

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Code 7984)

March 8, 2022

To Shareholders with Voting Rights:

Hidekuni Kuroda  
Representative Director  
**KOKUYO Co., Ltd.**  
6-1-1 Oimazato-minami  
Higashinari-ku, Osaka

## **NOTICE OF CONVOCATION OF THE 75TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 75th Annual General Meeting of Shareholders of KOKUYO Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

In order to prevent the spread of COVID-19, the Company strongly recommends that you exercise your voting rights in writing or via the Internet. Moreover, the Company will provide an Internet livestream of the General Meeting of Shareholders out of consideration for the safety and convenience of all shareholders. This will enable shareholders who cannot come to the venue to watch the progress of the proceedings on the day of the meeting using the Internet. Please refer to the “Guide to the Internet Livestream” on page 5 for details of the livestream.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by following the instructions on page 4 under “Information on Exercising Voting Rights.” Please exercise your voting rights by 5 p.m. on Tuesday, March 29, 2022 (Japan time). The Company will stream a video of the meeting on its website at a later date.

### **Meeting Details**

- 1. Date and time:** 10 a.m. on Wednesday, March 30, 2022 (Japan time)
- 2. Place:** Knowledge Capital Congr s Convention Center,  
Second Basement, North Building, GRAND FRONT OSAKA,  
3-1 Ofuka-cho, Kita-ku, Osaka, Japan  
(The venue is different from last time. Please refer to the General Meeting of Shareholders Venue Guide Map at the end of this notice.)

**3. Meeting Agenda:**

**Matters to be reported:**

1. The Business Report and the Consolidated Financial Statements for the Company’s 75th Fiscal Year (from January 1, 2021 to December 31, 2021) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors

2. Non-consolidated Financial Statements for the Company's 75th Fiscal Year  
(from January 1, 2021 to December 31, 2021)

**Matters to be resolved:**

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Partial amendments to the Articles of Incorporation
- Proposal 3:** Election of six (6) Directors
- Proposal 4:** Election of one (1) substitute Auditor

## Information

- When attending on the day of the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Additionally, to conserve resources, please bring this “Notice” with you.
- Pursuant to Article 17 of the Company’s Articles of Incorporation, you may exercise your voting rights by designating one proxy to attend the meeting, who must be another shareholder possessing voting rights. Please note that the proxy will be required to submit a written verification of the proxy’s rights when attending the meeting.
- Of the documents to be provided with this Notice, “Consolidated Statement of Changes in Shareholders’ Equity” and “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements, and “Non-consolidated Statement of Changes in Shareholders’ Equity” and “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial Statements are posted on the Company’s website (<https://www.kokuyo.co.jp/>) in accordance with laws and regulations and Article 16 of the Company’s Articles of Incorporation, and are thus not included in the attached documents in this Notice.  
These items are included in the Consolidated and Non-consolidated Financial Statements that were audited during the course of preparation of the Audit Report by the Auditors and the Accounting Audit Report by the Accounting Auditor.
- Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements require any revision, the revised items will be posted on the Company’s website (<https://www.kokuyo.co.jp/>).
- The Company may be forced to change the venue and start time depending on the COVID-19 situation. In that case, the Company will post an announcement on its website (<https://www.kokuyo.co.jp/>). The Company asks that you make sure to check its website in advance even if you will attend the venue on the day of the meeting.
- The Company will provide an Internet livestream of the General Meeting of Shareholders. The Company plans to shoot the livestream only from the back of the venue on the day of the meeting and to stream mainly images of its officers and the slides prepared by the Company. However, please understand that there may be times when shareholders in attendance may unavoidably be visible in the livestream. Please refer to the “Guide to the Internet Livestream” on page 5 and the “Guide to the Livestream for the 75th Annual General Meeting of Shareholders” in the attachment for details of the livestream.

## Information on Exercising Voting Rights

- **Exercising your voting rights by attending the Annual General Meeting of Shareholders**  
Please submit the enclosed Voting Rights Exercise Form at the reception desk.

**Date and Time: 10 a.m. on Wednesday, March 30, 2022 (Japan time)**

- **Exercising your voting rights if you are not able to attend the Annual General Meeting of Shareholders**

- **Exercising your voting rights in writing (with the Voting Rights Exercise Form)**  
Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and send it so that it arrives by 5 p.m. on Tuesday, March 29, 2022.

**Deadline for Voting: The Company must receive your form by 5 p.m. on Tuesday, March 29, 2022 (Japan time)**

- **Exercising your voting rights via the Internet**  
Please access the designated website (<https://www.web54.net>) and cast your vote for or against the proposals.

**Deadline for Voting: The Company must receive your instructions by 5 p.m. on Tuesday, March 29, 2022 (Japan time)**

### IMPORTANT

- If you exercise your voting rights more than once, both by mail and via the Internet, only the vote via the Internet will be deemed to be valid. If you exercise your voting rights multiple times via the Internet, only the last vote will be deemed to be valid.

<b>Information on Exercise of Voting Rights via the Internet (omitted)</b>
--

## Guide to the Internet Livestream

The Company will provide shareholders with an Internet livestream of the video and audio of the General Meeting of Shareholders. This will allow you to watch the General Meeting of Shareholders from your home or elsewhere without coming to the venue.

**Date and time:** From 10 a.m. to the end of the General Meeting of Shareholders on Wednesday, March 30, 2022 (Japan time)

### How to watch the livestream:

Please access the website to watch the livestream from the QR Code below or by directly inputting the URL on your PC, smartphone or other device. After accessing the website, please input the ID and password included in the “Guide to the Livestream for the 75th Annual General Meeting of Shareholders” in the attachment following the on-screen guidance.

General Meeting of Shareholders Livestream Website  
<https://7984.ksoukai.jp>



\* “QR Code” is the registered trademark of DENSO WAVE INCORPORATED.

### Points to Note:

- (1) The Company may not be able to provide the livestream due to unavoidable circumstances. In that case, the Company will inform you to that effect on its website.
- (2) Watching a livestream is not considered attending the General Meeting of Shareholders under the Companies Act. Therefore, you are not allowed to exercise voting rights, ask questions, or make any other statements. Please exercise your voting rights in advance with the methods described on page 4.
- (3) Only shareholders are allowed to watch the livestream.
- (4) The Company will take care to avoid the appearance of shareholders in attendance being visible in the livestream. However, please understand in advance that there may be times when shareholders may unavoidably be visible.
- (5) You are strictly prohibited from shooting, recording (audio or video), saving, and publishing on a social networking service or elsewhere the livestream.
- (6) Please understand in advance that problems (e.g., distortion of the video and audio or interruption of the livestream) may occur depending on the communications environment of the Internet and other factors.
- (7) You may not be able to watch the livestream depending on the equipment you use and your network environment.
- (8) Shareholders are responsible for the costs incurred to access the website to watch the livestream (e.g., connection fees and communication fees).

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Information

#### Proposal 1: Appropriation of surplus

As per its basic profit allocation policy, the Company will strive for sustainable business growth and work to improve profit allocation to all shareholders in an effort to maximize corporate value over the medium and long term. In addition, the Company will provide shareholder returns to achieve a dividend payout ratio of 40% and a stable increase in dividends.

The year-end dividends for the 75th fiscal year, as provided below, were determined by taking into account such factors as consolidated performance for the year and future business development.

#### Matters Regarding Year-End Dividends

1. Type of dividend property  
Cash
2. Matters concerning allocation of dividend property to shareholders and the total amount  
25.5 yen per share of the Company's common stock  
Total dividend amount: 2,961,252,908 yen  
As a result, annual dividends, including interim dividends of 21.5 yen per share, will be 47 yen per share.
3. Effective date of distribution of dividends  
March 31, 2022

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

### 1 Reasons for the amendments

The Company proposes amending its Articles of Incorporation as follows, in order to prepare for the introduction of a system for providing general shareholder meeting materials in electronic format, in line with the enforcement on September 1, 2022 of the amended provisions in the proviso of Article 1 of the Supplementary Provisions to the Act Partially Amending the Companies Act (Act No. 70 of 2019).

- (1) Under the foregoing Act, it will be obligatory to stipulate in the articles of incorporation that measures to provide information contained in the reference documents for general meetings of shareholders and related documents in electronic format shall be taken. Therefore, the Company proposes establishing a new paragraph 1 of Article 16 (Measures to Provide Information in Electronic Format) in the proposed amendments to the Articles of Incorporation.
- (2) Regarding information contained in the reference documents for general meetings of shareholders and related documents that is subject to the measures to provide information in electronic format, in order to enable the Company to limit the scope of matters to be stated in paper-based format delivered to shareholders who request delivery of materials in such format, to the scope stipulated by the applicable Ministry of Justice ordinance, the Company proposes establishing a new paragraph 2 of Article 16 (Measures to Provide Information in Electronic Format) in the proposed amendments to the Articles of Incorporation.
- (3) Upon the introduction of the system for providing general shareholder meeting materials in electronic format, the provisions of Article 16 (Disclosure on Internet and Deemed Provision of Reference Documents for General Meetings of Shareholders and Related Documents) in the current Article of Incorporation will not be needed. Therefore, the Company proposes deleting those provisions.
- (4) The Company proposes establishing new supplementary provisions relating to the effective date due to the aforementioned establishment of new provisions and the deletion of the current provisions. The Company proposes deleting these supplementary provisions after the prescribed time passes.

2. Details of the amendments

The current Articles of Incorporation and the planned amendments are as follows.

(Underlining indicates an amendment)

Current Articles of Incorporation	Planned Amendments
<p><u>Article 16 (Disclosure on Internet and Deemed Provision of Reference Documents for General Meetings of Shareholders and Related Documents)</u></p> <p><u>When convening a General Meeting of Shareholders, the Company may deem that it has provided shareholders with information pertaining to matters that should be stated or indicated in the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements, by disclosing them using the Internet according to the provisions stipulated by the applicable Ministry of Justice ordinance.</u></p>	<p>(Deleted)</p>
<p>(New)</p>	<p><u>Article 16 (Measures to Provide Information in Electronic Format)</u></p> <p>(1) <u>When convening a General Meeting of Shareholders, the Company shall take measures to provide information contained in the Reference Documents for the General Meeting of Shareholders and related documents in electronic format.</u></p> <p>(2) <u>The Company may choose not to state some or all of the matters stipulated by the applicable Ministry of Justice ordinance that are subject to the measures to provide information in electronic format, in the paper-based format to be delivered to shareholders who request delivery of materials in such format by the record date for exercising voting rights.</u></p>
<p>(New)</p>	<p><u>Supplementary Provisions</u></p> <p>(1) <u>The deletion of Article 16 (Disclosure on Internet and Deemed Provision of Reference Documents for General Meetings of Shareholders and Related Documents) of the current Articles of Incorporation and the establishment of Article 16 (Measures to Provide Information in Electronic Format) of the amended Articles of Incorporation shall take effect as of the date of the enforcement (“Enforcement Date”) of the amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions to the Act Partially Amending the Companies Act (Act No. 70 of 2019).</u></p> <p>(2) <u>Notwithstanding the provisions in the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain effective for a General Meeting of Shareholders to be held within six months of the Enforcement Date.</u></p> <p>(3) <u>These supplementary provisions shall be deleted either after (i) the date on which six months have passed since the Enforcement Date, or (ii) the date on which three months have passed since the date on which the General Meeting of Shareholders in the preceding paragraph is held, whichever comes later.</u></p>



### Proposal 3: Election of six (6) Directors

The terms of office of all seven (7) Directors—Hidekuni Kuroda, Kozo Sakagami, Toshio Naito, Hiroshi Hamada, Taketsugu Fujiwara, Mika Masuyama, and Takehiro Kamigama—will expire at the conclusion of this year’s Annual General Meeting of Shareholders.

Accordingly, the Company proposes to elect six (6) Directors including four (4) Outside Directors. The purpose of this is to strengthen the execution structure and the functions of the Board of Directors which oversees execution and to speed up decision-making process toward further improving corporate value.

The candidates for Directors are as follows:

Number	Name	Current position at the Company	Attendance at Meetings of the Board of Directors
1	Hidekuni Kuroda <input type="checkbox"/> Re-election	Representative Director, President	100% (13 out of 13 times)
2	Toshio Naito <input type="checkbox"/> Re-election	Director, Executive Officer, Managing Officer of the Corporate Planning Division	100% (10 out of 10 times)
3	Taketsugu Fujiwara <input type="checkbox"/> Re-election <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Director	100% (13 out of 13 times)
4	Mika Masuyama <input type="checkbox"/> Re-election <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Director	100% (13 out of 13 times)
5	Takehiro Kamigama <input type="checkbox"/> Re-election <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Director	90% (9 out of 10 times)
6	Shinichiro Omori <input type="checkbox"/> New <input type="checkbox"/> Outside <input type="checkbox"/> Independent	—	—

Note: The attendance at meetings of the Board of Directors for Mr. Toshio Naito and Mr. Takehiro Kamigama is given for meetings held after they took up their posts on March 30, 2021.

No.	Name (Date of birth)	Career summary, position and responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p>Hidekuni Kuroda (January 10, 1976) Re-election</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 8</p> <p>Attendance at meetings of the Board of Directors: 100% (13 out of 13 times)</p>	<p>April 2001      Joined the Company</p> <p>July 2005      Director and Executive Officer, KOKUYO Office System Co., Ltd.</p> <p>June 2007      Director and Managing Executive Officer, KOKUYO Office System Co., Ltd.</p> <p>March 2009      Director, the Company</p> <p>March 2009      Representative Director and President, KOKUYO Furniture Co., Ltd.</p> <p>March 2011      Managing Executive Officer, the Company</p> <p>March 2014      Director and Senior Managing Executive Officer, the Company</p> <p>March 2015      Representative Director and President and CEO, the Company</p> <p>January 2019    Representative Director and President, the Company (incumbent)</p>	94,894 shares
2	<p>Toshio Naito (November 28, 1961) Re-election</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 1</p> <p>Attendance at meetings of the Board of Directors: 100% (10 out of 10 times)</p>	<p>April 1985      Joined the Company</p> <p>August 2011    Manager of the Planning Department, Corporate Management Division, KOKUYO Furniture Co., Ltd.</p> <p>January 2014    Deputy General Manager of the Corporate Management Division, KOKUYO Furniture Co., Ltd.</p> <p>October 2016    General Manager of the Business Administration Department, Furniture Business Division, the Company</p> <p>April 2017      General Manager of the Business Administration &amp; Strategy Department, Furniture Business Division, the Company</p> <p>January 2018    General Manager of the Corporate Development Office, the Company</p> <p>January 2019    Executive Officer and General Manager of the Corporate Development Office, the Company</p> <p>January 2021    Executive Officer and Managing Officer of the Corporate Planning Division, the Company</p> <p>March 2021      Director, Executive Officer and Managing Officer of the Corporate Planning Division, the Company (incumbent)</p>	11,696 shares

No.	Name (Date of birth)	Career summary, position and responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p>Taketsugu Fujiwara (February 19, 1947) Re-election Outside Independent</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 7</p> <p>Attendance at meetings of the Board of Directors: 100% (13 out of 13 times)</p>	<p>April 1969      Joined Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corporation)</p> <p>June 2000      Director, Asahi Kasei Corporation</p> <p>June 2003      Senior Executive Officer, Asahi Kasei Corporation</p> <p>October 2003   Presidential Executive Officer, Asahi Kasei Chemicals Corporation</p> <p>June 2009      Director, Vice-Presidential Executive Officer, Asahi Kasei Corporation</p> <p>April 2010      President and Representative Director, Presidential Executive Officer, Asahi Kasei Corporation</p> <p>June 2014      Vice Chairman, Asahi Kasei Corporation</p> <p>March 2015      Outside Director, the Company (incumbent)</p> <p>June 2018      Counsellor, Asahi Kasei Corporation Outside Director, Konica Minolta, Inc. (incumbent)</p> <p>June 2020      Special Advisor, Asahi Kasei Corporation (incumbent)</p> <p>Significant concurrent positions: Outside Director, Konica Minolta, Inc.</p>	-
4	<p>Mika Masuyama (January 6, 1963) Re-election Outside Independent</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 3</p> <p>Attendance at meetings of the Board of Directors: 100% (13 out of 13 times)</p>	<p>April 1985      Joined the Bank of Japan</p> <p>September 1991 International Marketing Director, Cap Gemini Sogeti</p> <p>November 1992 Senior Consultant, Gemini Consulting Japan</p> <p>June 1997      Joined Egon Zehnder</p> <p>January 2004   Partner, Egon Zehnder</p> <p>October 2016   President and Representative Partner at Incorporation, Masuyama &amp; Company LLC. (incumbent)</p> <p>March 2017      Outside Director (Audit and Supervisory Committee Member), Suntory Beverage &amp; Food Limited (incumbent)</p> <p>March 2019      Outside Director, the Company (incumbent)</p> <p>June 2019      Outside Director, Konoike Transport Co., Ltd. (incumbent)</p> <p>Significant concurrent positions: President and Representative Partner, Masuyama &amp; Company LLC. Outside Director (Audit and Supervisory Committee Member), Suntory Beverage &amp; Food Limited Outside Director, Konoike Transport Co., Ltd.</p>	-

No.	Name (Date of birth)	Career summary, position and responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
5	<p>Takehiro Kamigama (January 12, 1958) Re-election Outside Independent</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 1</p> <p>Attendance at meetings of the Board of Directors: 90% (9 out of 10 times)</p>	<p>April 1981      Joined Tokyo Denki Kagaku Kogyo K.K. (currently TDK Corporation)</p> <p>June 2002      Corporate Officer, TDK Corporation</p> <p>June 2003      Senior Vice President, TDK Corporation</p> <p>June 2004      Director, Executive Vice President, TDK Corporation</p> <p>June 2006      Representative Director, President and CEO, TDK Corporation</p> <p>June 2016      Chairman and Representative Director, TDK Corporation</p> <p>June 2017      Outside Director, OMRON Corporation (incumbent)</p> <p>March 2018     Outside Director, Yamaha Motor Co., Ltd. (incumbent)</p> <p>June 2018      Outside Director, SoftBank Corp. (incumbent)</p> <p>June 2018      Mission Executive, TDK Corporation</p> <p>March 2021     Outside Director, the Company (incumbent)</p> <p>July 2021      Chief Consultant, Contemporary Amperex Technology Japan KK (incumbent)</p> <p>Significant concurrent positions: Outside Director, OMRON Corporation Outside Director, Yamaha Motor Co., Ltd. Outside Director, SoftBank Corp. Chief Consultant, Contemporary Amperex Technology Japan KK</p>	—
6	<p>Shinichiro Omori (February 6, 1956) New Outside Independent</p>	<p>April 1978      Joined Hitachi, Ltd.</p> <p>April 2016      Senior Vice President and Executive Officer, CIO and CTrO, Hitachi Ltd.</p> <p>June 2017      Director, Hitachi Chemical Company, Ltd. (currently Showa Denko Materials Co., Ltd.)</p> <p>June 2017      Outside Director, Hitachi Capital Corporation (currently Mitsubishi HC Capital Inc.)</p> <p>June 2019      Chairperson of the Board, Hitachi Metals, Ltd.</p> <p>April 2020      Board Director, Chairperson, Hitachi Metals, Ltd.</p> <p>July 2020      Chairman of the Board, Hitachi High-Tech Corporation</p>	—

(Notes)

1. There are no special conflicts of interest between the candidates and the Company.
2. Mr. Shinichiro Omori is a new candidate.
3. Candidates Mr. Hidekuni Kuroda and Mr. Toshio Naito have abundant business experience as listed in the section “Career summary, position and responsibilities and significant concurrent positions outside the Company.” The Company has nominated these two candidates for Directors, as it has determined through a comprehensive review of their knowledge, expertise and ability to make objective managerial decisions that they would be able to properly carry out the duties of Directors.
4. Candidates Mr. Taketsugu Fujiwara, Ms. Mika Masuyama, Mr. Takehiro Kamigama, and Mr. Shinichiro Omori are the candidates for Outside Directors.
5. Special notes on the candidates for Outside Directors are as follows:
  - (1) Reasons for nominating the candidates for Outside Directors and overview of expected roles  
Mr. Taketsugu Fujiwara is expected to continue to contribute further to the Company’s management with his abundant knowledge and experience, cultivated from his career as Representative Director and Executive Officer of business companies, as well as his track record of high performance, including offering objective, valuable remarks based on his extensive expertise.  
Ms. Mika Masuyama is expected to continue to contribute further to the Company’s management with her abundant consulting experience and knowledge and with her extensive management and economics expertise, which she cultivated during her career in areas such as corporate governance, human resources and organizations, and M&A.  
Mr. Takehiro Kamigama is expected to continue to contribute further to the Company’s management in regard to its efforts to strengthen its governance structure and to ensure management transparency, from an objective and neutral perspective which he would adopt in the Company’s management and its Board of Directors based on the wealth of knowledge and experience cultivated through his career as Representative Director and Executive Officer of business companies and a wide range of insights in the technology field.  
Mr. Shinichiro Omori is expected to contribute to the Company’s management in regard to its efforts to strengthen its governance structure and to ensure management transparency from an objective and neutral perspective which he would adopt in the Company’s management and its Board of Directors with his wealth of knowledge cultivated through his experience as Executive Officer of business companies, with his experience as a Board Director, Chairperson of a business company, and with his wide range of insights.
  - (2) Facts concerning inappropriate business execution by candidates for Outside Directors in the past five years during their tenure as Director, Executive Officer or Auditor at other stock companies  
IHI Corporation, where Mr. Taketsugu Fujiwara served as an Outside Director until June 2021, was ordered under the Aircraft Manufacturing Industry Act to repair aircraft engines with an approved method of repair by the Ministry of Economy, Trade and Industry in March 2019 in relation to its commercial aircraft engine maintenance business. It was also ordered to improve its business under the Civil Aeronautics Act by the Ministry of Land, Infrastructure, Transport and Tourism in April 2019. After that, it received a business improvement order based on the Civil Aeronautics Act from the Ministry of Land, Infrastructure, Transport and Tourism in relation to the aforementioned business in April 2020.  
Mr. Taketsugu Fujiwara was not aware of the facts giving rise to the orders and relevant matters in advance. However, he made appropriate recommendations concerning the importance of legal compliance and the need for its full enforcement at meetings of the Board of Directors on a regular basis and as deemed necessary.  
TDK Corporation, where Mr. Takehiro Kamigama served as Chairman and Representative Director until June 2018, was recognized by the Japan Fair Trade Commission to have violated the Anti-Monopoly Act in relation to HDD suspension transactions in February 2018. TDK and the TDK Group applied for the application of the leniency policy and were exempted from financial penalties due to its application. Moreover, TDK did not receive a cease and desist order. Mr. Takehiro Kamigama strived to ensure thorough compliance on an everyday basis. However, after grasping the facts of this incident, he worked to further strengthen the compliance structure (including compliance with the Anti-Monopoly Act) and recurrence prevention structure as well as to strengthen internal controls.  
Hitachi Chemical Company, Ltd. (currently Showa Denko Materials Co., Ltd.), where Mr. Shinichiro Omori served as Director until June 2018, was found to have improperly inspected some of its products in June 2018. Thereafter, it established a special investigative committee comprised of external experts to investigate the causes of the incident and to examine measures to prevent its recurrence. Mr. Shinichiro Omori was not aware of the facts of this incident until after the incident came to light. However, he made

appropriate recommendations concerning the importance of legal compliance and its thorough implementation on a regular basis.

In addition, Hitachi Metals, Ltd., where Mr. Shinichiro Omori served as Board Director, Chairperson until June 2020, announced its finding that inspection reports submitted to customers contained inappropriate descriptions of numerical values for some of its products and the products of its subsidiaries in April 2020. Mr. Shinichiro Omori was not aware of the occurrence of the said facts until they came to light. However, he gave appropriate recommendations concerning the importance of legal compliance and its thorough implementation on a regular basis. In addition, he made recommendations concerning the investigation of the facts, the investigation of the causes of the incident, and measures to prevent its recurrence after these facts came to light.

(3) Time served as Outside Directors

At the conclusion of the general meeting of shareholders, Mr. Taketsugu Fujiwara will have served 7 years as an Outside Director of the Company.

At the conclusion of the general meeting of shareholders, Ms. Mika Masuyama will have served 3 years as an Outside Director of the Company.

At the conclusion of the general meeting of shareholders, Mr. Takehiro Kamigama will have served 1 year as an Outside Director of the Company.

(4) Contracts for limitation of liability with the candidates for Outside Directors

Pursuant to the Articles of Incorporation, the Company has concluded agreements with Mr. Taketsugu Fujiwara, Ms. Mika Masuyama, and Mr. Takehiro Kamigama to limit their liability for damages as provided in Article 423, paragraph 1 of the Companies Act, in accordance with Article 427, paragraph 1 of the Companies Act. The monetary limits on liability for damages under said agreements are the amounts stipulated by laws and regulations.

If candidate Mr. Shinichiro Omori is elected Outside Director of the Company, the Company plans to enter into a similar agreement with him.

6. The Company registered candidates Mr. Taketsugu Fujiwara, Ms. Mika Masuyama, and Mr. Takehiro Kamigama as its independent officers with the notification required by the regulations of the Tokyo Stock Exchange, Inc., on which the Company's stock is listed.

If candidate Mr. Shinichiro Omori is elected Outside Director of the Company, the Company plans to register him as its independent officer with the notification required by the regulations of the Tokyo Stock Exchange, Inc., on which the Company's stock is listed.

7. The Company has entered into an officers' and directors' liability insurance agreement as stipulated in Article 430-3, paragraph 1 of the Companies Act with an insurance company. This insurance agreement covers the damages and litigation costs to be borne by the insured parties. The Company plans to make the candidates insured parties under that insurance agreement if they are elected Directors of the Company.

Reference

■ Skills matrix of Directors and Auditors after election

If Proposal 3 is approved as originally proposed, the main fields of knowledge and experience possessed by each Director and Auditor will be as follows.

Skills matrix of Directors and Auditors

From March 30, 2022

Name		Fields of Knowledge and Experience							
		Corporate Management	Strategies	Global Business	Digital Transformation and IT	ESG	Risk Management	Financial Affairs and Accounting	Legal Affairs
Directors	Hidekuni Kuroda	○	○			○			
	Toshio Naito		○					○	
	Taketsugu Fujiwara	○		○		○			
	Mika Masuyama		○	○		○			
	Takehiro Kamigama	○		○	○				
	Shinichiro Omori	○				○	○		
Auditors	Katsuaki Tojo					○	○		○
	Yoko Toyoshi					○	○	○	
	Fukutaka Hashimoto					○	○		○

\*We have shown above a maximum of three main fields of knowledge and experience possessed by each person.

\*The above skills matrix does not represent all the fields of knowledge and experience possessed by each person.

#### Proposal 4: Election of one (1) substitute Auditor

The Company proposes to elect one (1) substitute Auditor to prepare for any possible vacancy in the legally stipulated number of Auditors.

The Board of Auditors has previously given its approval to this proposal.

The candidate for substitute Auditor is as follows:

Name (Date of birth)	Career summary and position (Significant concurrent positions outside the Company)	Number of the Company's shares owned
Kentarō Naruse (August 10, 1976) Outside Independent	October 2004 Admitted as an attorney October 2004 Joined Nishimura & Partners (currently Nishimura & Asahi) April 2009 Joined Marunouchi Sogo Law Office January 2016 Partner, Marunouchi Sogo Law Office (incumbent) October 2019 Civil Conciliator (Part-time Judge), Tokyo District Court (incumbent) June 2020 Outside Director (Audit & Supervisory Committee Member), Nippon Flour Mills Co., Ltd. (currently NIPPON CORPORATION) (incumbent)  Significant concurrent positions: Partner and Attorney, Marunouchi Sogo Law Office Outside Director (Audit & Supervisory Committee Member), NIPPON CORPORATION	—

(Notes)

1. There are no special conflicts of interest between the candidate and the Company.
2. Candidate Mr. Kentarō Naruse is the candidate for substitute Outside Auditor.
3. Special notes on the candidate for substitute Outside Auditor are as follows:
  - (1) Reason for nominating the candidate for substitute Outside Auditor  
Mr. Kentarō Naruse has expertise cultivated in his career as an attorney, as well as abundant knowledge and experience, along with extensive expertise, as an outside officer of business companies. He is expected to fully leverage his expertise and insights as an outsider auditor within the auditing organization if appointed as an Outside Auditor.
  - (2) Reason for judging that the candidate for substitute Outside Auditor is capable of properly carrying out the duties as an Outside Auditor, even without past experience in corporate management  
Although Mr. Kentarō Naruse has no experience of direct involvement in corporate management other than his past service as an Outside Officer, for the reasons outlined in (1) above, the Company determined that he would be able to properly carry out the duties of an Outside Auditor.
  - (3) Contract for limitation of liability with the candidate for substitute Outside Auditor  
If Mr. Kentarō Naruse assumes office as an Outside Auditor, pursuant to the Articles of Incorporation, the Company will conclude an agreement with him to limit his liability for damages as provided in Article 423, paragraph 1 of the Companies Act, in accordance with Article 427, paragraph 1 of the Companies Act. The monetary limits on liability for damages under said agreement will be the amounts stipulated by laws and regulations.
4. If candidate Mr. Kentarō Naruse assumes office as an Outside Auditor, the Company will register him as its independent officer with the notification required by the regulations of the Tokyo Stock Exchange, Inc., on which the Company's stock is listed.
5. The Company has entered into an officers' and directors' liability insurance agreement as stipulated in Article 430-3, paragraph 1 of the Companies Act with an insurance company. This insurance agreement covers the damages and litigation costs to be borne by the insured parties. The Company plans to make Mr. Kentarō Naruse an insured party under that insurance agreement if he is elected Outside Auditor of the Company.

End



## Reference

The independence requirements for the Outside Officers of the Company are as follows.

### Independence Requirements for Outside Officers

1. The independence requirements for Outside Directors or Outside Auditors (hereinafter collectively referred to as “Outside Officers”) shall be defined as follows.
  - (1) He/she shall not have been a business executor (refers to a business executing director, executive officer or employee; hereinafter the same) or full-time auditor of the KOKUYO Group within the past 10 years
  - (2) His/her family (spouse, children, and blood relatives and relatives by marriage within the second degree) shall not have been a business executor or full-time auditor of the KOKUYO Group within the past 3 years
  - (3) He/she shall not be a major shareholder of the KOKUYO Group (a person who holds shares with 10% or more of the total voting rights) or a business executor or full-time auditor of such a shareholder
  - (4) He/she shall not be a business executor or full-time auditor of a major business partner of the KOKUYO Group (a company for which the amount paid or received in dealings with the KOKUYO Group accounts for 2% or more of the consolidated sales of the KOKUYO Group or the business partner’s group)
  - (5) He/she shall not have been a representative partner or non-representative partner of an accounting auditor of the KOKUYO Group within the past 3 years
  - (6) He/she shall not have been a partner of a law firm, legal professional corporation, accounting firm, audit firm or other company providing consulting services that receives compensation over 25 million yen per year for professional advice and services and he/she shall not have received compensation over 25 million yen per year for professional advice and services performed by himself/herself personally in addition to his/her executive compensation from the KOKUYO Group over the past 3 years
  - (7) There shall be no mutual dispatch of directors, corporate officers or executive officers between the place where he/she holds a concurrent post and the KOKUYO Group
  - (8) He/she shall not receive a donation/contribution, financing or loan guarantee of 10 million yen or more per year from the KOKUYO Group
  - (9) He/she shall have no other significant interests with the KOKUYO Group
2. Outside Officers must strive to continue to ensure the independence requirements defined in Paragraph 1 until retirement.

End