

Notice to Shareholders:

1-7, Yukigaya-Otsukamachi, Ota-ku, Tokyo 145-8501
ALPS ELECTRIC CO., LTD.
Toshihiro Kuriyama
President

Notice of Convocation of the 84th Ordinary General Meeting of Shareholders

Notice to Shareholders:

You are cordially invited to attend the 84th Ordinary General Meeting of Shareholders to be held at the time and venue as described below.

If you are unable to attend the meeting, you are kindly requested to refer to “4. Matters Decided upon Convocation” below and to exercise your voting rights no later than 5:00 p.m. on Thursday, June 22, 2017.

Yours faithfully,
Toshihiro Kuriyama
President

The 84th Ordinary General Meeting of Shareholders

1. **Date and Time:** Friday, June 23, 2017, at 10:00 a.m.
(The reception desk will open at 9:00 a.m.)
2. **Location:** Alps Electric Co., Ltd. Headquarters
the Hall on the Ground Floor
1-7, Yukigaya-Otsukamachi, Ota-ku, Tokyo
(Please refer to the attached map, in Japanese only)
3. **Purpose of the Meeting:**
Matters to be reported:
 1. Business Report, Consolidated Financial Statements, Audit Reports of Consolidated Financial Statements by Accounting Auditor and the Audit and Supervisory Committee for the 84th fiscal year (from April 1, 2016 to March 31, 2017)
 2. Non-Consolidated Financial Statements for the 84th fiscal year (from April 1, 2016 to March 31, 2017)
Matters to be resolved:
 - Proposal 1** Approval of the Proposed Appropriation of Surplus
 - Proposal 2** Election of Twelve (12) Directors (excluding Directors who are Members of Audit and Supervisory Committee)

4. Matters Decided upon Convocation

Please refer to “Information on Exercise of Voting Rights” presented on pages 3 and 4.

5. Regarding the Internet Disclosure

“Consolidated Statement of Changes in Equity,” “Notes to Consolidated Financial Statements,” “Non-Consolidated Statement of Changes in Equity,” and “Notes to Non-Consolidated Financial Statements” as attached hereto are posted on the Company’s website (<http://www.alps.com/e/>) under all related laws and Article 15 of the Articles of Incorporation of the Company.

The attachments hereto include only a portion of the Consolidated Financial Statements or other statements that were audited by the Audit and Supervisory Committee or the accounting auditor, in producing the audit reports. (Japanese only)

Notes to the attendees to the General Meeting:

- 1) You are kindly requested to present the enclosed Voting Rights Exercise Form at the reception desk on arrival to the Meeting.
- 2) Please be aware that non-shareholders such as people accompanied by shareholders and children will not be permitted to attend the Meeting.

[Information on Exercise of Voting Rights]

Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders on pages 5 to 17.

You may exercise your voting rights by one of the following three methods.

A: Exercise of Voting Rights via attending the General Meeting of Shareholders:

Please hand in the enclosed “Voting Rights Exercise Form” at the reception desk at the place of the shareholders’ meeting.

In addition, please bring this Notice of Convocation of the 84th Ordinary General Meeting of Shareholders.

B: Exercise of Voting Rights via Postal Mail:

Please indicate, on the enclosed “Voting Rights Exercise Form,” your approval or disapproval of each item on the agenda and return the completed form so that it reaches us without fail by **5:00 p.m., Thursday, June 22, 2017.**

C: Exercise of Voting Rights via the Internet:

Please access the website designated by the Company for the exercise of voting rights (<http://www.evotep.jp/>), enter and send your approval or disapproval of each item on the agenda without fail by **5:00 p.m., Thursday, June 22, 2017.**

For details, please see the following page.

If you exercise your voting rights more than once via both postal mail and the Internet, then only the vote cast via the Internet shall be deemed valid.

In addition, if you cast your vote via the Internet multiple times, then only the last vote cast shall be deemed valid. If you cast your vote via the Internet more than once, using a personal computer, a smartphone and/or a mobile phone, then only the last vote cast shall be deemed valid.

If you attend the meeting in person, you do not need to follow the procedures for the exercise of voting rights via postal mail (sending the “Voting Rights Exercise Form”) or via the Internet.

If you are unable to attend the General Meeting of Shareholders, you may appoint another shareholder with voting rights to attend as your proxy. In this case, a document evidencing the right of representation shall be submitted.

<p>If revisions to the contents of the “Reference Documents for the General Meeting of Shareholders,” the “Business Reports,” the “Non-Consolidated Financial Statements” and the “Consolidated Financial Statements” are required, the Company shall publish a notification on the Company website at the following URL: http://www.alps.com/j/ (Japanese only)</p>

[Information on Exercise of Voting Rights via the Internet]

1. The exercise of voting rights via the Internet is available only by gaining access to the Company's designated website for the exercise of voting rights (<http://www.evotep.jp/>) from a PC, a smartphone, or a mobile phone (i-mode, EZweb or Yahoo! Mobile)*. However, please note that you cannot exercise your voting rights via the Internet on the designated website between the hours of 2:00 a.m. and 5:00 a.m.
* "i-mode," "EZweb" and "Yahoo!" are trademarks or registered trademarks of NTT DOCOMO, INC., KDDI Corporation, and Yahoo Inc. in the U.S., respectively.
2. Please note that you may not be able to exercise your voting rights via PC or smartphone on the designated website for the exercise of voting rights, depending on the Internet settings configured on your PC or smartphone, such as firewalls, etc. that are in place to regulate your Internet connections, anti-virus software that has been installed on your PC or smartphone, the use of a proxy server, or when the TSL encrypted communication is not designated.
3. When exercising voting rights via mobile phone, you must use one of the following services: i-mode, EZweb or Yahoo! Mobile. For security reasons, you cannot vote using mobile handsets that TSL encrypted communication is not possible or mobile handsets that cannot send information of the mobile phone used.
4. Please note that, in order to prevent unauthorized access to the designated website by individuals other than shareholders (persons impersonating shareholders) and to prevent the alteration of votes, we request that you change your "temporary password" to a permanent password on the designated website for the exercise of voting rights, when you exercise your voting rights via the Internet.
5. All costs associated with accessing the website for the exercise of voting rights (cost of internet access, etc.) are to be borne by the shareholder. Also, when voting via mobile phone, etc., all packet communication fees and other costs incurred in the use of a mobile phone etc. are also to be borne by the shareholder.

For further assistance, regarding the system, etc., please contact:
Transfer Agent Department (Help Desk)
Mitsubishi UFJ Trust and Banking Corporation
Phone: 0120-173-027 (9:00 to 21:00 (Japan Time)); toll free only within Japan)

[For Institutional investors]

Institutional investors may make use of the Tokyo Stock Exchange's Electronic Voting Platform (commonly known as the TSE Platform).

Reference Document for the General Meeting of Shareholders

Proposal 1 Approval of the Proposed Appropriation of Surplus

The Company's basic policy is to decide earnings distributions based on the consolidated performance of the electronic components segment, with a balance between (i) returning profits to Shareholders, (ii) research and development and capital investment for future business expansion and improvements in competitiveness, and (iii) retained earnings.

With regard to paying a year-end dividend in the current fiscal year, by comprehensively taking into consideration factors such as performance trends, financial position, and shareholder expectations for dividends, the Company would like to propose dividends as described below.

Matters concerning year-end dividends

(1) Type of dividend

Dividends shall be paid in cash.

(2) Allocation and the total amount of dividends

The Company proposes to pay a dividend of ¥15 per share of the Company's common stock. Please note that, if approved, the total amount of dividends will be 2,938,578,600 yen. This would result in an interim dividend of 15 yen per share and an annual dividend of 30 yen per share, for a dividend increase of 5 yen per share year on year.

(3) Effective date of the dividend payment from surplus

June 26, 2017

Proposal 2 Election of Twelve (12) Directors (excluding Directors who are Members of Audit and Supervisory Committee)

The terms of office of all 12 current Directors (excluding Directors who are Members of Audit and Supervisory Committee) will expire at the close of this General Meeting of Shareholders, in accordance with Article 21 of the Articles of Incorporation. Accordingly, the Company requests the election of 12 Directors (excluding Directors who are Members of Audit and Supervisory Committee).

The candidates for Directors (excluding Directors who are Members of Audit and Supervisory Committee) are as follows: In addition, the Company determines each candidate in accordance with the “Alps Electric Co., Ltd. Criteria for Election of Directors” described on pages 18 to 19. In our assessment, each of the candidates meets these criteria and has the appropriate qualifications for Director of the Company.

Moreover, this proposal has been considered by the Audit and Supervisory Committee and no particular comments were made.

Nominee No.	Name (Date of birth)	Biography, title and position in the Company (Status on major concurrent holding of positions)	No. of Company shares held
Re-nominated 1.	Masataka Kataoka (June 30, 1946)	Apr. 1972 Joined the Company Mar. 1981 General Manager, Kakuda Division June 1982 Director June 1985 Managing Director Oct. 1986 Senior Managing Director June 1988 President, Chairman of the Board of Director June 2012 Chairman (-present) (Status on major concurrent holding of positions) Director, Alpine Electronics, Inc. Director, Alps Logistics Co., Ltd.	900,000
<p>[Reasons for nomination as candidate for Directors (excluding Directors who are Members of Audit and Supervisory Committee)]</p> <p>Mr. Masataka Kataoka has acquired extensive managerial experience over many years and has performed his duties as a Director since appointment as a Director of the Company.</p> <p>Based on this, the Company determined that Mr. Kataoka is an appropriate person to achieve sustainable growth and medium- to long-term increase in corporate value of the Company and nominates Mr. Kataoka as a candidate for reelection as a Director.</p>			

Nominee No.	Name (Date of birth)	Biography, title and position in the Company (Status on major concurrent holding of positions)	No. of Company shares held
Re-nominated 2.	Toshihiro Kuriyama (April 25, 1957)	Apr. 1980 Joined the Company Apr. 2004 General Manager, Magnetic Devices Division June 2004 Director Apr. 2007 General Manager, Business Development Headquarters Apr. 2009 General Manager, Engineering Headquarters Engineering & Quality Management Executive Oct. 2009 Component Products Business, MMP Division June 2011 Managing Director Apr. 2012 General Manager, Engineering Headquarters June 2012 President, Chairman of the Board of Director (-present)	16,300
<p>[Reasons for nomination as candidate for Directors (excluding Directors who are Members of Audit and Supervisory Committee)]</p> <p>Mr. Toshihiro Kuriyama has properly performed his roles as a Director including making important managerial decisions and supervising the conduct of business.</p> <p>In addition, as a representative Director, Mr. Kuriyama has exercised leadership including contributing to reinforcement of the Company's business and raising profits.</p> <p>Based on this, the Company determined that Mr. Kuriyama is an appropriate person to achieve sustainable growth and medium- to long-term increase in corporate value of the Company and nominates Mr. Kuriyama as a candidate for reelection as a Director.</p>			

Nominee No.	Name (Date of birth)	Biography, title and position in the Company (Status on major concurrent holding of positions)	No. of Company shares held	
3. Re-nominated	Takashi Kimoto (October 1, 1958)	Apr. 1981	Joined the Company	21,832
		July 2006	Deputy General Manager, Sales & Marketing Headquarters	
June 2008	Director			
Apr. 2009	General Manager, Automotive Division			
Apr. 2010	European and American Business Executive			
Apr. 2012	General Manager, Sales & Marketing Headquarters (-present)			
June 2012	Managing Director			
June 2016	Senior Managing Director (-present)			
3.	<p>[Reasons for nomination as candidate for Directors (excluding Directors who are Members of Audit and Supervisory Committee)]</p> <p>Mr. Takashi Kimoto has properly performed his roles as a Director including making important managerial decisions and supervising the conduct of business.</p> <p>In addition, as a Senior Managing Director, Mr. Kimoto has exercised leadership including overseeing matters relating to sales and formulating and executing marketing strategies globally.</p> <p>Based on this, the Company determined that Mr. Kimoto is an appropriate person to achieve sustainable growth and medium- to long-term increase in corporate value of the Company and nominates Mr. Kimoto as a candidate for reelection as a Director.</p>			

Nominee No.	Name (Date of birth)	Biography, title and position in the Company (Status on major concurrent holding of positions)	No. of Company shares held
Re-nominated 4.	Yasuo Sasao (February 10, 1959)	<p>Apr. 1983 Joined the Company</p> <p>Jan. 2009 Deputy General Manager, Component Products Business Division</p> <p>Apr. 2009 Deputy Officer in charge of Component Products Business, MMP Division</p> <p>June 2010 Director</p> <p>Apr. 2012 General Manager, Component, Engineering Headquarters</p> <p>Apr. 2013 Officer in charge of Component Business and Deputy General Manager, Engineering Headquarters</p> <p>June 2014 Officer in charge of Component Business and General Manager, Engineering Headquarters (-present)</p> <p>June 2015 Managing Director (-present)</p>	10,900
<p>[Reasons for nomination as candidate for Directors (excluding Directors who are Members of Audit and Supervisory Committee)]</p> <p>Mr. Yasuo Sasao has properly performed his roles as a Director including making important managerial decisions and supervising the conduct of business.</p> <p>In addition, as a Managing Director, Mr. Sasao has exercised leadership including overseeing matters relating to technology and development as well as promoting and integrating technology and formulating and executing development strategies globally.</p> <p>Based on this, the Company determined that Mr. Sasao is an appropriate person to achieve sustainable growth and medium- to long-term increase in corporate value of the Company and nominates Mr. Sasao as a candidate for reelection as a Director.</p>			

Nominee No.	Name (Date of birth)	Biography, title and position in the Company (Status on major concurrent holding of positions)	No. of Company shares held
Re-nominated 5.	Yoshitada Amagishi (February 11, 1956)	Apr. 1980 Joined the Company Apr. 2003 Director & President, Alps Electric (Malaysia) SDN. BHD. June 2007 General Manager, Peripheral Products Division (of Alps Electric) June 2008 Director Apr. 2009 Deputy General Manager, Automotive Division June 2011 Engineering Executive and Quality Management Executive Apr. 2012 Officer in charge of Module Engineering Headquarters June 2012 General Manager, Module Engineering Headquarters Apr. 2013 Officer in charge of New Business & Consumer Modules and General Manager, Engineering Headquarters June 2014 Quality Management Executive and Material Control Executive, Production Headquarters May 2016 Quality Management Executive and Deputy General Manager, Production Headquarters June 2016 Managing Director (-present) Quality Management Executive and General Manager, Production Headquarters and General Manager, Production Innovation (-present)	5,700
<p>[Reasons for nomination as candidate for Directors (excluding Directors who are Members of Audit and Supervisory Committee)]</p> <p>Mr. Yoshitada Amagishi has properly performed his roles as a Director including making important managerial decisions and supervising the conduct of business.</p> <p>In addition, as Managing Director, Mr. Amagishi has exercised leadership including overseeing matters relating to quality and materials such as maintaining quality control and improving productivity.</p> <p>Based on this, the Company determined that Mr. Amagishi is an appropriate person to achieve sustainable growth and medium- to long-term increase in corporate value of the Company and nominates Mr. Amagishi as a candidate for reelection as a Director.</p>			

Nominee No.	Name (Date of birth)	Biography, title and position in the Company (Status on major concurrent holding of positions)	No. of Company shares held
Re-nominated 6.	Junichi Umehara (March 5, 1957)	Mar. 1987 Joined the Company Sept. 2004 Deputy Officer in charge of Legal & Intellectual Property and Deputy Officer in charge of Corporate Export & Import Administration June 2006 Director (-present) July 2006 Officer in charge of Legal & Intellectual Property General Manager, Corporate Export & Import Administration (-present) Apr. 2009 Deputy General Manager, Administration Headquarters Deputy General Manager, Engineering Headquarters Officer in charge of Intellectual Property June 2011 Officer in charge of Legal & Intellectual Property Apr. 2012 Officer in charge of Legal & Intellectual Property, Administration Headquarters July 2015 Officer in charge of Human Resource, Legal & Intellectual Property (-present) June 2016 General Manager, Administration Headquarters (-present) (Status on major concurrent holding of positions) Chairman, Alps (China) Co., Ltd.	3,000
<p>[Reasons for nomination as candidate for Directors (excluding Directors who are Members of Audit and Supervisory Committee)]</p> <p>Mr. Junichi Umehara has properly performed his roles as a Director including making important managerial decisions and supervising the conduct of business.</p> <p>In addition, as a member of the management team, Mr. Umehara has exercised leadership including formulating and executing strategies and overseeing matters relating to human resources, legal affairs, intellectual property, and trade control.</p> <p>Based on this, the Company determined that Mr. Umehara is an appropriate person to achieve sustainable growth and medium- to long-term increase in corporate value of the Company and nominates Mr. Umehara as a candidate for reelection as a Director.</p>			

Nominee No.	Name (Date of birth)	Biography, title and position in the Company (Status on major concurrent holding of positions)	No. of Company shares held
Re-nominated 7.	Hitoshi Edagawa (May 7, 1959)	Apr. 1983 Joined the Company June 2008 Quality Management Executive Product Engineering Executive Apr. 2009 General Manager, Production Engineering Operations, MMP Process Division June 2011 Director (-present) Deputy Officer in charge of Production, MMP Process Division Production Engineering Executive, MMP Process Division Apr. 2012 Production Engineering Executive, Production Headquarters June 2013 Quality Management Executive and Production Engineering Executive, Production Headquarters June 2014 Production Engineering Executive, Production Headquarters (-present)	3,000
<p>[Reasons for nomination as candidate for Directors (excluding Directors who are Members of Audit and Supervisory Committee)]</p> <p>Mr. Hitoshi Edagawa has properly performed his roles as a Director including making important managerial decisions and supervising the conduct of business.</p> <p>In addition, as a member of the management team, Mr. Edagawa has exercised leadership including overseeing matters relating to production technology as well as globally deepening and strengthening process technologies for product manufacture.</p> <p>Based on this, the Company determined that Mr. Edagawa is an appropriate person to achieve sustainable growth and medium- to long-term increase in corporate value of the Company and nominates Mr. Edagawa as a candidate for reelection as a Director.</p>			

Nominee No.	Name (Date of birth)	Biography, title and position in the Company (Status on major concurrent holding of positions)	No. of Company shares held
Re-nominated 8.	Takeshi Daiomaru (February 17, 1959)	Apr. 1981 Joined the Company Apr. 2000 Senior Manager, Sales Dept. 1, Sales & Marketing Headquarters Apr. 2005 General Manager, Global Sales & Marketing Operation, Sales & Marketing Headquarters Jan. 2006 General Manager, Mobile Sales Operations, Sales & Marketing Headquarters Apr. 2007 Seconded General Manager, Alps (China) Co., Ltd. Apr. 2012 General Manager, Sales & Marketing Headquarters (of Alps Electric) Apr. 2013 Deputy General Manager, Sales & Marketing Headquarters and General Manager, Global Sales & Marketing Operation June 2014 Director (-present) Officer in charge of New Business & Consumer Module Division and Deputy General Manager, Engineering Headquarters (-present)	3,600
<p>[Reasons for nomination as candidate for Directors (excluding Directors who are Members of Audit and Supervisory Committee)]</p> <p>Mr. Takeshi Daiomaru has properly performed his roles as a Director including making important managerial decisions and supervising the conduct of business.</p> <p>In addition, as a member of the management team, Mr. Daiomaru has exercised leadership including formulating and executing sales strategies and development plans for new markets and consumer markets.</p> <p>Based on this, the Company determined that Mr. Daiomaru is an appropriate person to achieve sustainable growth and medium- to long-term increase in corporate value of the Company and nominates Mr. Daiomaru as a candidate for reelection as a Director.</p>			

Nominee No.	Name (Date of birth)	Biography, title and position in the Company (Status on major concurrent holding of positions)	No. of Company shares held
Re-nominated 9.	Akihiko Okayasu (December 17, 1958)	Apr. 1981 Joined the Company Apr. 2004 Senior Manager, Sales Dept. 1, Sales & Marketing Headquarters Apr. 2007 General Manager, Home & Mobile Sales Operation, Sales & Marketing Headquarters Apr. 2009 General Manager, Sales Dept. 1, Home, Mobile & Industry Division Jan. 2012 Seconded General Manager, Alps Electronics Taiwan Co., Ltd. July 2013 Seconded General Manager, Alps (China) Co., Ltd. June 2015 Director (of Alps Electric) (-present) Officer in charge of China Business May 2016 Officer in charge of China Business and Material Control Executive, Production Headquarters and General Manager of Material Control, Production Headquarters June 2016 Material Control Executive, Production Headquarters and General Manager of Material Control, Production Headquarters Feb. 2017 Material Control Executive, Production Headquarters (-present)	3,000
<p>[Reasons for nomination as candidate for Directors (excluding Directors who are Members of Audit and Supervisory Committee)]</p> <p>Mr. Akihiko Okayasu has properly performed his roles as a Director including making important managerial decisions and supervising the conduct of business.</p> <p>In addition, as a member of the management team, Mr. Okayasu has exercised leadership including formulating, executing and overseeing materials strategies globally.</p> <p>Based on this, the Company determined that Mr. Okayasu is an appropriate person to achieve sustainable growth and medium- to long-term increase in corporate value of the Company and nominates Mr. Okayasu as a candidate for reelection as a Director.</p>			

Nominee No.	Name (Date of birth)	Biography, title and position in the Company (Status on major concurrent holding of positions)	No. of Company shares held
Re-nominated 10.	Tetsuhiro Saeki (June 30, 1959)	Apr. 1983 Joined the Company Apr. 2003 Managing director, ALPS ELECTRIC CZECH, s.r.o. July 2009 Division Director, Production Planning, MMP Division (of Alps Electric) Apr. 2012 Division Director, Production Planning, Production Headquarters Mar. 2013 General Manager, Procurement Division, Production Headquarters June 2014 General Manager, Global Sales & Marketing Operation, Sales & Marketing Headquarters June 2016 Director (-present) Deputy General Manager, Sales & Marketing Headquarters and General Manager, Global Sales & Marketing Operation and Officer in charge of Information Systems, Administration Headquarters (-present)	3,137
<p>[Reasons for nomination as candidate for Directors (excluding Directors who are Members of Audit and Supervisory Committee)]</p> <p>Mr. Tetsuhiro Saeki has properly performed his roles as a Director including making important managerial decisions and supervising the conduct of business.</p> <p>In addition, as a member of the management team, Mr. Saeki has exercised leadership including overseeing expansion of sales in the global markets and promoting enhanced efficiency for the Company's operations systems.</p> <p>Based on this, the Company determined that Mr. Saeki is an appropriate person to achieve sustainable growth and medium- to long-term increase in corporate value of the Company and nominates Mr. Saeki as a candidate for reelection as a Director.</p>			

Nominee No.	Name (Date of birth)	Biography, title and position in the Company (Status on major concurrent holding of positions)	No. of Company shares held
Re-nominated 11.	Yoichiro Kega (May 4, 1960)	Apr. 1984 Joined the Company Apr. 2002 Senior Manager, Sales Dept. 4, Sales & Marketing Headquarters Apr. 2004 Project Manager, Global Sales Dept., Sales & Marketing Headquarters July 2005 Business Planning Manager, Peripheral Products Division Feb. 2007 Project Manager, Peripheral Products Division Jan. 2009 Director and President, Alps Electric Europe GmbH Oct. 2013 General Manager, Sales Planning Office, Sales & Marketing Headquarters (of Alps Electric) Feb. 2015 General Manager, Corporate Planning Office June 2016 Director (-present) Officer in charge of Corporate Planning, Accounting and Finance, General Affairs and Environment and General Manager, Corporate Planning Office Feb. 2017 Officer in charge of Corporate Planning, Accounting and Finance, General Affairs and Environment (-present)	4,307
<p>[Reasons for nomination as candidate for Directors (excluding Directors who are Members of Audit and Supervisory Committee)]</p> <p>Mr. Yoichiro Kega has properly performed his roles as a Director including making important managerial decisions and supervising the conduct of business.</p> <p>In addition, as a member of the management team, Mr. Kega has exercised leadership including overseeing the Company's overall corporate planning, and promoting the various initiatives related to financial and capital strategies from the standpoint of the CFO.</p> <p>Based on this, the Company determined that Mr. Kega is an appropriate person to achieve sustainable growth and medium- to long-term increase in corporate value of the Company and nominates Mr. Kega as a candidate for reelection as a Director.</p>			

Nominee No.	Name (Date of birth)	Biography, title and position in the Company (Status on major concurrent holding of positions)	No. of Company shares held
Re-nominated 12.	Hiroyuki Sato (July 17, 1962)	<p>Apr. 1985 Joined the Company</p> <p>Oct. 2003 General Manager, Engineering Dept. 2, Automotive Products Division</p> <p>Apr. 2006 General Manager, Engineering Dept. 3, Automotive Products Division</p> <p>Apr. 2009 General Manager, Engineering Dept. 1, Automotive Division</p> <p>Oct. 2010 General Manager, Development Dept., Automotive Division</p> <p>Nov. 2011 President, Alps Electric (North America), Inc.</p> <p>June 2016 Director (of Alps Electric) (-present) Officer in charge of Automotive Modules and Deputy General Manager, Engineering Headquarters (-present)</p>	3,083
<p>[Reasons for nomination as candidate for Directors (excluding Directors who are Members of Audit and Supervisory Committee)]</p> <p>Mr. Hiroyuki Sato has properly performed his roles as a Director including making important managerial decisions and supervising the conduct of business.</p> <p>In addition, as a member of the management team, Mr. Sato has exercised leadership including overseeing and promoting the development of module products for the automotive market, in which computerization has been advancing.</p> <p>Based on this, the Company determined that Mr. Sato is an appropriate person to achieve sustainable growth and medium- to long-term increase in corporate value of the Company and nominates Mr. Sato as a candidate for reelection as a Director.</p>			

Note:

There is no special interest between any of the candidates and the Company.

(Reference) Alps Electric Co., Ltd. Criteria for Election of Directors

<Provisions Common to Inside and Outside Directors>

1. The candidate has objective determination capabilities regarding management and has outstanding managerial judgment capabilities, foresight, and discernment.
2. The candidate has a strong respect for the law.
3. The candidate has an outstanding reputation and character and a strong sense of morals.
4. The candidate is free of any health constraints that would impede the performance of duties.

<Provisions Relating to Outside Directors>

1. The candidate has practical experience as a corporate manager or has experience and broad-ranging knowledge in specialized fields necessary for performing management supervisory functions.
2. The candidate is able to secure adequate time to perform duties as a Director.
3. The candidate satisfies the independence conditions concerning an independent Outside Director in light of the Independence Criteria set forth below.

<Outside Director Independence Criteria>

In the case where an Outside Director of the Company does not fall under any of the following criteria, the Company shall determine that the Director is independent and shall consider the Director to be an independent Outside Director.

1. The Director was previously employed by the Company or a consolidated subsidiary (the "Company Group") (see note 1).
2. The Director is a major shareholder (see note 2).
3. The Director is engaged in the execution of business for a major business partner (see note 3) of the Company Group or engaged in the execution of business for a major lender (see note 4) of the Company Group.
4. The Director is a certified public accountant affiliated with an accounting firm that is an accounting auditor of the Company Group.
5. The Director is a specialist such as a consultant, attorney, judicial scrivener, tax accountant, or patent attorney who receives large amounts of money (see note 5) or other property from the Company Group.
6. The Director has received large amounts of donations from the Company Group (see note 6).
7. The Director is engaged in the execution of business for another company that has a reciprocal employment relationship of an Outside Director (see note 7).
8. The Director has a close relative (see note 8) who falls under any of 1 to 7 above.
9. The Director fell under any of 2 to 8 above within the past three years.
10. Notwithstanding the preceding items, the Company determines that there are special circumstances that give rise to a special relationship with the Company.

Note 1: A person who is currently an executive Director or in a similar position or an employee (a "Person Engaged in the Execution of Business") or a Person Engaged in the Execution of Business who has ever been employed by the Company Group in the past.

Note 2: A major shareholder is a shareholder who holds 5% or more of the Company's voting rights in his own name or in the name of a nominee at the end of the Company's most recent business year. In the case where a major shareholder is a corporation, association, or other organization, a Person Engaged in the Execution of Business affiliated with such organization.

Note 3: A major business partner is a buyer or a supplier of the Company Group in the case where the annual transaction amount exceeds 2% of the Company's or the other party's consolidated net sales at the end of the Company's most recent

- business year.
- Note 4: A major lender is a financial institution from which the Company Group has borrowed money in the case where the balance of loans outstanding exceeds 2% of the Company's consolidated total assets or the financial institution's consolidated total assets at the end of the Company's most recent business year.
- Note 5: A large amount means the following according to the participation in the provision of services by the specialist.
- (1) In the case where the relevant specialist provides services to the Company Group as an individual, consideration received from the Company Group (excluding Director compensation) in excess of 10 million yen annually constitutes a large amount.
 - (2) In the case where the relevant specialist is affiliated with a corporation, association, or other organization that provides services to the Company Group, when the total amount of consideration received by that organization from the Company Group exceeds 2% of that organization's annual income, this constitutes a large amount; provided, however, that even if the amount of consideration does not exceed 2%, if the amount received by the organization as consideration for the provision of services in which the relevant specialist is directly involved exceeds 10 million yen annually, this constitutes a large amount.
- Note 6: A person who receives donations in excess of 10 million yen annually from the Company Group (in the case of a corporation, association, or other organization, a person affiliated with such organization who is directly involved in research or other activities relating to those donations).
- Note 7: The situation where a Person Engaged in the Execution of Business for the Company Group who is an Outside Director of another company and a Person Engaged in the Execution of Business for that other company is an Outside Director of the Company.
- Note 8: A close relative means a spouse or a relative within two degrees of consanguinity.

(Reference) The Corporate Governance Policy of Alps Electric Co., Ltd.

The Company, in addition to fulfilling its responsibilities to stakeholders, including shareholders, customers, employees, and the local community, establishes the Corporate Governance Policy for implementing effective corporate governance with the objectives of sustainable growth and medium- to long-term improvement in the corporate value of the Company.

This Policy has been prescribed by the Board of Directors, who shall conduct ongoing and regular revisions, and efforts shall be made to enhance and evolve corporate governance for the improvement of corporate value.

Chapter I General Provisions

(Basic Views on Corporate Governance)

The Group defines corporate governance as the “establishment and operation of frameworks for realizing efficient and appropriate decision-making and execution of business affairs by senior management, prompt reporting of outcomes to stakeholders, and sound, efficient and transparent business administration, for the purpose of heightening corporate value.” Its basic approach, placing importance on maximizing benefits for shareholders and all other stakeholders, is to maximize corporate value and deliver benefits directly or indirectly to stakeholders in a balanced way, satisfying their respective interests.

Chapter II Securing the Rights and Equal Treatment of Shareholders

Seeking sustainable growth and creation of medium- to long-term corporate value, the Company has developed its philosophy of “Alps creates new value that satisfies stakeholders and is friendly to the Earth” and the five statements of the Alps Business Approach to realize the philosophy, and pursues integrated efforts of business activities and CSR activities. At the same time, the Company creates an environment to secure substantial rights of all shareholders, for example by providing appropriate information through various communication efforts, so that they can exercise their rights smoothly.

1. General Meetings of Shareholders

Based on the recognition that General Meetings of Shareholders are an opportunity for constructive dialogue with shareholders, the Company positions General Meetings of Shareholders as its highest decision-making body and thinks that intentions of all shareholders must be reflected appropriately in the meetings. To support the activation of General Meetings of Shareholders and the smooth exercise of voting rights, the Company has implemented various efforts to improve an environment relating to exercise of shareholders rights. These efforts have been provided in the “corporate governance report” on the Company’s website, etc. In addition, the Company confirms shareholders’ intention, analyzes factors of approval and disapproval after the close of General Meetings of Shareholders and discusses those factors at the Board of Directors meeting to reflect the results in subsequent dialogues. The result of approval or disapproval is disclosed in the Extraordinary Report and on the Company’s website.

2. Securing the Equal Treatment of Shareholders

The Company protects shareholder rights and encourages the exercise of the rights, while making efforts to secure effective equality for all shareholders. For rights granted to minority shareholders under the Companies Act including the right to seek an injunction against illegal activities or the right to file a shareholder lawsuit, the Company has established a method of exercising shareholder rights in the rules for handling shares and built the structure that ensures that the exercise of rights is conducted smoothly and is not impeded, for example by making these rules

available on its website.

- 1) In order to provide appropriate information as needed to ensure that shareholders can make appropriate decisions at General Meetings of Shareholders, the Company discloses proposals for a General Meeting of Shareholders on its website, the Tokyo Stock Exchange's website and the electronic voting rights exercise platform for institutional investors swiftly after they are resolved by the Board of Directors.
- 2) The Company issues a Notice of Convocation at least three weeks before the date of the General Meeting of Shareholder, which is earlier than the statutory deadline, so that shareholders can have sufficient time to fully consider proposals to be submitted at the General Meeting of Shareholders. The Company also discloses relevant information before issuing the Notice of Convocation.
- 3) Based on the recognition that General Meetings of Shareholders are an opportunity for constructive dialogue with shareholders, every year, the Company holds a General Meeting of Shareholders earlier than the day on which many other companies are expected to hold their General Meetings of Shareholders, so that more shareholders can attend its General Meeting of Shareholders.
- 4) In light of the current proportion of overseas institutional investors, the Company uses the system that facilitates the exercise of voting rights from abroad and provides information in English for overseas institutional investors. Specifically, its measures include allowing the exercise of voting rights via the Internet, introducing the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc. and placing the English version of Notices of Convocation on its website and the Tokyo Stock Exchange's website.
- 5) If an institutional investor who holds shares in street name asks in advance to attend the General Meeting of Shareholders and exercise voting rights, the Company shall establish a basic policy and determine whether or not the investor can attend the General Meeting of Shareholders.

3. Capital policy

The Company reviews the appropriate capital level against medium- and long-term growth strategies in a timely manner, taking into account the following points:

- 1) Maintain the financial position that can withstand rapid changes in the business environment and any unforeseen economic crisis in the future
- 2) Maintain a rating necessary to engage in business worldwide
- 3) Secure capital necessary to sustain the medium- to long-term growth

The Company's basic dividend policy is to determine dividends based on consolidated financial results for the electronic components segment in consideration of a balance between three elements; (1) returns to shareholders; (2) funds for R&D and capital investment to support business expansion and enhanced competitiveness; and (3) internal reserves. Under this policy, the Company determines dividends, comprehensively taking into account business performance, financial position, shareholders' expectations for dividends, and other factors. To achieve agile business management that is adaptable to changes in economic conditions and implement the financial policy that contributes to an increase of shareholder values, the Company purchases its treasury shares where needed. To enable the Company to make dividend payment from surplus, etc., by resolution of the Board of Directors and in order to facilitate the implementation of flexible dividend and capital policies, the Company shall establish provisions in the Articles of Incorporation. However, year-end dividends will be deliberated, in principle, at the General Meeting of Shareholders until stable dividends are secured and mutual understanding concerning the dividend policy is achieved between shareholders and the Company.

4. Cross-Shareholdings

The Company does not have cross-shareholdings in principle, except in cases where cross-shareholdings are deemed to lead to improvement of the Company's corporate value in the medium- to long-term, including cases of execution of the Company's business strategy and strategic partnership for the purpose of strengthening relationships with business partners. The Company decides whether to continue cross-shareholdings after confirming the medium- to long-term economic rationality through periodic examination. The Company exercises the voting rights as to cross-shareholdings after considering the content of the proposal and determining whether the exercise will lead to an increase in the value of stock of the company with which the Company has cross-shareholdings as well as in the Company's corporate value in the medium- to long-term.

5. Related Party Transactions

The Company stipulates in the bylaws for the Board of Directors that when the Company or its related company has transactions with a Director or a company virtually controlled by a Director, approval of the Board of Directors for the transaction is required. For other related party transactions, it is also stipulated in the bylaws for the Board of Directors that approval of the Board of Directors is required for any transaction that is worth a large amount or that has a considerable impact on the company's management and credibility.

Chapter III Appropriate Cooperation with Stakeholders

The Company thinks that appropriate cooperation with a variety of stakeholders is necessary for a company's sustainable growth and creation of medium- to long-term corporate value. With this in mind, the Company has developed the five statements of the Alps Business Approach, pursuing integrated efforts of business activities and CSR activities. The Board of Directors and the management take leadership to meet expectations of various stakeholders surrounding the Company.

1. Corporate Philosophy as the Foundation of Corporate Value Creation over the Medium- to Long-Term

Under the philosophy of "Alps creates new value that satisfies stakeholders and is friendly to the Earth," the Company promotes actions to create medium- to long-term corporate value, embracing the ideal approach to monozukuri (encompassing all aspects of product creation), social responsibilities to fulfill and a consideration for other people. The Company has formulated the following five action guidelines to ensure that each employee always acts consciously:

- 1) Alps people will realize new values through flexible thinking and bold actions.
- 2) Alps people will preserve the natural environment and treat precious resources with great care.
- 3) Alps people will meet customers' expectations by making decisions quickly and implementing them speedily.
- 4) Alps people will act fairly, working to adhere to world rules and to understand different cultures.
- 5) Alps people will function as teams of professionals seeking to refine their specialist skills.

2. Measures to Address Sustainability Issues

The Company recognizes prevention of risks which may have a potentially large impact on business, as well as appropriate action and quick recovery when they do occur, as key risk management themes, and advances initiatives. Specifically, each Director in charge makes CSR-related reports regularly and reports on incidents where appropriate at the Board of Directors meetings. Necessary matters are discussed and promptly addressed. The Company has established the Alps Group

Environmental Charter and carries out environmental management to address environmental issues, which are viewed among the more serious management challenges.

3. Ensuring Diversity

The Company believes its corporate power stems from the ability of its diverse workforce of varying nationalities, languages, cultures, customs and genders to interact freely with mutual respect and understanding and to develop into creative, independent-minded professionals. The Company continues to actively hire women and has established the working environment through the introduction of the short-time working system and the enhancement of annual paid leave programs, etc. As a result of these efforts, the length of service among women exceeds that among men. The Company will continue to take measures for encouragement of work-life balance, support for career development and others, promoting greater involvement of women.

4. Whistleblowing

The Company has put in place an internal reporting system called Ethics Hotline system. For the Company's Ethics Hotline system, a full-time Member of Audit and Supervisory Committee, Outside Member of Audit and Supervisory Committee and the manager of the compliance department serve as the contact point and the operation of the system is monitored by an Outside Director in consideration of securing independence from the management. The Director in charge of administration supervises the operation of Ethics Hotline system and regularly reports the operation status to the Board of Directors. In operating the system, the Company strictly adheres to the Ethics Hotline regulations, which stipulate the protection of confidentiality of information on informants and the prohibition of disadvantageous treatment of them.

Chapter IV Appropriate Information Disclosure

For shareholders and investors, the Company discloses information including earnings summary, securities reports and timely disclosure information as required in accordance with laws and regulations. Through timely and appropriate information disclosure, the Company maintains fair and transparent management. Disclosed information is immediately posted to its website, which serves as a window for ongoing communication about new products and the latest news about business activities. For shareholders, the Company endeavors to promote understanding of its business activities through the "ALPS REPORT," a bulletin for shareholders issued twice a year which, besides reporting on business, introduces new products and technologies. Aiming to engage in greater communication with the capital market, efforts are made to enhance opportunities for face-to-face dialogue between management and market participants. In addition to briefings on each earnings announcement for analysts, institutional investors and the press, and regular visits to overseas investors by Directors, the Company arranges briefings during the biennial "ALPS SHOW" as well as plant tours (on occasion).

Chapter V Responsibilities of the Board

1. Roles of the Board of Directors and Directors

The Company's Board of Directors is positioned as an organ that deliberates and makes decisions on basic management policy and important managerial matters including mid-term and short-term business plans, and carries out monitoring and supervision of the execution of duties. The Board of Directors convenes once a month for regular meetings and on other occasions as required to thoroughly deliberate on and pass resolutions on all important matters. The Company has appointed an

Outside Director who is required to provide checks on the legal compliance of Directors' execution of duties.

The Company, which is engaged in the electronic components business, has a function-based organizational structure. Due to strong interconnectedness and highly specialized nature of the functions, it ensures quick and appropriate decision-making and execution of duties through mutual exchange of opinions by Directors who are familiar with each business including Directors in charge. The Company believes that clarifying each Director's managerial accountability and mutually supervising the execution of duties ensure the fulfillment of the highly effective supervisory function.

2. Composition of the Board of Directors

To deliberate and determine the management policy and important managerial matters at the Board of Directors meeting and supervise each Director's execution of duties effectively, the Company has appointed persons with ability and qualifications that are considered necessary as Director in accordance with its specified standards for appointment, and a lawyer with legal expertise and a certified public accountant with financial and accounting expertise as Independent Outside Directors.

3. Criteria for Election of Director Candidates

Criteria for election of Director candidates shall be prescribed in the Officer Regulations, and people who meet the following conditions may be elected as candidates.

<Provisions Common to Inside and Outside Directors>

- 1) The candidate has objective determination capabilities regarding management and has outstanding managerial judgment capabilities, foresight, and discernment.
- 2) The candidate has a strong respect for the law.
- 3) The candidate has an outstanding reputation and character and a strong sense of morals.
- 4) The candidate is free of any health constraints that would impede the performance of duties.

<Provisions Relating to Outside Directors>

- 1) The candidate has practical experience as a corporate manager or has experience and broad-ranging knowledge in specialized fields necessary for performing management supervisory functions.
- 2) The candidate is able to secure adequate time to perform duties as a Director.
- 3) The candidate satisfies the independence conditions concerning an independent Outside Director in light of the Company's Outside Director Independence Criteria

4. Roles of Independent Outside Directors

Taking into consideration all stakeholders and focusing on ensuring legal compliance, the Company's Independent Outside Director will make efforts to proactively exchange information and provide advice at Board of Directors meetings, and strengthen management oversight through the appointment and dismissal of management and managing its compensation, through supervision over conflict of interests between the Company and management, by controlling shareholders, etc., and by making other important decisions at Board of Directors meetings. While regularly visiting the Company's business centers and carrying out information gathering, the Independent Outside Director will exchange information and opinions regularly with other Directors and employees and exercises effective supervision.

5. Decision on the Successor for the CEO
For the medium-term structure of the Board of Directors, the top management including a replacement for CEO and the Director in charge of human resources hold discussions in a timely manner. Specific candidates for Director are determined at the Board of Directors.
6. Delegation to Management
In addition to matters requiring resolution of the Board of Directors that are stipulated in laws and regulations and the articles of incorporation, the management policy, medium-term and short-term business plans and other important matters regarding the business management are also judged and determined at a meeting of the Board of Directors in accordance with standards for items, amount, etc. The Company stipulates the standards for submission of matters and scope of matters delegated to each Director in the rules and bylaws for the Board of Directors.
7. Roles and responsibilities of Audit and Supervisory Committee and Audit and Supervisory Committee Members
The Company's Audit and Supervisory Committee Members (Audit and Supervisory Committee), a majority of which are Outside Audit and Supervisory Committee Members, strive to make appropriate judgments from an objective standpoint, while acting independent from the Board of Directors. Outside Audit and Supervisory Committee Members who have extensive experience as lawyer with legal expertise and as certified public accountant with financial and accounting expertise and Inside Audit and Supervisory Committee Members familiar with the Company's business mutually collaborate with the internal audit divisions to efficiently conduct audits and provide opinions to the management at the Board of Directors and other important meetings. In addition, the Company has assigned staffs who assist the Audit and Supervisory Committee Members and has set up a department assisting the Audit and Supervisory Committee, and ensures independence of the staff from the Directors (excluding Directors who are Members of Audit and Supervisory Committee).
8. Regarding Concurrent Directors
In the event of a Director concurrently serving as an officer of another listed company, limited to a reasonable range in which said Director will be able to ensure the necessary time and labor required to appropriately fulfill his or her roles and responsibilities as a Director of the Company, this shall be permitted upon the approval of the Board of Directors through the prescribed procedures, and important concurrent positions shall be disclosed in the Reference Document for the General Meeting of Shareholders and Business Reports, etc., based on laws and regulations.
9. Internal Controls
The Company has determined a policy for ensuring the appropriateness of operations under the Companies Act, and each responsible department such as the Corporate Planning, the Legal Affairs, the Compliance, the Human Resources, the Corporate Accounting and the Information Systems establishes and implements a specific framework for internal controls under the basic policy.
For decision on important measures and conclusion of contracts, the Legal Affairs Department confirms the legal compliance and appropriateness in advance under the direction and supervision of the Director in charge of legal affairs. For effectiveness of internal controls for ensuring the appropriateness of financial statements, the Internal Audit Department coordinates internal controls as the company-wide secretariat. The company-wide risk management (crisis

management) is implemented under the primary responsibility of the General Affairs Department. For supervision of internal controls and risk management structure, each responsible department performs audits of the department's operations, and the Internal Audit Department, which is directly controlled by the President, provides supervision in the form of internal audits.

10. Accounting Auditor

In order to ensure the reliability of information disclosures and responsibilities to shareholders and investors, mutual cooperation is being deepened by arranging sufficient audit time for the performance of high quality audits, and exchanging information as necessary with the Director in charge of accounting, the Internal Audit Department, and Directors who are Members of Audit and Supervisory Committee.

11. Evaluation of Board of Directors

An annual self-evaluation, etc., shall be conducted in regard to the effectiveness and appropriateness of the management by the Board of Directors, as well as on the performance status of duties as a Director of the Company, and this shall be reported to the Board of Directors after the performance of an analysis on the content and the resolution of problems by the Audit and Supervisory Committee and Directors responsible for administration and corporate planning, including Outside Directors. The Board of Directors shall conduct verifications and discussions regarding the effectiveness of the Board of Directors in general, based on the evaluation results, and shall disclose a summary of the results of such activities. For the summary of the evaluation of the effectiveness of the Board of Directors of the Company for fiscal 2016, please refer to "Evaluation of the Effectiveness of the Board of Directors of ALPS ELECTRIC CO., LTD." on page 28.

12. Policy on Training for Directors

The Company provides opportunities for Directors and Audit and Supervisory Committee Members to acquire and update necessary knowledge and skills so that they can fulfill their expected roles and duties. Specifically, the Company holds a training workshop for Directors covering topics taking into account the Company's internal and external environments twice a year to acquire knowledge and exchange opinions.

Audit and Supervisory Committee Members make efforts to collect and share information on the audits by joining related external organizations and other means, and attend seminars and training programs when needed. When an Outside Director takes office, the Company provides information concerning its business activities, management policies, and medium- and short-term business plans.

Chapter VI Dialogue with Shareholders

The Company's basic approach, placing importance on maximizing benefits for shareholders and all other stakeholders, is to maximize corporate value and deliver benefits directly or indirectly to stakeholders in a balanced way, satisfying their respective interests. Based on this approach, the Company puts emphasis on dialogue with shareholders on a regular basis. For example, the top management regularly visits domestic and overseas investors to explain the Company's financial condition and exchange views.

The Company has established the system for collecting information promptly and exhaustively in-house and examines whether to disclose important corporate information and the content and period of such disclosure based on relevant regulations and rules of securities exchanges. For dialogue (management meetings) with shareholders, the Director in charge of IR, top management and others engage in such dialogue according to the requests and interests of shareholders. The Company strives

to promote opportunities for direct dialogue between the management and market participants or shareholders to foster positive and interactive dialogue. Information obtained through dialogue with shareholders, etc., is periodically reported by the Director in charge of IR to the top management and the Board of Directors.

In accordance with the rules for restrictions on insider trading, the Company strives to manage insider information, including dialogues (management meetings) with shareholders, and to prevent internal and external leakage of information in order to appropriately control insider information.

The Company identifies its shareholder ownership structure on the shareholder register using the shareholder register as of the ends of March and September every year.

Information on the shareholder ownership structure is regularly reported at the Board of Directors and shared. In addition, the Company makes efforts to check on and identify “beneficial shareholders” through the share registrar. Information acquired here is used for overseas IR activities carried out several times a year, IR conferences, regular activities for gathering IR-related information, and other activities.

(Reference) Evaluation of the Effectiveness of the Board of Directors of ALPS ELECTRIC CO., LTD.

<Purpose and Intent>

Pursuant to approval at the 83rd Ordinary General Meeting of Shareholders held on June 23, 2016, the Company made the transition from a company with an Audit & Supervisory Board to a company with an Audit and Supervisory Committee, and reinforced its corporate governance systems with the aim of improving the soundness, transparency, efficiency, and dynamism of business operations. As part of those efforts, the Company began this fiscal year to evaluate the effectiveness of the Board of Directors.

<Summary of the Evaluation Results of the Effectiveness of the Board of Directors of the Company for fiscal 2016>

1. Method of Analysis and Evaluation

When evaluating the effectiveness of the Board of Directors this fiscal year, a non-anonymous questionnaire survey regarding the structure, operation, and deliberations of the Board of Directors, communications among Directors, support systems, and other topics was conducted of all 17 Directors, and the Directors performed self-evaluations, including their impressions. The Audit and Supervisory Committee including outside Directors and the Directors responsible for management and corporate planning, analyzed the results, organized issues, and reported to the Board of Directors, which verified and deliberated on the results.

2. Summary of Analysis and Evaluation Results

The results confirmed that discussions, deliberations, and operations by the Board of Directors under the current system in place since June of last year were appropriately conducted. No major problems were identified, and the results verified that effectiveness is secured.

The frank opinions of each officer were sought, and constructive opinions were collected regarding the active appointment of women, young employees and personnel with business management experience as Directors; early provision of documents and efficient reporting to support more effective deliberations by the Board of Directors; further enhancement of opportunities for communication among Audit and Supervisory Committee Members and executive Directors; sharing perceptions and reinforcing management regarding increasing risks; and the method of conducting this evaluation.

3. Future Action

Based on these opinions, the Company will conduct short-term or medium- to long-term investigations. Furthermore, since shared opinion and awareness among Directors have become clearer as a result of implementation of this evaluation, the Company will continue the evaluation in the future in order to share information and develop a business attitude with an even greater sense of unity, and to enhance the corporate governance and the corporate value of the Company.