These documents have been translated from a part of Japanese originals for reference purposes only.
In the event of any discrepancy between these translated documents and the Japanese originals, the Japanese originals shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

(Securities Code 4521)
June 7, 2021

To Our Shareholders:

Hiroyuki Horiuchi
President and Representative Director
KAKEN PHARMACEUTICAL CO., LTD.
28-8, Honkomagome 2-chome, Bunkyo-ku, Tokyo, Japan

NOTICE OF CONVOCATION
THE 101st ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are hereby informed that the 101st Ordinary General Meeting of Shareholders of KAKEN PHARMACEUTICAL CO., LTD. (the "Company") (the "Meeting") will be held for the purposes as described below.

In order to prevent the spread of the novel coronavirus (COVID-19) infection, we request our shareholders to exercise their voting right in writing or via the Internet in advance as much as possible, and refrain from attending the Meeting in person regardless of your health condition. If you exercise your voting right in writing or via the Internet, please review the Reference Documents for the Meeting (attached hereto) and exercise your voting right by 5:30 p.m. on Monday, June 28, 2021 (Japan standard time).

[Exercising voting rights in writing]

Please indicate your approval or disapproval for the proposals on the enclosed Voting Rights Exercise Form and return it to the Company so that it is received by the deadline above.

[Exercising voting rights via the Internet]

Please refer to "Exercising Voting Rights via the Internet" on pages 3 and 4 of the Japanese original version (in Japanese only) and follow the on-screen instructions to enter your approval or disapproval for the proposals by the deadline above.

If voting rights are exercised both in writing and via the Internet, the vote submitted via the Internet shall be treated as the valid exercise of voting rights.

If voting rights are exercised via the Internet more than once, the final vote submitted shall be treated as the valid exercise of voting rights.

1. **Date and Time:** Tuesday, June 29, 2021 at 10:00 a.m. (Japan standard time) (reception desk opens at 9:00 a.m.)

2. **Place:** KAKEN PHARMACEUTICAL CO., LTD., Takadanobaba site, Basement Level 1, Conference Room.
12-10, Takada 3-chome, Toshima-ku, Tokyo, Japan
*Please be reminded that the Meeting will be held at a different place from last year. We would like to kindly request that you refer to the final page of the Japanese original version of the "Guideline for the General Meeting of Shareholders" for the location and directions (in Japanese only).

3. **Meeting Agenda:**

Matters for Reporting:

1. Report on Business Operations, Consolidated Financial Statements, and the audit reports by the Accounting Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements for the Company's 101st Fiscal Year (April 1, 2020 - March 31, 2021)
2. Non-Consolidated Financial Statements for the Company's 101st Fiscal Year (April 1, 2020 - March 31, 2021)

Matters for Resolution:

Proposal No. 1: Approval for the Appropriation of Surplus
Proposal No. 2: Election of Nine Directors
Proposal No. 3: Election of One Corporate Auditor
Proposal No. 4: Election of One Substitute Corporate Auditor
Proposal No. 5: Grant of Bonuses to Directors

4. **Other Matters with regard to Convocation of the Meeting:**

(1) Of the documents to be provided in connection with this Notice, "Consolidated Statements of Changes in Net Assets" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements and "Non-Consolidated Statements of Changes in Net Assets" and "Notes to Non-Consolidated Financial Statements" in the Non-Consolidated Financial Statements have been provided to shareholders on the Company's website (http://www.kaken.co.jp/), based on the provisions of the relevant laws and Article 20 of the Company's Articles of Incorporation, hence these documents are not attached to this Notice.

(2) As to exercising your voting right by proxy, it can only be entrusted to one shareholder of the Company who also holds a voting right. In this case, a written proof of proxy must be submitted to the Company.

Notes: 1. If you attend the Meeting, please present the enclosed Voting Right Exercise Form at the reception desk at the Meeting.
2. Subsequent amendments to the Reference Documents for the Meeting and the enclosed documents (if any) will be posted on the Company's website (http://www.kaken.co.jp/).

Reference Documents for the Meeting

Proposals and References

Proposal No. 1: Approval for the Appropriation of Surplus

Considering the financial results, future business development, and other factors, the Company proposes to pay the following as the year-end dividend for the fiscal year 2020:

(1) Form of dividends

Cash

(2) Allocation of dividends to shareholders and total amount of allocation

¥75 per common share

Total amount of ¥2,876,834,400

Since the Company has paid the interim dividend of ¥75 per share, the annual dividend for the fiscal year under review will be ¥150 per share.

(3) Effective date of distribution of surplus for dividends

June 30, 2021

Proposal No. 2: Election of Nine Directors

The term of all nine Directors of the Company will expire at the closing of the Meeting.

Accordingly, the Company proposes the election of nine Directors (including three Outside Directors). The candidates for Director were determined by the Board of Directors upon deliberation by the Nomination and Compensation Committee, the majority of whose members are Outside Directors.

The candidates for Director are as follows:

No.	Name		Positions and Responsibilities at the Company	Attendance at the Board of Directors' Meetings
1	Male Tetsuo Onuma	Reappointment	Chairman and Representative Director	100% (16/16 meetings)
2	Male Hiroyuki Horiuchi	Reappointment	President and Representative Director, Chief Officer of Marketing & Sales Division	100% (16/16 meetings)
3	Male Yoshio Tanabe	Reappointment	Director, in charge of Legal Affairs & Intellectual Property Department and General Affairs Department	100% (16/16 meetings)
4	Male Masahiro Matsuura	Reappointment	Director, in charge of Business Development Department and Special Assignments	100% (13/13 meetings)
5	Male Minoru Ohta	Reappointment	Director, in charge of Accounting & Finance Department and Agrochemical & Animal Health Products Department	100% (13/13 meetings)
6	Male Masashi Suzudo	New Candidate	Corporate Officer, General Manager of Corporate Planning & Coordination Department	-
7	Female Kiyoko Kamibeppu	Reappointment Outside Independent	Outside Director	100% (16/16 meetings)
8	Male Shoichiro Takagi	Reappointment Outside Independent	Outside Director	100% (13/13 meetings)
9	Male Yasutomo Inoue	New Candidate Outside Independent	-	-

<table>
<tr><th>No.</th><th>Name
(Date of Birth)</th><th colspan="2">Career Summary, Present Position, Responsibilities,
and Significant Concurrent Positions</th><th>Number of Shares of the Company Held</th></tr>
<tr><td rowspan="2">1</td><td>Tetsuo Onuma
(November 30, 1950)

Male

Reappointment</td><td>April 1974
April 2002

July 2004

June 2005

April 2007

June 2007

June 2011
June 2020</td><td>Joined the Company
General Manager of Marketing Planning & Coordination Department of the Company
Corporate Officer, General Manager of Marketing Planning & Coordination Department of the Company
Director, General Manager of Marketing Planning & Coordination Department of the Company
Director, Chief Officer of Marketing & Sales Division of the Company
Managing Director, Chief Officer of Marketing & Sales Division of the Company
President and Representative Director of the Company
Chairman and Representative Director of the Company (to present)</td><td>15,100 shares</td></tr>
<tr><td colspan="4">[Reasons for selection as candidate for Director]
Mr. Tetsuo Onuma has extensive experience in marketing sections, and has demonstrated achievements as an executive after appointment as President and Representative Director of the Company in 2011 and as Chairman and Representative Director in 2020. Thus, the Company has determined him to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.</td></tr>
<tr><td rowspan="2">2</td><td>Hiroyuki Horiuchi
(March 21, 1962)

Male

Reappointment</td><td>April 1984
October 2010
April 2014
July 2015

April 2016

June 2016

April 2017

June 2018

June 2020</td><td>Joined the Company
General Manager of Hiroshima Branch of the Company
General Manager of Osaka Branch of the Company
Corporate Officer, General Manager of Osaka Branch of the Company
Corporate Officer, General Manager of Marketing & Sales Department of the Company
Director, General Manager of Marketing & Sales Department of the Company
Director, Chief Officer of Marketing & Sales Division of the Company
Managing Director, Chief Officer of Marketing & Sales Division of the Company
President and Representative Director, Chief Officer of Marketing & Sales Division of the Company (to present)</td><td>5,000 shares</td></tr>
<tr><td colspan="4">[Reasons for selection as candidate for Director]
Mr. Hiroyuki Horiuchi has extensive experience in marketing sections, and has demonstrated achievements as an executive after appointment as Chief Officer of Marketing & Sales Division of the Company in 2017 and as President and Representative Director in 2020. Thus, the Company has determined him to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of Birth)</th><th>Career Summary, Present Position, Responsibilities,
and Significant Concurrent Positions</th><th>Number of Shares of the Company Held</th></tr>
<tr><td rowspan="2">3</td><td>Yoshio Tanabe
(March 24, 1955)

Male

Reappointment</td><td>April 1978 Joined Ministry of Foreign Affairs of Japan
October 1989 Joined McKinsey & Company, Inc., Japan
October 1993 Joined Otsuka Pharmaceutical Co., Ltd. (Board Director status)
June 2001 Operating Officer, Otsuka Pharmaceutical Co., Ltd.
March 2008 Senior Managing Executive Officer, TOKUHON Corporation
June 2008 Senior Managing Director, TOKUHON Corporation
April 2009 President and Representative Director, TOKUHON Corporation
June 2013 Advisor, TOKUHON Corporation
June 2014 Retired TOKUHON Corporation
September 2014 Partner, KIZASHI Corporation
June 2016 Director of the Company
September 2017 Representative Director, Medical Opinion Co., Ltd.
April 2020 Resigned from Representative Director, Medical Opinion Co., Ltd.
May 2020 Resigned from Partner, KIZASHI Corporation
June 2020 Director of the Company (in charge of Legal Affairs & Intellectual Property Department and General Affairs Department) (to present)</td><td>2,000 shares</td></tr>
<tr><td colspan="3">[Reasons for selection as candidate for Director]
Mr. Yoshio Tanabe has experience and achievements acquired at the Ministry of Foreign Affairs and through corporate management at numerous companies. The Company believes that Mr. Tanabe will contribute to the Company by providing his insight fostered in previous career to business execution of the Company, and thus the Company has determined him to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.</td></tr>
<tr><td rowspan="2">4</td><td>Masahiro Matsuura
(August 19, 1969)

Male

Reappointment</td><td>April 1994 Joined the Company
April 2016 General Manager of Corporate Planning & Coordination Department of the Company
July 2018 Corporate Officer, General Manager of Corporate Planning & Coordination Department of the Company
April 2020 Corporate Officer of the Company (in charge of Business Development Department)
June 2020 Director of the Company (in charge of Business Development Department and Special Assignments) (to present)</td><td>3,100 shares</td></tr>
<tr><td colspan="3">[Reasons for selection as candidate for Director]
Mr. Masahiro Matsuura has extensive experience in marketing sections, and has demonstrated achievements in corporate governance and management strategy after appointment as General Manager of Corporate Planning & Coordination Department in 2016. In addition, Mr. Matsuura has engaged in the in- and out-licensing of pharmaceutical products after assuming the post of Director in 2020. Thus, the Company has determined him to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of Birth)</th><th colspan="2">Career Summary, Present Position, Responsibilities,
and Significant Concurrent Positions</th><th>Number of Shares of the Company Held</th></tr>
<tr><td rowspan="2">5</td><td>Minoru Ohta
(December 19, 1958)

Male

Reappointment</td><td>April 1982
June 2007
July 2009

June 2010

June 2012
June 2014
August 2014

August 2017

June 2020

June 2020</td><td>Joined The Norinchukin Bank
General Manager, Nagoya Branch of The Norinchukin Bank
General Manager of JA Bank System Management Division, The Norinchukin Bank
Representative Director and President, Kyodo Housing Loan Co., Ltd.
Managing Director, The Norinchukin Bank
Advisor, Norinchukin Research Institute Co., Ltd.
Managing Director, Central Union of Agricultural Cooperatives
Representative Director and President, Nochu Business Support Co., Ltd.
Resigned from Representative Director and President, Nochu Business Support Co., Ltd.
Director of the Company (in charge of Accounting & Finance Department and Agrochemical & Animal Health Products Department) (to present)</td><td>300 shares</td></tr>
<tr><td colspan="4">[Reasons for selection as candidate for Director]
Mr. Minoru Ohta has extensive corporate experience serving at financial institutions. The Company believes that Mr. Ohta will contribute to the Company by providing his insight fostered in his previous career to business execution of the Company, and thus the Company has determined him to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.</td></tr>
<tr><td rowspan="2">6</td><td>Masashi Suzudo
(August 12, 1962)

Male

New Candidate</td><td>April 1985

September 2009
April 2014

April 2016
April 2018

July 2019

April 2020</td><td>Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)
President, ZAO Mizuho Corporate Bank (Moscow)
General Manager, Global Talent Recruiting and Development Department, Mizuho Financial Group, Inc.
Joined the Company
General Manager of General Affairs Department of the Company
Corporate Officer, General Manager of General Affairs Department of the Company
Corporate Officer, General Manager of Corporate Planning & Coordination Department of the Company (to present)</td><td>1,100 shares</td></tr>
<tr><td colspan="4">[Reasons for selection as candidate for Director]
With extensive experience and knowledge acquired through international operations at financial institutions, Mr. Masashi Suzudo has served as General Manager of General Affairs Department and then as General Manager of Corporate Planning & Coordination Department after joining the Company. Mr. Suzudo also has abundant insight and achievements in IR, management strategy, and corporate governance. Thus, the Company has determined him to be suitable to serve as Director of the Company and selected him as a candidate for Director.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of Birth)</th><th>Career Summary, Present Position, Responsibilities,
and Significant Concurrent Positions</th><th>Number of Shares of the Company Held</th></tr>
<tr><td rowspan="2">7</td><td>Kiyoko Kamibeppu
(April 12, 1955)

Female

Reappointment

Outside Director

Independent Director</td><td>April 2001 Assistant Professor, Nihonbashi Gakkan University (currently Kaichi International University)
April 2002 Assistant Professor, Division of Health Sciences and Nursing, Graduate School of Medicine, the University of Tokyo
December 2012 Professor, Division of Health Sciences and Nursing, Graduate School of Medicine, the University of Tokyo
June 2019 Director of the Company (current position)
May 2020 President, QOL Research Center for Children and Family (current position)
March 2021 Resigned from Professor, Division of Health Sciences and Nursing, Graduate School of Medicine, the University of Tokyo
(to present)
[Significant concurrent positions]
President, QOL Research Center for Children and Family</td><td>200 shares</td></tr>
<tr><td colspan="3">[Reasons for selection as candidate for Outside Director and an overview of expected roles]
Ms. Kiyoko Kamibeppu has extensive professional expertise and an insight based on experience as a Doctor of Health Science and a Professor of Graduate School. The Company believes that Ms. Kamibeppu will contribute to the Company by providing advice for the medium- to long-term growth of Company based on her specialized knowledge as a Professor of Graduate School and serving as a supervisor of business execution as an independent director, and thus, the Company has selected her again as a candidate for Outside Director for the consecutive term.</td></tr>
<tr><td rowspan="2">8</td><td>Shoichiro Takagi
(January 13, 1961)

Male

Reappointment

Outside Director

Independent Director</td><td>April 1983 Joined the Japan Tobacco and Salt Public Corporation (currently Japan Tobacco Inc.)
November 2002 Representative Director and President, Iipingshang Foods Corporation
March 2007 Representative Director and President, Saint-Germain Co., Ltd.
June 2011 Member of the Board, Director, Deputy Leader of Pharmaceutical Marketing & Promotion Group, TORII PHARMACEUTICAL CO., LTD.
June 2013 Representative Director, President and Chief Executive Officer, TORII PHARMACEUTICAL CO., LTD.
March 2019 Resigned from Representative Director, President and Chief Executive Officer, TORII PHARMACEUTICAL CO., LTD.
March 2019 Part-time Advisor, Pharmaceutical Business, Japan Tobacco Inc.
December 2019 Retired from Japan Tobacco Inc.
June 2020 Director of the Company (to present)</td><td>0 shares</td></tr>
<tr><td colspan="3">[Reasons for selection as candidate for Outside Director and an overview of expected roles]
Mr. Shoichiro Takagi has experience, achievements, and insight from corporate management at several companies including the pharmaceutical industry. The Company believes that Mr. Takagi will contribute to the Company by providing advice for the medium- to long-term growth of Company based on his knowledge fostered as a corporate manager and serving as a supervisor of business execution as an independent director, and thus, the Company has selected him again as a candidate for Outside Director for the consecutive term.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of Birth)</th><th>Career Summary, Present Position, Responsibilities,
and Significant Concurrent Positions</th><th>Number of Shares of the Company Held</th></tr>
<tr><td rowspan="2">9</td><td>Yasutomo Inoue
(July 14, 1960)

Male

New Candidate

Outside Director

Independent Director</td><td>April 1999 Registered as attorney at law
April 1999 Joined Takahashi Sogo Law Office
October 2011 Established Nagahama, Mizuno & Inoue
Partner, Nagahama, Mizuno & Inoue (current position)
June 2012 Dispute Resolution Committee Member, the General Insurance Association of Japan (current position)
September 2015 Outside Auditor, Synchro Food Co., Ltd. (current position) (to present)
[Significant concurrent positions]
Partner, Nagahama, Mizuno & Inoue
Outside Auditor, Synchro Food Co., Ltd.
Dispute Resolution Committee Member, the General Insurance Association of Japan</td><td>0
shares</td></tr>
<tr><td colspan="3">[Reasons for selection as candidate for Outside Director and an overview of expected roles]
As an attorney at law, Mr. Yasutomo Inoue has experience and professional expertise acquired through corporate legal work. The Company believes that Mr. Inoue will contribute to the Company by providing advice for the medium- to long-term growth of Company based on his knowledge as an attorney and serving as a supervisor of business execution as an independent director, and thus, the Company has selected him as a candidate for Outside Director.</td></tr>
</table>

(Notes) 1. There is no special interest between the Company and any of the above candidates for Director.

2. Mr. Yoshio Tanabe, a candidate for Director has had his designation changed from Outside Director to Executive Director as of June 26, 2020.
3. Ms. Kiyoko Kamibeppu, Mr. Shoichiro Takagi and Mr. Yasutomo Inoue are candidates for Outside Directors.
4. Ms. Kiyoko Kamibeppu and Mr. Shoichiro Takagi have been designated as Independent Directors/Corporate Auditors by the Company under the provisions of Tokyo Stock Exchange, and the notification was submitted to Tokyo Stock Exchange. If their reappointment is approved, the Company will continue to have them serve as Independent Directors/Corporate Auditors.
   The Company also plans to designate Mr. Yasutomo Inoue as an Independent Director/Corporate Auditor and plans to submit a notification to Tokyo Stock Exchange.
5. Although Ms. Kiyoko Kamibeppu does not have any experience in getting directly involved in corporate management before assuming the office of Director of the Company, the Company considers that she can properly carry out her duties as Outside Director due to her extensive professional expertise and an insight based on her experience as a Doctor of Health Science and a Professor of Graduate School. Ms. Kiyoko Kamibeppu's term as Outside Director of the Company will be two years at the closing of the Meeting.
   Ms. Kiyoko Kamibeppu served as a Professor of Health Sciences and Nursing, Graduate School of Medicine at the University of Tokyo, to which the Company Group makes donations, but retired on March 31, 2021. This donation is not provided to individual former professors or the Department of Health Sciences and Nursing with which she is affiliated. In addition, the donation amount is less than 0.1% of the ordinary expenses and ordinary revenue of the university of each fiscal year during her entire term of office as Professor, and is less than ¥10 million throughout the year, and in light of its amount and nature, the Company considers there is no risk of conflicts of interest with the general shareholders.
   There is no business transactional between QOL Research Center for Children and Family and the Company, no donation has been made to QOL Research Center for Children and Family by the Company.
6. Mr. Shoichiro Takagi's term as Outside Director of the Company will be one year at the closing of the Meeting.
7. Although Mr. Yasutomo Inoue does not have any experience in corporate management other than as an outside officer, the Company considers that he can properly carry out his duties as Outside Director due to his experience and professional expertise through corporate legal work as an attorney at law.
   There are no advisory agreements between Nagahama, Mizuno & Inoue and the Company. There are no business transactional between Synchro Food Co., Ltd. and the Company.
8. TORII PHARMACEUTICAL CO., LTD., where Mr. Shoichiro Takagi served as Representative Director, President and Chief Executive Officer until March 2019, was subject to a cease and desist order and a surcharge payment order under the Antimonopoly Act from the Japan Fair Trade Commission in March 2020 for the sale of the "Calvan Tablets" conducted during his tenure.
9. The Company has agreements with Ms. Kiyoko Kamibeppu and Mr. Shoichiro Takagi to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act, to the minimum amount provided by laws and regulations. If Ms. Kiyoko Kamibeppu and Mr. Shoichiro Takagi are reappointed at the Meeting, the Company will continue the said agreements with them. If the election of Mr. Yasutomo Inoue is approved, the Company plans to enter into an agreement with him to limit his liability for damages identical to the agreement mentioned above.
10. Mr. Shoichiro Takagi, a candidate for Director, holds equity interest equivalent to 101 shares of the Company in the Officer Shareholding Association.
11. The Company has entered into a directors and officers liability insurance contract that insures Directors with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance covers damages which may be incurred by Directors as a result of execution of their duties and assuming liability for such execution duties. Each candidate, if elected, will be included as the insured under the insurance contract. The Company plans to renew the contract with the same terms and condition at the time of the

next renewal.

Proposal No. 3: Election of One Corporate Auditor

At the closing of the Meeting, one Corporate Auditor of the Company, Mr. Kazuo Hara will resign.

The Company proposes the election of one Corporate Auditor.

The Board of Corporate Auditors has already given its approval to this proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of Birth)	Career Summary, Present Position, and Significant Concurrent Positions	Number of Shares of the Company Held
Hiroaki Matsumoto (October 7, 1958) Male New Candidate Outside Corporate Auditor Independent Corporate Auditor	April 1981 Tokyo Regional Taxation Bureau July 2006 District Director, Chichibu Tax Office July 2016 Chief Internal Inspector, Commissioner's Secretariat of National Tax Agency July 2018 Regional Commissioner, Kumamoto Regional Taxation Bureau September 2019 Registered as certified tax accountant Established Hiroaki Matsumoto Certified Tax Accountant Office (current position) September 2020 Outside Audit & Supervisory Board Member, Yazaki Corporation (current position) (to present) [Significant concurrent positions] Hiroaki Matsumoto Certified Tax Accountant Office Outside Audit & Supervisory Board Member, Yazaki Corporation	0 shares
[Reasons for selection as candidate for Outside Corporate Auditor] In addition to being a certified tax accountant, Mr. Hiroaki Matsumoto has extensive experience and achievements at the National Tax Agency, and has abundant knowledge and insight in the field of finance and accounting. The Company believes that Mr. Matsumoto will contribute to the Company by bringing his expertise to the audit system, and thus, the Company has selected him as a candidate for Outside Corporate Auditor.		

(Notes) 1. There is no special interest between the Company and the above candidate for Corporate Auditor.

2. Mr. Hiroaki Matsumoto is a candidate for Outside Corporate Auditor.

3. The Company plans to designate Mr. Hiroaki Matsumoto as an Independent Director/Corporate Auditor under the provisions of Tokyo Stock Exchange and submit him to Tokyo Stock Exchange.

4. In addition to being a certified tax accountant, Mr. Hiroaki Matsumoto has extensive experience and achievements at the National Tax Agency, and has abundant knowledge and insight in the field of finance and accounting. The Company believes that Mr. Matsumoto will contribute to the Company by bringing his expertise to the audit system, and thus, the Company has selected him as a candidate for Outside Corporate Auditor. Although he does not have any experience in corporate management other than as an outside officer, the Company considers that he can properly carry out his duties as Outside Corporate Auditor due to the above reasons. There are no advisory agreements between Hiroaki Matsumoto Certified Tax Accountant Office and the Company. There is no business transaction between Yazaki Corporation and the Company.

5. If the election of Mr. Hiroaki Matsumoto is approved, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act, to the minimum amount provided by laws and regulations.

6. The Company has entered into a directors and officers liability insurance contract that insures Corporate Auditors with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance covers damages which may be incurred by Directors as a result of execution of his/her duties and assuming liability for such execution duties. Each candidate, if elected, will be included as the insured under the insurance contract. The Company plans to renew the contract with the same terms and condition at the time of the next renewal.

Proposal No. 4: Election of One Substitute Corporate Auditor

The effect of election of the current Substitute Corporate Auditor shall expire at the beginning of the Meeting. The Company proposes the election of one Substitute Corporate Auditor in case of a shortfall in the number of Corporate Auditors prescribed by laws and regulations.

The Company will, only before the election, be able to cancel the election by the approval of the Board of Corporate Auditors and the resolution of the Board of Directors.

The Board of Corporate Auditors has already given its approval to this proposal.

The candidate for Substitute Corporate Auditor is as follows:

Name (Date of Birth)	Career Summary and Significant Concurrent Positions		Number of Shares of the Company Held
Makiko Kumagai (November 24, 1971) Female Outside Corporate Auditor Independent Corporate Auditor	October 1996 April 2000 August 2000 January 2002 [Significant concurrent positions] Makiko Kumagai Certified Tax Accountant Office Kumagai Certified Public Accountant Office	Joined Asahi Audit Corp. (currently KPMG AZSA LLC) Registered as certified public accountant Registered as certified tax accountant Established Makiko Kumagai Certified Tax Accountant Office (current position) Established Kumagai Certified Public Accountant Office (current position) (to present)	0 shares
[Reasons for selection as candidate for Outside Corporate Auditor] In addition to her experience at a major audit firm, Ms. Makiko Kumagai has expertise and insight for corporate management as a certified public accountant and tax accountant. The Company believes that Ms. Kumagai will contribute to the Company by bringing her expertise to the audit system, and thus, the Company has selected her as a candidate for Substitute Outside Corporate Auditor.			

(Notes) 1. There is no special interest between the Company and the above candidate for Substitute Corporate Auditor.

2. Ms. Makiko Kumagai is a candidate for Substitute Outside Corporate Auditor.

3. With regards to Ms. Makiko Kumagai, her name on the family register is Ms. Makiko Kunugi; however, the Company uses her professional name in this Notice of Convocation.

4. If Ms. Makiko Kumagai, the candidate for Substitute Outside Corporate Auditor, assumes the office of Corporate Auditor, the Company will designate her as an Independent Director/Corporate Auditor under the provisions of Tokyo Stock Exchange and submit her to Tokyo Stock Exchange.

5. In addition to her experience at a major audit firm, Ms. Makiko Kumagai has expertise and insight for corporate management as a certified public accountant and tax accountant. The Company believes that Ms. Kumagai will contribute to the Company by bringing her expertise to the audit system, and thus, the Company has selected her as a candidate for Substitute Outside Corporate Auditor. Although Ms. Makiko Kumagai does not have any experience in getting directly involved in corporate management, the Company considers that she can properly carry out her duties as Outside Corporate Auditor due to the above reasons. There are no advisory agreements between Makiko Kumagai Certified Tax Accountant Office and Kumagai Certified Public Accountant Office and the Company.

6. Upon Ms. Makiko Kumagai's assumption of office as Outside Corporate Auditor, the Company will enter into an agreement with her to limit her liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act, to the minimum amount provided by laws and regulations.

7. The Company has entered into a directors and officers liability insurance contract that insures Corporate Auditors with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance covers damages which may be incurred by Directors as a result of execution of his/her duties and assuming liability for such execution duties. Each candidate, if elected, will be included as the insured under the insurance contract. If Ms. Makiko Kumagai assumes office, she will be included as the insured under the insurance.

Proposal No. 5: Grant of Bonuses to Directors

The Company proposes that, based on bonuses given in previous years and the Company's performance during this fiscal year, bonuses amounting to the total of ¥80,320,000 be paid to the six Directors (excluding Outside Directors) who were in office as Directors as of the end of the fiscal year under review. The bonuses to Directors (excluding Outside Directors) will be based on key performance indicators (KPI), and such compensation will be made in cash. This is in an attempt to enhance Directors desires for better business performance in each fiscal year. The Company plans to calculate the amount of bonus by comparing consolidated operating profit and the consolidated profit of the fiscal year with those of the previous fiscal year. The Company believes this calculation method to be appropriate.

This proposal was approved by the Board of Directors after the review by the Nomination and Compensation Committee. The majority of the members of the Nomination and Compensation Committee are Outside Directors.

The Company also proposes that the bonus amount to each Director be decided at the Board of Directors meeting.