
Other - extraordinary income	1	293
Extraordinary loss		
Loss on retirement of non-current assets	2,562	
Impairment loss	4,069	
Loss on valuation of investment securities	29	
Compensation expenses	996	
Loss on disaster	502	
Other - extraordinary loss	682	8,844
Income before income taxes		32,165
Income taxes – current	8,070	
Income taxes – deferred	△1,823	6,246
Net income		25,918
Profit attributable to non-controlling interests		220
Profit attributable to owners of parent		25,698

Note: Amounts less than one million yen are omitted.

(Concluded)

BALANCE SHEETS

Account	Millions of Yen	Account	Millions of Yen
(Assets)		(Liabilities)	
Current Assets	180,656	Current Liabilities	126,333
Cash and deposits	85,695	Notes payable - trade	3,861
Notes receivable - trade	1,301	Accounts payable - trade	28,420
Accounts receivable - trade	53,681	Short-term loans payable	20,000
Merchandise and finished goods	3,981	Current portion of bonds	15,000
Work in process	11,784	Accounts payable - other	15,931
Raw materials and supplies	7,176	Income taxes payable	3,430
Other - current assets	17,049	Deposit received	22,599
Allowance for doubtful accounts	△13	Provision for bonuses	3,405
Noncurrent Assets	300,189	Provision for bonuses for directors	155
Property, plant and equipment	126,014	Notes payable - facilities	8,524
Buildings	29,399	Other - current liabilities	5,006
Structures	15,089	Non-Current Liabilities	121,976
Machinery and equipment	42,567	Bonds payable	35,000
Land	11,194	Long-term loans payable	80,000
Construction in progress	23,660	Provision for share-based compensation	318
Other - property, plant and equipment	4,103	Deferred tax liabilities	6,423
Intangible assets	2,218	Other – non-current liabilities	233
Investments and other assets	171,956	Total Liabilities	248,310
Investment securities	66,431	(Net assets)	
Stock of subsidiaries and associates	104,975	Shareholders' Equity	204,206
Other assets	564	Capital stock	64,152
Allowance for doubtful accounts	△15	Capital surplus	64,579
Total Assets	480,846	Legal capital surplus	64,579
		Retained earnings	78,760
		Legal retained earnings	3,548
		Other retained earnings	75,211
		Reserve for advanced depreciation of non-current assets	71
		General reserve	8,600
		Retained earnings brought forward	66,540
		Treasury shares	△3,286
		Valuation and translation adjustments	28,329
		Valuation difference on available-for-sale securities	28,329
		Total Net Assets	232,535
		Total Liabilities and Net Assets	480,846

Note: Amounts less than one million yen are omitted.

(Concluded)

STATEMENTS OF INCOME

Account	Millions of Yen	
Net Sales		180,946
Cost of sales		130,698
Gross profit		50,247
Selling, general and administrative expenses		29,168
Operating income		21,079
Non-operating income		
Interest and dividend income	6,624	
Foreign exchange gains, net	1,001	
Other - non-operating income	524	8,151
Non-operating expense		
Interest expenses	391	
Rent expenses on facilities	151	
Other - non-operating expenses	48	592
Ordinary income		28,638
Extraordinary income		
Gain on sales of non-current assets	60	
Gain on sales of investment securities	20	
Insurance claim income	68	149
Extraordinary loss		
Loss on retirement of non-current assets	2,100	
Impairment loss	2,317	
Compensation expenses	996	
Loss on disaster	65	
Other - extraordinary loss	201	5,681
Income before income taxes		23,106
Income taxes - current	4,183	
Income taxes - deferred	△964	3,219
Net income		19,887

Note: Amounts less than one million yen are omitted.

(Concluded)