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(Stock Exchange Code 6140)
June 8, 2020

To Shareholders with Voting Rights:

Kazuki Kataoka
President and Representative Director
Asahi Diamond Industrial Co., Ltd.
4-1, Kioi-cho, Chiyoda-ku, Tokyo

NOTICE OF THE 101ST ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

We are pleased to inform you that the 101st Annual General Meeting of Shareholders of Asahi Diamond Industrial Co., Ltd. (the "Company") will be held for the purposes as described below.

The spread of the coronavirus disease (COVID-19) has led to the stay-at-home requests. Thus, we strongly encourage our shareholders to exercise their voting rights in advance in writing or via the Internet, etc. to the extent possible. Please review the attached Reference Documents for the General Meeting of Shareholders, follow the instructions on the next page, and exercise your voting rights by 6:00 p.m. on Wednesday, June 24, 2020, Japan time.

1. **Date and Time:** Thursday, June 25, 2020 at 10:00 a.m. Japan time
   (Reception desk opens at 9:00 a.m.)
2. **Place:** Conference room Orizuru Rei, The Main Bldg. Arcade Floor, Hotel New Otani at 4-1, Kioi-cho, Chiyoda-ku, Tokyo, Japan
3. **Meeting Agenda:**

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company's 101st Fiscal Year (April 1, 2019 - March 31, 2020) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 101st Fiscal Year (April 1, 2019 - March 31, 2020)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Election of Nine (9) Directors
Proposal 3: Election of Three (3) Audit & Supervisory Board Members

◎ Of the documents required to be provided with this Notice of Convocation, the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements are, in accordance with laws and regulations as well as Article 19 of the Articles of Incorporation of the Company, posted on the Company's website (https://www.asahidia.co.jp/) and are therefore not included with the Attached Document. Furthermore, the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements have been audited by the Accounting Auditor and Audit & Supervisory Board Members as part of the Non-consolidated Financial Statements and the Consolidated Financial Statements when preparing the Independent Auditor's Report and the Audit Report, respectively.

◎ Any updates to the Reference Documents for the General Meeting of Shareholders, the Business Report,

the Non-consolidated Financial Statements and the Consolidated Financial Statements will be posted on the Company's website (https://www.asahidia.co.jp/).

◎ Any significant changes to the General Meeting of Shareholders due to the status of the COVID-19 infection will be posted on the Company's website (https://www.asahidia.co.jp/).

◎ To shareholders who have returned the Voting Exercise Form or exercised their voting rights via the Internet, etc. by the deadline mentioned above, the Company will send a QUO Card (a gift card worth ¥500) at a later date.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

It is proposed that the surplus be appropriated as follows:

Matters concerning year-end dividends

The Company positions returning profits to shareholders as an important issue. The Company's basic policy is to maintain a stable dividend while conducting R&D and capital investment, retaining appropriate internal reserve for future business development and enhancement of corporate value and as such, the Company intends to distribute profits according to consolidated performance.

The Company reported impairment losses associated with the Chiba Tsurumai Factory as extraordinary losses for the fourth quarter of the consolidated accounting period, resulting in loss attributable to owners of parent for this year. The Company, however, proposes a year-end dividend of ¥6 per share, as initially planned.

As a result, the annual dividends for the year, including the interim dividend of ¥4, will amount to ¥10 per share.

1. Type of dividend property
   Cash
2. Allocation of dividend property to shareholders and total amount thereof
   ¥6 per share of common stock of the Company
   Total amount of dividends: ¥334,149,978
3. Effective date of dividends from surplus
   June 26, 2020

Proposal 2: Election of Nine (9) Directors

The term of office of a Director of the Company is stipulated to be one (1) year. The terms of office of all nine (9) Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

In order to ensure management transparency and strengthen corporate governance, the election of nine (9) Directors (of whom two (2) are External Directors) is proposed.

The candidates for Director are as below.

The Company has nominated the candidates after consulting with the Nomination and Remuneration Advisory Committee and receiving a report from said Committee.

No.		Name	Current positions and responsibilities	Attendance at Board of Directors' meetings	Attendance at Nomination and Remuneration Advisory Committee meetings
1	Reelection	Kazuki Kataoka	President and Representative Director	10/10	4/4
2	Reelection	Kazuo Kogawa	Representative Managing Director; Marketing Division Director	10/10	—
3	Reelection Non-Japanese	Ming-Shong Lan	Managing Director; Global Business Management Division Director	9/10	—
4	Reelection	Kazuaki Taniguchi	Director; Production and Engineering Division; Chief Officer for R&D; Chiba Tsurumai Factory General Manager	10/10	—
5	Reelection	Toshimasa Hagiwara	Director; Global Business Management Division; Chief Officer for Regional Operations (China and Taiwan)	9/10	—
6	Reelection	Hideo Abe	Director; Tamagawa Factory General Manager	8/8	—
7	Reelection	Tomohiko Hara	Director; Mie Factory General Manager	8/8	—
8	Reelection Candidate for External Director Independent Director	Osamu Koyama	Director (External Director)	10/10	4/4
9	Reelection Candidate for External Director Independent Director	Shinichi Nagata	Director (External Director)	10/10	4/4

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>Kazuki Kataoka
(March 5, 1952)

Reelection

No. of years served as Director: 12 years

Attendance at Board of Directors' meetings: 10/10

Attendance at Nomination and Remuneration Advisory Committee meetings: 4/4</td><td>April 1976
July 2005
June 2008
June 2011

June 2013

June 2015
July 2019</td><td>Joined the Company
General Manager, Engineering Department, Marketing Division
Director; Marketing Division Deputy Director
Managing Director; Business Planning Division Director and Marketing Division Deputy Director
Representative Executive Managing Director; Marketing Division Director
President and Representative Director (present)
Nomination and Remuneration Advisory Committee Member (present)</td><td>95,699</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Kazuki Kataoka was involved in marketing, business planning, R&D, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As the President and Representative Director since June 2015, Mr. Kataoka has been responsible for the Company's management and has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Selecting Directors" (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have nominated him for reelection as a candidate for Director.</td></tr>
<tr><td rowspan="2">2</td><td>Kazuo Kogawa
(January 2, 1957)

Reelection

No. of years served as Director: 9 years

Attendance at Board of Directors' meetings: 10/10</td><td>April 1979
July 2008

June 2009
June 2011
June 2013
June 2015</td><td>Joined the Company
General Manager, Planning Department, Business Planning Division
Executive Officer; Business Planning Division Director
Director; Tamagawa Factory General Manager
Managing Director; Business Planning Division Director
Representative Managing Director; Marketing Division Director (present)</td><td>31,818</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Kazuo Kogawa was involved in business planning, marketing, production and engineering, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As a Director of the Company since June 2011, Mr. Kogawa has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Selecting Directors" (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have nominated him for reelection as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">3</td><td>Ming-Shong Lan
(March 4, 1953)

Reelection
Non-Japanese

No. of years served as Director: 15 years

Attendance at Board of Directors' meetings: 9/10</td><td>September 1994 Joined the Company; Deputy General Manager Reporting to Managing Division Director (Left the Company in July 1996)
August 1996 President, Taiwan Asahi Diamond Industrial Co., Ltd. (present)
June 2005 Director; International Department, the Company
July 2017 Director; International Division Director
June 2019 Managing Director; International Division Director
November 2019 Managing Director; Global Business Management Division Director (present)
[Significant concurrent positions]
President, Taiwan Asahi Diamond Industrial Co., Ltd.</td><td>33,214</td></tr>
<tr><td colspan="3">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Ming-Shong Lan was involved in business planning and serves as the President of an overseas subsidiary. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As a non-Japanese Director of the Company since June 2005, Mr. Lan has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Selecting Directors" (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have nominated him for reelection as a candidate for Director.</td></tr>
<tr><td rowspan="2">4</td><td>Kazuaki Taniguchi
(April 23, 1950)

Reelection

No. of years served as Director: 9 years

Attendance at Board of Directors' meetings: 10/10</td><td>April 1973 Joined the Company
July 2005 General Manager, Production and Engineering Department, Chiba Tsurumai Factory
July 2008 Executive Officer; Chiba Tsurumai Factory Deputy General Manager
June 2011 Director; Chiba Tsurumai Factory Deputy General Manager
June 2013 Director; Chiba Tsurumai Factory General Manager
July 2017 Director; Chief Officer for R&D, Production and Engineering Division; Chiba Tsurumai Factory General Manager
June 2019 Director; Production and Engineering Division Director; Chief Officer for R&D; Chiba Tsurumai Factory General Manager (present)</td><td>22,626</td></tr>
<tr><td colspan="3">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Kazuaki Taniguchi was involved in production and engineering, administration, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As a Director of the Company since June 2011, Mr. Taniguchi has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Selecting Directors" (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have nominated him for reelection as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">5</td><td>Toshimasa Hagiwara
(November 10, 1959)

Reelection

No. of years served as Director: 6 years

Attendance at Board of Directors' meetings: 9/10</td><td>April 1982 Joined the Company
December 2004 Nagoya Branch Deputy General Manager
June 2009 Executive Officer; Nagoya Branch General Manager
June 2014 Director; Nagoya Branch General Manager
April 2015 President, Shanghai XuHui Diamond Industrial Co., Ltd. (present)
April 2015 Director; Representative of China Division
July 2017 Director; International Division; Chief Officer for Regional Operations (China and Taiwan)
November 2019 Director; Global Business Management Division; Chief Officer for Regional Operations (China and Taiwan) (present)
[Significant concurrent positions]
President, Shanghai XuHui Diamond Industrial Co., Ltd.</td><td>25,563</td></tr>
<tr><td colspan="3">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Toshimasa Hagiwara was involved in marketing. He currently serves as the President of an overseas subsidiary. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As a Director of the Company since June 2014, Mr. Hagiwara has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Selecting Directors" (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have nominated him for reelection as a candidate for Director.</td></tr>
<tr><td rowspan="2">6</td><td>Hideo Abe
(July 15, 1957)

Reelection

No. of years served as Director: 1 year

Attendance at Board of Directors' meetings: 8/8</td><td>April 1980 Joined the Company
July 2005 Deputy General Manager, Manufacturing Department No. 1, Tamagawa Factory
July 2010 General Manager, Manufacturing Department No. 1, Tamagawa Factory
June 2013 Executive Officer; Tamagawa Factory General Manager
June 2019 Director; Tamagawa Factory General Manager (present)</td><td>11,621</td></tr>
<tr><td colspan="3">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Hideo Abe was involved in production and engineering, administration, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As a Director of the Company since June 2019, Mr. Abe has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Selecting Directors" (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have nominated him for reelection as a candidate for Director.</td></tr>
</table>

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
7	Tomohiko Hara (January 10, 1958) Reelection No. of years served as Director: 1 year Attendance at Board of Directors' meetings: 8/8	April 1980 July 2005 July 2010 February 2013 June 2013 July 2017 June 2019	Joined the Company Deputy General Manager, Manufacturing Department No. 2, Tamagawa Factory General Manager, Manufacturing Department No. 2, Tamagawa Factory International Department General Manager (temporarily transferred to P.T. Asahi Diamond Industrial Indonesia) Executive Officer; President, P.T. Asahi Diamond Industrial Indonesia Executive Officer; International Division; Chief Officer for Regional Operations (ASEAN and Australia) (President, P.T. Asahi Diamond Industrial Indonesia) Director; Mie Factory General Manager (present)	19,975
	[Reasons for nomination as a candidate for Director] After joining the Company, Mr. Tomohiko Hara was involved in production and engineering, administration, etc., and served as the President of an overseas subsidiary. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company. As a Director of the Company since June 2019, Mr. Hara has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Selecting Directors" (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have nominated him for reelection as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
8	Osamu Koyama (August 8, 1948) Reelection Candidate for External Director Independent Director No. of years served as Director: 6 years Attendance at Board of Directors' meetings: 10/10 Attendance at Nomination and Remuneration Advisory Committee meetings: 4/4	April 2005 April 2009 January 2013 June 2014 April 2017 July 2019	Executive Officer, Mitsui & Co., Ltd. and Executive Vice President, Mitsui & Co. (U.S.A.), Inc. Executive Managing Officer, Mitsui & Co., Ltd. and President & CEO, Mitsui Global Strategic Studies Institute (Retired from these two companies in March 2012) Director, Keimei Gakuen (present) Director of the Company (External Director) (present) Auditor, International University of Japan (present) Member of Nomination and Remuneration Advisory Committee of the Company (present)	0
	[Reasons for nomination as a candidate for External Director] Having served as Executive Managing Officer, Mitsui & Co., Ltd. and President & CEO, Mitsui Global Strategic Studies Institute, Mr. Osamu Koyama has great experience and profound insight as a manager and is expected to fulfill the role and responsibilities of an External Director, including management oversight and provision of advice on overall management. Thus, the Company judges that he satisfies the "Criteria for Selecting Directors" and the "Criteria for Selecting External Directors" (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have nominated him for reelection as a candidate for External Director.			
	[Matters concerning independence] Mr. Osamu Koyama has no potential conflicts of interest with general shareholders of the Company because there is no offering or receiving of money between Mr. Koyama and the Company other than Director remuneration. While Mr. Koyama previously served as Executive Managing Officer, Mitsui & Co., Ltd. and President & CEO, Mitsui Global Strategic Studies Institute, the Company and the Mitsui Group have no cross-shareholding, and although the Company procures raw materials from the Mitsui Group, the amount of such transactions was equal to approximately 0.01% of consolidated net sales of Mitsui & Co., Ltd. Mr. Koyama serves as a Director of Keimei Gakuen and an Auditor of the International University of Japan. However, no special interest exists between these educational corporations and the Company. Therefore, Mr. Koyama satisfies the "Independence Criteria for External Directors and External Audit & Supervisory Board Members" (see page 17) and is judged to be independent.			
	[Liability limitation agreement] The Company has entered into an agreement with Mr. Osamu Koyama to limit his liability pursuant to Article 423, Paragraph 1 of the Company Law so that he can fulfill his expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations. If his reelection is approved, the Company intends to renew the liability limitation agreement with him.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
9	Shinichi Nagata (January 31, 1948) Reelection Candidate for External Director Independent Director No. of years served as Director: 5 years Attendance at Board of Directors' meetings: 10/10 Attendance at Nomination and Remuneration Advisory Committee meetings: 4/4	July 1998 June 1999 July 2000 July 2006 June 2008 June 2015 July 2019	Associate Director-General, Loan Planning Department, The Fuji Bank, Ltd. (current Mizuho Bank, Ltd.) (Left the company in June 1999) Director, Fine Credit Co., Ltd. (current Yamato Credit & Finance Co., Ltd.) Managing Director; Fine Credit Co., Ltd. Managing Executive Officer; Fine Credit Co., Ltd. (retired in June 2008) Audit & Supervisory Board Member (External Audit & Supervisory Board Member) of the Company (retired in June 2015) Director of the Company (External Director) (present) Member of Nomination and Remuneration Advisory Committee the Company (present)	1,000
	[Reasons for nomination as a candidate for External Director] Mr. Shinichi Nagata has great experience and profound insight gained through his career at financial institutions and is expected to fulfill the role and responsibilities of an External Director, including management oversight and provision of advice on overall management. Thus, the Company judges that he satisfies the "Criteria for Selecting Directors" and "Criteria for Selecting External Directors" (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have nominated him for reelection as a candidate for External Director.			
	[Matters concerning independence] Mr. Shinichi Nagata has no potential conflicts of interest with general shareholders of the Company because there is no offering or receiving of money between Mr. Nagata and the Company other than Director remuneration. Mr. Nagata previously worked for Mizuho Bank, Ltd., which is one of the financial institutions the Company has transactions with, but 21 years have passed since he left the bank. The Company and the Mizuho Financial Group have no cross-shareholding. Loans payable to the said bank amount to only ¥300 million pertaining to an overseas subsidiary of the Company, and the said bank is not a major financial institution for the Company. While Mr. Nagata previously served as a Managing Executive Officer of Yamato Credit & Finance Co., Ltd., no special interest exists between Yamato Credit & Finance Co., Ltd. and the Company. Therefore, Mr. Nagata satisfies the "Independence Criteria for External Directors and External Audit & Supervisory Board Members" (see page 17) and is judged to be independent.			
	[Liability limitation agreement] The Company has entered into an agreement with Mr. Shinichi Nagata to limit his liability pursuant to Article 423, Paragraph 1 of the Company Law so that he can fulfill his expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations. If his reelection is approved, the Company intends to renew the liability limitation agreement with him.			

(Notes)

1. Special interest between candidates for Director and the Company
   1) Mr. Ming-Shong Lan, a candidate for Director, also serves as the president of Taiwan Asahi Diamond Industrial Co., Ltd., a subsidiary of the Company, with which the Company has a business relationship, including sales of products.
   2) No special interest exists between other candidates for Director and the Company.
2. Messrs. Osamu Koyama and Shinichi Nagata are candidates for External Directors, and the Company has designated them as independent directors/auditors prescribed by the Tokyo Stock Exchange, Inc.
3. The number of years served as a Director is the number of years that will have been served at the conclusion of this Annual General Meeting of Shareholders.
4. The number of shares of the Company held by each candidate for Director is the number held as of March 31, 2020, and includes the number of shares held through the Executive Shareholding Association.

Proposal 3: Election of Three (3) Audit & Supervisory Board Members

The terms of office of all three (3) Audit & Supervisory Board Members will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of three (3) Audit & Supervisory Board Members (including two (2) External Audit & Supervisory Board Members) is proposed.

The consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The candidates for Audit & Supervisory Board Member are as below.

The Company has nominated the candidates after consulting with the Nomination and Remuneration Advisory Committee and receiving a report from said Committee.

No.		Name	Current positions	Attendance at Board of Directors' meetings	Attendance at Audit & Supervisory Board meetings
1	Reelection	Morio Kayama	Full-time Audit & Supervisory Board Member	10/10	10/10
2	Reelection Candidate for External Audit & Supervisory Board Member Independent Auditor	Yukio Otaka	Audit & Supervisory Board Member (External Audit & Supervisory Board Members)	9/10	9/10
3	Reelection Candidate for External Audit & Supervisory Board Member Independent Auditor	Masahito Kawashima	Audit & Supervisory Board Member (External Audit & Supervisory Board Members)	10/10	10/10

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="3">1</td><td>Morio Kayama
(April 6, 1955)

Reelection

No. of years served as Audit & Supervisory Board Member: 4 years

Attendance at Board of Directors' meetings: 10/10

Attendance at Audit & Supervisory Board meetings: 10/10</td><td>April 2004

May 2009

April 2010

April 2015

June 2016</td><td>General Manager, Machida Branch, The Chuo Mitsui Trust and Banking Co., Ltd. (current Sumitomo Mitsui Trust Bank, Limited) (Left the bank in May 2006)
Director; General Manager, Planning Division; General Manager, Administration Division, Chuo Mitsui Guarantee Company, Limited (Retired in March 2010)
Joined the Company; Deputy General Manager, Planning Department, Business Planning Division
Junior Counsellor, General Affairs Department, Administration Division
Full-time Audit & Supervisory Board Member (present)</td><td>9,760</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Audit & Supervisory Board Member]
Mr. Morio Kayama has abundant business experience, profound insight, and extensive knowledge of finance and accounting gained through his career at a financial institution. Since joining the Company, he has been involved in administration and business planning and has gained a wealth of business knowledge and experience. Based on his experience, the Company judges that he satisfies the "Criteria for Appointing Audit & Supervisory Board Members" (see page 17) and is a suitable person to server as Audit & Supervisory Board Member of the Company. We, therefore, have nominated him for reelection as a candidate for Audit & Supervisory Board Member.</td></tr>
<tr><td colspan="4">[Liability limitation agreement]
The Company has entered into an agreement with Mr. Morio Kayama to limit his liability pursuant to Article 423, Paragraph 1 of the Company Law so that he can fulfill his expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.
If his reelection is approved, the Company intends to renew the liability limitation agreement with him.</td></tr>
</table>

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
2	Yukio Otaka (October 23, 1955) Reelection Candidate for External Audit & Supervisory Board Member Independent Auditor No. of years served as Audit & Supervisory Board Member: 5 years Attendance at Board of Directors' meetings: 9/10 Attendance at Audit & Supervisory Board meetings: 9/10	May 2004 June 2007 June 2008 March 2010 June 2015 June 2015 June 2017	Chief Representative, Bahrain Representative Office, Mizuho Corporate Bank, Ltd. (current Mizuho Bank, Ltd.) General Manager, Dubai Branch; Chief Representative, Bahrain Representative Office, Europe Structured Finance Department, Mizuho Corporate Bank, Ltd. (Left the bank in March 2008) General Manager, Treasury Division, Daiwa Can Company (Left the company in January 2010) Executive General Manager, Overseas Business Division, Zebra Co., Ltd. (Left the company in March 2015) Director (External Director), Kinugawa Rubber Industrial Co., Ltd. (Retired in October 2016) Audit & Supervisory Board Member (External Audit & Supervisory Board Member) of the Company (present) Audit and Supervisory Board Member (External Audit and Supervisory Board Member), CMK Corporation (present)	0

[Reasons for nomination as a candidate for External Audit & Supervisory Board Member]
Mr. Yukio Otaka has abundant business experience overseas, profound insight, and extensive knowledge of finance and accounting gained through his career as a banker and is expected to fulfill the role and responsibilities of an External Audit & Supervisory Board Member. Thus, the Company judges that he satisfies the "Criteria for Appointing Audit & Supervisory Board Members" and "Criteria for Appointing External Audit & Supervisory Board Members" (see page 17) and is a suitable person to serve as an Audit & Supervisory Board Member of the Company. We, therefore, have nominated him for reelection as a candidate for External Audit & Supervisory Board Member.

[Matters concerning independence]
Mr. Yukio Otaka has no potential conflicts of interest with general shareholders of the Company because there is no offering or receiving of money between Mr. Otaka and the Company other than Audit & Supervisory Board Member remuneration.
Mr. Otaka previously worked for Mizuho Bank, Ltd., which is one of the financial institutions the Company has transactions with, but 12 years have passed since he left the bank. The Company and the Mizuho Financial Group have no cross-shareholding. Loans payable to the said bank amount to only ¥300 million pertaining to an overseas subsidiary of the Company, and the said bank is not a major financial institution for the Company.
Mr. Otaka previously worked for Daiwa Can Company as General Manager, Zebra Co., Ltd. as Executive General Manager and Kinugawa Rubber Industrial Co., Ltd. as External Director, and has been serving as External Audit and Supervisory Board Member of CMK Corporation. However, no special interests exist between each company and the Company.
Therefore, Mr. Otaka satisfies the "Independence Criteria for External Directors and External Audit & Supervisory Board Members" (see page 17) and is judged to be independent.

[Liability limitation agreement]
The Company has entered into an agreement with Mr. Yukio Otaka to limit his liability pursuant to Article 423, Paragraph 1 of the Company Law so that he can fulfill his expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.
If his reelection is approved, the Company intends to renew the liability limitation agreement with him.

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
3	Masahito Kawashima (August 5, 1953) Reelection Candidate for External Audit & Supervisory Board Member Independent Auditor No. of years served as Audit & Supervisory Board Member: 3 years Attendance at Board of Directors' meetings: 10/10 Attendance at Audit & Supervisory Board meetings: 10/10	May 2004 February 2006 June 2006 June 2009 April 2011 June 2011 June 2017	Deputy General Manager, Osaka Office, The Bank of Tokyo-Mitsubishi, Ltd. (current MUFG Bank, Ltd.) (Left the bank in January 2006) Managing Executive Officer, Mitsubishi UFJ Capital Co., Ltd. Representative Director, Managing Director, Mitsubishi UFJ Capital Co., Ltd. (retired in June 2009) Representative Director, Executive Vice President, MU Frontier Servicer Co., Ltd. (retired in October 2010) Executive Vice President, CFO, Chiyoda Corporation Representative Director and Executive Vice President, CFO, Chiyoda Corporation (retired in June 2017) Audit & Supervisory Board Member (External Audit & Supervisory Board Member) of the Company (present)	0
	[Reasons for nomination as a candidate for External Audit & Supervisory Board Member] Mr. Masahito Kawashima has abundant business experience, profound insight, and extensive knowledge about finance and accounting gained through his career at financial institutions. He served as Representative Director and Executive Vice President, CFO, responsible for risk management, at Chiyoda Corporation. He is expected to fulfill the role and responsibilities of an External Audit & Supervisory Board Member. Thus, the Company judges that he satisfies the "Criteria for Appointing Audit & Supervisory Board Members" and the "Criteria for Appointing External Audit & Supervisory Board Members" (see page 17) and is a suitable person to serve as an Audit & Supervisory Board Member of the Company. We, therefore, have nominated him for reelection as a candidate for External Audit & Supervisory Board Member.			
	[Matters concerning independence] Mr. Masahito Kawashima has no potential conflicts of interest with general shareholders of the Company because there is no offering or receiving of money between Mr. Kawashima and the Company other than Audit & Supervisory Board Member remuneration. Mr. Kawashima previously worked for MUFG Bank, Ltd., which is one of the financial institutions the Company has transactions with, but 14 years have passed since he left the bank. The Bank of Mitsubishi-Tokyo UFJ, Ltd., which holds 2.49% of the voting rights of the Company, is not a major shareholder of the Company. The Company's holding of voting rights of Mitsubishi UFJ Financial Group, Inc. is less than 0.1%. Loans payable to the said bank amount to only ¥63 million pertaining to an overseas subsidiary of the Company, and the said bank is not a major financial institution for the Company. While Mr. Kawashima previously served as a Representative Director, Managing Director of Mitsubishi UFJ Capital Co., Ltd., Representative Director, Executive Vice President of MU Frontier Servicer Co., Ltd., and Representative Director and Executive Vice President, CFO of Chiyoda Corporation, no special interest exists between these companies and the Company. Therefore, Mr. Kawashima satisfies the "Independence Criteria for External Directors and External Audit & Supervisory Board Members" (see page 17) and is judged to be independent.			
	[Liability limitation agreement] The Company has entered into an agreement with Mr. Masahito Kawashima to limit his liability pursuant to Article 423, Paragraph 1 of the Company Law so that he can fulfill his expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations. If his reelection is approved, the Company intends to renew the liability limitation agreement with him.			

(Notes)

1. No special interest exists between each candidate for Audit & Supervisory Board Member and the Company.
2. Messrs. Yukio Otaka and Masahito Kawashima are candidates for External Audit & Supervisory Board Member, and the Company has designated them as independent directors/auditors prescribed by the Tokyo Stock Exchange.
3. The number of years served as Audit & Supervisory Board Member is the number of years that will have been served at

the conclusion of this Annual General Meeting of Shareholders.

4. The number of shares of the Company held by each candidate for Audit & Supervisory Board Member is the number held as of March 31, 2020, and includes the number of shares held through the Executive Shareholding Association.

(Reference)

Policies and Procedures for Nominating Candidates for Director and Audit & Supervisory Board Member

The Company has established the "Nomination and Remuneration Advisory Committee" as a voluntary advisory body to the Board of Directors on July 31, 2019 in order to ensure transparency and objectivity in the procedures concerning the nominations and remuneration, as well as to further enhance the corporate governance system.

The Nomination and Remuneration Advisory Committee consists of three or more Directors appointed by the Board of Directors, and the majority of them are independent External Directors. The chairman was appointed from the committee members who are independent External Directors through the resolution of the "Nomination and Remuneration Advisory Committee."

This committee deliberates on matters concerning nominations and remuneration in response to requests from the Board of Directors, submit reports to the Board of Directors, and has set the "Criteria for Appointing and Dismissing Directors."

The committee attaches the greatest importance to the independence in the election of External Directors and External Audit & Supervisory Board Members, and has set forth its own "Independence Criteria" as follows.

Criteria for Appointing and Dismissing Directors

1. Criteria for Appointing Directors
   1) There is no significant impediment to the execution of duties as a Director, including mental and physical health.
   2) There is no violation of laws, regulations, or the Articles of Incorporations, etc.
   3) A person who possesses knowledge, capabilities, ethical standards required as a Director.
   4) A person who has experience required for a Director and maintain a high level of foresight.
   5) A person who can contribute to improvement in the Company's business performance and corporate value through the creation of a management plan, execution of duties in the area under their supervision or the division in charge.
2. Criteria for Appointing External Directors
   1) A person who satisfies the independence criteria stipulated by the Company.
   2) A person who can provide fair and highly transparent advice and recommendations for decision-making by the Board of Directors from an independent and objective standpoint.
   3) A person who can supervise the Company's management through the appointment and dismissal of management executives as well as other important decision-making by the Board of Directors from an independent and objective standpoint.
   4) A person who can oversee conflicts of interests among the Company, management executives, and controlling shareholders from an independent and objective standpoint.
   5) A person who can reflect opinions of stakeholders including minority shareholders to the Board of Directors from an independent and objective standpoint.
3. Criteria for Dismissing Directors
   1) In the case where the Director has committed an act that offends against public order and decency
   2) In the case where the Director has violated laws and regulations, the Articles of Incorporation or any other rules of the Group, causing significant losses or business interruption to the Group
   3) In the case where the Director has significant difficulties in performing duties

Criteria for Appointing and Dismissing Audit & Supervisory Board Members

1. Criteria for Appointing Audit & Supervisory Board Members
   1) There is no significant impediment to the execution of duties as an Audit & Supervisory Board Member, including mental and physical health.
   2) There is no violation of laws and regulations, the Articles of Incorporations, etc.
   3) A person who possesses knowledge, capabilities, ethical standards required as an Audit & Supervisory Board Member.
   4) At least one Audit & Supervisory Board Member in the Audit & Supervisory Board must possess extensive knowledge about finance and accounting.
2. Criteria for Appointing External Audit & Supervisory Board Members
   1) A person who satisfies the independence criteria stipulated by the Company.
   2) A person who can audit and make recommendations on reasonableness and appropriateness of the Board of Directors from an independent and objective standpoint.
3. Criteria for Dismissing Audit & Supervisory Board Members
   1) In the case where the Audit & Supervisory Board Member has committed an act that offends against public order and decency
   2) In the case where the Audit & Supervisory Board Member has violated laws and regulations, the Articles of Incorporation or any other rules of the Group, causing significant losses or business interruption to the Group
   3) In the case where the Audit & Supervisory Board Member has significant difficulties in performing duties

Independence Criteria for External Directors and External Audit & Supervisory Board Members

If none of the following attributes applies to an External Director or External Audit & Supervisory Board Member, the Company judges that such person is independent from the Company.

(1) A person affiliated with a major shareholder that substantially holds 10% or more of the voting rights of the Company
(2) A person affiliated with an entity that substantially holds 10% or more of the voting rights of the Company
(3) A person affiliated with a business partner whose purchases from the Company accounted for 3% or more of the Company's consolidated net sales for the previous year
(4) A person affiliated with a business partner whose annual sales to the Company accounted for 3% or more of the business partner's consolidated net sales for the previous year
(5) A person affiliated with a financial institution that is indispensable for the Company's financing and on whom the Company is dependent to the extent that it is irreplaceable
(6) A consultant, an accounting professional or a legal professional who received money or other assets amounting to 10 million yen or more from the Company in the previous year other than the Director's or Audit & Supervisory Board Member's remuneration (If the person receiving money, etc. is an organization such as a legal entity, a person affiliated with such organization)
(7) A person affiliated with a legal entity that received donations amounting to 10 million yen or more from the Company in the previous year
(8) A person to whom any of (1) to (7) above applied in the past three years
(9) The spouse or relative in the second degree of kinship of a person to whom any of (1) to (8) above apply