

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities code: 6517

June 5, 2019

To our shareholders:

Shoichi Shiratori  
President  
**Denyo Co., Ltd.**  
2-8-5, Nihonbashi-horidomecho, Chuo-ku, Tokyo  
103-8566, Japan

## NOTICE OF THE 71ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 71st Ordinary General Meeting of Shareholders of Denyo Co., Ltd. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by paper ballot or by electromagnetic means (via the Internet). Please exercise your voting rights after reviewing the attached Reference Documents for the General Meeting of Shareholders no later than 5:00 p.m., Wednesday, June 26, 2019 (Japan Standard Time).

**1. Date and Time:** Thursday, June 27, 2019 at 10:00 a.m. (Japan Standard Time)

**2. Venue:** Nakano Sunplaza 11F Banquet Room  
4-1-1, Nakano, Nakano-ku, Tokyo

### 3. Purposes:

#### Items to be reported:

1. Business Report and Consolidated Financial Statements for the 71st Term (from April 1, 2018 to March 31, 2019), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 71st Term (from April 1, 2018 to March 31, 2019)

#### Items to be resolved:

- Proposal 1:** Election of Nine (9) Directors  
**Proposal 2:** Election of Three (3) Audit & Supervisory Board Members  
**Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member

### 4. Regarding Exercising Your Voting Rights if You Are Unable to Attend the Meeting:

A simple explanation is provided here in English but the paper ballot, website, and the “Guide to Exercising Voting Rights by Electromagnetic Means” are available only in Japanese. We apologize for any inconvenience this may cause.

- (1) Exercising your voting rights by paper ballot

After marking your agreement/disagreement to the proposals on the enclosed proxy form, please return it so it arrives no later than the voting deadline printed on the above.

- (2) Exercising your voting rights by electromagnetic means

If you exercise your voting rights by electromagnetic means, please refer to the “Guide to Exercising Voting Rights by Electromagnetic Means” on page 3 of the Japanese version, and then indicate your agreement/disagreement no later than the voting deadline printed on the above.

### 5. Matters Decided for Convocation:

- (1) If you exercise your voting rights several times by electromagnetic means, the last vote will be upheld as valid. If your voting rights are duplicated on paper due to the re-issue of the proxy form, the same will apply.

However, if you exercise multiple voting rights both by paper and by electromagnetic means, the electromagnetic exercise will be upheld as valid.

- (2) If you exercise voting rights diversely on the same proposal, please notify us in writing of your intention to do so and the reason for this, by three days prior to the General Meeting of Shareholders.

## Reference Documents for the General Meeting of Shareholders

**Proposal 1:** Election of Nine (9) Directors

The term of office for all eight (8) members of the Board of Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of nine (9) Directors, increasing the number of Directors by one (1) to further enhance the corporate governance, ensure greater managerial transparency, enrich the organization of the management system, and enhance the management foundation.

The candidates for Directors are as follows.

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Shoichi Shiratori (May 26, 1956)  Reelection Internal  Attendance at meetings of the Board of Directors during the year: 14/14 Attendance: 100%	Apr. 1980      Joined the Company Apr. 2008      Executive Officer, General Manager, Planning & Coordination Department of the Company July 2009      Executive Officer, Deputy Chief Executive, Administration Division, General Manager, Planning & Coordination Department of the Company Apr. 2011      Executive Officer, Chief Executive, Administration Division of the Company June 2011      Director, Executive Officer, Chief Executive, Administration Division of the Company Apr. 2012      Director, Executive Officer, Chief Executive, Administration Division, General Manager, Information System Department of the Company Apr. 2013      Director, Managing Executive Officer, Chief Executive, Administration Division, General Manager, Information System Department of the Company Apr. 2015      Director, Managing Executive Officer, Chief Executive, Administration Division of the Company Apr. 2016      President of the Company (to the present)	34,487 shares
[Reasons for nomination as candidate for Director] Mr. Shoichi Shiratori has been engaged in management planning and in coordination and administration fields for many years and has thorough knowledge of the Company's business overall. Because of his broad knowledge of corporate management, we expect the decision making ability of the Board of Directors to be strengthened and the Company has nominated him to continue serving as a director. [Special interests with the Company] None			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p style="text-align: center;">Yoji Eto (October 31, 1954)</p> <p style="text-align: center;">Reelection Internal</p> <p>Attendance at meetings of the Board of Directors during the year: 14/14 Attendance: 100%</p>	<p>Apr. 1977      Joined the Company</p> <p>Apr. 2008      Executive Officer, General Manager, Sales Department I of the Company</p> <p>July 2009      Executive Officer, General Manager, Sales Department I, Domestic Sales Division of the Company</p> <p>Apr. 2011      Executive Officer, Chief Executive, Domestic Sales Division, General Manager, East Japan Sales Department of the Company</p> <p>Apr. 2012      Executive Officer, Chief Executive, Domestic Sales Division of the Company</p> <p>June 2012      Director, Executive Officer, Chief Executive, Domestic Sales Division of the Company</p> <p>Apr. 2014      Director, Managing Executive Officer, Chief Executive, Domestic Sales Division of the Company</p> <p>Apr. 2016      Representative Director, Executive Vice President, Executive Officer in charge of Sales, Administration, and Quality Management Divisions of the Company</p> <p>Apr. 2018      Representative Director, Executive Vice President, General Manager, Global Marketing Office, Executive Officer in charge of Sales, and Quality Management Divisions of the Company</p> <p>Apr. 2019      Representative Director, Executive Vice President, Executive Officer in charge of Global Marketing Office and Quality Management Division of the Company (to the present)</p>	25,017 shares
<p>[Reasons for nomination as candidate for Director] Mr. Yoji Eto has been engaged in sales operations for many years and is well-trusted by customers. We expect the decision making ability of the Board of Directors to be strengthened by using his experience and the Company has nominated him to continue serving as a director.</p> <p>[Special interests with the Company] None</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p>Hideaki Kuboyama (July 10, 1952)</p> <p>Reelection Internal</p> <p>Attendance at meetings of the Board of Directors during the year: 14/14 Attendance: 100%</p>	<p>Apr. 1975      Joined the Company</p> <p>Apr. 1985      General Manager, Product Planning Office of the Company</p> <p>June 1985      Director, General Manager, Product Planning Office of the Company</p> <p>June 1989      Managing Director, General Manager, Sales Administration Headquarters of the Company</p> <p>June 1994      Senior Managing Director, General Manager, Planning &amp; Coordination and Quality Control Department of the Company</p> <p>Apr. 1997      Senior Managing Director, Deputy General Manager, Production Division of the Company</p> <p>June 2000      Senior Managing Director, General Manager, Planning &amp; Coordination Office of the Company</p> <p>June 2002      President of the Company</p> <p>Apr. 2010      Chairman, CEO of the Company</p> <p>Apr. 2016      Director and Executive Advisor of the Company (to the present)</p>	199,938 shares
<p>[Reasons for nomination as candidate for Director] Mr. Hideaki Kuboyama has been managing the Company for many years. We expect the decision making ability of the Board of Directors to be strengthened by using his wealth of knowledge and experience and the Company has nominated him to continue serving as a director.</p> <p>[Special interests with the Company] None</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<p style="text-align: center;">Yasuo Mizuno (December 20, 1955)</p> <p style="text-align: center;">Reelection Internal</p> <p>Attendance at meetings of the Board of Directors during the year: 14/14 Attendance: 100%</p>	<p>Apr. 1979      Joined the Company</p> <p>Apr. 2008      General Manager, Sales Department III of the Company</p> <p>July 2009      Executive Officer, General Manager, Sales Department III, Domestic Sales Division of the Company</p> <p>Apr. 2011      Executive Officer, Chief Executive, International Sales Division, General Manager, International Sales Department IV of the Company</p> <p>July 2011      Executive Officer, Chief Executive, International Sales Division of the Company</p> <p>Aug. 2011      Executive Officer, Chief Executive, International Sales Division, General Manager, International Sales Department IV of the Company</p> <p>June 2012      Director, Executive Officer, Chief Executive, International Sales Division, General Manager, International Sales Department IV of the Company</p> <p>Feb. 2014      Director, Executive Officer, Chief Executive, International Sales Division, General Manager, International Sales Department I and International Sales Department IV of the Company</p> <p>Apr. 2014      Director, Executive Officer, Chief Executive, International Sales Division, General Manager, International Sales Department III of the Company</p> <p>Apr. 2016      Director, Managing Executive Officer, Chief Executive, Sales Division, and in charge of Overseas Sales Subsidiaries of the Company</p> <p>Apr. 2019      Director, Senior Managing Executive Officer, Chief Executive, Sales Division, and in charge of Overseas Sales Subsidiaries of the Company (to the present)</p> <p>[Significant concurrent positions outside the Company] President, Denyo America Corporation, President, Denyo Europe B.V.</p>	20,501 shares
<p>[Reasons for nomination as candidate for Director] Mr. Yasuo Mizuno has been engaged in domestic sales and international sales operations. We expect the decision making ability of the Board of Directors to be strengthened by his global perspective and the Company has nominated him to continue serving as a director.</p> <p>[Special interests with the Company] None</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
5	<p style="text-align: center;">Toshiya Tozawa (August 22, 1959)</p> <p style="text-align: center;">Reelection Internal</p> <p>Attendance at meetings of the Board of Directors during the year: 14/14 Attendance: 100%</p>	<p>Apr. 1982    Joined The Dai-ichi Kangyo Bank, Ltd.</p> <p>Apr. 2008    General Manager, International Trade Business Operations Department, Mizuho Corporate Bank, Ltd.</p> <p>Mar. 2011    General Manager, Planning &amp; Coordination Department, Administration Division of the Company</p> <p>Apr. 2011    Executive Officer, General Manager, Planning &amp; Coordination Department, Administration Division of the Company</p> <p>Apr. 2012    Executive Officer, General Manager, Planning &amp; Coordination Office of the Company</p> <p>Apr. 2016    Senior Executive Officer, Chief Executive, Administration Division of the Company</p> <p>June 2018    Director, Senior Executive Officer, Chief Executive, Administration Division of the Company</p> <p>Apr. 2019    Director, Managing Executive Officer, Chief Executive, Administration Division of the Company (to the present)</p>	13,200 shares
<p>[Reasons for nomination as candidate for Director] Mr. Toshiya Tozawa has been engaged in management planning and in coordination and administration fields for seven years in the Company and has thorough knowledge of the Company's business overall. Therefore, we expect the decision making ability of the Board of Directors to be strengthened by using his broad knowledge of corporate management and the Company has nominated him to continue serving as a director.</p> <p>[Special interests with the Company] None</p>			
6	<p style="text-align: center;">Takanori Yoshinaga (April 12, 1963)</p> <p style="text-align: center;">New election Internal</p>	<p>Apr. 1986    Joined the Company</p> <p>Apr. 2013    General Manager, Engineering Department, Development Division of the Company</p> <p>Apr. 2017    Executive Officer, General Manager, Engineering Department, Development Division of the Company</p> <p>Apr. 2019    Executive Officer, Chief Executive, Development Division of the Company (to the present)</p>	1,900 shares
<p>[Reasons for nomination as candidate for Director] Mr. Takanori Yoshinaga has been engaged in development operations for many years and has experience for engaging in management planning in the Company. We expect the decision making ability of the Board of Directors to be strengthened by his wealth of product knowledge and the Company has nominated him to serve as a director.</p> <p>[Special interests with the Company] None</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
7	<p>Masao Yamada (December 5, 1964)</p> <p>New election Internal</p>	<p>Apr. 1985      Joined the Company</p> <p>Apr. 2016      General Manager, Quality Management Department, Quality Management Division of the Company</p> <p>Apr. 2018      Executive Officer, General Manager, Quality Management Department, Quality Management Division of the Company</p> <p>Apr. 2019      Executive Officer, Chief Executive, Quality Management Division of the Company (to the present)</p>	800 shares
	<p>[Reasons for nomination as candidate for Director] Mr. Masao Yamada has been engaged in duties in the Development and Quality Management Divisions of the Company. We expect the decision making ability of the Board of Directors to be strengthened by his broad experience and the Company has nominated him to serve as a director.</p> <p>[Special interests with the Company] None</p>		
8	<p>Haruhito Takada (October 14, 1965)</p> <p>Reelection Outside Independent</p> <p>Attendance at meetings of the Board of Directors during the year: 14/14 Attendance: 100%</p>	<p>Apr. 1995      Full-time Lecturer, Faculty of Law, Keio University</p> <p>Apr. 1998      Assistant Professor, Faculty of Law, Keio University</p> <p>Apr. 2005      Visiting Researcher, Faculty of Law, Humboldt University of Berlin</p> <p>Apr. 2007      Instructor, Graduate School of Law, Keio University</p> <p>Apr. 2008      Professor, Faculty of Law, Keio University</p> <p>Apr. 2009      A Member of the Committee, Graduate School of Law, Keio University</p> <p>June 2009      A Member of the independent committee established in line with the Company's takeover defense measures of the Company (current post)</p> <p>Apr. 2011      Professor, Graduate School of Law, Keio University (current post)</p> <p>June 2013      Outside Director of the Company (to the present)</p> <p>[Significant concurrent positions outside the Company] Professor, Graduate School of Law, Keio University</p>	0 shares
	<p>[Reasons for nomination as candidate for Outside Director] Mr. Haruhito Takada is a candidate for Outside Director because we determined that he could appropriately carry out its duties due to consideration of his broad insight and specialist's viewpoint as a graduate school professor. While he does not have experience in corporate management other than as an Outside Director, he is independent from the management which undertakes business operations and there is no risk that a conflict of interest will arise with the shareholders. The Company would like to use his knowledge and experience in the supervision of management from here on and so selected him as a nominee for Outside Director. Currently, he is an Outside Director of the Company and his term as an Outside Director at the conclusion of this Ordinary General Meeting of Shareholders will be six (6) years. There are no contributions or donations made to Graduate School of Law, Keio University, where he holds concurrent position as a professor (outside the Company).</p> <p>[Special interests with the Company] None</p>		

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
9	<p data-bbox="336 533 533 589">Yoshio Takeyama (February 11, 1954)</p> <p data-bbox="368 629 501 712">New election Outside Independent</p> <p data-bbox="288 757 580 875">Attendance at meetings of the Board of Directors during the year: 14/14 Attendance: 100%</p>	<p data-bbox="611 264 1187 353">Apr. 1977      Joined The Dai-ichi Mutual Life Insurance Company (currently The Dai-ichi Life Insurance Company, Limited)</p> <p data-bbox="611 365 1166 454">Apr. 2007      Executive Officer, Manager, IT Planning Department of The Dai-ichi Mutual Life Insurance Company</p> <p data-bbox="611 465 1209 555">Apr. 2009      Managing Executive Officer, Manager, IT Planning Department of The Dai-ichi Mutual Life Insurance Company</p> <p data-bbox="611 566 1209 622">June 2009      Director, Managing Executive Officer of The Dai-ichi Mutual Life Insurance Company</p> <p data-bbox="611 633 1219 723">July 2010      Director, Managing Executive Officer, Manager, Insurance Claim Department of The Dai-ichi Life Insurance Company, Limited</p> <p data-bbox="611 734 1209 790">Apr. 2011      Director, Managing Executive Officer of The Dai-ichi Life Insurance Company, Limited</p> <p data-bbox="611 801 1209 857">Apr. 2013      Managing Executive Officer of The Dai-ichi Life Insurance Company, Limited</p> <p data-bbox="611 869 1209 925">June 2013      President and Representative Director of The Dai-ichi Life Information Systems Co., Ltd.</p> <p data-bbox="611 936 1219 992">Apr. 2015      Chairman and Representative Director of The Dai-ichi Life Information Systems Co., Ltd.</p> <p data-bbox="611 1003 1235 1059">June 2015      Outside Audit &amp; Supervisory Board Member of the Company (current post)</p> <p data-bbox="611 1070 1219 1171">June 2019      Scheduled to relinquish position of Chairman and Representative Director of The Dai-ichi Life Information Systems Co., Ltd. (to the present)</p>	0 shares
<p data-bbox="272 1182 852 1216">[Reasons for nomination as candidate for Outside Director]</p> <p data-bbox="272 1216 1426 1496">Mr. Yoshio Takeyama was nominated as a candidate for Outside Director because the Company has determined that he has sufficiently performed the professional responsibilities of the position during his time as an Outside Audit &amp; Supervisory Board Member of the Company, in which he has used his abundant operational experience from other companies to actively provide opinions from an independent standpoint. In addition, through his auditing activities, he has become knowledgeable of the detailed operations of the Company; therefore, he is nominated as a candidate for Outside Director due to his ability to use his abundant knowledge and experience to supervise the management of the Company. Currently, he is an Outside Audit &amp; Supervisory Board Member of the Company and his term as an Outside Audit &amp; Supervisory Board Member will be four (4) years at the conclusion of this Ordinary General Meeting of Shareholders.</p> <p data-bbox="272 1507 635 1541">[Special interests with the Company]</p> <p data-bbox="272 1541 331 1574">None</p>			

- Notes:
1. Mr. Haruhito Takada and Mr. Yoshio Takeyama are candidates for Outside Director.
  2. The Company has entered into agreements with Mr. Haruhito Takada and Mr. Yoshio Takeyama that limit their liabilities for damages under Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the same Act. The limit of liability for damages under this agreement is the minimum amount provided for in Article 425, paragraph 1 of the same Act. If this Proposal is approved as proposed, the Company intends to continue the aforementioned agreement.
  3. Mr. Haruhito Takada and Mr. Yoshio Takeyama satisfy the requirements for independent officers as provided for by Tokyo Stock Exchange, Inc., and the Company has submitted notification to the aforementioned exchange concerning their appointment as independent officers.



**Proposal 2:** Election of Three (3) Audit & Supervisory Board Members

The term of office for three (3) Audit & Supervisory Board Members, Mr. Toru Masui, Mr. Akira Yamada, and Mr. Yoshio Takeyama, will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of three (3) Audit & Supervisory Board Members.

Also, this proposal already has the agreement of the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Members are as follows.

No.	Name (Date of birth)	Career summary, position and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Toru Hiroi (July 28, 1960)  New election Internal	Apr. 1984      Joined the Company Apr. 2015      Executive Officer of the Company, Chairman & CEO of Denyo Manufacturing Corporation Apr. 2018      Executive Officer, General Manager, Development Department, Development Division; General Manager, Patent Administration Department, Development Division of the Company Apr. 2019      Executive Officer, General Manager, Patent Administration Department, Development Division of the Company (to the present)	1,500 shares
[Reasons for nomination as candidate for Audit & Supervisory Board Member] Mr. Toru Hiroi has engaged in duties in an overseas production subsidiary and in the Development Division and, in consideration of his specialist viewpoint and broad insight, he has been newly nominated as a candidate for Audit & Supervisory Board Member. [Special interests with the Company] None			

No.	Name (Date of birth)	Career summary, position and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p style="text-align: center;">Akira Yamada (May 16, 1953)</p> <p style="text-align: center;">Reelection Outside Independent</p> <p>Attendance at meetings of the Board of Directors during the year: 13/14 Attendance: 92%</p>	<p>Apr. 1986 Registered as an attorney at law Joined Miyake, Hatasawa &amp; Yamazaki (currently Miyake &amp; Partners)</p> <p>Sept. 1990 Joined Winthrop, Stimson, Putnam &amp; Roberts</p> <p>June 1991 Admitted to the New York bar</p> <p>Jan. 1992 Partner, Miyake &amp; Yamazaki (currently Miyake &amp; Partners)</p> <p>Mar. 1994 Resident Partner, Bangkok Office of Miyake &amp; Yamazaki</p> <p>Aug. 1997 Tokyo Office of Miyake &amp; Yamazaki</p> <p>June 2014 Substitute Audit &amp; Supervisory Board Member of the Company</p> <p>June 2015 Outside Audit &amp; Supervisory Board Member of the Company (current post)</p> <p>Jan. 2017 Of Counsel, Miyake, Ushijima &amp; Imamura (current post) (currently Miyake &amp; Partners) (to the present)</p> <p>[Significant concurrent positions outside the Company] Of Counsel of Miyake &amp; Partners Outside Audit &amp; Supervisory Board Member of Solar Frontier K.K. Representative Member of Three Fields Limited Liability Company Outside Auditor of Brother Industries, Ltd.</p>	0 shares
<p>[Reasons for nomination as candidate for Outside Audit &amp; Supervisory Board Member] Mr. Akira Yamada is a candidate for Outside Audit &amp; Supervisory Board Member because we determined that he could appropriately carry out the duties, given his broad insight and specialist viewpoint as an attorney-at-law. While he does not have experience in corporate management other than as an Outside Director, he is independent from the management which undertakes business operations and there is no risk that a conflict of interest will arise with the shareholders. The Company would intend to continue using his knowledge and experience in the supervision of management and so selected him as a candidate for Outside Audit &amp; Supervisory Board Member. Currently, he is an Outside Audit &amp; Supervisory Board Member of the Company and his term as an Outside Audit &amp; Supervisory Board Member will be four (4) years at the conclusion of this Ordinary General Meeting of Shareholders.</p> <p>[Special interests with the Company] None</p>			

No.	Name (Date of birth)	Career summary, position and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Keiko Yamagami (March 22, 1961)  New election Outside Independent	Apr. 1987 Public Prosecutor, Yokohama District Public Prosecutors Office Apr. 2002 Coordinator, Legislative Division, Criminal Affairs Bureau, Ministry of Justice Jan. 2005 Counselor, Criminal Affairs Bureau, Ministry of Justice Aug. 2005 Public Prosecutor, Supreme Public Prosecutors Office Aug. 2007 Deputy Director, Public Peace Department, Tokyo District Public Prosecutors Office July 2008 Deputy Director, Trial Department, Tokyo District Public Prosecutors Office Apr. 2009 Trial Director, Yokohama District Public Prosecutors Office Apr. 2010 Registered as attorney-at-law, Member of Tokyo Seiwa Sogo Law Office (current post) (to the present) (Significant concurrent positions outside the Company) Outside Director of Astellas Pharma Inc.	0 shares
<p>[Reasons for nomination as candidate for Outside Audit &amp; Supervisory Board Member]            Ms. Keiko Yamagami is a candidate for Outside Audit &amp; Supervisory Board Member because we determined that she could appropriately carry out the duties, given her broad insight and specialist viewpoint as her working experience in important positions such as public prosecutor of the supreme public prosecutor's office and as attorney-at-law. While she does not have experience in corporate management other than as an Outside Director, she is independent from the management which undertakes business operations and there is no risk that a conflict of interest will arise with the shareholders. The Company would intend to use her knowledge and experience in the supervision of management and so newly selected her as a candidate for Outside Audit &amp; Supervisory Board Member.</p> <p>[Special interests with the Company]            None</p>			

- Notes:
1. Mr. Akira Yamada and Ms. Keiko Yamagami are candidates for Outside Audit & Supervisory Board Member of the Company.
  2. The Company has entered into agreements with Mr. Akira Yamada that limit his liability for damages under Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the same Act. The limit of liability for damages under this agreement is the minimum amount provided for in Article 425, paragraph 1 of the same Act. If this Proposal is approved as proposed, the Company intends to continue the aforementioned agreement.
  3. If Ms. Keiko Yamagami assumes office of Outside Audit & Supervisory Board Member, the Company intends to enter into an agreement with her that limits her liability for damages under Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the same Act. The limit of liability for damages under this agreement is the minimum amount provided for in Article 425, paragraph 1 of the same Act.
  4. Mr. Akira Yamada satisfies the requirements for independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company has submitted notification to the aforementioned exchange concerning his appointment as independent officers.
  5. Ms. Keiko Yamagami satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc. and, if she assumes office of Outside Audit & Supervisory Board Member, the Company plans to submit notification to the aforementioned exchange concerning her appointment as an independent officer.

**Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member

The Company Received a request from Mr. Hiroshi Ozu who was elected as a substitute Audit & Supervisory Board Member at the 69th Ordinary General Meeting of Shareholders held on June 29, 2017, for his resignation as substitute Audit & Supervisory Board Member as of the opening of this General Meeting of Shareholders. Therefore, the Company requests approval for the election of one (1) Substitute Outside Audit & Supervisory Board Member to be ready to fill a vacant position should the number of Outside Audit & Supervisory Board Members fall below the number required by law.

Also, this proposal already has the agreement of the Audit & Supervisory Board.

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

Name (Date of birth)	Career summary, position and significant concurrent positions outside the Company	Number of the Company's shares owned
<p>Kyoko Okada (July 26, 1959)</p> <p>Outside Independent</p>	<p>Apr. 1982      Joined Shiseido Company, Limited</p> <p>Oct. 2011      General Manager, Corporate Culture Department of Shiseido Company, Limited</p> <p>Apr. 2015      General Manager, Executive Section, General Affairs Department of Shiseido Company, Limited</p> <p>June 2015      Audit &amp; Supervisory Board Member (full-time) of Shiseido Company, Limited</p> <p>Mar. 2019      Relinquished position as Audit &amp; Supervisory Board Member (full-time) of Shiseido Company, Limited (to the present)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Appointment as Outside Audit &amp; Supervisory Board Member of NS Solutions Corporation planned</p> <p>Appointment as Outside Corporate Auditor of SUBARU CORPORATION planned</p>	<p>0 shares</p>
<p>[Reasons for nomination as candidate for Substitute Outside Audit &amp; Supervisory Board Member]</p> <p>Ms. Kyoko Okada has abundant experience in business and as a full-time auditor in other companies. Therefore, the Company has determined that she is a candidate carrying out duties appropriately through the aforementioned experience and her broad insight.</p> <p>[Special interests with the Company]</p> <p>None</p>		

- Notes:
1. Ms. Kyoko Okada is a candidate for Substitute Outside Audit & Supervisory Board Member.
  2. If Ms. Kyoko Okada assumes office of Outside Audit & Supervisory Board Member, the Company intends to enter into an agreement with her that limits her liability for damages under Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the same Act. The limit of liability for damages under this agreement is the minimum amount provided for in Article 425, paragraph 1 of the same Act.
  3. Ms. Kyoko Okada satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc. and, if she assumes office of Outside Audit & Supervisory Board Member, the Company plans to submit notification to the aforementioned exchange concerning her appointment as an independent officer.