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(Stock Exchange Code 1949)
June 2, 2020

To Shareholders with Voting Rights:

Masao Sakazaki
President
Sumitomo Densetsu Co., Ltd.
2-1-4 Awaza, Nishi-ku, Osaka

NOTICE OF THE 95TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

The 95th Annual General Meeting of Shareholders of Sumitomo Densetsu Co., Ltd. (the “Company”) will be held for the purposes as described below.

You can exercise your voting rights either in writing or via electronic method (the Internet) as alternative methods to attending the meeting in person. Please review the Reference Documents for the General Meeting of Shareholders contained herein, and exercise your voting rights no later than 5:30 p.m. Japan time on Tuesday, June 23, 2020, in accordance with “Information for Exercising Your Voting Rights” on pages 3 and 4.

- 1. Date and Time:** Wednesday, June 24, 2020 at 10:00 a.m. Japan time
- 2. Place:** The Company, 2-1-4 Awaza, Nishi-ku, Osaka
(Please refer to “Map to the Venue of General Meeting of Shareholders” on the last page of the Japanese original being sent to each of you by mail.)
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report and Consolidated Financial Statements, and the results of the audits of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 95th fiscal year (from April 1, 2019 to March 31, 2020)
 2. The Non-consolidated Financial Statements for the 95th fiscal year (from April 1, 2019 to March 31, 2020)

Proposals to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Payment of Directors' bonuses
- Proposal 3:** Election of eight (8) Directors
- Proposal 4:** Election of one (1) Audit & Supervisory Board Member
- Proposal 5:** Revision of the amount of compensation for Directors and Audit & Supervisory Board Members

4. Disclosure through the Internet:

The following matters are not included in the documents attached with this Notice since the Company discloses such information on the Company website (<https://www.sem.co.jp/>) in accordance with laws and regulations as well as Article 15 of the Articles of Incorporation of the Company:

- (1) Notes to the Consolidated Financial Statements
- (2) Notes to the Non-consolidated Financial Statements

Please note that Notes to the Consolidated Financial Statements and Notes to the Non-consolidated Financial Statements were audited as part of the consolidated financial statements and non-consolidated financial statements when the Audit & Supervisory Board Members and the Accounting Auditor prepared the audit reports.



- ▶ Please note that should any revision be required to the documents attached with this notice of convocation, including the reference documents for the general meeting of shareholders up until the day before this General Meeting of Shareholders, the information will be posted on the Company website <https://www.sem.co.jp/>.

Information for Exercising Your Voting Rights

For shareholders who are able to attend the meeting

When attending the meeting, please submit the Voting Rights Exercise Form (which is enclosed in the Japanese original) at reception.

If a proxy attends the meeting on behalf of a shareholder, the proxy is requested to submit the shareholder's Voting Rights Exercise Form together with a document proving the proxy's authority to act on behalf of the shareholder. Furthermore, the Company only authorizes one shareholder who possesses voting rights as proxy.

Please note that we will be in light clothing (Cool Biz) at the meeting. We encourage everyone attending the meeting to wear light clothing as well.

For shareholders who are not able to attend the meeting

Exercising your voting rights in writing

If exercising your voting rights in writing, please indicate your vote for or against the proposals on the Voting Rights Exercise Form (which is enclosed in the Japanese original) and return it so that it is received by 5:30 p.m. on Tuesday, June 23, 2020, Japan time.

Exercising your voting rights via the Internet

If exercising your voting rights via the Internet, please review "Information for Exercising Your Voting Rights over the Internet" as shown below on pages 3 and 4 and indicate your vote for or against the proposals by 5:30 p.m. on Tuesday, June 23, 2020, Japan time.

Information for Exercising Your Voting Rights over the Internet

If you wish to exercise your voting rights via the Internet, please confirm the following items.

1. Website for exercising voting rights

Voting rights via the Internet may only be exercised by accessing the following voting rights exercise website designated by the Company.

URL of the website for exercising voting rights: <https://www.web54.net>

2. How to exercise voting rights

(1) Shareholders using computers and cellular phones

Please access to the address above, use the "Voting Rights Exercise Code" and "Password" as indicated in the Voting Rights Exercise Form (which is enclosed in the Japanese original), and indicate your vote for or against the proposals following the instructions on the screen.

* If you use a cellular phone, you may access the website to exercise your voting rights by scanning the "QR Code[®]" on the right with the bar-code scanner of your cellular phone.

(QR Code is the registered trademark of DENSO WAVE INCORPORATED.)



(2) Shareholders using smartphone

By scanning "Login QR code for voting rights exercise website for smartphone" as indicated in the said Voting Rights Exercise Form, you can exercise the voting rights from voting rights exercise website for smartphone that do not require to enter "Voting Rights Exercise Code" and "Password."

If you are to change the exercised content after the exercise of the voting right, please scan the QR code again. You will be required to enter "Voting Rights Exercise Code" and "Password" as indicated in the Voting Rights Exercise Form.

3. Handling of the exercise of voting rights
 - (1) If you exercised your voting rights both in writing and via the Internet, the voting rights exercised via the Internet shall be treated as the valid vote. Furthermore, if you exercised your voting rights multiple times via the Internet or using a computer, smartphone and cellular phone, the voting rights exercised last shall be treated as the valid vote.
 - (2) Communication charges to Internet service providers and telecommunication carriers (Internet connection charges, etc.) incurred for accessing the voting rights exercise website shall be borne by the shareholder.

4. Handling of the password and Voting Rights Exercise Code
 - (1) The password is a means to verify the identity of the person exercising voting rights as a shareholder.

Please keep the password in a safe place in the same manner as seals and personal identification numbers.
 - (2) If you enter an incorrect password more than a certain number of times, the password will be rendered unusable. If you would like a new password to be issued, please follow the instructions on the screen.
 - (3) The Voting Rights Exercise Code indicated in the Voting Rights Exercise Form is valid only for this General Meeting of Shareholders.

5. Inquiries about operation of computers, etc.
 - (1) If you have any questions about operation of computers, etc., relating to the exercise of voting rights on the website, please contact the following:

Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Web Support Hotline
Telephone: 0120 (652) 031 (Business Hours: from 9:00 a.m. to 9:00 p.m. Japan time)
 - (2) For other inquiries, please contact the following:
 - 1) Shareholders who have securities accounts with securities firms
Please contact the securities firm with which you have your securities account.
 - 2) Shareholders who do not have accounts with securities firms (shareholders who have special accounts)
Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Business Center
Telephone: 0120 (782) 031 (Business Hours: from 9:00 a.m. to 5:00 p.m. Japan time, excluding Saturday, Sunday and holidays)

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:

1. Matters concerning year-end dividends

The Company considers the distribution of profit to shareholders to be one of the principal responsibilities of management and makes it a basic policy to distribute stable dividends well balanced with internal reserves taking into consideration business results and future business development.

In regard to the year-end dividends for the fiscal year ended March 31, 2020, the business results for the fiscal year under review exceeded projections. Accordingly, in an effort to reward each of our shareholders for their support, dividends of ¥40 per share are proposed.

Moreover, because interim dividends of ¥30 per share have been paid, making the annual dividends for the fiscal year ¥70 per share, an increase of ¥10 over the previous fiscal year.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

¥40 per share of common stock of the Company

Total amount of dividends ¥1,423,176,040

(3) Effective date of dividends from surplus

June 25, 2020

2. Other matters relating to appropriation of surplus

In order to strengthen our business foundation, the following appropriation of surplus is proposed.

(1) Item and amount of surplus to be increased

General reserve ¥8,000,000,000

(2) Item and amount of surplus to be decreased

Retained earnings brought forward ¥8,000,000,000

Proposal 2: Payment of Directors' bonuses

In order to reward the six (6) Directors, excluding two (2) Outside Directors out of eight (8) Directors, as of the end of the fiscal year under review for their efforts during the year, Directors' bonuses of a total of ¥140,000,000 are proposed, taking into consideration the business results of this fiscal year.

Proposal 3: Election of eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of eight (8) Directors is proposed.

The candidates for Director are as follows.

No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Masao Sakazaki (October 16, 1952) [Reappointed]	<p>April 1976 Joined Sumitomo Electric Industries, Ltd.</p> <p>June 1999 General Manager, Osaka Works</p> <p>January 2001 General Manager, Human Resources Department, the Company</p> <p>June 2005 Executive Officer and General Manager, Human Resources Department</p> <p>June 2007 Managing Executive Officer</p> <p>June 2008 Director and Managing Executive Officer</p> <p>June 2015 Director and Senior Managing Executive Officer</p> <p>June 2016 Representative Director and President (up to present)</p>	33,500
<p>[Reasons for nominating the candidate as Director]</p> <p>As President of the Company, Mr. Masao Sakazaki has supervised management and made important decisions appropriately, while promoting the Group's businesses through implementation of measures under the medium-term management plan "Vision 19." He has strived to strengthen the Company's revenue base, and has achieved the plan's targets. Based on such achievements, he has been judged to be well suited to improving the Company's enterprise value on a continual basis and has therefore been renominated as Director of the Company.</p>			

No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Makoto Tani (May 28, 1957) [Reappointed]	April 1980 Joined Sumitomo Electric Industries, Ltd. April 2004 General Manager, Accounting and Finance Department June 2008 Executive Officer and General Manager, Accounting and Finance Department June 2011 Executive Officer and President, Sumitomo Electric Wiring Systems, Inc. June 2014 Managing Director June 2017 Representative Director and Senior Managing Director June 2019 Representative Director and Vice President Executive Officer, the Company June 2020 Representative Director and Vice President Executive Officer in charge of Sales Headquarters, Telecommunication Business Headquarters and International Headquarters (up to present)	6,300
<p>[Reasons for nominating the candidate as Director]</p> <p>As Director, Mr. Makoto Tani has supervised management and made important decisions appropriately and assumed responsibility for the International Headquarters and Telecommunication Business Headquarters as Vice President Executive Officer. He has advanced the reconstruction of the overseas business, made efforts to expand business, enhanced cooperation within and without the Group in the telecommunication works divisions including telecommunication engineering facilities works, and endeavored to reinforce corporate structure for improving profitability. Based on such achievements, he has been judged to be well suited to improving the Company's enterprise value on a continual basis and has therefore been renominated as Director of the Company.</p>			

No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Katsuhiko Tsujimura (January 1, 1956) [Reappointed]	April 1981 Joined the Company June 2010 Executive Officer, General Manager, Construction Division, Tobu Headquarter, Facility Management Headquarters, and General Manager, Tokyo Branch Office, Tobu Headquarter, Facility Management Headquarters June 2013 Managing Executive Officer June 2016 Director and Senior Managing Executive Officer June 2018 Representative Director and Senior Managing Executive Officer June 2019 Representative Director, Senior Managing Executive Officer, and General Manager, Facility Management Headquarters (up to present)	11,300
<p>[Reasons for nominating the candidate as Director]</p> <p>As Director, Mr. Katsuhiko Tsujimura has supervised management and made important decisions appropriately, and assumed the position of General Manager of Facility Management Headquarters as Senior Managing Executive Officer. He has made efforts to expand business, enhanced cooperation within and without the Group in the general electrical works divisions including electrical contracting facilities works for domestic and international buildings, factories, etc. and new energy environment-related works, and endeavored to reinforce corporate structure for improving profitability, whereby contributing to the achievement of the targets of the medium-term management plan “Vision 19.” Based on such achievements, he has been judged to be well suited to improving the Company’s enterprise value on a continual basis and has therefore been renominated as Director of the Company.</p>			

No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Kazuhiko Uchiike (July 25, 1959) [Reappointed]	July 1990 Joined the Company June 2008 General Manager, Finance & Accounting Department June 2013 Executive Officer and General Manager, Finance & Accounting Department June 2015 Full-time Audit & Supervisory Board Member June 2017 Managing Executive Officer, General Manager, Corporate Planning Department, and General Manager, Finance & Accounting Department June 2019 Director and Managing Executive Officer June 2020 Director, Managing Executive Officer, General Manager, Corporate Planning Department, and in charge of Finance & Accounting Department and company-wide compliance (up to present) Significant concurrent positions Director, TAMURA DENKI KOUJI Co., Ltd.	4,800
<p>[Reasons for nominating the candidate as Director]</p> <p>As Director, Mr. Kazuhiko Uchiike has supervised management and made important decisions appropriately, and assumed the position of General Manager of Corporate Planning Department, and in charge of Finance & Accounting Department, Sales Headquarters and company-wide compliance as Managing Executive Officer. He has worked to promote the medium-term management plan “Vision 19” and initiatives related to accounting, finance, IR and compliance. Based on such achievements, he has been judged to be well suited to improving the Company’s enterprise value on a continual basis and has therefore been renominated as Director of the Company.</p>			

No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Tetsunari Shimada (December 29, 1962) [Reappointed]	<p>April 1985 Joined Sumitomo Electric Industries, Ltd.</p> <p>January 2010 General Manager, Itami Works</p> <p>July 2012 General Manager, Human Resources Development Department</p> <p>October 2015 General Manager, General Affairs Department and Deputy General Manager, Human Resources Department, the Company</p> <p>June 2016 Executive Officer, General Manager, General Affairs Department and General Manager, Human Resources Department</p> <p>June 2019 Director and Managing Executive Officer</p> <p>June 2020 Director, Managing Executive Officer in charge of Head Office Divisions (General Affairs, Tokyo General Affairs, Human Resources, Human Resources Development, Information Systems, Internal Audit, Insurance, Senior Expert, Healthcare Management) (up to present)</p>	4,300
<p>[Reasons for nominating the candidate as Director]</p> <p>As Director, Mr. Tetsunari Shimada has supervised management and made important decisions appropriately, and been in charge of Head Office Divisions and Mechanical Equipment Division as Managing Executive Officer. He has worked to promote initiatives at each department of the Head Office Divisions including the human resources development and vitalization under the medium-term management plan “Vision 19.” Based on such achievements, he has been judged to be well suited to improving the Company’s enterprise value on a continual basis and has therefore been renominated as Director of the Company.</p>			
6	Tetsuji Mino (September 7, 1945) [Reappointed] [Candidate for Outside Director] [Independent Director]	<p>April 1969 Joined Sumitomo Electric Industries, Ltd.</p> <p>June 1999 Director</p> <p>June 2001 Managing Director</p> <p>March 2003 Representative Director and Managing Executive Officer, Sumitomo Rubber Industries, Ltd.</p> <p>March 2004 Representative Director and Executive Vice President</p> <p>March 2005 President and CEO, Representative Director</p> <p>March 2011 Chairman of the Board and Representative Director</p> <p>March 2013 Chairman of the Board and Director</p> <p>March 2016 Advisor (up to present)</p> <p>June 2016 Outside Director, the Company (up to present)</p> <p>Significant concurrent positions Advisor, Sumitomo Rubber Industries, Ltd.</p>	2,000
<p>[Reasons for nominating the candidate as Outside Director]</p> <p>Mr. Tetsuji Mino has been involved in the management of Sumitomo Electric Industries, Ltd. and Sumitomo Rubber Industries, Ltd. for many years, has in-depth insight as a manager, and has supervised the Company’s management from an independent standpoint. Based on his achievements and rich experience, and in order that he may supervise management and contribute to strengthening internal controls and improving the enterprise value of the Company on a continual basis, he has therefore been renominated as Outside Director of the Company. Furthermore, at the conclusion of this General Meeting his term of office as Outside Director will have been four (4) years.</p>			

No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Hideyuki Takahashi (October 19, 1956) [Newly Appointed] [Candidate for Outside Director] [Independent Director]	April 1981 Joined the Bank of Japan July 2003 Associate Director-General, Secretariat of the Policy Board February 2005 General Manager, Niigata Branch July 2008 Associate Director-General, Institute for Monetary and Economic Studies May 2009 General Manager, Kobe Branch November 2010 Senior Managing Director, Osaka Bankers Association (up to present) Significant concurrent positions Senior Managing Director, Osaka Bankers Association	0
[Reasons for nominating the candidate as Outside Director] Mr. Hideyuki Takahashi is well versed in finance and economics through his experience in the Bank of Japan and the Osaka Bankers Association, and also has insight into regional economies and corporate management. In order that he may use this high degree of specialization and broad knowledge to supervise management from an independent standpoint, and contribute to strengthening internal controls and improving the enterprise value of the Company on a continual basis, he has therefore been newly nominated as Outside Director of the Company. Although he has never been involved in corporate management, the Company judges that he will appropriately execute his duties as Outside Director for the reasons above.			

No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	Ryoko Shimizu (September 7, 1958) [Newly Appointed] [Candidate for Outside Director] [Independent Director]	<p>April 1982 Joined Tokyo branch of Citibank, N.A. April 1989 Joined Chuo Shinko Audit Corporation August 1992 Registered as Certified Public Accountant January 2004 Japanese representative member of International Public Sector Accounting Standards Board, International Federation of Accountants April 2007 Fulltime Professor of School of Accountancy, Kansai University June 2019 Outside Audit & Supervisory Board Member, SEKISUI CHEMICAL CO., LTD. (up to present) April 2020 Fulltime Professor of School of Accountancy and Faculty of Business and Commerce, Kansai University (up to present)</p> <p>Significant concurrent positions Fulltime Professor of School of Accountancy and Faculty of Business and Commerce, Kansai University Outside Audit & Supervisory Board Member, SEKISUI CHEMICAL CO., LTD.</p>	0
<p>[Reasons for nominating the candidate as Outside Director] Ms. Ryoko Shimizu has extensive experience in auditing in an audit firm, and insight into corporate accounting as a certified public accountant and a professor in a graduate school of accountancy and faculty of business and commerce. In order that she may use her high degree of specialization and broad knowledge to supervise management from an independent standpoint, and contribute to strengthening internal controls and improving the enterprise value of the Company on a continual basis, she has therefore been newly nominated as Outside Director of the Company. Although she has never been involved in corporate management other than as an outside officer, the Company judges that she will appropriately execute her duties as Outside Director, for the reasons above.</p>			

(Notes)

1. There are no special interests between each of the candidates and the Company.
2. Candidates Mr. Tetsuji Mino, Mr. Hideyuki Takahashi and Ms. Ryoko Shimizu have satisfied the requirements for Outside Directors.
Further, Mr. Tetsuji Mino is designated as an Independent Director as prescribed by Tokyo Stock Exchange, Inc. Subject to his reelection, the Company intends to appoint him to continue as an Independent Director.
In addition, subject to the election of Mr. Hideyuki Takahashi and Ms. Ryoko Shimizu, the Company intends to register them as Independent Directors as prescribed by Tokyo Stock Exchange, Inc.
3. The reason for nominating each of the candidates is shown at the bottom of each candidate's brief personal history.
4. Candidate Mr. Makoto Tani served as Managing Director of Sumitomo Electric Industries, Ltd. from June 2014 to June 2017, and as Representative Director and Senior Managing Director from June 2017 to June 2019.
5. Candidate Mr. Tetsunari Shimada executed duties as General Manager of Human Resources Development Department at Sumitomo Electric Industries, Ltd., a parent company of the Company, from July 2012 to September 2015.
6. Candidate Mr. Tetsuji Mino held the office of Chairman of the Board and Director of Sumitomo Rubber Industries, Ltd. from March 2013 to March 2016 which has a relationship with the Company's parent (specified related business operator). Moreover, since March 2016, he has held the office of Advisor of said company.
7. Based on Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Tetsuji Mino to limit his liability under Article 423, Paragraph 1 of the said Act. Subject to his reelection, the Company intends to continue the above liability limitation agreement with him. The corresponding limitation of liability based on said agreement will limit liability to the lowest extent pursuant to the law.
In addition, subject to the election of Mr. Hideyuki Takahashi and Ms. Ryoko Shimizu, the Company intends to enter into an agreement with each of them to limit their liability under Article 423, Paragraph 1 of the Companies Act, based on Article 427, Paragraph 1 of the Companies Act. The corresponding limitation of liability based on said agreement will limit liability to the lowest extent pursuant to the law.

Proposal 4: Election of one (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Yasuaki Tarutani will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of one (1) Audit & Supervisory Board Member is proposed. The Company has already obtained approval from the Audit & Supervisory Board with respect to this proposal.

The candidate for Audit & Supervisory Board Member is as follows.

Name (Date of Birth)	Career summary and positions	Number of shares of the Company held
<p>Yasuaki Tarutani (April 27, 1952) [Reappointed] [Candidate for Outside Audit & Supervisory Board Member] [Independent Auditor]</p>	<p>April 1975 Joined Mitsubishi Heavy Industries, Ltd. July 1982 Joined PricewaterhouseCoopers LLC September 1986 Registered as Certified Public Accountant January 1993 Registered as Certified Public Tax Accountant Representative, Kaisei Certified Public Accountants Joint Office (up to present) September 2000 Outside Auditor, Information Planning CO., LTD. July 2005 Outside Auditor, Will Real Estate Sales Co., Ltd. (currently WILL, CO, Inc.) (up to present) December 2015 Director (Audit & Supervisory Committee Member), Information Planning CO., LTD. June 2016 Outside Audit & Supervisory Board Member, the Company (up to present) Significant concurrent positions Representative, Kaisei Certified Public Accountants Joint Office Outside Auditor, WILL, CO, Inc.</p>	<p>0</p>
<p>[Reasons for nominating the candidate as Outside Audit & Supervisory Board Member] Mr. Yasuaki Tarutani has a high degree of insight as a certified public accountant and certified public tax accountant and extensive experience in corporate accounting and taxation. He has therefore been renominated as Outside Audit & Supervisory Board Member in order that he may reflect this insight and experience in audits of the Company. Although he has never been involved in corporate management other than as an outside officer, the Company judges that he will appropriately execute his duties as Outside Audit & Supervisory Board Member, for the reasons above. Furthermore, at the conclusion of this General Meeting his term of office as Outside Audit & Supervisory Board Member will have been four (4) years.</p>		

(Notes)

1. There are no special interests between the candidate Mr. Yasuaki Tarutani and the Company.
2. The candidate Mr. Yasuaki Tarutani has satisfied the requirements for Outside Audit & Supervisory Board Member.
Further, Mr. Yasuaki Tarutani is designated as an Independent Auditor as prescribed by Tokyo Stock Exchange, Inc. Subject to his reelection, the Company intends to appoint him to continue as an Independent Auditor.
3. The reason for nominating the candidate is shown at the bottom of the candidate's brief personal history.
4. Based on Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Yasuaki Tarutani to limit his liability under Article 423, Paragraph 1 of the said Act. Subject to his reelection, the Company intends to continue the above liability limitation agreement with him. The corresponding limitation of liability based on said agreement will limit liability to the lowest extent pursuant to the law.

Proposal 5: Revision of the amount of compensation for Directors and Audit & Supervisory Board Members

A total amount of compensation for Directors of the Company not exceeding ¥35,000,000 per month (of which a total amount not exceeding ¥5,000,000 per month is for Outside Directors) was approved at the 93rd Annual General Meeting of Shareholders held on June 26, 2018, and a total amount of compensation for Audit & Supervisory Board Members not exceeding ¥5,000,000 per month was approved at the 75th Annual General Meeting of Shareholders held on June 29, 2000. However, in view of changes in the economic situation and various other circumstances and with a view to facilitating flexible operation in the future, considering the provision of bonuses for Directors (excluding Outside Directors) within these limits, it is proposed to replace the current monthly compensation limits with annual compensation limits, and revise the total amount of compensation for Directors to an amount not exceeding ¥600,000,000 per annum (of which an amount not exceeding ¥100,000,000 per annum is for Outside Directors), while revising the total amount of compensation for Audit & Supervisory Board Members to an amount not exceeding ¥100,000,000 per annum.

At present, there are eight (8) Directors in office including two (2) Outside Directors, and five (5) Audit & Supervisory Board Members. However, if Proposal 3 and Proposal 4 are approved and passed as originally proposed, the number of Directors will be eight (8), including three (3) Outside Directors, and the number of Audit & Supervisory Board Members will be five (5), after the conclusion of this General Meeting of Shareholders.

This revision to the amount of compensation for Directors has been decided by the Board of Directors, based on deliberation and reporting by the Compensation Advisory Committee, which is chaired by an Outside Director, made up of Outside Directors and Outside Audit & Supervisory Board Members who constitute a majority of the Committee.

[Reference] Nomination policy on candidates for Directors and Audit & Supervisory Board Members

- (i) Inside directors will be individuals who have extensive experience and excellent performance records in connection with our business; who have sound objective judgment concerning management in light of the changing environment surrounding the Company and future changes; and who have superior character, foresight and insight.
- (ii) Outside directors will be individuals with experience in company management, experts of respective fields or academic experts who would be suitable for supervising the Company's management from the viewpoint of encouraging sustainable growth and striving to increase corporate value over the mid-to-long term.
- (iii) Audit & Supervisory Board Members will be individuals with experience in company management and individuals with expertise in legal affairs, finance or accounting.
- (iv) For submission of the proposal on election of Directors and Audit & Supervisory Board Members to the General Meeting of Shareholders, Nominating Advisory Committee will deliberate the candidates for Directors and Audit & Supervisory Board Members and the Board of Directors will decide on the candidates by a resolution based on the report of the Committee.