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(Stock Exchange Code 1969)
June 12, 2020

To Shareholders with Voting Rights:

Kazuhito Kojima
President and Representative Director, COO
Takasago Thermal Engineering Co., Ltd.
6-27-30, Shinjuku, Shinjuku-ku, Tokyo

NOTICE OF THE 140TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

Takasago Thermal Engineering Co., Ltd. (the "Company") hereby notifies you as follows that the 140th Ordinary General Meeting of Shareholders of the Company will be held as described below.

1. **Date and Time:** Monday, June 29, 2020 at 10:00 a.m. Japan time (reception will open at 9:00 a.m.)

2. **Place:** Conference room*J* at Takasago Thermal Engineering Co, Ltd. located at 6-27-30, Shinjuku, Shinjuku-ku, Tokyo, Japan

3. **Meeting Agenda:**

Matters to be reported: The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the Company's 140th Fiscal Year (April 1, 2019 - March 31, 2020) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements

Proposals to be resolved:

Proposal 1: Distribution of Surplus

Proposal 2: Election of Eleven (11) Directors

~~~~~~ Notice ~~~~~~

You can refer to this convocation notice and the appendix, as well as their English translations (partial), on the Company's website (https://www.tte-net.com).

Of the documents to be submitted along with this convocation notice, the Company has published the consolidated statements of changes in net assets and consolidated notes for the Consolidated Financial Statements and the statements of changes in net asset and individual notes for the Non-consolidated Financial Statements on the Company's website stated above under laws, regulations, and Article 18 of the Company's Articles of Incorporation; accordingly, those matters are not included in this convocation notice. The documents attached to this convocation notice are part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor and the Corporate Auditors when preparing the audit reports.
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Should the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website stated above.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Distribution of Surplus

The Company positions the return of profits to its shareholders as one of the most important management issues. While enhancing profitability and capital efficiency, we strive for a stable dividend payout under our basic policy.

Based on this basic policy, the year-end dividend for the 140th fiscal year is proposed as below in consideration of performance for this fiscal year exceeding the planned figures and other such factors.

As a result, the annual dividend will be ¥56, including the interim dividend of ¥26 per share.

Matters related to year-end dividends

1. Type of dividend assets
   Cash
2. Items relating to the allocation of dividend assets to shareholders and its total amount
   ¥30 per share of common stock of the Company
   Total amount: ¥2,106,923,910
3. Effective date of payment of dividend from surplus
   June 30, 2020

Proposal 2: Election of Eleven (11) Directors

The terms of office of all eleven (11) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the election of eleven (11) Directors is proposed.

The candidates are as follows.

The Company determines the candidates for nomination at the Board of Directors' meeting after deliberation at the Nomination and Compensation Committee, a majority of whose members are Outside Directors, by thoroughly taking into account such factors as a wealth of experiences and knowledge in the candidate's specialty fields, potential contribution to the Company's sustainable growth and enhancement of its mid- to long-term corporate value, as well as the optimal composition and size of the Board at this point.

No.		Name	Current positions in the Company	Attendance at the Board of Directors' meetings
1	Reelection	Atsushi Ouchi	Chairman and Representative Director, CEO	13/13 meetings (100.0%)
2	Reelection	Kazuhito Kojima	President and Representative Director, COO	10/10 meetings (100.0%)
3	Reelection	Choichi Takahara	Director and Executive Vice President	13/13 meetings (100.0%)
4	Reelection	Yoshiyuki Hara	Director and Senior Managing Executive Officer, CFO	13/13 meetings (100.0%)
5	Reelection	Hiroshi Yamawake	Director and Managing Executive Officer	13/13 meetings (100.0%)
6	Reelection	Tadashi Kamiya	Director and Managing Executive Officer	10/10 meetings (100.0%)
7	Reelection	Toshikazu Yokote	Director and Managing Executive Officer	10/10 meetings (100.0%)
8	Reelection Outside Director Independent Director	Kazuo Matsunaga	Outside Director	11/13 meetings (84.6%)
9	Reelection Outside Director Independent Director	Mitoji Yabunaka	Outside Director	12/13meetings (92.3%)
10	Reelection Outside Director Independent Director	Kiyoshi Fujimura	Outside Director	13/13 meetings (100.0%)
11	Reelection Outside Director Independent Director	Yoko Seki	Outside Director	9/10 meetings (90.0%)

Notes:

1. The positions of the above candidates for Directors are those at the time of this General Meeting.
2. The attendance rate is given to one decimal place.
3. Because Mr. Kazuhito Kojima, Mr. Tadashi Kamiya, Mr. Toshikazu Yokote, and Ms. Yoko Seki were newly elected as Directors at the 139th Ordinary General Meeting of Shareholders held on June 26, 2019 and assumed office on that day, their attendance at the Board of Directors' meeting has been counted from after their assumption of office.

Candidate number	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions
1	Atsushi Ouchi (Date of birth: July 29, 1949) Number of shares of the Company held: 157,769 (of the shares above, number of shares to be delivered subject to stock compensation plan: 54,334) Term of office as Director (at the conclusion of this Meeting): 12 years Attendance at the Board of Directors' meetings: 13/13 meetings (100%) Reelection	April 1975 Joined the Company April 2006 Executive Officer April 2008 Managing Executive Officer Branch General Manager, Osaka Branch June 2008 Director and Managing Executive Officer April 2010 President and Representative Director, CEO January 2015 President and Representative Director, CEO In charge of Engineering Headquarters April 2015 President and Representative Director, CEO April 2016 Chairman, President and Representative Director, CEO April 2020 Chairman and Representative Director, CEO To the present
[Reason for nomination as a candidate for Director] Mr. Atsushi Ouchi has served as President and Director from April 2010 and as Chairman, President and Director from April 2016 and has demonstrated leadership as the chief executive of the Company group's management, and has been responsible for the management. The Company again nominates him as a candidate for Director, expecting that he would continue to enhance the Company group's sustainable growth and its mid- to long-term corporate value, and revitalize, and strengthen the function of, the Board of Directors as Chairman (CEO).		

Candidate number	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions
2	Kazuhito Kojima (Date of birth: September 6, 1961) Number of shares of the Company held: 11,090 (of the shares above, number of shares to be delivered subject to stock compensation plan: 5,175) Term of office as Director (at the conclusion of this Meeting): 1 year Attendance at the Board of Directors' meetings: 10/10 meetings (100%) Reelection	April 1984 Joined the Company April 2015 Administration Officer; Branch General Manager, Yokohama Branch, East Japan Headquarters April 2017 Executive Officer April 2018 Branch General Manager, Osaka Branch April 2019 Group General Manager, Management Strategy Headquarters June 2019 Director and Executive Officer April 2020 President and Representative Director, COO In charge of work style reform, and Global Business Planning Headquarters To the present

[Reason for nomination as a candidate for Director]
Mr. Kazuhito Kojima has accumulated a wealth of experience and deep insight into design and installation of building facilities with regard to the Company group's business through executing its air conditioning equipment business. Also, he has fulfilled his executive responsibilities through formulation of medium-term business plans and annual business plans, organizational reform and corporate planning with ESG and the SDGs in mind. The Company again nominates him as a candidate for Director, expecting that he would enhance the Company's sustainable growth and its mid- to long-term corporate value, and revitalize, and strengthen the function of, the Board of Directors as President (COO).

Candidate number	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions
3	Choichi Takahara (Date of birth: March 13, 1954) Number of shares of the Company held: 58,024 (of the shares above, number of shares to be delivered subject to stock compensation plan: 24,024) Term of office as Director (at the conclusion of this Meeting): 7 years Attendance at the Board of Directors' meetings: 13/13 meetings (100%) Reelection	April 1972 Joined the Company April 2010 Executive Officer Branch General Manager, Kanto Branch April 2011 Deputy Group General Manager, East Japan Headquarters; Group General Manager, Purchasing Group, East Japan Headquarters June 2013 Director and Executive Officer April 2014 Director and Managing Executive Officer April 2015 Group General Manager, East Japan Headquarters; General Manager, Tokyo Main Office, East Japan Headquarters April 2016 Responsible for businesses in Japan; Group General Manager of headquarters, East Japan Headquarters; General Manager, Tokyo Main Office, East Japan Headquarters April 2017 Representative Director and Senior Managing Executive Officer Group General Manager, Business in Japan Headquarters; in charge of quality, environment and safety control April 2018 In charge of domestic affiliates; in charge of Development Business Promotion Department April 2019 Group General Manager, Business Management Headquarters; in charge of quality, environment and safety control, Business Development Department, Property Development Management Department, and International Group Companies April 2020 Director and Executive Vice President President Advisor; in charge of International Group Companies, and Sales & Marketing Headquarters To the present
[Reason for nomination as a candidate for Director] Mr. Choichi Takahara has accumulated a wealth of experience and deep insight into design and installation of building facilities with regard to the Company group's business through executing its air conditioning equipment business. The Company again nominates him as a candidate for Director, expecting that he would continue to enhance the Company's sustainable growth and its mid- to long-term corporate value, and revitalize, and strengthen the function of, the Board of Directors as Vice President.		

Candidate number	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions
4	Yoshiyuki Hara (Date of birth: August 12, 1957) Number of shares of the Company held: 32,117 (of the shares above, number of shares to be delivered subject to stock compensation plan: 12,484) Term of office as Director (at the conclusion of this Meeting): 5 years Attendance at the Board of Directors' meetings: 13/13 meetings (100%) Reelection	April 1981 Joined NIPPON LIFE INSURANCE COMPANY April 2012 Joined the Company April 2013 Administration Officer; Deputy Group General Manager, Corporate Planning Group April 2014 Executive Officer April 2015 Executive Officer Deputy Group General Manager, Corporate Administration Group June 2015 Director and Executive Officer Deputy Group General Manager, Corporate Administration Group April 2016 Director and Managing Executive Officer Group General Manager, Corporate Administration Group April 2017 Group General Manager, Corporate Operations Headquarters; General Manager, Corporate Planning Division; in charge of Management Strategy; in charge of Compliance April 2019 In charge of Management Strategy Headquarters, Corporate Operations Headquarters and Japanese Group Companies July 2019 In charge of Financial Strategy April 2020 Director and Senior Managing Executive Officer, CFO In charge of Property Development Management Department To the present
[Reason for nomination as a candidate for Director] Mr. Yoshiyuki Hara has deep insight into the finance and banking field gained through his experience working at financial institutions. Also, he has fulfilled his executive responsibilities for accounting, financial affairs and planning-related work with the purpose of strengthening the management base and corporate governance of the Company group. The Company again nominates him as a candidate for Director, expecting that he would continue to enhance the Company's sustainable growth and its mid- to long-term corporate value, and revitalize, and strengthen the function of, the Board of Directors as CFO.		

Candidate number	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions
5	Hiroshi Yamawake (Date of birth: April 16, 1957) Number of shares of the Company held: 32,155 (of the shares above, number of shares to be delivered subject to stock compensation plan: 11,484) Term of office as Director (at the conclusion of this Meeting): 5 years Attendance at the Board of Directors' meetings: 13/13 meetings (100%) Reelection	April 1982 Joined the Company April 2010 Deputy Group General Manager, Industrial Air Conditioning Headquarters April 2011 Administration Officer; General Manager, Industrial Facilities Division, Engineering Headquarters April 2015 Executive Officer General Manager, Engineering Division, Engineering Headquarters June 2015 Director and Executive Officer April 2016 Director and Managing Executive Officer To the present Group General Manager, Technology Group and in charge of quality, environment and safety April 2017 Group General Manager, Business Innovation Headquarters; in charge of Technology In charge of New Business Development April 2018 In charge of Environmental Solutions Business Promotion Department April 2019 In charge of Technical and Business Creation Management Department April 2020 In charge of Total Engineering; Research and Development Headquarters, and Environmental Business Development Department To the present
[Reason for nomination as a candidate for Director] Mr. Hiroshi Yamawake has accumulated a wealth of experience and deep insight into design and installation of building facilities with regard to the Company group's business through executing its air conditioning equipment business. Also, he has fulfilled his executive responsibilities aimed at development of new technologies that contribute to technological advancement of the Company group's building facilities, and at creation of a new revenue base. The Company again nominates him as a candidate for Director, expecting that he would continue to enhance the Company's sustainable growth and its mid- to long-term corporate value, revitalize, and strengthen the function of, the Board of Directors as the person in charge of total engineering including research and development.		

Candidate number	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions
6	Tadashi Kamiya (Date of birth: October 19, 1963) Number of shares of the Company held: 8,853 (of the shares above, number of shares to be delivered subject to stock compensation plan: 4,319) Term of office as Director (at the conclusion of this Meeting): 1 year Attendance at the Board of Directors' meetings: 10/10 meetings (100%) Reelection	April 1986 Joined the Company April 2016 Administration Officer; General Manager, Engineering Division, Engineering Headquarters April 2019 Executive Officer April 2019 Deputy Group General Manager, Business Management Headquarters; in charge of work style reform June 2019 Director and Executive Officer April 2020 Director and Managing Executive Officer In charge of Quality Environment & Safety Control; Japanese Group Companies, and Business Management Headquarters To the present

[Reason for nomination as a candidate for Director]
Mr. Tadashi Kamiya has accumulated a wealth of experience and deep insight into design and installation of building facilities with regard to the Company group's business through executing its air conditioning equipment business. Also, he has fulfilled his executive responsibilities through managing its air conditioning business and increasing productivity. The Company again nominates him as a candidate for Director, expecting that he would enhance the Company's sustainable growth and its mid- to long-term corporate value, and revitalize, and strengthen the function of, the Board of Directors as the person in charge of quality, environment, and safety, including core business management.

Candidate number	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions
7	Toshikazu Yokote (Date of birth: March 29, 1961) Number of shares of the Company held: 18,442 (of the shares above, number of shares to be delivered subject to stock compensation plan: 4,319) Term of office as Director (at the conclusion of this Meeting): 1 year Attendance at the Board of Directors' meetings: 10/10 meetings (100%) Reelection	April 1985 Joined the Company April 2017 Administration Officer; Branch General Manager, Hiroshima Branch April 2018 Executive Officer April 2019 Group General Manager; Corporate Operations Headquarters; in charge of Compliance June 2019 Director and Executive Officer April 2020 Director and Managing Executive Officer In charge of Compliance, Corporate Operations Headquarters, and Business Innovation Headquarters To the present
[Reason for nomination as a candidate for Director] Mr. Toshikazu Yokote has accumulated a wealth of experience and deep insight into design and installation of building facilities with regard to the Company group's business through executing its air conditioning equipment business. Also, as Director in charge of human resources, general affairs, accounting and finance, and legal-related work, he has fulfilled his executive responsibilities through strengthening the management base. The Company again nominates him as a candidate, expecting that he would enhance the Company's sustainable growth and its mid- to long-term corporate value, and revitalize, and strengthen the function of, the Board of Directors as the person in charge of compliance including overall corporate administration.		

Candidate number	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions
8	Kazuo Matsunaga (Date of birth: February 28, 1952) Number of shares of the Company held: 0 Term of office as Outside Director (at the conclusion of this Meeting): 7 years Attendance at the Board of Directors' meetings: 11/13meetings (84.6%) Reelection Outside Director Independent Director	April 1974 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry) June 2004 Director, Nuclear and Industrial Safety Agency September 2005 Director-General for Policy Planning and Coordination, Minister's Secretariat July 2006 Deputy Vice-Minister of Economy, Trade and Industry, Minister's Secretariat July 2008 Director-General, Economic and Industrial Policy Bureau July 2010 Vice-Minister of Economy, Trade and Industry August 2011 Advisor to Ministry of Economy, Trade and Industry June 2013 Outside Director, the Company To the present [Significant concurrent positions] Outside Director, Sony Corporation Outside Director, HASHIMOTO SOGYO HOLDINGS CO., LTD. Representative Chairman of the Board, Mitsubishi Fuso Truck and Bus Corporation

[Reason for nomination as a candidate for Director]
Mr. Kazuo Matsunaga has a wealth of experience and insight into the fields of public administration and economics. The Company nominates him as a candidate, expecting that he would supervise the management and execute the checking function from an independent perspective by drawing on his experiences. Although he has not participated in corporate management except as an outside director or outside corporate auditor, the Company has judged that he would appropriately perform his duties as Outside Director, including the provision of valuable suggestions and opinions to the Company's management, due to the above reasons.
He served as a part-time advisor from July 2012 to June 2013, when he was elected as the Company's Outside Director at the Ordinary General Meeting of Shareholders, based on the premise that he would assume office as an Outside Director of the Company. As the advisory services he provided consisted of offering advice from the standpoint of an independent outsider, and as the advisory compensation paid to him was not a large amount (less than 10 million yen), the Company has judged that his independence as Outside Director is secured. The Company's criteria of independence for Outside Directors are as stated below in Note 3.

Candidate number	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions
9	Mitoji Yabunaka (Date of birth: January 23, 1948) Number of shares of the Company held: 0 Term of office as Outside Director (at the conclusion of this Meeting): 6 years Attendance at the Board of Directors' meetings: 12/13 meetings (92.3%) Reelection Outside Director Independent Director	April 1969 Joined Ministry of Foreign Affairs of Japan December 2002 Director-General, Asian and Oceanian Affairs Bureau January 2005 Deputy Minister for Foreign Affairs (Economy) January 2007 Deputy Minister for Foreign Affairs (Political affairs) January 2009 Vice-Minister for Foreign Affairs August 2010 Advisor to Ministry of Foreign Affairs June 2014 Outside Director, the Company To the present [Significant concurrent positions] Outside Director, Mitsubishi Electric Corporation Outside Director, KOMATSU LTD.

[Reason for nomination as a candidate for Director]
Mr. Mitoji Yabunaka has a wealth of experience and insight into the fields of diplomacy and public administration. The Company nominates him as a candidate, expecting that he would supervise the management and execute the checking function from an independent perspective by drawing on his experiences. Although he has not participated in corporate management except as an outside director or outside corporate auditor, the Company has judged that he would appropriately perform his duties as Outside Director, including the provision of valuable suggestions and opinions to the Company's management, due to the above reasons.
He served as a part-time advisor from April 2012 to June 2014, when he was elected as the Company's Outside Director at the Ordinary General Meeting of Shareholders, based on the premise that he would assume office as an Outside Director of the Company. As the advisory services he provided consisted of offering advice from the standpoint of an independent outsider, and as the advisory compensation paid to him was not a large amount (less than 10 million yen), the Company has judged that his independence as Outside Director is secured. The Company's criteria of independence for Outside Directors are as stated below in Note 3.

Candidate number	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions
10	Kiyoshi Fujimura (Date of birth: November 3, 1949) Number of shares of the Company held: 0 Term of office as Outside Director (at the conclusion of this Meeting): 2 years Attendance at the Board of Directors' meetings: 13/13 meetings (100%) Reelection Outside Director Independent Director	April 1972 Joined Mitsubishi Corporation February 2002 Director and President, Mitsubishi Corporation Financial & Management Services (Japan) Ltd. June 2003 Corporate Auditor (full-time), Mitsubishi Corporation June 2007 Executive Officer, Corporate Functional Officer (CIO), Mitsubishi Corporation April 2008 Executive Vice President, Corporate Functional Officer (CIO), Mitsubishi Corporation April 2009 Director and Executive Vice President, Corporate Functional Officer (CIO), Mitsubishi Corporation April 2010 Director and Executive Vice President, officer in charge of auditing and internal controls, Mitsubishi Corporation June 2012 Resigned from Mitsubishi Corporation June 2018 Outside Director, the Company To the present [Significant concurrent positions] Not applicable

[Reason for nomination as a candidate for Director]
Mr. Kiyoshi Fujimura has a wealth of experience and insight as a director and CIO of a general trading company. The Company nominates him as a candidate, expecting that he would supervise the management and execute the checking function from an independent perspective by drawing on his experiences and that he would appropriately perform his duties as Outside Director, including the provision of valuable suggestions and opinions to the Company's management.
Although the Company has a normal business relationship, including installation work orders and equipment procurement, etc. with Mitsubishi Corporation, the company to which Mr. Fujimura belonged, the Company has judged that his independence as Outside Director is secured as the amount of trading with that company is nominal, accounting for 0.02% (truncated to the second decimal place) of the net sales of the Company. The Company's criteria of independence for Outside Directors are as stated below in Note 3.

<table>
<tr><th>Candidate number</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions, responsibilities and significant concurrent positions</th></tr>
<tr><td rowspan="2">11</td><td rowspan="2">Yoko Seki
(Date of birth: August 30, 1970)

Number of shares of the Company held: 0

Term of office as Outside Director (at the conclusion of this Meeting): 1 year

Attendance at the Board of Directors' meetings: 9/10 meetings (90%)
Reelection
Outside Director
Independent Director</td><td>October 2002
November 2002
December 2006

April 2014

June 2019</td><td>Registered as attorney
Registered as certified public accountant
Joined Ginza Prime Law Office
To the present
Professor at Kokushikan University
To the present
Outside Director, the Company
To the present</td></tr>
<tr><td colspan="2">[Significant concurrent positions]
Outside Corporate Auditor, TAIJU LIFE INSURANCE COMPANY LIMITED
Supervisory Director, AEON REIT Investment Corporation</td></tr>
<tr><td colspan="4">[Reason for nomination as a candidate for Director]
Ms. Yoko Seki has a wealth of experience and insight as an attorney and certified public accountant. The Company nominates her as a candidate, expecting that she would supervise the management and execute the checking function from an independent perspective by drawing on her experiences. Although she has not participated in corporate management except as an outside director or outside corporate auditor, the Company has judged that she would appropriately perform her duties as Outside Director, including the provision of valuable suggestions and opinions to the Company's management, due to the above reasons. The Company's criteria of independence for Outside Directors are as stated below in Note 3.</td></tr>
</table>

(Notes)

1. There are no special interests between each candidate for Director and the Company.
2. The attendance rate is given to one decimal place.
3. The Company's criteria of independence for Outside Directors are as follows.
   (1) They are not a party that considers the Company a major business partner (Note) or an individual who executes business of such a party.
   Note: "Major business partner" here is defined as a corporation that in the previous fiscal year and three past fiscal years (the "fiscal years of interest") has conducted transactions in any of the fiscal years of interest that total, as a rule, 2% or more of its net sales.
   (2) They are not a party that the Company considers a major business partner (Note) or an individual who executes business of such a party.
   Note: "Major business partner" here is defined as a corporation that in the previous fiscal year and three past fiscal years (the "fiscal years of interest") has conducted transactions in any of the fiscal years of interest that total, as a rule, 2% or more of the Company's net sales.
   (3) They are not a consultant, accounting specialist, or legal specialist that receives large amounts of monetary or other assets (Note) from the Company aside from executive compensation (in the case that the party receiving the assets is a legal entity or association, this applies to individuals who belong thereto).
   Note: "Large amounts of monetary or other assets" here is defined as assets valued in total, as a rule, at 10 million yen or greater over the course of a single fiscal year.
   (4) They are not a party or an individual that recently would fall under the following 1) to 4).
      1) A party or an individual that would fall under (1), (2), or (3).
      2) An individual who executes business or non-executive director of the Company's parent company.
      3) A corporate auditor of the Company's parent company (applicable only when Outside Corporate Auditors are selected as independent officers).
      4) An individual who executes business of a fellow subsidiary company.
   (5) They are not a close relative (Note) to an individual that would fall under the following 1) to 8) (however, not applicable when the individual is not a significant person (Note)).
      1) A party or an individual that would fall under (1) to (4).
      2) An accounting counselor of the Company. (In the case that the accounting counselor is a legal entity, this includes individuals who conduct that entity's duties. This clause also applies to the following items.) (Applicable only when Outside Corporate Auditors are selected as independent officers.)
      3) An individual who executes business of a subsidiary company of the Company.
      4) A director or accounting counselor of a subsidiary company of the Company who is not an individual who executes business (applicable only when Outside Corporate Auditors are selected as independent officers).
      5) An individual who executes business or non-executive director of the Company's parent company.
      6) A corporate auditor of the Company's parent company (applicable only when Outside Corporate Auditors are selected as independent officers).
      7) An individual who executes business of a fellow subsidiary company.
      8) A party who has recently fallen under 3) or 4) above, or who has recently been an individual who executes business of a listed company (including non-executive directors in the case that Outside Corporate Auditors are selected as independent officers).
   Notes: "Significant person" here is defined in the case of an individual who executes business in (1) and (2) as an officer or division director of the company or business partner referred to, and in the case of parties in (3) as certified public accountants belonging to audit firms referred to and attorneys (including "associates") belonging to law offices referred to. "Close relative" here is defined as a relative within two degrees.
4. The Company has concluded liability limitation agreements with each of Mr. Kazuo Matsunaga, Mr. Mitoji Yabunaka, Mr. Kiyoshi Fujimura and Ms. Yoko Seki to limit their liabilities for damages to the aggregated amount set out in each item of Article 425, Paragraph 1 of the Companies Act, concerning the liabilities under Article 423, Paragraph 1 of the Companies Act, if gross negligence has not been committed and they perform their duties in good faith. If each of them is reelected as Director and assumes office, the Company plans to continue such agreements with each of them.
5. If the proposal of the election of Mr. Kazuo Matsunaga, Mr. Mitoji Yabunaka, Mr. Kiyoshi Fujimura and Ms. Yoko Seki is approved, Mr. Kazuo Matsunaga, Mr. Mitoji Yabunaka, Mr. Kiyoshi Fujimura and Ms. Yoko Seki will continue to be designated as independent officers stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange. The Company plans to report such designation to the Tokyo Stock Exchange.
6. In January 2016, when Mr. Mitoji Yabunaka was an Outside Director for Mitsubishi Electric Corporation, the company was fined by the EU General Court for violating EU competition policy regarding sales of gas-insulated switchgears in Europe. Though these actions occurred prior to Mr. Yabunaka's election to his position, he has since made specific comments and given opinions regarding compliance with laws and regulations and has also given advice regarding the prevention of a recurrence of such actions. Also, in February 2016, when Mr. Mitoji Yabunaka was an Outside Director

for Mitsubishi Electric Corporation, the company was ordered to take corrective measures and was levied with a charge by the Korea Fair Trade Commission for violating Korean antitrust regulations in connection with the bidding on automotive starter motors. Though these actions occurred prior to Mr. Yabunaka's election to his position, he has since made specific comments and given opinions regarding compliance with laws and regulations and has also given advice regarding the prevention of a recurrence of such actions. Additionally, in April 2017, when Mr. Mitoji Yabunaka was an Outside Director for Mitsubishi Electric Corporation, the company was levied with a charge by the Ontario Court of Justice for violating Canadian competition laws in connection with transactions involving automotive alternators and ignition coils. Though these actions occurred prior to Mr. Yabunaka's election to his position, he has since made specific comments and given opinions regarding compliance with laws and regulations and has also given advice regarding the prevention of a recurrence of such actions.

7. In July 2016, when Mr. Kiyoshi Fujimura was an Outside Director for TDK Corporation, the company was subject to an on-site inspection under antitrust laws by the Fair Trade Commission with regard to its HDD suspension business, and in February 2018, the company was delivered a cease and desist order and a monetary penalty payment order pursuant to the provisions of antitrust laws. He has made specific comments and given opinions regarding compliance with laws and regulations and has also given advice regarding the prevention of a recurrence of such actions.
8. The number of shares of the Company held by each candidate includes the number of shares actually owned under the name of the officers' shareholding association and the number of shares to be delivered to officers (shown in parentheses in each Director's profile information) when they leave office pursuant to the stock compensation plan.

   Details of shares of the Company to be delivered under stock compensation plan

   The Company discontinued stock compensation type stock options and introduced a stock compensation plan (the "Plan") to its officers, etc. (excluding Outside Directors and overseas residents; the same applies below) from fiscal year 2018. The number of shares to be delivered to candidates under the Plan includes the number of shares of the Company equivalent to the number of points to be granted on June 1, 2020 as well as the number of shares of the Company equivalent to the number of points granted under the Plan on October 1, 2018 in accordance with the number of shares that were subject to waived stock acquisition rights upon the commencement of the Plan as a measure for transitioning from the stock compensation type stock options. The actual delivery of shares to officers will be made when they leave office. Voting rights for shares to be delivered under the Plan will not be exercised until the shares are actually delivered to each of the candidates in the future. The Company plans to sell the number of shares equivalent to 30% of the shares to be delivered on the market in order to secure funds for tax payments and plans to pay the candidates from the proceeds of the shares sold.

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