

March 6, 2018

TO OUR SHAREHOLDERS:

SHOWA DENKO K.K.

(Securities Code: 4004)

13-9, Shiba Daimon 1-Chome, Minato-ku,
Tokyo, Japan

Kohei Morikawa

President and Chief Executive Officer

Notice of Convocation of the 109th Ordinary General Meeting of Shareholders

The 109th Ordinary General Meeting of Shareholders of Showa Denko K.K. will be held as described below and you are cordially invited to attend the Meeting.

If you do not expect to attend the Meeting, please exercise your voting rights in writing or by electronic means (including the use of the Internet) after reviewing the following Reference Materials for the General Meeting of Shareholders.

1. **Date and Hour** Thursday, March 29, 2018 at 10:00 a.m.
2. **Place** Tokyo International Forum (Hall C)
5-1, Marunouchi 3-Chome, Chiyoda-ku, Tokyo, Japan

3. Matters constituting the Purpose of the Meeting:

- Matters to be Reported:** (1) Reports on the Business Report and the Consolidated Financial Statements for the 109th Business Term (January 1, 2017 to December 31, 2017), and reports on the Auditing Results from Accounting Auditors and the Audit & Supervisory Board.
(2) Reports on the Non-consolidated Financial Statements for the 109th Business Term (January 1, 2017 to December 31, 2017).

Matters to be Resolved upon:

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Election of Nine Directors
Proposal No. 3: Election of Two Audit & Supervisory Board Members

4. Other Matters that have been decided by the Board of Directors before Convocation:

Repeated voting:

- 1) If the voting rights are exercised both in writing and via the Internet, the voting via the Internet will be regarded as effective.
- 2) If the voting rights are exercised repeatedly using one and the same method, either via the Internet or in writing, the last voting will be regarded as effective.

5. Methods for exercising voting rights for shareholders who do not expect to attend the Meeting:

1) Exercise of voting rights in writing (by mail)

Please indicate your consent or dissent to the proposals on the enclosed Card for Exercise of Voting Rights, and return it by mail to reach us no later than Wednesday, March 28, 2018.

2) Exercise of voting rights via the Internet, etc.

Please log on to the designated website for exercise of voting rights at <https://soukai.mizuho-tb.co.jp/>. Enter your code number and password as provided on the enclosed Card for Exercise of Voting Rights and, by following the instructions on the computer screen, enter your consent or dissent and send it to reach us no later than 5:45 p.m. on Wednesday, March 28, 2018. For your information, we are also a member to the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc.

- ◇ Upon attending the Meeting, please present the enclosed Card for Exercise of Voting Rights to the receptionist.
- ◇ When the need arises to amend Reference Materials for the General Meeting of Shareholders, such amendments will be announced on the Company's website at <http://www.sdk.co.jp/>.

Reference Materials for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

It is proposed that surplus be appropriated as follows:

It is the Company's basic policy to decide on the distribution of dividends in consideration of earnings performance of the relevant business term and the need to retain earnings for future business development.

Concerning the term-end dividends for this term, the Company, after taking into account the business results of the term as well as the need to improve future competitiveness and financial strength, proposes a term-end dividend as described below. There is no matter related to the appropriation of other surplus.

(1) Type of dividend assets

Cash

(2) Matters related to the appropriation of dividend assets and total amount thereof:

50 yen per common share of the Company Total amount: 7,140,732, 350 yen

(3) Effective date for appropriation of surplus:

March 30, 2018

Proposal No. 2: Election of Nine Directors

The term of office of all the nine Directors is to expire at the close of this ordinary general meeting of shareholders. The Company proposes election of nine Directors, including three Outside Directors. The list of candidates is as follows:

| Candidate No. | Name | Current Position and Duties at the Company | Statuses |
|---------------|--------------------|--|---|
| 1 | Hideo Ichikawa | Representative Director; Chairman of the Board | To be reelected |
| 2 | Kohei Morikawa | Representative Director; President, Corporate Officer; Chief Executive Officer (CEO) | To be reelected |
| 3 | Jun Tanaka | Director; Managing Corporate Officer, in charge of Electronic Chemicals and Functional Chemicals divisions, Business Development Center, Higashinagahara, Isesaki and Tatsuno plants, and Corporate R&D Department; Chief Technology Officer (CTO) | To be reelected |
| 4 | Hidehito Takahashi | Director; Managing Corporate Officer, in charge of Ceramics Division and Corporate Strategy Department; General Manager, Carbons Division | To be reelected |
| 5 | Keiichi Kamiguchi | Director; Corporate Officer, in charge of Internal Audit, Legal & Intellectual Property, General Affairs & Human Resources and Purchasing & SCM departments; Chief Risk Management Officer (CRO) | To be reelected |
| 6 | Toshiharu Kato | Director; Corporate Officer, in charge of Finance & Accounting and Information Systems departments; Chief Financial Officer (CFO) | To be reelected |
| 7 | Tomofumi Akiyama | Director | To be reelected Outside Independent |
| 8 | Masaharu Oshima | Director | To be reelected Outside Independent |
| 9 | Kiyoshi Nishioka | | To be newly elected Outside Independent |

To be reelected: Candidate for Director to be reelected

To be newly elected: Candidate for Director to be newly elected

Outside: Candidate for Outside Director

Independent: Candidate for Independent Director under the provisions of the stock exchange, etc.

| Candidate No. | Name (Date of Birth) | Personal History, Positions at the Company, and Important Concurrent Posts | Number of Shares of the Company Held |
|---------------|---|---|--------------------------------------|
| 1. | <p>Hideo Ichikawa (March 18, 1952)</p> <p>To be reelected</p> | <p>April 1975 Joined the Company June 1999 General Manager, Business Support Department, Montell SDK Sunrise Ltd. January 2001 General Manager, Business Support Department, SunAllomer Ltd. May 2003 General Manager, Corporate Strategy Office, of the Company January 2006 Corporate Officer; General Manager, Corporate Strategy Office March 2008 Director; Corporate Officer; General Manager, Corporate Strategy Office September 2008 Director; Corporate Officer; Executive Officer, HD Sector January 2010 Director; Managing Corporate Officer; Executive Officer, HD Sector January 2011 President and Chief Executive Officer (CEO) January 2017 Chairman of the Board (up to the present)</p> <p>Reason for nomination as a candidate for Director After taking charge of Corporate Strategy Office and HD Sector, he served as President and CEO of the Company and promoted strategies to expand “individualized businesses.” In 2017, he was appointed as Chairman of the Board, and has been making an effort to improve corporate governance of the Showa Denko Group since then. He has high principles, wide-ranging insight, strict ethical view, fair judgement, and executive power, which are essential characters to carry out his duties as Director, and enough knowledge and business experience to realize management vision of the Group. Based on these, the Company judged he is suitable for a Director, and nominated him as a candidate for Director.</p> | 38,200 shares |

| Candidate No. | Name (Date of Birth) | Personal History, Positions at the Company, and Important Concurrent Posts | Number of Shares of the Company Held |
|---------------|--|--|--------------------------------------|
| 2. | Kohei Morikawa (June 6, 1957) <u>To be reelected</u> | <p>April 1982 Joined the Company</p> <p>June 2003 General Manager, Fine Chemicals Department, Specialty Chemicals Division, Chemicals Sector</p> <p>June 2005 General Manager, Specialty Chemicals Department, Chemicals Division, Chemicals Sector</p> <p>January 2010 General Manager, Chemicals Development Department, Chemicals Sector</p> <p>January 2012 General Manager, Electronic Chemicals Division, Chemicals Sector</p> <p>January 2013 Corporate Officer; General Manager, Electronic Chemicals Division</p> <p>January 2016 Managing Corporate Officer</p> <p>March 2016 Director; Managing Corporate Officer, in charge of Electronic Chemicals and Functional Chemicals divisions, Business Development Center, Isesaki and Tatsuno plants, and Corporate R&D Department; Chief Technology Officer (CTO)</p> <p>January 2017 President and Chief Executive Officer (CEO) (up to the present)</p> <p>Reason for nomination as a candidate for Director He took charge of Chemicals section through many years, and developed the Company's high-purity gases for electronics and functional chemicals businesses to be a "Growth-accelerating businesses" in the ongoing medium-term business plan. In 2017, he was appointed as President and CEO, and has been supervising and promoting business strategy of the whole Company since then. He has high principles, wide-ranging insight, strict ethical view, fair judgement, and executive power, which are essential characters to carry out his duties as Director, and enough knowledge and business experience to realize management vision of the Group. Based on these, the Company judged he is suitable for a Director, and nominated him as a candidate for Director.</p> | 5,500 shares |

| Candidate No. | Name (Date of Birth) | Personal History, Positions at the Company, and Important Concurrent Posts | Number of Shares of the Company Held |
|---------------|---|--|--------------------------------------|
| 3. | <p data-bbox="311 719 485 808">Jun Tanaka (November 28, 1958)</p> <p data-bbox="311 842 485 875"><u>To be reelected</u></p> | <p data-bbox="523 237 1286 936"> April 1982 Joined the Company January 2007 General Manager, Development Department, Chemicals Division, Chemicals Sector January 2009 General Manager, Corporate Technical Office, Technology Headquarters January 2010 General Manager, Corporate Technical Office Research and Development Headquarters January 2011 Advanced Battery Materials Department January 2012 Corporate Fellow; Deputy General Manager, Advanced Battery Materials Department January 2013 Corporate Officer; General Manager, Advanced Battery Materials Department January 2017 Managing Corporate Officer; Chief Technology Officer (CTO) March 2017 Director; Managing Corporate Officer; Chief Technology Officer (CTO) January 2018 Director; Managing Corporate Officer, in charge of Electronic Chemicals and Functional Chemicals divisions, Business Development Center, Higashinagahara, Isesaki and Tatsuno plants, and Corporate R&D Department; Chief Technology Officer (CTO) (up to the present) </p> <p data-bbox="523 969 1286 1348"> Reason for nomination as a candidate for Director He took charge of development section through many years, promoted commercialization of lithium ion battery materials, and developed that business to be an “Advantage-establishing business” in the ongoing medium-term business plan. In 2017, he was appointed as CTO, and has been supervising and promoting technology strategy of the whole Company. He has high principles, wide-ranging insight, strict ethical view, fair judgement, and executive power, which are essential characters to carry out his duties as Director. Based on these, the Company judged he is suitable for a Director, and nominated him as a candidate for Director. </p> | 1,600 shares |

| Candidate No. | Name (Date of Birth) | Personal History, Positions at the Company, and Important Concurrent Posts | Number of Shares of the Company Held |
|---------------|---|---|--|
| 4. | <p style="text-align: center;">Hidehito Takahashi (July 21, 1962)</p> <p style="border: 1px solid black; padding: 2px; text-align: center;">To be reelected</p> | <p>April 1986 Joined Mitsubishi Bank, Ltd. (currently Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>February 2002 General Manager, Business Development Department, GE Japan Holding Corporation</p> <p>October 2004 Asia Pacific President, GE Sensing & Inspection Technologies, GE Japan Holding Corporation</p> <p>October 2008 President & CEO, Silicones Business, Momentive Performance Materials Japan Inc.</p> <p>January 2013 President & CEO, GKN Driveline Japan plc</p> <p>October 2015 Joined the Company Senior Corporate Fellow, Assistant to President</p> <p>January 2016 Corporate Officer; General Manager, Corporate Strategy Department</p> <p>January 2017 Managing Corporate Officer</p> <p>March 2017 Director; Managing Corporate Officer</p> <p>July 2017 Director; Managing Corporate Officer, in charge of Ceramics Division and Corporate Strategy Department; General Manager, Carbons Division (up to the present)</p> <p>Important Concurrent Post: Director, Chairman of the Board, Showa Denko Carbon, Incorporated Director, Showa Denko Sichuan Carbon Incorporated</p> <p>Reason for nomination as a candidate for Director He has proven track record as corporate executive in his previous jobs. After joining the Company, he has been in charge of corporate planning section, drafting and promoting companywide business strategy. He has also been in charge of the Inorganics segment, and promoting structural reform of the segment. He has high principles, wide-ranging insight, strict ethical view, fair judgement, and executive power, which are essential characters to carry out his duties as Director. Based on these, the Company judged he is suitable for a Director, and nominated him as a candidate for Director.</p> | 1,100 shares |

| Candidate No. | Name (Date of Birth) | Personal History, Positions at the Company, and Important Concurrent Posts | Number of Shares of the Company Held |
|---------------|--|--|--|
| 5. | <p style="text-align: center;">Keiichi Kamiguchi (September 3, 1958)</p> <p style="text-align: center;"><u>To be reelected</u></p> | <p>April 1983 Joined the Company</p> <p>September 2008 General Manager, Corporate Strategy Office</p> <p>January 2011 Corporate Officer; General Manager, Corporate Strategy Office</p> <p>January 2013 Corporate Officer; General Manager, Corporate Strategy Department</p> <p>January 2015 Corporate Officer, in charge of Industrial Gases and Basic Chemicals divisions, Kawasaki and Higashinagahara plants</p> <p>January 2017 Corporate Officer; Chief Risk Management Officer (CRO)</p> <p>March 2017 Director; Corporate Officer, in charge of Internal Audit, Legal & Intellectual Property, General Affairs & Human Resources and Purchasing & SCM departments; Chief Risk Management Officer (CRO) (up to the present)</p> <p>Reason for nomination as a candidate for Director He took charge of corporate planning section through many years and drafted medium-term business plans through many years. From 2015, he took charge of two divisions of the Chemicals sector, and from 2017, he has been supervising and promoting measures to diminish business risks as CRO. He has high principles, wide-ranging insight, strict ethical view, fair judgement, and executive power, which are essential characters to carry out his duties as Director. Based on these, the Company judged he is suitable for a Director, and nominated him as a candidate for Director.</p> | 3,400 shares |
| 6. | <p style="text-align: center;">Toshiharu Kato (March 20, 1957)</p> <p style="text-align: center;"><u>To be reelected</u></p> | <p>April 1981 Joined Showa Aluminum Corporation</p> <p>March 2001 Joined the Company</p> <p>August 2014 General Manager, Finance & Accounting Department</p> <p>January 2016 Corporate Officer; General Manager, Finance & Accounting Department</p> <p>January 2017 Corporate Officer; General Manager, Finance & Accounting Department; Chief Financial Officer (CFO)</p> <p>March 2017 Director; Corporate Officer; General Manager, Finance & Accounting Department; Chief Financial Officer (CFO)</p> <p>January 2018 Director; Corporate Officer, in charge of Finance & Accounting and Information Systems departments; Chief Financial Officer (CFO) (up to the present)</p> <p>Reason for nomination as a candidate for Director He has been taking charge of finance and accounting sections through many years. From 2017, he has been supervising and promoting financial and accounting strategies of the Group in order to strengthen the Group's financial standing. He has high principles, wide-ranging insight, strict ethical view, fair judgement, and executive power, which are essential characters to carry out his duties as Director. Based on these, the Company judged he is suitable for a Director, and nominated him as a candidate for Director.</p> | 4,200 shares |

| Candidate No. | Name (Date of Birth) | Personal History, Positions at the Company, and Important Concurrent Posts | Number of Shares of the Company Held |
|---------------|--|---|--|
| 7. | <p data-bbox="331 383 464 517">Tomofumi Akiyama (August 13, 1935)</p> <p data-bbox="309 566 486 600">To be reelected</p> <p data-bbox="352 645 443 678">Outside</p> <p data-bbox="328 723 467 757">Independent</p> | <p data-bbox="523 237 655 297">April 1959 May 1982</p> <p data-bbox="523 331 667 392">July 1984 March 1989</p> <p data-bbox="523 425 639 459">July 1998</p> <p data-bbox="523 492 667 553">March 2008 July 2010</p> <p data-bbox="523 620 834 654">Important Concurrent Post:</p> <p data-bbox="580 654 1169 687">Chairman, Fukoku Mutual Life Insurance Company</p> <p data-bbox="523 687 1091 721">Reason for nomination as a candidate for Director</p> <p data-bbox="580 721 1278 900">We have received from him valuable advice on the management of the Company based on his insight and his experience in managing a life insurance company for many years. We therefore believe he is suitable for the position as Outside Director, and nominated him as a candidate for Director.</p> | 0 shares |

| Candidate No. | Name (Date of Birth) | Personal History, Positions at the Company, and Important Concurrent Posts | Number of Shares of the Company Held |
|---------------|---|---|--------------------------------------|
| 8. | <p style="text-align: center;">Masaharu Oshima (March 17, 1949)</p> <p style="text-align: center;"><u>To be reelected</u></p> <p style="text-align: center;"><u>Outside</u></p> <p style="text-align: center;"><u>Independent</u></p> | <p>April 1974 Joined Nippon Telegraph and Telephone Public Corporation (currently Nippon Telegraph and Telephone Corporation)</p> <p>November 1995 Professor, Applied Chemistry Department, Graduate School of Engineering, The University of Tokyo</p> <p>April 2006 Director, Synchrotron Radiation Research Organization, The University of Tokyo</p> <p>October 2009 Chairman, The Japanese Society for Synchrotron Radiation Research</p> <p>April 2013 Project Professor, Synchrotron Radiation Research Organization, The University of Tokyo</p> <p>May 2013 Chairman, The Surface Science Society of Japan</p> <p>June 2013 Emeritus Professor, The University of Tokyo (incumbent)</p> <p>April 2014 Project Researcher, Synchrotron Radiation Research Organization, The University of Tokyo</p> <p>March 2015 Director, of the Company (incumbent)</p> <p>April 2015 Special Professor, Tokyo City University (incumbent)</p> <p>July 2016 Project Researcher, School of Engineering, The University of Tokyo (incumbent)</p> <p>December 2016 Project Researcher, Institute for Solid State Physics, The University of Tokyo (incumbent) (up to the present)</p> <p>Reason for nomination as a candidate for Director We have received from him valuable advice on the management of the Company, especially in the field of research and development, based on his abundant expertise and experience as a researcher of electronics. We therefore believe he is suitable for the position as Outside Director. Though Mr. Oshima has never taken part in management of business companies in the past, he participated in commercialization of results of joint researches with multiple companies. We therefore judged he can appropriately fulfill his duties as Outside Director, and nominated him as a candidate for Director.</p> | 0 shares |

| Candidate No. | Name (Date of Birth) | Personal History, Positions at the Company, and Important Concurrent Posts | Number of Shares of the Company Held |
|---------------|--|--|--------------------------------------|
| 9. | Kiyoshi Nishioka (March 10, 1952) To be newly elected Outside Independent | <p>April 1977 Joined Nippon Steel Corporation (currently Nippon Steel & Sumitomo Metal Corporation)</p> <p>April 1997 Plant Manager, Thick Steel Plate Plant, Kimitsu Works, Nippon Steel Corporation (General Manager)</p> <p>April 2001 General Manager, Thick Steel Plate Sales Department, Head Office, Nippon Steel Corporation</p> <p>June 2005 Director; General Manager, Technology Development Planning Department, Technology Development Headquarters, Nippon Steel Corporation</p> <p>June 2006 Corporate Officer; General Manager, Technology Development Planning Department, Technology Development Headquarters, Nippon Steel Corporation</p> <p>September 2009 Counselor, Nippon Steel Corporation</p> <p>November 2012 Special Professor, Research Center for Advanced Science and Technology, The University of Tokyo</p> <p>April 2017 Adviser, Research Center for Advanced Science and Technology, The University of Tokyo (incumbent)</p> <p>April 2017 Visiting Professor, Ehime University (incumbent) (up to the present)</p> <p>Reason for nomination as a candidate for Director After taking part in R&D, manufacturing and sales sections of Nippon Steel Corporation, he took charge of technology development programs of the whole company. Thus he has rich expert knowledge and insight about R&D. In addition, we expect that he will provide us with valuable advice on the management and business execution of the Company, based on his rich experience as an academic researcher in technology management and industry-academia collaboration. We therefore judged he can appropriately fulfill his duties as Outside Director, and nominated him as a candidate for Director.</p> | 0 shares |

Notes: 1. None of the candidates for the Directors has any special interest in the Company.

2. Mr. Kiyoshi Nishioka is a candidate to be newly elected.

3. Mr. Tomofumi Akiyama, Mr. Masaharu Oshima, and Mr. Kiyoshi Nishioka are candidates for Outside Directors.

4. Mr. Akiyama and Mr. Oshima will have served as Outside Directors of the Company for ten (10) years and three (3) years respectively at the close of this ordinary general meeting of shareholders.

5. Pursuant to the provisions of Articles of Incorporation, in case Mr. Akiyama and Mr. Oshima are reelected, the Company plans to extend the existing agreements with them limiting their liability for damages within a defined range. In addition, in case Mr. Nishioka is elected, the Company plans to conclude the same agreements with him. The amount of limited liability under the agreement shall be the minimum level stipulated by laws and regulations.

6. Pursuant to relevant rules of the Tokyo Stock Exchange, Inc. (TSE), the Company has notified the TSE that Mr. Akiyama and Mr. Oshima have been appointed the Company's independent directors who will not have conflicting interests with general shareholders. In addition, the Company plans to notify the TSE that Mr. Nishioka has been nominated as a candidate for the Company's independent director.

Though Fukoku Mutual Life Insurance Company, in which Mr. Akiyama has another position, holds shares of the Company, the percentage of shares held by Fukoku Mutual Life Insurance Company is 3.86% and does not meet the condition to be recognized as major stock holder. In addition, though the Company has business relations with Fukoku Mutual Life Insurance Company including borrowing money from it, the percentage of money borrowed from Fukoku Mutual Life Insurance Company is less than 1% of the Company's total assets, and does not meet the condition to be recognized as major business acquaintance of the Company. We therefore judge Mr. Akiyama will not have conflicting interests with general shareholders.

Mr. Masaharu Oshima and the Company had joint researches until 2008. The annual research expenses were less than 10 million yen, and do not meet the condition to be recognized as major business acquaintance of the Company. We therefore judge Mr. Oshima will not have conflicting interests with general shareholders.

Though Mr. Kiyoshi Nishioka was an employee and an executive of Nippon Steel & Sumitomo Metal Corporation, the amount of annual business transactions between the Company and Nippon Steel & Sumitomo Metal Corporation is less than 1% of the Company's net sales, and does not meet the condition to be recognized as major business acquaintance of the Company. We therefore judge Mr. Nishioka will not have conflicting interests with general shareholders.

Proposal No. 3: Election of One Audit & Supervisory Board Member

Audit & Supervisory Board Member Akira Koinuma is to leave his office at the close of this ordinary meeting of shareholders. Therefore, the Company proposes election of one Audit & Supervisory Board Member to fill up the vacancy as a substitute. In addition, the term of office of Audit & Supervisory Board Member Yukio Obara is to expire at the close of this general meeting of shareholders. The Company also proposes election of another one Audit & Supervisory Board Member to succeed Mr. Obara. Thus the Company proposes election of two Audit & Supervisory Board Members in total.

As to this proposal, approval from the Audit & Supervisory Board has been obtained.

The candidates for Audit & Supervisory Board Members are as listed below:

| Candidate No. | Name | Current Position at the Company | Statuses |
|---------------|---------------|---------------------------------|---|
| 1 | Tetsu Moriki | Counselor | To be newly elected |
| 2 | Setsu Ohnishi | | To be newly elected Outside Independent |

[Reference] Audit & Supervisory Board Members who continue to be incumbent

| Name | Current Position at the Company | Statuses |
|-----------------|--|-------------------------------------|
| Saburo Muto | Standing Statutory Member of Audit & Supervisory Board | Incumbent |
| Hiroyuki Tezuka | Audit & Supervisory Board Member | Incumbent Outside Independent |
| Kiyomi Saito | Audit & Supervisory Board Member | Incumbent Outside Independent |

To be newly elected: Candidate for Audit & Supervisory Board Member to be newly elected

Incumbent: Audit & Supervisory Board Member who continues as incumbent

Outside: Outside Member of Audit & Supervisory Board (or its candidate)

Independent: Independent Member of Audit & Supervisory Board under the provisions of the stock exchange, etc.

| Candidate No. | Name (Date of Birth) | Personal History, Positions at the Company, and Important Concurrent Posts | Number of Shares of the Company Held |
|---------------|---|--|---|
| 1. | <p>Tetsu Moriki (September 12, 1954)</p> <p>To be newly elected</p> | <p>April 1977 Joined the Company</p> <p>January 2005 Manager, Legal Group, Corporate Relations Center</p> <p>January 2006 General Manager, Legal Office</p> <p>January 2010 Corporate Fellow; General Manager, Legal Office</p> <p>January 2013 Corporate Fellow; General Manager, Legal & Intellectual Property Department</p> <p>January 2016 Senior Corporate Fellow; General Manager, Legal & Intellectual Property Department</p> <p>January 2018 Counselor, Assistant to President (up to the present)</p> <p>Reason for nomination as a candidate for Audit & Supervisory Board Member</p> <p>He took charge of legal section for many years. From 2006, as General Manager of Legal Office, and from 2013, as General Manager of Legal & Intellectual Property Department, he supervised and promoted measures to strengthen the Company's legal & intellectual property strategies. In these periods, he was appointed as Corporate Fellow and Senior Corporate Fellow.</p> <p>He has capacity, knowledge, and experience rich enough to appropriately and fairly audit Directors' performance of their duties. Based on these, the Company judged he is suitable for Audit & Supervisory Board Member, and nominated him as a candidate for Audit & Supervisory Board Member.</p> | 5,500 shares |

| Candidate No. | Name (Date of Birth) | Personal History, Positions at the Company, and Important Concurrent Posts | Number of Shares of the Company Held |
|---------------|---|---|---|
| 2. | Setsu Ohnishi (December 4, 1955) To be newly elected <u>Outside</u> Independent | <p>April 1978 Joined the Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>April 2002 General Manager, 8th Marketing Department, Main Office, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>April 2004 General Manager, 8th Marketing Department and 4th Marketing Department, Mizuho Corporate Bank, Ltd.</p> <p>June 2004 General Manager, 14th Marketing Department, Mizuho Corporate Bank, Ltd.</p> <p>April 2005 Corporate Officer; General Manager, 14th Marketing Department, Mizuho Corporate Bank, Ltd.</p> <p>April 2007 Managing Corporate Officer, in charge of Global Syndication Unit and Global Products Unit</p> <p>April 2010 Vice President; Corporate Officer; General Manager, Internal Audit Division, Mizuho Financial Group, Ltd.</p> <p>June 2010 Director; Vice President; General Manager, Internal Audit Division, Mizuho Financial Group, Ltd.</p> <p>April 2011 Director, Mizuho Financial Group, Ltd.</p> <p>June 2011 Counselor, IBJ Leasing Company, Limited</p> <p>June 2011 Director; Vice President, IBJ Leasing Company, Limited</p> <p>April 2013 Director; President, IBJ Leasing Company, Limited</p> <p>June 2016 Councilor, Mizuho Financial Group, Ltd.</p> <p>April 2017 Senior Counsellor, Nippon Commercial Development Co., Ltd. (incumbent)</p> <p>June 2017 Director, NS United Kaiun Kaisha, Ltd. (incumbent) (up to the present)</p> <p>Reason for nomination as a candidate for Audit & Supervisory Board Member He took charge of marketing section of a bank for many years. Then he was appointed as a director in charge of internal audit, and engaged in management of the bank. He also managed a leasing company. Thus, he has capacity, knowledge, and experience rich enough to appropriately and fairly audit Directors' performance of their duties. Based on these, the Company judged he is suitable for Outside Member of Audit & Supervisory Board, and nominated him as a candidate for Audit & Supervisory Board Member.</p> | 0 shares |

Notes: 1. Each candidate does not have any special interest in the Company.

2. Mr. Tetsu Moriki and Mr. Setsu Ohnishi are candidates to be newly elected.

3. Mr. Setsu Ohnishi is a candidate for Outside Member of Audit & Supervisory Board

4. Pursuant to the provisions of Articles of Incorporation, in case Mr. Ohnishi is elected, the Company plans to conclude an agreement with him limiting his liability for damages within a defined range. The amount of limited liability under the agreement shall be the minimum level stipulated by laws and regulations.

5. Pursuant to the relevant rules of the Tokyo Stock Exchange, Inc. (TSE), the Company plans to notify the TSE that Mr. Ohnishi has been appointed as a candidate for the Company's Independent Member of Audit & Supervisory Board who will not have conflicting interests with general shareholders.

Though until 2011 Mr. Ohnishi had been a Director or Corporate Officer of the holding company of Mizuho Corporate Bank, Ltd., which is a major business acquaintance of the Company, and the Company has outstanding loans from that bank amounting to 7% of the Company's total assets, Mr. Ohnishi stepped down from his office more than 6 years ago, and Mr. Ohnishi does not have any position on which the bank has influence. In addition, the Company has business relationship with many financial institutions, and do not have major dependence on Mizuho Corporate Bank, Ltd. Moreover, the amount of transaction between the Company and IBJ Leasing Company, Limited in a year is less than 1% of the net sales of the company. Thus IBJ Leasing Company, Limited does not meet the condition to be recognized as major business acquaintance of the Company. We therefore judge Mr. Ohnishi will not have conflicting interests with general shareholders.