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Securities identification code: 7296  
June 2, 2016  
Toshimichi Matsuda  
President and Representative Director  
**F.C.C. CO., LTD.**  
7000-36 Nakagawa,  
Hosoe-cho, Kita-ku, Hamamatsu-shi, Shizuoka

To our shareholders:

### **NOTICE OF THE 86TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 86th Ordinary General Meeting of Shareholders of F.C.C. 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 postal mail.

Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it by postal mail to reach us no later than Tuesday, June 21, 2016 at 4:40 p.m. (Japan Standard Time).

#### **Meeting Details**

- 1. Date and time:** Wednesday, June 22, 2016 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** Okura Act City Hotel Hamamatsu  
"Heian" on the 4th floor  
111-2 Itaya-machi, Naka-ku, Hamamatsu-shi, Shizuoka
- 3. Purposes:**
  - Items to be reported:**
    1. Business Report and Consolidated Financial Statements for the 86th Term (from April 1, 2015 to March 31, 2016), 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 86th Term (from April 1, 2015 to March 31, 2016)
  - Items to be resolved:**
    - Proposal 1:** Appropriation of surplus
    - Proposal 2:** Partial amendments to the Articles of Incorporation
    - Proposal 3:** Election of eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members)
    - Proposal 4:** Election of five (5) Directors who are Audit and Supervisory Committee Members
    - Proposal 5:** Election of one (1) substitute Director who is an Audit and Supervisory Committee Member
    - Proposal 6:** Determination of remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members)
    - Proposal 7:** Determination of remuneration of Directors who are Audit and Supervisory Committee Members

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Matters

#### Proposal 1: Appropriation of surplus

The Company positions the return of profits to shareholders as one of its most important management issues, and its basic policy is to maintain stable dividends, comprehensively taking into account factors including consolidated earnings and dividend payout, and working to raise corporate value by maintaining and strengthening competitiveness, as well as carrying out capital expenditure and research & development necessary for future growth.

The Company proposes the appropriation of surplus for the fiscal year under review as follows.

##### 1. Matters related to year-end dividends

###### (1) Type of dividend property

Cash

###### (2) Allocation of dividend property and total amount thereof

20 yen per common share of the Company

Total amount of dividends: 1,003,766,120 yen

Including the interim dividend, the total amount of dividends for the fiscal year under review is 40 yen per share.

###### (3) Effective date of distribution of dividends of surplus

June 23, 2016

##### 2. Matters related to other appropriations of surplus

###### (1) Item of surplus to be increased and amount of increase thereof

General reserve: 2,000,000,000 yen

###### (2) Item of surplus to be decreased and amount of decrease thereof

Retained earnings brought forward: 2,000,000,000 yen

## **Supplementary explanations for Proposal 2 through Proposal 7 (on the transition to a Company with an Audit and Supervisory Committee)**

At a Meeting of the Board of Directors held on December 22, 2015, the Company resolved to transition to a Company with an Audit and Supervisory Committee. The reasons that led to the choice to make the transition were as follows.

### **Strengthening the oversight function**

At a Company with an Audit and Supervisory Committee, there is no Audit & Supervisory Board or Audit & Supervisory Board Member; there is an Audit and Supervisory Committee that has a majority of Outside Directors. The Company seeks to strengthen the oversight function of the Board of Directors by granting voting rights on the Board of Directors to Directors who are Audit and Supervisory Committee Members.

### **Improving the transparency and soundness of management**

By increasing the number of Outside Directors from one (1) to three (3), management will reflect opinions that take into account the viewpoints of shareholders and other stakeholders from an independent standpoint.

### **Accelerating decision-making**

The provisions of the Articles of Incorporation allow for the delegation of decision-making authority for the execution of major business operations, in whole or in part, to Directors and other persons. The Company seeks to enhance deliberation and accelerate decision-making by narrowing the agenda of the Board of Directors to items of major importance.

### **Regarding Proposal 2 through Proposal 7**

In order to transition to a Company with an Audit and Supervisory Committee, the Articles of Incorporation must specify the establishment of an Audit and Supervisory Committee and have other necessary changes made as well. Proposal 2 proposes these changes.

There must be a distinction between Directors who are Audit and Supervisory Committee Members and those that are not Audit and Supervisory Committee Members in their election, and Proposal 3 and Proposal 4 make proposals for each of these.

Proposal 5 is a proposal to provide against a case where there would be a shortfall in the number of Directors who are Audit and Supervisory Committee Members stipulated by laws and regulations.

There must be a distinction between Directors who are Audit and Supervisory Committee Members and those that are not Audit and Supervisory Committee Members in determining amounts of Director remuneration and such, and Proposal 6 and Proposal 7 make proposals for each of these.

**Proposal 2: Partial amendments to the Articles of Incorporation**

**1. Reason for proposal**

Along with the transition to a Company with an Audit and Supervisory Committee, the Company is making changes to the Articles of Incorporation, including establishing new provisions related to the Audit and Supervisory Committee and Audit and Supervisory Committee Members necessary for the transition, as well as deleting provisions related to the Audit & Supervisory Board and Audit & Supervisory Board Member.

This proposal is to take effect as of the conclusion of this meeting.

**2. Details of the amendments**

The details of the amendments are as follows:

(Amended parts are underlined)

Current Articles of Incorporation	Proposed amendments
<p>(Organs) Article 4 The Company, in addition to a General Meeting of Shareholders and Directors, shall have the following:     (1) Board of Directors     (2) <u>Audit &amp; Supervisory Board Member</u>     (3) <u>Audit &amp; Supervisory Board</u>     (4) Accounting Auditor</p>	<p>(Organs) Article 4 The Company, in addition to a General Meeting of Shareholders and Directors, shall have the following:     (1) Board of Directors     (2) <u>Audit and Supervisory Committee</u>     (Deleted)     (3) Accounting Auditor</p>
<p>(Number of people) Article 19 The Company shall have no more than <u>15</u> Directors.     (Newly established)</p>	<p>(Number of people) Article 19 <u>1</u> The Company shall have no more than <u>20</u> Directors. <u>2</u> <u>Of the Directors in the previous paragraph, no more than 5 shall be Audit and Supervisory Committee Members.</u></p>
<p>(Election method) Article 20 1 Directors shall be elected by resolution of the General Meeting of Shareholders.</p>	<p>(Election method) Article 20 1 Directors <u>who are Audit and Supervisory Committee Members</u> shall <u>be distinguished from those that are not Audit and Supervisory Committee Members, and</u> elected by resolution of the General Meeting of Shareholders.</p>
<p>2 (Omitted)</p>	<p>2 (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p>3 (Omitted)</p> <p>(Term of office) Article 21 The term of office of Directors shall extend to the end of the Ordinary General Meeting of Shareholders for the last fiscal year ending within one year after election.</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>3 (Unchanged)</p> <p>(Term of office) Article 21 <u>1</u> The term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall extend to the end of the Ordinary General Meeting of Shareholders for the last fiscal year ending within one year after election <u>2</u> The term of office of Directors who are Audit and Supervisory Committee Members shall extend to the end of the Ordinary General Meeting of Shareholders for the last fiscal year ending within two years after election. <u>3</u> The term of office of Directors who are Audit and Supervisory Committee Members elected as substitutes for Directors who are Audit and Supervisory Committee Members retiring before the end of their term of office shall extend to the end of the term of office of the retiring Directors who are Audit and Supervisory Committee Members.</p>
<p>(Representative Directors and Directors with Specific Titles) Article 22 1 The Board of Directors shall select Representative Directors via resolution.</p>	<p>(Representative Directors and Directors with Specific Titles) Article 22 1 The Board of Directors shall select Representative Directors via resolution from among the Directors (excluding Directors who are Audit and Supervisory Committee Members).</p>
<p>2 (Omitted)</p> <p>(Board of Directors convocation notices) Article 24 1 Board of Directors convocation notices shall be sent to each Director <u>and Audit &amp; Supervisory Board Member</u> no</p>	<p>2 (Unchanged)</p> <p>(Board of Directors convocation notices) Article 24 1 Board of Directors convocation notices shall be sent to each Director no fewer than three days before meetings.</p>

Current Articles of Incorporation	Proposed amendments
<p>fewer than three days before meetings. However, this period can be shortened in case of an emergency.</p> <p>2 If all Directors <u>and Audit &amp; Supervisory Board Member</u> agree, meetings of the Board of Director can be held without going through a convocation procedure.</p> <p>(Newly established)</p> <p><u>Article 25 to Article 26</u> (Omitted)</p> <p>(Remuneration and such)</p> <p><u>Article 27</u> Director remuneration, bonuses, and other material benefits received from the Company as consideration for performance of duties, (<u>hereinafter referred to as “Remuneration and such”</u>) shall be determined by resolution of the General Meeting of Shareholders.</p> <p><u>Article 28</u> (Omitted)</p> <p>Chapter 5 <u>Audit &amp; Supervisory Board Member and Audit &amp; Supervisory Board</u></p> <p>(Newly established)</p>	<p>However, this period can be shortened in case of an emergency.</p> <p>2 If all Directors agree, meetings of the Board of Director can be held without going through a convocation procedure.</p> <p><u>(Delegation of decisions on important business operations)</u></p> <p><u>Article 25</u> <u>The Company may, pursuant to Article 399, Paragraph 13-6 of the Companies Act, via resolution of the Board of Directors, delegate all or part of decisions on important business operations (except for matters set forth in Article 399, Paragraph 5) to Directors.</u></p> <p><u>Article 26 to Article 27</u> (Unchanged)</p> <p>(Remuneration and such)</p> <p><u>Article 28</u> For Director remuneration, bonuses, and other material benefits received from the Company as consideration for performance of duties, <u>Directors who are Audit and Supervisory Committee Members shall be distinguished from those that are not Audit and Supervisory Committee Members, and</u> shall be determined by resolution of the General Meeting of Shareholders.</p> <p><u>Article 29</u> (Unchanged)</p> <p>Chapter 5 <u>Audit and Supervisory Committee</u></p> <p><u>(Audit and Supervisory Committee convocation notices)</u></p>

Current Articles of Incorporation	Proposed amendments
<p>(Newly established)</p> <p>(Number of people)  <u>Article 29</u>  <u>The Company shall have no more than four (4) Audit &amp; Supervisory Board Member.</u></p> <p>(Election method)  <u>Article 30</u>  <u>1 Audit &amp; Supervisory Board Member shall be elected by resolution of the General Meeting of Shareholders.</u>  <u>2 Elections of Audit &amp; Supervisory Board Member shall be by majority decision, with more than one-third (1/3) attendance of shareholders with voting rights.</u></p>	<p><u>Article 30</u>  <u>1 Audit and Supervisory Committee convocation notices shall be sent to each Audit and Supervisory Committee Member no fewer than three days before Committee meetings. However, this period can be shortened in case of an emergency.</u>  <u>2 If all Audit and Supervisory Committee Members agree, Committee meetings can be held without going through a convocation procedure.</u></p> <p>(Audit and Supervisory Committee provisions)  <u>Article 31</u>  <u>Matters related to the Audit and Supervisory Committee, in addition to laws and regulations, as well as these Articles of Incorporation, shall be conducted in accordance with Audit and Supervisory Committee provisions established by the Audit and Supervisory Committee.</u></p> <p>(Deleted)</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
<p><u>(Term of office)</u>  <u>Article 31</u>  <u>1 The term of office of Audit &amp; Supervisory Board Member shall extend to the end of the Ordinary General Meeting of Shareholders for the last fiscal year ending within four years after election.</u>  <u>2 The term of office of Audit &amp; Supervisory Board Member elected as substitutes for Audit &amp; Supervisory Board Member retiring before the end of their term of office shall extend to the end of the term of office of the retiring Audit &amp; Supervisory Board Member.</u></p>	<p>(Deleted)</p>
<p><u>(Full-time Audit &amp; Supervisory Board Member)</u>  <u>Article 32</u>  <u>The Audit &amp; Supervisory Board shall select full-time Audit &amp; Supervisory Board Member via resolution.</u></p>	<p>(Deleted)</p>
<p><u>(Audit &amp; Supervisory Board convocation notices)</u>  <u>Article 33</u>  <u>1 Audit &amp; Supervisory Board convocation notices shall be sent to each Audit &amp; Supervisory Board Member no fewer than three days before Board meetings. However, this period can be shortened in case of an emergency.</u>  <u>2 If all Audit &amp; Supervisory Board Member agree, Audit &amp; Supervisory Board meetings can be held without going through a convocation procedure.</u></p>	<p>(Deleted)</p>
<p><u>(Audit &amp; Supervisory Board provisions)</u>  <u>Article 34</u>  <u>Matters related to the Audit &amp; Supervisory Board, in addition to laws and regulations, as well as these Articles</u></p>	<p>(Deleted)</p>



Current Articles of Incorporation	Proposed amendments
<p><u>of Incorporation, shall be conducted in accordance with Audit &amp; Supervisory Board provisions established by the Audit &amp; Supervisory Board.</u></p>	
<p><u>(Remuneration and such)</u>  <u>Article 35</u>  <u>Remuneration and such of Audit &amp; Supervisory Board Member shall be established by resolution of the General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>
<p><u>(Exemption of liability of Audit &amp; Supervisory Board Member)</u>  <u>Article 36</u>  <u>1 The Company may, pursuant to Article 426, Paragraph 1 of the Companies Act, via resolution of the Board of Directors, exempt Audit &amp; Supervisory Board Member (including former Audit &amp; Supervisory Board Member) from liability for damages in Article 423, Paragraph 1 of the Companies Act, within the limit of laws and regulations.</u>  <u>2 The Company may, pursuant to Article 427, Paragraph 1 of the Companies Act, enter into an agreement with Audit &amp; Supervisory Board Member to limit the liability for damages in Article 423, Paragraph 1 of the Companies Act. However, the limit to liability based on this agreement shall be the minimum liability stipulated by laws and regulations.</u></p>	<p>(Deleted)</p>
<p><u>Article 37 to Article 40</u> (Omitted)</p> <p>(Newly established)  (Newly established)</p>	<p><u>Article 32 to Article 35</u> (Unchanged)</p> <p><u>Supplementary Provisions</u>  <u>(Transitional measures concerning exemption of liability of Audit &amp; Supervisory Board Member)</u></p>

Current Articles of Incorporation	Proposed amendments
	<p><u>Article 1</u>  <u>The Company may, pursuant to Article 426, Paragraph 1 of the Companies Act, via resolution of the Board of Directors, exempt Audit &amp; Supervisory Board Member (including former Audit &amp; Supervisory Board Member) from liability for damages within the limit of laws and regulations for neglecting their duties before the partial amendments to the Articles of Incorporation made at the 86th Ordinary General Meeting of Shareholders take effect.</u></p> <p><u>2 The Company shall, pursuant to Article 427, Paragraph 1 of the Companies Act, follow previous examples to sign agreements to limit the liability for damages of Audit &amp; Supervisory Board Member (including former Audit &amp; Supervisory Board Member) for neglecting their duties before the partial amendments to the Articles of Incorporation made at the 86th Ordinary General Meeting of Shareholders take effect.</u></p>

**Proposal 3: Election of Eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members)**

If Proposal 2, Partial amendments to the Articles of Incorporation, is approved as proposed, the Company shall transition to a Company with an Audit and Supervisory Committee. In addition, the terms of office of all nine (9) Directors expire at the conclusion of this meeting. In line with this, the Company requests the election of eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members).

Proposal 3 shall come into effect on the condition that Proposal 2 takes effect.

The candidates for Director (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

No.	Name	Position	Responsibilities and significant concurrent positions outside the Company	
1	Toshimichi Matsuda	President and Representative Director		[For reelection]
2	Yoshitaka Saito	Managing Director	Head of Purchasing, Head of business operation in China and Risk Management Officer of the Company	[For reelection]
3	Kazuhiro Itonaga	Managing Director	Head of business operation of automobiles business of the Company	[For reelection]
4	Kazuto Suzuki	Director	Head of business operation of motorcycles business, Head of Production of Motorcycle Components, Head of business operation in ASEAN and Head of business operation in South America of the Company	[For reelection]
5	Ryujiro Matsumoto	Director	Head of Management and Administration, Compliance Officer and Chief Information Officer of the Company	[For reelection]
6	Atsuhiro Mukoyama	Director	Head of Production Engineering and Head of Environment and Safety of the Company	[For reelection]
7	Satoshi Nakaya	Director	Head of business operation in North America of the Company President and Director of FCC (North America), INC. President and Director of FCC (INDIANA), LLC.	[For reelection]
8	Kenichi Inoue	Director	Head of production in North America of the Company	[For reelection]

[For reelection] indicates candidates for reelection as Directors.

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Toshimichi Matsuda (December 9, 1952) [For reelection]	<p>Mar. 1975    Joined the Company</p> <p>Apr. 1996    President and Director of FCC (EUROPE) LTD.</p> <p>Jun. 2001    Director and General Manager of Sales Division of the Company</p> <p>Jun. 2005    Director, in charge of Sales and Purchasing of the Company</p> <p>Jun. 2006    Director, in charge of Sales and Purchasing and Risk Management Officer of the Company</p> <p>Apr. 2007    Director, Head of Sales and Purchasing, Head of business operation in China and Risk Management Officer of the Company</p> <p>Jun. 2008    Managing Director, Head of Sales and Purchasing and Head of business operation in China of the Company</p> <p>Jun. 2010    Managing Director, Head of Sales and Purchasing and Compliance Officer of the Company</p> <p>Jun. 2011    Managing Director, Head of Sales and Compliance Officer of the Company</p> <p>Jun. 2012    Senior Managing Director, Head of Sales and Compliance officer of the Company</p> <p>Apr. 2013    Senior Managing Director of the Company</p> <p>Jun. 2013    President and Representative Director of the Company (incumbent)</p>	9,000
2	Yoshitaka Saito (November 29, 1973) [For reelection]	<p>Feb. 2009    Joined the Company</p> <p>Jan. 2011    President and Director of FCC (INDIANA) Mfg., LLC. (currently FCC (INDIANA), LLC.) and President and Director of FCC (INDIANA), INC. (currently FCC (INDIANA), LLC.)</p> <p>Jun. 2011    Director of the Company</p> <p>Apr. 2012    Director and Head of business operation in North America of the Company President and Director of FCC (North America), INC.</p> <p>Jun. 2012    Managing Director and Head of business operation in North America of the Company</p> <p>Apr. 2013    Managing Director and Head of business operation of motorcycles business of the Company</p> <p>Apr. 2014    Managing Director, Head of Purchasing, Head of business operation in China and Risk Management Officer of the Company (incumbent)</p>	9,500

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Kazuhiro Itonaga (March 11, 1960) [For reelection]	<p>Mar. 1982      Joined the Company</p> <p>Apr. 2009      General Manager of R&amp;D Division of the Company</p> <p>Jun. 2009      Director and General Manager of R&amp;D Division of the Company</p> <p>Jun. 2010      Director, Head of Research and Development and General Manager of R&amp;D Division of the Company</p> <p>Jun. 2013      Managing Director, Head of Research and Development and General Manager of R&amp;D Division of the Company</p> <p>Apr. 2015      Managing Director, Head of business operation of automobiles business and Head of Research and Development of Automobile Components of the Company</p> <p>Apr. 2016      Managing Director, Head of business operation of automobiles business of the Company (incumbent)</p>	1,300

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Kazuto Suzuki (May 27, 1961) [For reelection]	<p>Apr. 1984      Joined the Company</p> <p>Apr. 2009      General Manager of Corporate Planning Office of the Company</p> <p>Jun. 2010      Director, Head of business operation in China and South America and General Manager of Corporate Planning Office of the Company</p> <p>Jun. 2011      Director, Head of business operation in China and South America, General Manager of Corporate Planning Office and Risk Management Officer of the Company</p> <p>Jan. 2012      Director, Head of business operation in China and South America and Risk Management Officer of the Company</p> <p>Apr. 2012      Director, Head of Production Engineering, Head of business operation in China and South America and Risk Management Officer of the Company</p> <p>Jun. 2012      Director, Head of Production of Motorcycle Components, Head of Production Engineering and Head of business operation in China and South America of the Company</p> <p>Apr. 2013      Director, Head of business operation of motorcycles business in Japan, Head of business operation in China and South America and Risk Management Officer of the Company</p> <p>Apr. 2014      Director, Head of business operation of motorcycles business, Head of business operation in ASEAN and India and Head of business operation in South America of the Company</p> <p>Apr. 2016      Director, Head of business operation of motorcycles business, Head of Production of Motorcycle Components, Head of business operation in ASEAN and Head of business operation in South America of the Company (incumbent)</p>	2,300

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Ryujiro Matsumoto (June 4, 1962) [For reelection]	<p>Jul. 2005      Joined the Company</p> <p>Jan. 2011      General Manager of FCC (THAILAND) CO., LTD.</p> <p>Jun. 2011      Director, Head of Production of Motorcycle Components and Head of business operation in Asia of the Company</p> <p>Jun. 2012      Director and Head of business operation in Asia of the Company</p> <p>Apr. 2013      Director, Head of Management and Administration, General Manager of Corporate Planning Office, Compliance Officer and Chief Information Officer of the Company</p> <p>Jun. 2013      Director, Head of Management and Administration, Compliance Officer and Chief Information Officer of the Company (incumbent)</p>	1,000
6	Atsuhiko Mukoyama (July 31, 1963) [For reelection]	<p>Apr. 1984      Joined the Company</p> <p>Jan. 2011      Factory Manager of Ryuyo Factory and Factory Manager of Tenryu Factory of the Company</p> <p>Apr. 2012      Head of Production of Automobile Components of the Company</p> <p>Jun. 2012      Director and Head of Production of Automobile Components of the Company</p> <p>Apr. 2013      Director and Head of business operation of automobiles business of the Company</p> <p>Apr. 2015      Director, Head of Production Engineering and Head of Environment and Safety of the Company (incumbent)</p>	1,400
7	Satoshi Nakaya (March 17, 1964) [For reelection]	<p>Apr. 1986      Joined the Company</p> <p>Jan. 2012      General Manager of Corporate Planning Office of the Company</p> <p>Jun. 2012      Director, Head of Management and Administration, General Manager of Corporate Planning Office, Risk Management Officer and Chief Information Officer of the Company</p> <p>Apr. 2013      Director, Head of business operation in North America of the Company, President and Director of FCC (North America), INC. President and Director of FCC (INDIANA), LLC. (incumbent)</p>	4,100

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
8	Kenichi Inoue (May 3, 1957) [For reelection]	Apr. 1978    Joined Honda Motor Co., Ltd. Apr. 2011    Senior Vice President of Honda Manufacturing of Alabama, LLC Apr. 2013    Joined the Company, Assistant to President and Head of Production Engineering of the Company Jun. 2013    Director and Head of Production Engineering of the Company Apr. 2014    Director, Head of Production Engineering and Head of Environment and Safety of the Company Apr. 2015    Director and Head of production in North America of the Company (incumbent)	1,000

Note:

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



**Proposal 4: Election of five (5) Directors who are Audit and Supervisory Committee Members**

If Proposal 2, Partial amendments to the Articles of Incorporation, is approved as proposed, the Company shall transition to a Company with an Audit and Supervisory Committee. In line with this, the Company requests the election of five (5) Directors who are Audit and Supervisory Committee Members.

Proposal 4 shall come into effect on the condition that Proposal 2 takes effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows.

No.	Name	Position	Responsibilities and significant concurrent positions outside the Company	
1	Hikomichi Suzuki	Audit & Supervisory Board Member (full time)		[New candidate]
2	Katsuyoshi Fukatsu	Audit & Supervisory Board Member (full time)		[New candidate]
3	Yoshinori Tsuji	Audit & Supervisory Board Member	Attorney of Yoshinori Tsuji Law Office	[New candidate] [Outside] [Independent]
4	Masahide Sato	Audit & Supervisory Board Member	Certified Public Accountant of Masahide Sato Accounting Firm Director of CRESTEC Inc.	[New candidate] [Outside] [Independent]
5	Kazumoto Sugiyama	Director	Attorney of Sugiyama Law Office Audit & Supervisory Board Member of CRESTEC Inc.	[New candidate] [Outside] [Independent]

[New election] indicates new candidates for Directors.

[Outside] indicates candidates for Outside Directors.

[Independent] indicates candidates for Independent Directors as stipulated by the Tokyo Stock Exchange.

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Hikomichi Suzuki (September 20, 1952) [New candidate]	<p>Mar. 1978      Joined the Company</p> <p>Dec. 2004     General Manager of Oversea Business Division of the Company</p> <p>Jun. 2006     Director, Head of business operation in Asia, in charge of Production of Motorcycle Components and General-purpose Components and General Manager of Oversea Business Division of the Company</p> <p>Apr. 2007     Director, Head of business operation in Asia and Head of Production of Motorcycle Components of the Company</p> <p>Jun. 2011     Audit &amp; Supervisory Board Member (full time) of the Company (incumbent)</p>	4,600

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Katsuyoshi Fukatsu (November 30, 1954) [New candidate]	<p>Mar. 1977      Joined the Company</p> <p>Apr. 2009      President and Director of FCC (INDIANA) Mfg., LLC. (currently FCC (INDIANA), LLC.)</p> <p>Jun. 2009      Director and Head of business operation in North America of the Company, President and Director of FCC (INDIANA), INC. (currently FCC (INDIANA), LLC.)</p> <p>Jun. 2010      President and Director FCC (North America), INC.</p> <p>Jun. 2012      Audit &amp; Supervisory Board Member(full time) of the Company (incumbent)</p>	4,700
3	Yoshinori Tsuji (April 17, 1959) [New candidate] [Outside] [Independent]	<p>Mar. 1986      Graduated from The Legal Training and Research Institute of Japan</p> <p>Apr. 1986      Registered as an attorney (Nagoya Bar Association)</p> <p>Apr. 1987      Transferred registration to the Shizuoka Bar Association</p> <p>Established Yoshinori Tsuji Law Office (to present)</p> <p>Jun. 2007      Audit &amp; Supervisory Board Member of the Company (incumbent)</p>	—
4	Masahide Sato (February 10, 1964) [New candidate] [Outside] [Independent]	<p>Oct. 1992      Joined Showa Ota &amp; Co. (currently Ernst &amp; Young ShinNihon LLC)</p> <p>Apr. 1996      Registered as Certified Public Accountant</p> <p>Sep. 2005      Established Masahide Sato Accounting Firm (to present)</p> <p>Jun. 2010      Audit &amp; Supervisory Board Member of the Company (incumbent)</p> <p>Apr. 2015      Director of CRESTEC Inc. (incumbent)</p>	—
5	Kazumoto Sugiyama (May 27, 1969) [New election] [Outside] [Independent]	<p>Sep. 2006      Graduated from The Legal Training and Research Institute of Japan</p> <p>Oct. 2006      Registered as an attorney (Shizuoka Bar Association)</p> <p>Joined Toshio Sugiyama Law Office (currently Sugiyama Law Office)</p> <p>Sep. 2008      President of Sugiyama Law Office (to present)</p> <p>Sep. 2011      Audit &amp; Supervisory Board Member of CRESTEC Inc. (incumbent)</p> <p>Jun. 2014      Director of the Company (incumbent)</p>	—

Notes:

1. There is no special interest between the candidates and the Company.
2. Yoshinori Tsuji, Masahide Sato, and Kazumoto Sugiyama are candidates for Outside Directors.
3. The Company has made Yoshinori Tsuji a candidate for Outside Director as we have determined that he would perform his duties as Outside Director appropriately based on his abundant experience and professional perspective on corporate legal affairs as an attorney.  
The candidate has not been involved in corporate management in the past other than as an Outside Officer, but for the above reasons, we have determined that he would perform his duties as Outside Director appropriately.

The Company has made Masahide Sato a candidate for Outside Director as we have determined that he would perform his duties as Outside Director appropriately based on his abundant experience and professional perspective on corporate finance and accounting as a certified public accountant.

The candidate has not been involved in corporate management in the past other than as an Outside Officer, but for the above reasons, we have determined that he would perform his duties as Outside Director appropriately.

The Company has made Kazumoto Sugiyama a candidate for Outside Director as we have determined that he would perform his duties as Outside Director appropriately based on his abundant experience and professional perspective on corporate legal affairs as an attorney.

The candidate has not been involved in corporate management in the past other than as an Outside Officer, but for the above reasons, we have determined that he would perform his duties as Outside Director appropriately.

4. Yoshinori Tsuji is currently an Outside Audit & Supervisory Board Member, and at the conclusion of this meeting, he will have served as an Outside Audit & Supervisory Board Member for 9 years.  
Masahide Sato is currently an Outside Audit & Supervisory Board Member, and at the conclusion of this meeting, he will have served as an Outside Audit & Supervisory Board Member for 6 years.  
Kazumoto Sugiyama is currently an Outside Director, and at the conclusion of this meeting he will have served as an Outside Director for 2 years.
5. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, we have entered into an agreement with each candidate Hiromichi Suzuki, Katsuyoshi Fukatsu, Yoshinori Tsuji, Masahide Sato, and Kazumoto Sugiyama to limit the liability for damages in Article 423, Paragraph 1 of the Companies Act. Based on this agreement, the maximum liability for damages is the minimum liability stipulated in Article 425, Paragraph 1 of the Companies Act. If the candidate's election is approved, the Company plans to continue the agreement.
6. Yoshinori Tsuji, Masahide Sato, and Kazumoto Sugiyama meet the requirements for Independent Director as stipulated by the Tokyo Stock Exchange.

**Proposal 5: Election of one (1) substitute Director who is an Audit and Supervisory Committee Member**

If Proposal 2, Partial amendments to the Articles of Incorporation, is approved as proposed, the Company shall transition to a Company with an Audit and Supervisory Committee. In line with this, the Company requests the election of one (1) substitute Director who is an Audit and Supervisory Committee Member to provide against a case where there would be a shortfall in the number of Directors who are Audit and Supervisory Committee Members stipulated by laws and regulations.

It should be noted that so long as the office has not yet been assumed, the outcome of the election can be overturned by a resolution of the Board of Directors.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows.

Name (Date of birth)	(Significant concurrent positions outside the Company)	Number of the Company's shares owned
Takahisa Tabata (August 28, 1956)	Oct. 1987     Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC) Mar. 1991     Registered as Certified Public Accountant Jun. 1993     Established Tabata Accounting Firm (to present) Jun. 2010     Audit & Supervisory Board Member of Kawai Musical Instruments Mfg. Co., Ltd. (incumbent)	—

Notes:

1. There is no special interest between the candidate and the Company.
2. Takahisa Tabata is a candidate for substitute Outside Director.
3. The Company has made Takahisa Tabata a candidate for substitute Outside Director as we have determined that he would perform his duties as Outside Director appropriately based on his abundant experience and professional perspective on corporate finance and accounting as a certified public accountant.  
The candidate has not been involved in corporate management in the past other than as an Outside Officer, but for the above reasons, we have determined that he would perform his duties as Outside Director appropriately.
4. If the candidate is appointed Director who is an Audit and Supervisory Committee Member, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company plans to enter into an agreement with the candidate to limit the liability for damages in Article 423, Paragraph 1 of the Companies Act. Based on this agreement, the maximum liability for damages is the minimum liability stipulated in Article 425, Paragraph 1 of the Companies Act.
5. Takahisa Tabata meets the requirements for Independent Director as stipulated by the Tokyo Stock Exchange.

**Proposal 6: Determination of remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members)**

If Proposal 2, Partial amendments to the Articles of Incorporation, is approved as proposed, the Company shall transition to a Company with an Audit and Supervisory Committee.

Remuneration of the Company's Directors was resolved to be within 500,000,000 yen annually (not including employee salaries) at the 78th Ordinary General Meeting of Shareholders held on June 19, 2008, but along with the Company transitioning to a Company with an Audit and Supervisory Committee, we propose to repeal this provision, and taking into account various factors including economic conditions and Director remuneration until now, newly determine the remuneration of Directors who are not Audit and Supervisory Committee Members to be within 500,000,000 yen annually.

It is to be noted that the remuneration of Directors who are not Audit and Supervisory Committee Members does not include the salaries of Directors who serve concurrently as employees.

If Proposal 2 and Proposal 3 are approved, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be eight (8).

**Proposal 7: Determination of remuneration of Directors who are Audit and Supervisory Committee Members**

If Proposal 2, Partial amendments to the Articles of Incorporation, is approved as proposed, the Company shall transition to a Company with an Audit and Supervisory Committee. In line with this, in accordance with the provisions of the Companies Act, and taking into account various factors including economic conditions, we propose to set the remuneration of Directors who are Audit and Supervisory Committee Members to be within 90,000,000 yen annually.

If Proposal 2 and Proposal 4 are approved, the number of Directors who are Audit and Supervisory Committee Members shall be five (5).