[Translation for Reference and Convenience Purposes Only]

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 116th Ordinary General Meeting of Shareholders of NGK SPARK PLUG CO., LTD. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

(Securities Code: 5334)
June 7, 2016

Dear Shareholders

Shinichi Odo
Chairman, President and Chief Executive Officer

NGK SPARK PLUG CO., LTD.
14-18, Takatsuji-cho, Mizuho-ku, Nagoya

NOTICE OF CONVOCATION OF THE 116th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 116th Ordinary General Meeting of Shareholders of NGK SPARK PLUG CO., LTD. (the "Company"), to be held as follows.

If you are unable to attend the meeting, you may otherwise exercise your voting rights in writing or via the Internet. Please read the attached REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS provided below. You are requested to exercise your Voting Rights before 5:00 p.m., on Tuesday, June 28, 2016.

1. Time and Date: 10:00 a.m., Wednesday, June 29, 2016

2. Place: **7**F The Grand Court, ANA CROWNE PLAZA Hotel Grand Court Nagoya
1-1-1 Kanayama-cho, Naka-ku, Nagoya

3. Objectives of the Meeting:

Reports:

1. Reports on Business Report and Consolidated Financial Statements, as well as Results of the Audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors for Fiscal 2015 (From April 1, 2015, to March 31, 2016)
2. Reports on Non-Consolidated Financial Statements for Fiscal 2015 (From April 1, 2015, to March 31, 2016)

Agenda:

Proposal No.1: Partial Amendments of the Articles of Incorporation of NGK SPARK PLUG CO., LTD.

Proposal No.2: Election of Ten (10) Directors

Proposal No.3: Election of Two (2) Corporate Auditors

Proposal No.4: Election of One (1) Substitute Corporate Auditor

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◎If any amendment is made to the REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS, the Business Report, and the Consolidated and/or the Non-Consolidated Financial Statements, the amended information will be disclosed on the Company's Web site. (https://www.ngkntk.co.jp/)

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REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposal and Items of Reference

Proposal No.1: Partial Amendments of the Articles of Incorporation of NGK SPARK PLUG CO., LTD.

1. Reason for the amendment
   With regard to Substitute Corporate Auditors to be elected in preparation for a contingency in which the Company does not have the number of Corporate Auditors required by laws and regulations, the Company will add Article 31 (Effective Term of Pre-election of Substitute Corporate Auditors) to its Articles of Incorporation in order to make the effective term of the resolution for election of Substitute Corporate Auditors four (4) years in line with the term of office of Corporate Auditors, while making necessary amendments to the said Articles of Incorporation in order to renumber the articles from Article 32 and the following articles accordingly.

2. Content of the amendment
   The content of the amendment is as follows.

(Amendments are underlined)

Current Articles of Incorporation	Proposed amendments
Article 1 – Article 30 (Article text omitted)	Article 1 – Article 30 (Unchanged)
(Newly established)	Article 31 (Effective Term of Pre-election of Substitute Corporate Auditors) Effective Term of Pre-election of Substitute Corporate Auditors shall expire at the beginning of the Ordinary General Meeting of Shareholders relating to the last business year which ends within four (4) years after that Substitute Corporate Auditor's election.
Article 31 – Article 40 (Article text omitted)	Article 32 - Article 41 (Unchanged)

[Translation for Reference and Convenience Purposes Only]

Proposal No.2: Election of Ten (10) Directors

As the term of office of all of the current ten (10) Directors will expire at the conclusion of this General Meeting of Shareholders, we propose the election of ten (10) Directors, including three (3) candidates for Outside Director with one (1) additional candidate for Outside Director, with the aim of clarifying the segregation of management and execution and reinforcing corporate governance.

The Company believes it is important to ensure that the Board of Directors is composed of diverse human resources with different backgrounds that include specialized knowledge, experience, etc. In addition, by electing several Outside Directors as members of the Board of Directors, the Company places great emphasis on incorporating external perspectives in order to strengthen supervisory functions while securing transparency for decision-making processes.

The candidates for Director are as follows:

No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
1	Shinichi Odo (April 3, 1954)	Apr 1977 Joined NGK SPARK PLUG CO., LTD. Feb 2003 General Manager of Overseas Aftermarket Sales & Marketing Dept., Sales and Marketing Div., Automotive Components Group, NGK SPARK PLUG CO., LTD. Jul 2005 President, NGK Spark Plugs (U.S.A.), Inc. Jun 2007 Member of the Board, NGK SPARK PLUG CO., LTD. Jun 2010 Member of the Board (Managing Director), NGK SPARK PLUG CO., LTD. Jun 2011 Representative Director and President, NGK SPARK PLUG CO., LTD. Apr 2012 President and Chief Executive Officer, NGK SPARK PLUG CO., LTD. Apr 2016 Representative Director and Chairman of the Board, Chief Executive Officer, President Officer, NGK SPARK PLUG CO., LTD. (up to the present) (Assignments) Overall control of Corporate Strategy Group	14,607 shares
2	Shinji Shibagaki (December 24, 1953)	Apr 1977 Joined NGK SPARK PLUG CO., LTD. Oct 2003 General Manager of Accounting & Finance Dept., NGK SPARK PLUG CO., LTD. Apr 2007 President, NGK Spark Plugs (U.S.A.) Holding, Inc. Jun 2007 Member of the Board, NGK SPARK PLUG CO., LTD. Jun 2010 Member of the Board (Managing Director), NGK SPARK PLUG CO., LTD. Jun 2011 Member of the Board (Senior Managing Director), NGK SPARK PLUG CO., LTD. Apr 2012 Member of the Board Senior Managing Officer, NGK SPARK PLUG CO., LTD. Apr 2013 Member of the Board Executive Vice President, NGK SPARK PLUG CO., LTD. Jun 2013 Representative Director, Executive Vice President, NGK SPARK PLUG CO., LTD. Apr 2016 Representative Director and Vice Chairman of the Board, NGK SPARK PLUG CO., LTD. (up to the present)	19,721 shares

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No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
3	Teppei Okawa (July 11, 1955)	Apr 1981 Joined NGK SPARK PLUG CO., LTD. Oct 2006 General Manager of Technical Control, Automotive Components Group, NGK SPARK PLUG CO., LTD. Jun 2007 General Manager of Planning Dept., Automotive Components Group, NGK SPARK PLUG CO., LTD. Jun 2009 General Manager of New Mission-Critical-System, Automotive Components Group, NGK SPARK PLUG CO., LTD. Apr 2010 General Manager of SCM, Automotive Components Group, NGK SPARK PLUG CO., LTD. Feb 2011 General Manager of Procurement Dept., Procurement Group, NGK SPARK PLUG CO., LTD. Jun 2011 Member of the Board, NGK SPARK PLUG CO., LTD. Apr 2012 Member of the Board Corporate Officer, NGK SPARK PLUG CO., LTD. Jun 2012 Corporate Officer, NGK SPARK PLUG CO., LTD. Jun 2013 Member of the Board Corporate Officer, NGK SPARK PLUG CO., LTD. Apr 2014 Member of the Board Managing Officer, NGK SPARK PLUG CO., LTD. Apr 2015 Member of the Board Senior Managing Officer, NGK SPARK PLUG CO., LTD. Apr 2016 Representative Director and Vice President Officer, NGK SPARK PLUG CO., LTD. (up to the present) (Assignments) Assistant to President, in charge of Internal Auditing Office and Corporate Strategy Group	7,657 shares

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No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
4	Shogo Kawajiri (December 17, 1954)	Apr 1979 Joined NGK SPARK PLUG CO., LTD. Feb 2004 General Manager of Quality Assurance Dept., Sensor Div., Automotive Components Group, NGK SPARK PLUG CO., LTD. Feb 2005 General Manager of Quality Assurance Dept., NGK SPARK PLUG CO., LTD. Jun 2007 General Manager of Fine Ceramics Div., Technical Ceramics Group, NGK SPARK PLUG CO., LTD. Jun 2008 Deputy General Manager of Semiconductor Components Div., Communication Media Components Group, Member of the Board, NGK SPARK PLUG CO., LTD. Jun 2011 Member of the Board (Managing Director), NGK SPARK PLUG CO., LTD. Apr 2012 Member of the Board Managing Officer, NGK SPARK PLUG CO., LTD. Apr 2013 Member of the Board Senior Managing Officer, NGK SPARK PLUG CO., LTD. Apr 2014 Member of the Board Vice President Officer, NGK SPARK PLUG CO., LTD. (up to the present) (Assignments) In charge of Corporate Quality Management Div.	14,464 shares
5	Takeshi Nakagawa (September 20, 1956)	Apr 1979 Joined NGK SPARK PLUG CO., LTD. Feb 2007 General Manager of Purchasing Dept., NGK SPARK PLUG CO., LTD. Jun 2008 Member of the Board, NGK SPARK PLUG CO., LTD. Jun 2011 Member of the Board (Managing Director), NGK SPARK PLUG CO., LTD. Apr 2012 Member of the Board Managing Officer, NGK SPARK PLUG CO., LTD. Apr 2013 Member of the Board Senior Managing Officer, NGK SPARK PLUG CO., LTD. (up to the present) (Assignments) In charge of Corporate Administration Group and Secretarial Office	12,327 shares
6	Takeshi Kawai (October 13, 1962)	Apr 1987 Joined NGK SPARK PLUG CO., LTD. Feb 2011 General Manager of Sensor Engineering Dept. Ⅱ, Sensor Div., Automotive Components Group, NGK SPARK PLUG CO., LTD. Apr 2012 Corporate Officer, NGK SPARK PLUG CO., LTD. Apr 2015 Managing Officer, NGK SPARK PLUG CO., LTD. Jun 2015 Member of the Board Managing Officer, NGK SPARK PLUG CO., LTD. Apr 2016 Member of the Board Senior Managing Officer, NGK SPARK PLUG CO., LTD. (up to the present) (Assignments) In charge of Business Planning Management Div.	1,518 shares

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<table>
<tr><th>No.</th><th>Name
(Date of Birth)</th><th>Brief Personal History, Positions and Assignments
and Significant Positions Concurrently Held</th><th>Number of
Shares Held</th></tr>
<tr><td>7</td><td>Masahiko Okuyama
(February 24, 1957)</td><td>Apr 1981 Joined NGK SPARK PLUG CO., LTD.
Feb 2006 General Manager of Research Dept. Ⅱ, R&D Group, NGK SPARK PLUG CO., LTD.
Jul 2011 Senior General Manager of R&D Center, Engineering R&D Group, NGK SPARK PLUG CO., LTD.
Apr 2012 Senior General Manager of Engineering R&D Group, NGK SPARK PLUG CO., LTD.
Apr 2013 Corporate Officer, NGK SPARK PLUG CO., LTD.
Apr 2014 Managing Officer, NGK SPARK PLUG CO., LTD.
Jun 2015 Member of the Board Managing Officer, NGK SPARK PLUG CO., LTD. (up to the present)
(Assignments)
In charge of Engineering R&D Group, Komaki Factory Manager</td><td>5,889
shares</td></tr>
<tr><td rowspan="2">8</td><td>Candidate for Outside Director
Morihiko Otaki
(June 11, 1954)</td><td>Aug 1996 President and CEO, Johnson & Johnson K.K. Vision Care Company
Aug 2011 Vice Chairman, Director, Pasona Inc. (up to the present)
Jun 2013 Member of the Board (Outside Director), NGK SPARK PLUG CO., LTD. (up to the present)
(Significant Positions Concurrently Held)
Vice Chairman, Director, Pasona Inc.</td><td>1,334
Shares</td></tr>
<tr><td colspan="3">He attended all of the 16 Board of Directors' Meetings held in Fiscal 2015.
He will have held a position as Outside Director of the Company for three (3) years at the conclusion of this General Meeting of Shareholders.

【Reason for appointment as a candidate for Outside Director】
With his extensive experience with global companies and his keen insight as a business operator, Mr. Otaki has been a valuable asset in his advice to the Company's management team and supervision of the team's work. The Company has selected Mr. Otaki as a candidate for Outside Director based on the judgment that he will continue to contribute to the maintenance and reinforcement of the Company's corporate governance, as he has been playing a key role in strengthening the Company's corporate governance by actively speaking out at the Company's Board of Directors' Meetings in order to enhance transparency in decision-making.
【Regarding the independence of candidates for Outside Director】
Mr. Otaki serves as vice chairman of Pasona Inc., which maintains a business relationship with the Company involving personnel placement services. However, we deem that his independence is sufficiently assured given that the Company's business with Pasona accounts for an extremely small percentage of Pasona sales (less than 0.01%), and that the selection standards for independent officers (please refer to page 13) set by the Company are met. Accordingly, the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of his continued appointment as Independent Outside Director, upon approval of his re-election.</td></tr>
</table>

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<table>
<tr><th>No.</th><th>Name
(Date of Birth)</th><th>Brief Personal History, Positions and Assignments
and Significant Positions Concurrently Held</th><th>Number of
Shares Held</th></tr>
<tr><td rowspan="2">9</td><td>Candidate for Outside Director
Kanemaru Yasui
(February 22, 1951)</td><td>Mar 1981 Registered as certified public accountant
Apr 1999 Partner, Chuo Audit Corporation
Sep 2006 Partner, Misuzu Audit Corporation
Aug 2007 Partner, AZSA & Co. (currently KPMG AZSA LLC.)
Jun 2008 Managing Partner, Director of Nagoya Branch, AZSA & Co. (currently KPMG AZSA LLC.)
Jun 2013 Retired from AZSA & Co.
Jul 2013 Director, Yasui Certified Public Accountant Office (up to the present)
June 2014 Member of the Board (Outside Director), NICHIHA Corporation (up to the present)
Member of the Board (Outside Director), NGK SPARK PLUG CO., LTD. (up to the present)
(Significant Positions Concurrently Held)
Certified Public Accountant
Outside Director, NICHIHA Corporation</td><td>67
shares</td></tr>
<tr><td colspan="3">He attended all of the 16 Board of Directors' Meetings held in Fiscal 2015.
He will have held a position as Outside Director of the Company for two (2) years at the conclusion of this General Meeting of Shareholders.

【Reason for appointment as a candidate for Outside Director】
With his expert knowledge and experience accumulated over many years as a certified public accountant, Mr. Yasui has been a valuable asset in his advice to the Company's management team and supervision of the team's work. The Company has selected Mr. Yasui as a candidate for Outside Director based on the judgment that he will continue to contribute to the maintenance and reinforcement of the Company's corporate governance, as he has been playing a key role in strengthening the Company's corporate governance by actively speaking out at the Company's Board of Directors' Meetings in order to enhance transparency in decision-making. Although Mr. Yasui has not contributed to corporate management in a capacity other than as Outside Director, for the reasons above, the Company has determined that he will be able to appropriately fulfill the duties of Outside Director.
【Regarding the independence of candidates for Outside Director】
Mr. Yasui has an employment background with KPMG AZSA LLC, the Company's auditing firm, and from April 1993 to March 2005 was involved in accounting audits of the Company. However, over ten (10) years have passed following his involvement in auditing the Company, and it has been three (3) years since his retirement from the aforementioned auditing firm. Moreover, that auditing firm conducts accounting audits of the Company from an independent standpoint, as stipulated by law; furthermore, payments by the Company to the auditing firm account for an extremely small percentage of the total remuneration of the auditing firm (less than 0.1%). In addition, at present there is no business relationship between the Company and Yasui Certified Public Accountant Office, where Mr. Yasui currently serves as Director, and the selection standards for independent officers (please refer to page 13) set by the Company are met. As such, the independence of Mr. Yasui has been sufficiently assured, and the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of his continued appointment as Independent Outside Director, upon approval of his re-election.</td></tr>
</table>

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No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
10	New Candidate Candidate for Outside Director Megumi Tamagawa (May 10, 1958)	Aug 1990 Registered as certified public accountant Feb 1991 Joined BDO Toyo & Co. Oct 2000 Manager, Accounting Department, Japan Branch, General Electric International Inc. Oct 2004 Joined MARUYAHONSHA Co., Ltd. Mar 2006 Representative Director, MARUYAHONSHA Co., Ltd. Mar 2016 Director, MARUYAHONSHA Co., Ltd. (up to the present) (Significant Positions Concurrently Held) Director, MARUYAHONSHA Co., Ltd.	0 Shares
	【Reason for appointment as a candidate for Outside Director】 The Company has selected Ms. Tamagawa as a candidate for Outside Director in the expectation that her abundant experience and keen insight as a corporate manager in a different industry from the Company as well as her expert knowledge accumulated as a certified public accountant will be valuable assets in her advice to the Company's management team and supervision of the team's work. 【Regarding the independence of candidates for Outside Director】 We deem that Ms. Tamagawa's independence is sufficiently assured given that there is no business relationship between MARUYAHONSHA Co., Ltd., for which she serves as Director, and the Company, and that the selection standards for independent officers (please refer to page 13) set by the Company are met. Accordingly, the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of her appointment as Independent Outside Director, upon approval of her election.		

Notes:

1. Each candidate for Director has no special interest in the Company.
2. The number of Shares of the Company each candidate holds includes the shares that each candidate holds in NGK SPARK PLUG under officer stock ownership.
3. Morihiko Otaki, Kanemaru Yasui and Megumi Tamagawa are candidates for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
4. In order that the Outside Directors may perform the roles expected of them, the Company has established rules in accordance with the Articles of Incorporation, enabling the conclusion of liability limitation agreement with Outside Directors, which limits Outside Directors' compensation for damages to the minimum liability amount established by laws and regulations pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act.

   Mr. Otaki and Mr. Yasui have already concluded a liability limitation agreement with the Company, and upon approval of their re-election as Outside Directors, the Company intends to continue this agreement with Mr. Otaki and Mr. Yasui. The Company also intends to conclude the aforementioned liability limitation agreement with Ms. Tamagawa upon approval of her election as Outside Director.

[Translation for Reference and Convenience Purposes Only]

Proposal No.3: Election of Two (2) Corporate Auditors

As the term of office of the current Corporate Auditors, Shigehisa Sao and Kenichi Masuda will expire at the conclusion of this General Meeting of Shareholders, we propose the election of two (2) Corporate Auditors.

This Proposal has been approved in advance by the Board of Corporate Auditors.

The candidate for Corporate Auditor is as follows:

<table>
<tr><th>No.</th><th>Name
(Date of Birth)</th><th>Brief Personal History, Positions
and Significant Positions Concurrently Held</th><th>Number of
Shares Held</th></tr>
<tr><td rowspan="2">1</td><td>Candidate for Outside Corporate Auditor

Shigehisa Sao
(February 15, 1947)</td><td>Apr 1977 Registered as an attorney
Apr 1994 Vice Chairman, Nagoya Bar Association (Currently Aichi Bar Association)
Jun 2008 Outside Corporate Auditor, CHUBU Electric Power Co., Inc. (up to the present)
Outside Corporate Auditor, NGK SPARK PLUG CO., LTD. (up to the present)
(Significant Positions Concurrently Held)
Attorney</td><td>0
shares</td></tr>
<tr><td colspan="3">He attended 14 of the 16 Board of Directors' Meetings held in Fiscal 2015.
He attended 13 of the 14 Board of Corporate Auditors' Meetings held in Fiscal 2015.
He will have held the position of Outside Corporate Auditor of the Company for eight (8) years at the conclusion of this General Meeting of Shareholders.

【Reason for appointment as a candidate for Outside Corporate Auditor】
With his abundant experience and track record as a lawyer well-versed in corporate law, Mr. Sao has been playing a significant role in strengthening the Company's corporate governance by providing adequate suggestions on overall business management as required. Although Mr. Sao has not contributed to corporate management in a capacity other than as Outside Corporate Auditor, he has been appropriately fulfilling the duties of Outside Corporate Auditor for the reasons above. As such, the Company has decided to re-appoint Mr. Sao as a candidate for Outside Corporate Auditor.
【Regarding the independence of candidates for Outside Corporate Auditor】
We deem that Mr. Sao's independence is sufficiently assured given that there is no business relationship between the law firm to which he belongs and the Company, and that the selection standards for independent officers (please refer to page 13) set by the Company are met. Accordingly, the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of his continued appointment as-Independent Outside Auditor, upon approval of his re-election.</td></tr>
</table>

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<table>
<tr><th>No.</th><th>Name
(Date of Birth)</th><th>Brief Personal History, Positions
and Significant Positions Concurrently Held</th><th>Number of
Shares Held</th></tr>
<tr><td rowspan="2">2</td><td>Candidate for Outside Corporate Auditor

Kenichi Masuda
(October 8, 1947)</td><td>May 1970 Joined The Mitsubishi Bank, Ltd.
Jun 1997 Director, The Bank of Tokyo-Mitsubishi, Ltd.
May 2001 Managing Director, The Bank of Tokyo-Mitsubishi, Ltd.
(Retired in June 2001)
Jun 2001 Director and Vice President, Kokusai Securities Co., Ltd.
(Retired in June 2005)
Jun 2005 Director and Chairman of the Board, KOKUSAI Asset Management Co., Ltd.
Jun 2006 President & CEO, KOKUSAI Asset Management Co., Ltd.
Oct 2007 Chairman, KOKUSAI Asset Management Co., Ltd.
(Retired in June 2008)
Jun 2008 Outside Corporate Auditor, Toda Corporation.
Outside Corporate Auditor, NGK SPARK PLUG CO., LTD. (up to the present)</td><td>0
shares</td></tr>
<tr><td colspan="2">He attended all of the 16 Board of Directors' Meetings held in Fiscal 2015.
He attended all of the 14 Board of Corporate Auditors' Meetings held in Fiscal 2015.
He will have held the position of Outside Corporate Auditor of the Company for four (4) years at the conclusion of this General Meeting of Shareholders.

【Reason for appointment as a candidate for Outside Corporate Auditor】
Mr. Masuda has held positions as director at financial institutions and is equipped with extensive knowledge on finance as well as abundant experience and broad insight as a corporate manager. While appropriately executing the duties of Outside Corporate Auditor, Mr. Masuda has been playing a significant role in strengthening the Company's corporate governance by providing adequate suggestions on overall business management as required. As such, the Company has decided to re-appoint Mr. Masuda as a candidate for Outside Corporate Auditor.
【Regarding the independence of candidates for Outside Corporate Auditor】
Mr. Masuda served as Director of The Bank of Tokyo-Mitsubishi, Ltd. (currently, The Bank of Tokyo-Mitsubishi UFJ, Ltd.), a business partner of the Company, and Kokusai Securities Co., Ltd. (currently, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.). However, he resigned as Director of The Bank of Tokyo-Mitsubishi, Ltd. in 2001 and as Director of Kokusai Securities Co., Ltd. in 2005, and has not been involved in business execution since his retirement, and the selection standards for independent officers (please refer to page 13) set by the Company are met. As such, the independence of Mr. Masuda has been sufficiently assured, and the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of his continued appointment as Independent Outside Auditor, upon approval of his re-election.</td></tr>
</table>

Notes:

1. Each candidate for Director has no special interest in the Company.
2. Shigehisa Sao and Kenichi Masuda are candidates for Outside Corporate Auditor as stipulated in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
3. Although Shigehisa Sao currently serves as Outside Corporate Auditor of CHUBU Electric Power Co., Inc., he is scheduled to retire from this position at the conclusion of the company's Ordinary General Meeting of Shareholders to be held on June 28, 2016.
4. Toda Corporation, for which Kenichi Masuda served as Outside Corporate Auditor from June 2008 to June 2012, was issued a business suspension order pursuant to the Construction Business Act with regard to violations of the Antimonopoly Act in connection with a construction project ordered by the Tokyo Urban Planning and Development Corporation in October 2008. Although Mr. Masuda had not been aware of the fact until the incident was unearthed, he had been striving to perform audits as Outside Corporate Auditor to ensure compliance with laws and regulations and prevent improper business execution through auditing, etc. Since this incident was revealed, Mr. Masuda has been endeavoring to appropriately fulfill his duties by reviewing the contents of measures to prevent any recurrence of such misconduct.

5. In order that the Outside Corporate Auditors may perform the roles expected of them, the Company has established rules in accordance with the Articles of Incorporation, enabling the conclusion of liability limitation agreement with Outside Corporate Auditors, which limits Outside Corporate Auditors' compensation for damages to the minimum liability amount established by laws and regulations pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act.
   Mr. Sao and Mr. Masuda have already concluded a liability limitation agreement with the Company, and upon approval of their re-election as Outside Corporate Auditors, the Company intends to continue this agreement with Mr. Sao and Mr. Masuda.

[Translation for Reference and Convenience Purposes Only]

Proposal No.4: Election of One (1) Substitute Corporate Auditor

We propose the election of one (1) Substitute Corporate Auditor in preparation for a contingency in which the Company does not have the number of Corporate Auditors required by laws and regulations. The effectiveness of the election under this Proposal may be cancelled based on a resolution of the Board of Directors, provided such cancellation is done prior to the assumption of office as Corporate Auditor and with the consent of the Board of Corporate Auditors.

The Proposal has been approved in advance by the Board of Corporate Auditors.

The candidate for Substitute Corporate Auditor is as follows:

Name (Date of Birth)	Brief Personal History, Positions and Significant Positions Concurrently Held	Number of Shares Held
New Candidate Candidate for Substitute Outside Corporate Auditor Toshihiro Ando (Jul 29, 1958)	Mar 1993 Registered as certified public accountant Jan 1995 Joined AMANO KAIKEI Co., Ltd. Aug 2005 Established Ando Certified Public Accountant Office (up to the present) Jul 2006 Assumed the position of Temporary Accounting Auditor of the Company Jun 2007 Retired as Temporary Accounting Auditor of the Company Jun 2011 Outside Corporate Auditor, FUJI MACHINE MFG. CO., LTD. (Significant Positions Concurrently Held) Certified Public Accountant	0 shares

【Reason for appointment as a candidate for Substitute Outside Corporate Auditor】

Although Mr. Ando has not contributed to corporate management in a capacity other than as Outside Corporate Auditor, he has expert knowledge of corporate accounting and experience accumulated as a certified public accountant; furthermore, he served as the Company's Temporary Accounting Auditor from July 2006 to June 2007, gaining a deep understanding of the Company's business. As such, the Company has selected Mr. Ando as a candidate for Substitute Outside Corporate Auditor based on the judgment that he will be able to fulfill the duties of Outside Corporate Auditor, upon assumption of office as Corporate Auditor.

【Regarding the independence of candidates for Substitute Outside Corporate Auditor】

Although Mr. Ando served as Temporary Accounting Auditor of the Company from July 2006 to June 2007, over nine (9) years have passed following his retirement as Temporary Accounting Auditor. In addition, at present there is no business relationship between the Company and Ando Certified Public Accountant Office, where Mr. Ando currently serves as Director, and the selection standards for independent officers (please refer to page 13) set by the Company are met. As such, the independence of Mr. Ando has been sufficiently assured, and the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of his appointment as Independent Outside Corporate Auditor, upon his assumption of office as Outside Corporate Auditor.

Notes:

1. The candidate for Substitute Corporate Auditor has no special interest in the Company.
2. Toshihiro Ando is a candidate for Substitute Outside Corporate Auditor.
3. In order that the Outside Corporate Auditors may perform the roles expected of them, the Company has established rules in accordance with the Articles of Incorporation, enabling the conclusion of liability limitation agreement with Outside Corporate Auditors, which limits Outside Corporate Auditors' compensation for damages to the minimum liability amount established by laws and regulations pursuant to the provisions of Article 427, Paragraph 1. of the Companies Act.
   The Company intends to conclude this agreement with Mr. Ando upon his assumption of office as Outside Corporate Auditor.

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(Reference)

Criteria for Independence of outside directors and corporate auditors

In addition to the qualifications of outside directors and corporate auditors specified in the Companies Act and the criteria on the independence of independent officers specified by financial instrument exchanges, the Company adopted its own Criteria for Election of Independent Officers* set forth below and elects only persons who meet all of those criteria as independent outside officers.

1. Persons who in the preceding three (3) years have not served as a director, corporate auditor, executive, manager, or other employee (including Corporate Officers but excluding outside directors and outside corporate auditors; referred to as "Directors etc.") of a trading partner with which transactions accounted for 2% or more of the Company, its Subsidiary or Affiliate Companies (referred to as "the Group") consolidated net sales or the trading partner's consolidated net sales in any of the preceding three (3) years.

2. Persons who are not currently principal shareholders of the Group or Directors etc. of a company that is a principal shareholder of the Group (a principal shareholder holds 10% or more of voting rights).

3. Persons who have not been employed by a principal lender of the Group in the preceding three (3) years (a principal lender is a financial institution or other financial creditor that is essential for the procurement of capital by the Group and on which the Group relies to a degree that it is irreplaceable).

4. Persons who are not attorneys, certified public accountants, consultants, or providers of other professional services who currently receive compensation from the Group.

5. Persons who have not received donations of ¥10 million or more from the Group in any of the preceding three (3) years.**

6. Persons who are not directors of companies to which Directors etc. have been seconded by the Group or subsidiaries of such companies.

7. Persons who are not relatives within two (2) degrees of consanguinity of a current or former Director etc. of the Group.

8. Persons who are not likely to give rise to substantive conflicts of interest with the Group on a regular basis.

Notes;

*However, in cases where there are grounds for a clear explanation of independence that can be provided to third parties against a backdrop of corporate merger or other unintended circumstances, even in the cases specified above, approval may be given after giving consideration to the opinions of Independent Officers.

**However, even in cases where a donation of ¥10 million or more is made, if the donation was made to a different professor in the same research lab or a different research lab at the same university with which the candidate Independent Officer is affiliated and there are grounds for a clear explanation of the lack of impact resulting from such donation on the independence of determinations by the candidate Independent Officer that can be made to third parties, approval may be given after giving consideration to the opinions of Independent Officers.