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Securities identification code: 6332

June 3, 2022

To our shareholders:

Yoshiyuki Fukuzawa
President, Representative Director
Tsukishima Kikai Co., Ltd.
3-5-1, Harumi, Chuo-ku, Tokyo

NOTICE OF THE 160TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to notify you that the 160th Ordinary General Meeting of Shareholders of Tsukishima Kikai Co., Ltd. (the “Company”) will be held as described below.

If you do not attend the meeting in person, you may exercise your voting rights either by postalmail or via the Internet, etc.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:05 p.m. on Thursday, June 23, 2022 (Japan Standard Time).

Meeting Details

1. **Date and time:** Friday, June 24, 2022 at 10:00 a.m. (Japan Standard Time)
(Reception desk opens at 9:00 a.m.)
2. **Place:** Hall A, Fukuracia Shinagawa Crystal (Konan)
Shibaura Crystal Shinagawa on the 2nd Floor
1-6-41, Konan, Minato-ku, Tokyo, Japan
* Please note that the venue differs from that of the 159th Ordinary General Meeting of Shareholders.
3. **Meeting Agenda:**
 - Matters to be reported:**
 1. Business Report and Consolidated Financial Statements for the 160th Term (from April 1, 2021 to March 31, 2022), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors.
 2. Non-Consolidated Financial Statements for the 160th Term (from April 1, 2021 to March 31, 2022)
 - Matters to be resolved:**
 - Proposal 1:** Approval of Absorption-Type Company Split Agreement
 - Proposal 2:** Partial Amendments to the Articles of Incorporation
 - Proposal 3:** Election of Eight (8) Directors
 - Proposal 4:** Revision of Director Remuneration Framework for Outside Directors

Guidance for exercising your voting rights:

- **Exercise of voting rights by postal mail**
Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it to us so that it arrives no later than 5:05 p.m. on Thursday, June 23, 2022 (Japan Standard Time).
- **Exercise of voting rights via the Internet, etc.**
Please access the designated Website to Exercise Voting Rights (<https://evote.tr.mufg.jp/>) and exercise your voting rights no later than 5:05 p.m. on Thursday, June 23, 2022 (Japan Standard Time).
Institutional investors can exercise their voting rights using the Electronic Voting Platform operated by ICJ, Inc.

Other matters related to this notice

- If you attend the meeting in person, please submit the enclosed voting form at the reception when you arrive. In addition, please bring this Notice of the Ordinary General Meeting of Shareholders with you in order to conserve resources.
- Pursuant to the Company's Articles of Incorporation, if you are exercising your voting rights by proxy, please select a shareholder with voting rights of the Company as your proxy. Only one (1) proxy may be used.
- If it becomes necessary to amend the Reference Documents for the General Meetings of Shareholders, Business Reports, Consolidated Financial Statements or Non-Consolidated Financial Statements, any such amendments will be posted on the Company's website (<https://www.tsk-g.co.jp>).

Matters Concerning Disclosure on the Internet

Of the documents that should be provided with this Notice of the Ordinary General Meeting of Shareholders, Consolidated Statement of changes in Net Assets, Notes to the Consolidated Financial Statements, Non-consolidated Statement of changes in Net Assets and Notes to the Non-Consolidated Financial Statements, and of the matters to be stated in Proposal 1, the details of the financial statements, etc. related to "last business year" of Tsukishima Machine-Sales Co., Ltd. are provided to shareholders on the Company's website (<https://www.tsk-g.co.jp>) pursuant to the laws, regulations, and provisions in Article 15 of the Articles of Incorporation.

The Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Statutory Auditors and Accounting Auditor consist of the documents described in the documents accompanying this Notice of the Ordinary General Meeting of Shareholders, as well as the above mentioned documents posted on the Company's website.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Approval of Absorption-Type Company Split Agreement

On April 28, 2022, the Company entered an absorption-type company split agreement (hereinafter referred to as the “absorption-type company split agreement” collectively or individually, and an absorption-type company split based on the absorption-type company split agreement shall be referred to as the “absorption-type company split”) with “Tsukishima Water Engineering Business Split Preparation Company, Incorporated.” to succeed the water environmental business the Company is engaged in and with “Tsukishima Machine-Sales Co., Ltd.” to succeed the industrial business the Company is engaged in, respectively. Both “Tsukishima Water Engineering Business Split Preparation Company, Incorporated.” and “Tsukishima Machine-Sales Co., Ltd.” are wholly owned subsidiaries of the Company and both companies will be the succeeding companies in the absorption-type company split.

This proposal is to request approval for the absorption-type split agreement.

The effective date of the absorption-type company split is scheduled to be April 1, 2023, and the Company plans to change its corporate name to “Tsukishima Holdings Co., Ltd.” on the same date, assuming that the approval of this proposal and Proposal 2 “Partial Amendments to the Articles of Incorporation” shall be approved and the absorption-type company split shall be effective.

1. Reason for Absorption-Type Company Split

The Company is developing its business activities with two pillars: the water environmental business, which constructs and manages water supply and sewage systems, and the industrial business, which handles industrial equipment and plants including chemicals, iron and steel, foodstuffs and the environment, and energy.

Currently, as the business environment changes rapidly and globally, in order for the Group to aim for sustainable growth, the Company has decided to shift to a holding company structure that is separated into a holding company and operating companies through the absorption-type company split. Of the businesses the Company is engaged in, “Tsukishima Water Engineering Business Split Preparation Company, Incorporated.” which is a wholly owned subsidiary of the Company, will succeed to the water environmental business, and “Tsukishima Machine-Sales Co., Ltd.” which is a wholly owned subsidiary of the Company, will succeed to the industrial business.

We aim to improve the corporate value of the Group by improving the efficiency of group management and further enhancing governance by the Company, as a holding company, being mainly responsible for group strategy and business management and our subsidiaries, as operating companies, speeding up decision-making.

2. Outline of Absorption-Type Company Split Agreement

The details of the absorption-type company split agreement that the Company has concluded with each absorption-type split succeeding company are as follows.

(1) Absorption-Type Company Split Agreement (Copy) (Tsukishima Water Engineering Business Split Preparation Company, Incorporated.)

Absorption-Type Company Split Agreement

This Absorption-Type Company Split Agreement (hereinafter the “Agreement”) is made and entered into by and between Tsukishima Kikai Co., Ltd. (hereinafter “Tsukishima Kikai”) and Tsukishima Water Engineering Business Split Preparation Company, Incorporated., (hereinafter the “Preparatory Company”) as follows with respect to the absorption-type company split (hereinafter the “Split”) whereby the rights and obligations related to the water environmental business (hereinafter the “Business”) in Tsukishima Kikai’s business are to be succeeded to the Preparatory Company.

Article 1 Corporate Name and Address of Companies Involved

The corporate name and address of the Splitting Company in Absorption-Type Company Split and the Succeeding Company in Absorption-Type Company Split in the Split are as follows:

(Tsukishima Kikai) Splitting Company in Absorption-Type Company Split

Corporate name: Tsukishima Kikai Co., Ltd.

Address: 3-5-1, Harumi, Chuo-ku, Tokyo

(Preparatory Company) Succeeding Company in Absorption-Type Company Split

Corporate name: Tsukishima Water Engineering Business Split Preparation Company, Incorporated.

Address: 3-5-1, Harumi, Chuo-ku, Tokyo

Article 2 Assets, Liabilities, Employment Agreements, and Any Other Rights and Obligations to be Succeeded.

1. The assets, liabilities, employment agreements, and any other rights and obligations to be succeeded from Tsukishima Kikai to the Preparatory Company through the Split (hereinafter the “Rights and Obligations to be Succeeded”) are set forth in Exhibit “Details of Rights and Obligations to be Succeeded.” For the transfer of the rights and obligations to be succeeded that require permits, consents, etc. from related government agencies and other related parties, the rights and obligations subject to this succession will be transferred and succeeded upon the Split, subject to the acquisition of the permits, consents, etc. Tsukishima Kikai and the Preparatory Company may change the rights and obligations to be succeeded by agreement upon mutual consultation when there is a problem based on the provisions of each agreement.
2. The Preparatory Company’s succession to all the liabilities from Tsukishima Kikai pursuant to the provisions of paragraph 1 shall be based on the assumption of joint and concurrent obligation method; provided, however, that the final liabilities between Tsukishima Kikai and the Preparatory Company shall be borne by the Preparatory Company in this case, and if Tsukishima Kikai performs or otherwise assumes the liabilities to be succeeded, Tsukishima Kikai may claim compensation for all the amount assumed by Tsukishima Kikai to the Preparatory Company.
3. Of the Rights and Obligations to be Succeeded, those that require registration, enrollment, notification, consent, or other procedures for their transfer, or those that require perfection, Tsukishima Kikai will cooperate with the Preparatory Company to carry out the procedure upon mutual consultation as necessary. In this case, the Preparatory Company shall bear the registration procedure fee and other expenses.

Article 3 Money to be Delivered upon the Absorption-Type Company Split

Upon the Split, the Preparatory Company shall issue 980,000 common shares of the Preparatory Company, and deliver all of them to Tsukishima Kikai as consideration for the Rights and Obligations to be Succeeded.

Article 4 Amounts of Capital Stock, Etc. of the Preparatory Company

The amounts of the Preparatory Company’s capital stock and legal capital surplus to be increased by the Split shall be as follows;

- (1) Capital stock to be increased ¥4,900 million
- (2) Legal capital surplus and other changes other than the above shall be determined by the Preparatory Company in accordance with the Ordinance on Accounting of Companies.

Article 5 Effective Date

The effective date shall be April 1, 2023; provided, however, that Tsukishima Kikai and the Preparatory Company may change the date upon mutual consultation when necessary due to the necessity of proceedings or other reasons.

Article 6 Approval of General Meeting of Shareholders

1. At the general meeting of shareholders scheduled to be held on June 24, 2022, Tsukishima Kikai shall obtain the approval for this Agreement and carry out the Split; provided, however, that Tsukishima Kikai and the Preparatory Company may change the date upon mutual consultation when necessary due to the necessity of proceedings or other reasons.
2. At the general meeting of shareholders scheduled to be held on June 16, 2022, the Preparatory Company shall obtain the approval for this Agreement and carry out the Split; provided, however, that Tsukishima Kikai and the Preparatory Company may change the date upon mutual consultation when necessary due to the necessity of proceedings or other reasons.

Article 7 Corporate Name Change

Subject to the effectiveness of the Split, Tsukishima Kikai shall change its corporate name to “Tsukishima Holdings Co., Ltd.” on the effective date.

Article 8 Non-Competition Duties

Even from the Split onwards, Tsukishima Kikai shall not bear non-competition duties with regard to the Business.

Article 9 Duty of Due Care of a Prudent Manager

Tsukishima Kikai and the Preparatory Company shall execute business operations, and manage and administer properties, with the duty of due care, from the conclusion of the Agreement to the Effective Date, and if they engage in any act which will significantly impact their properties and rights and obligations, they shall do so by agreement upon prior mutual consultation.

Article 10 Change of Conditions for or Cancellation of the Split

If any significant change arises to the status of properties or business management of Tsukishima Kikai or the Preparatory Company due to natural disaster or any other events during the period from the conclusion of the Agreement to the Effective Date, or if the approval of the General Meeting of Shareholders of Tsukishima Kikai and the Preparatory Company or the approval of the relevant government agencies, etc. stipulated by law is not obtained, or if any circumstance causing a significant obstacle to the execution of the Split arises or is revealed, or if it otherwise becomes difficult to fulfill the purposes of the Agreement, Tsukishima Kikai and the Preparatory Company may change the conditions for the Split or cancel this Agreement upon mutual consultation.

Article 11 Matters for Consultation

Tsukishima Kikai and the Preparatory Company shall determine any matters necessary in relation to the Split, in addition to those set forth in the Agreement, upon mutual consultation pursuant to the purpose of the Agreement.

IN WITNESS WHEREOF, Tsukishima Kikai and the Preparatory Company have executed the Agreement in duplicate by affixing their names and seals thereto, and each shall retain one (1) copy hereof.

April 28, 2022

Tsukishima Kikai: 3-5-1, Harumi, Chuo-ku, Tokyo
Tsukishima Kikai Co., Ltd.
Yoshiyuki Fukuzawa,
President, Representative Director

The Preparatory Company: 3-5-1, Harumi, Chuo-ku, Tokyo
Tsukishima Water Engineering Business Split
Preparation Company, Incorporated.
Nobuhiro Hosokawa,
President, Representative Director

Exhibit Details of Rights and Obligations to be Succeeded

As a result of the Split, the Preparatory Company will succeed from Tsukishima Kikai the following assets, liabilities, employment agreements and any other rights and obligations and contractual status belonging to the Business of Tsukishima Kikai on the effective date of the Split.

Assets and liabilities of the Rights and Obligations to be Transferred shall be based on the balance sheet values and other figures as of March 31, 2022, and be determined after adding or subtracting any increase/decrease up to the day immediately preceding the Effective Date, to or from such values and figures.

1. Assets to be Succeeded

Assets below owned by Tsukishima Kikai in relation to the Business (Intellectual property rights are specified in Paragraph 4 (2))

(1) Current Assets

Cash and deposits, notes and accounts receivable - trade, electronically recorded monetary claims - operating, work in process, raw materials and supplies, accounts receivable – other, short-term loans receivable, and other current assets

(2) Non-current Assets

Buildings and facilities attached to buildings, machinery, equipment and vehicles, tools, furniture and fixtures, construction in progress, software, long-term prepaid expenses, and other non-current assets

(3) Stocks and Investment Securities

(4) Long-term Loans Receivable, Long-term Guarantee Deposits

2. Liabilities to be Succeeded

Liabilities below owned by Tsukishima Kikai in relation to the Business

(1) Current Liabilities

Notes and accounts payable - trade, electronically recorded obligations - operating, accounts payable - other, advances received (contract liabilities), and other current liabilities

(2) Non-current Liabilities

Provision for retirement benefits, long-term accounts payable - other, asset retirement obligations and other non-current liabilities

3. Employment Agreements, Etc. to be Succeeded

Employment agreements with the employees of Tsukishima Kikai, who are principally engaged in the Business on the Effective Date of the Split as well as the rights and obligations incidental thereto.

4. Other Rights and Obligations to be Succeeded

(1) Agreements other than Employment Agreements

Any contractual positions and rights and obligations related to the Business; provided, however, that this shall exclude those related to the control, management and group management of the business activities of the company in which Tsukishima Kikai holds the shares.

(2) Intellectual Property Rights

Intellectual Property Rights belonging to the Business.

(3) Licenses, Approvals, Etc.

Licenses, approvals, authorizations, registrations, filings, etc. related to the Business that are allowed to be succeeded under laws and regulations; provided, however, that this shall exclude those related to the control, management and group management of the business activities of the company in which Tsukishima Kikai holds the shares.

(2) Absorption-Type Company Split Agreement (Copy) “Tsukishima Machine-Sales Co., Ltd.”

Absorption-Type Company Split Agreement

This Absorption-Type Company Split Agreement (hereinafter the “Agreement”) is made and entered into by and between Tsukishima Kikai Co., Ltd. (hereinafter “Tsukishima Kikai”) and Tsukishima Machine-Sales Co., Ltd. (hereinafter the “Tsukishima Machine Sales”) as follows with respect to the absorption-type company split (hereinafter the “Split”) whereby the rights and obligations related to industrial business (including production business at the Muroran Factory, hereinafter the “Business”) in Tsukishima Kikai’s business are to be succeeded to Tsukishima Machine Sales.

Article 1 Corporate Name and Address of Companies Involved

The corporate name and address of the Splitting Company in Absorption-Type Company Split and the Succeeding Company in Absorption-Type Company Split in the Split are as follows:

(Tsukishima Kikai) Splitting Company in Absorption-Type Company Split

Corporate name: Tsukishima Kikai Co., Ltd.

Address: 3-5-1, Harumi, Chuo-ku, Tokyo

(Tsukishima Machine Sales) Succeeding Company in Absorption-Type Company Split

Corporate name: Tsukishima Machine-Sales Co., Ltd.

Address: 3-5-1, Harumi, Chuo-ku, Tokyo

Article 2 Assets, Liabilities, Employment Agreements, and Any Other Rights and Obligations to be Succeeded.

1. The assets, liabilities, employment agreements, and any other rights and obligations to be transferred from Tsukishima Kikai to Tsukishima Machine Sales through the Split (hereinafter the “Rights and Obligations to be Succeeded”) are set forth in Exhibit “Details of Rights and Obligations to be Succeeded”. For the transfer of the rights and obligations to be succeeded that require permits, consents, etc. from related government agencies and other related parties, the rights and obligations subject to this succession will be transferred and succeeded upon the Split, subject to the acquisition of the permits, consents, etc. Tsukishima Kikai and Tsukishima Machine Sales may change the rights and obligations to be succeeded by agreement upon mutual consultation when there is a problem based on the provisions of each agreement.
2. Tsukishima Machine Sales’ succession to all the liabilities from Tsukishima Kikai pursuant to the provisions of paragraph 1 shall be based on the assumption of joint and concurrent obligation method; provided, however, that the final liabilities between Tsukishima Kikai and Tsukishima Machine Sales shall be borne by Tsukishima Machine Sales in this case, and if Tsukishima Kikai performs or otherwise assumes the liabilities to be succeeded, Tsukishima Kikai may claim compensation for all the amount assumed by Tsukishima Kikai to Tsukishima Machine Sales.
3. Of the Rights and Obligations to be Succeeded, those that require registration, enrollment, notification, consent, or other procedures for their transfer, or those that require perfection, Tsukishima Kikai will cooperate with Tsukishima Machine Sales to carry out the procedure upon mutual consultation as necessary. In this case, Tsukishima Machine Sales shall bear the registration procedure fee and other expenses.

Article 3 Money to be Delivered upon the Absorption-Type Company Split

Upon the Split, Tsukishima Machine Sales shall issue 8,600 common shares of Tsukishima Machine Sales, and deliver all of them to Tsukishima Kikai as consideration for the Rights and Obligations to be Succeeded.

Article 4 Amounts of Capital Stock, Etc. of Tsukishima Machine Sales

The amounts of Tsukishima Machine Sales’ capital stock and legal capital surplus to be increased by the Split shall be as follows;

- (1) Capital stock to be increased ¥430 million
- (2) Legal capital surplus and other changes other than the above shall be determined by Tsukishima Machine Sales in accordance with the Ordinance on Accounting of Companies.

Article 5 Effective Date

The effective date shall be April 1, 2023; provided, however, that Tsukishima Kikai and Tsukishima Machine Sales may change the date upon mutual consultation when necessary due to the necessity of proceedings or other reasons.

Article 6 Approval of General Meeting of Shareholders

1. At the general meeting of shareholders scheduled to be held on June 24, 2022, Tsukishima Kikai shall obtain the approval for this Agreement and carry out the Split; provided, however, that Tsukishima Kikai and Tsukishima Machine Sales may change the date upon mutual consultation when necessary due to the necessity of proceedings or other reasons.
2. At the general meeting of shareholders scheduled to be held on June 16, 2022, Tsukishima Machine Sales shall obtain the approval for this Agreement and carry out the Split; provided, however, that Tsukishima Kikai and Tsukishima Machine Sales may change the date upon mutual consultation when necessary due to the necessity of proceedings or other reasons.

Article 7 Corporate Name Change

Subject to the effectiveness of the Split, Tsukishima Kikai shall change its corporate name to “Tsukishima Holdings Co., Ltd.” on the effective date.

Article 8 Non-Competition Duties

Even from the Split onwards, Tsukishima Kikai shall not bear non-competition duties with regard to the Business.

Article 9 Duty of Due Care of a Prudent Manager

Tsukishima Kikai and Tsukishima Machine Sales shall execute business operations, and manage and administer properties, with the duty of due care, from the conclusion of the Agreement to the Effective Date, and if they engage in any act which will significantly impact their properties and rights and obligations, they shall do so by agreement upon prior mutual consultation.

Article 10 Change of Conditions for or Cancellation of the Split

If any significant change arises to the status of properties or business management of Tsukishima Kikai or Tsukishima Machine Sales due to natural disaster or any other events during the period from the conclusion of the Agreement to the Effective Date, or if the approval of the General Meeting of Shareholders of Tsukishima Kikai and Tsukishima Machine Sales or the approval of the relevant government agencies, etc. stipulated by law is not obtained, or if any circumstance causing a significant obstacle to the execution of the Split arises or is revealed, or if it otherwise becomes difficult to fulfill the purposes of the Agreement, Tsukishima Kikai and Tsukishima Machine Sales may change the conditions for the Split or cancel this Agreement upon mutual consultation.

Article 11 Matters for Consultation

Tsukishima Kikai and Tsukishima Machine Sales shall determine any matters necessary in relation to the Split, in addition to those set forth in the Agreement, upon mutual consultation pursuant to the purpose of the Agreement.

IN WITNESS WHEREOF, Tsukishima Kikai and Tsukishima Machine Sales have executed the Agreement in duplicate by affixing their names and seals thereto, and each shall retain one (1) copy hereof.

April 28, 2022

Tsukishima Kikai:	3-5-1, Harumi, Chuo-ku, Tokyo Tsukishima Kikai Co., Ltd. Yoshiyuki Fukuzawa, President, Representative Director
Tsukishima Machine Sales:	3-5-1, Harumi, Chuo-ku, Tokyo Tsukishima Machine-Sales Co., Ltd. Ryoji Yamaguchi, President, Representative Director

Exhibit Details of Rights and Obligations to be Succeeded

As a result of the Split, Tsukishima Machine Sales will succeed from Tsukishima Kikai the following assets, liabilities, employment agreements and any other rights and obligations and contractual status belonging to the Business of Tsukishima Kikai on the effective date of the Split.

Assets and liabilities of the Rights and Obligations to be Transferred shall be based on the balance sheet values and other figures as of March 31, 2022, and be determined after adding or subtracting any increase/decrease up to the day immediately preceding the Effective Date, to or from such values and figures.

1. Assets to be Succeeded

Assets below owned by Tsukishima Kikai in relation to the Business (Intellectual property rights are specified in Paragraph 4 (2))

(1) Current Assets

Cash and deposits, notes and accounts receivable - trade, electronically recorded monetary claims - operating, work in process, raw materials and supplies, accounts receivable – other, and other current assets

(2) Non-current Assets

Buildings and facilities attached to buildings, machinery, equipment and vehicles, tools, furniture and fixtures, construction in progress, software, long-term prepaid expenses, and other non-current assets

2. Liabilities to be Succeeded

Liabilities below owned by Tsukishima Kikai in relation to the Business

(1) Current Liabilities

Notes and accounts payable - trade, electronically recorded obligations - operating, accounts payable - other, advances received (contract liabilities), and other current liabilities

(2) Non-current Liabilities

Provision for retirement benefits and other non-current liabilities

3. Employment Agreements, Etc. to be Succeeded

Employment agreements with the employees of Tsukishima Kikai, who are principally engaged in the Business on the Effective Date of the Split as well as the rights and obligations incidental thereto.

4. Other Rights and Obligations to be Succeeded

(1) Agreements other than Employment Agreements

Any contractual positions and rights and obligations belonging to the Business; provided, however, that this shall exclude those related to the control, management and group management of the business activities of the company in which Tsukishima Kikai holds the shares.

(2) Intellectual Property Rights

Intellectual Property Rights belonging to the Business.

(3) Licenses, Approvals, Etc.

Licenses, approvals, authorizations, registrations, filings, etc. related to the Business that are allowed to be succeeded under laws and regulations; provided, however, that this shall exclude those related to the control, management and group management of the business activities of the company in which Tsukishima Kikai holds the shares.

3. Overview of Matters Stipulated in items of Article 183 of the Regulation for Enforcement of the Companies Act.

(1) Matters concerning the appropriateness of the consideration

Both (1) and (2) below have found to be appropriate in consideration of the future capital policy of the Company and each succeeding company in absorption-type company split and other various circumstances because each succeeding company in absorption-type company split is a wholly-owned subsidiary of the Company.

(1) An Absorption-Type Company Split in which Tsukishima Water Engineering Business Split Preparation Company, Incorporated. will be the succeeding company in absorption-type company split

- (a) Matters concerning the number of shares to be delivered by the succeeding company
Tsukishima Water Engineering Business Split Preparation Company, Incorporated. shall newly issue 980,000 common shares for the absorption-type company split, and deliver all of these to the Company.
- (b) Matters concerning the amount of capital stock and legal capital surplus of the succeeding company
The amounts of capital stock and legal capital surplus of the Tsukishima Water Engineering Business Split Preparation Company, Incorporated. which will increase as a result of the absorption-type company split are as follows;
 - Capital stock: ¥4,900 million
 - Legal capital surplus and other changes other than the above shall be determined by Tsukishima Water Engineering Business Split Preparation Company, Incorporated. in accordance with the Ordinance on Accounting of Companies.

(2) An Absorption-Type Company Split in which. Tsukishima Machine-Sales Co., Ltd. will be the succeeding company in absorption-type company split

- (a) Matters concerning the number of shares to be delivered by the succeeding company
Tsukishima Machine-Sales Co., Ltd. shall newly issue 8,600 common shares for the absorption-type company split, and deliver all of these to the Company.
- (b) Matters concerning the amount of capital stock and legal capital surplus of the succeeding company
The amounts of capital stock and legal capital surplus of Tsukishima Machine-Sales Co., Ltd. which will increase as a result of the absorption-type company split are as follows;
 - Capital stock: ¥430 million
 - Legal capital surplus and other changes other than the above shall be determined by Tsukishima Machine-Sales Co., Ltd. in accordance with the Ordinance on Accounting of Companies.

(2) Details of the financial statements, etc. of each succeeding company in absorption-type company split

(1) Tsukishima Water Engineering Business Split Preparation Company, Incorporated.

Tsukishima Water Engineering Business Split Preparation Company, Incorporated. does not have a finalized “last business year” because it is a company that was established on April 1, 2022. The balance sheet as of the date of establishment of the company is as shown in the exhibit.

(2) Tsukishima Machine-Sales Co., Ltd.

The details of the financial statements, etc. related to “last business year” of Tsukishima Machine-Sales Co., Ltd. are provided to shareholders on the Company’s website (<https://www.tsk-g.co.jp>) pursuant to the laws, regulations, and provisions in Article 15 of the Articles of Incorporation, and are therefore not included in the reference documents for the general meeting of shareholders accompanying this Notice.

- (3) In cases where, after the last day of the last business year (in cases where there is no last business year, the date of establishment of the succeeding companies in the absorption-type company split) of each succeeding company, disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the contents thereof

There is no relevant information.

- (4) In cases where, after the last day of the last business year of the splitting company in absorption-type company split, disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the contents thereof

There is no relevant information.

Exhibit Tsukishima Water Engineering Business Split Preparation Company, Incorporated. Balance Sheet

(Unit: million yen)

Assets		Liabilities	
Account Item	Amount	Account Item	Amount
[Current assets]	200	[Total liabilities]	0
Cash and deposits	200	Net assets	
		[Shareholders' equity]	200
		Capital stock	100
		Capital surplus	100
		Retained earnings	100
		Total net assets	200
Total assets	200	Total liabilities and net assets	200

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

- (1) The Company has plans to transition to a holding company structure as stated in proposal 1 “Approval of Absorption-Type Company Split Agreement”. As a result, Article 1 (Corporate Name) of the current Articles of Incorporation will be changed, and Article 2 (Purposes) of the current Articles of Incorporation will also be changed in anticipation of the business the Company and its subsidiaries will be engaged in after the transition to a holding company structure. In addition, subject to the approval of the proposal 1 “Approval of Absorption-Type Company Split Agreement” as originally proposed and the absorption-type company split will be effective, a supplementary provision stating that these changes will be effective on the effective date will be established at the same time.
- (2) The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation shall be amended as follows.
 - 1) The proposed Article 15, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
 - 2) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
 - 3) The provisions related to the internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
 - 4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter I General Provisions (Corporate Name) Article 1 The name of the Company shall be <u>TSUKISHIMA KIKAI CO., LTD.</u> The name in English shall be <u>TSUKISHIMA KIKAI CO., LTD.</u></p> <p>(Purposes) Article 2 The purposes of the Company shall be to engage in the following businesses:</p> <p>Article 2 Paragraph 1 - 15 (Omitted)</p>	<p>Chapter I General Provisions Corporate Name) Article 1 The name of the Company shall be <u>TSUKISHIMA HOLDINGS CO., LTD.</u> The name in English shall be <u>TSUKISHIMA HOLDINGS CO., LTD.</u></p> <p>(Purposes) Article 2 The purposes of the Company shall be to engage in the following businesses, <u>as well as to control and manage business activities of the companies (including foreign companies) and other corporations which conduct following businesses through holding their entire or partial shares or equity interests.</u></p> <p>Article 2 Paragraph 1 - 15 (Same as at present)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Deemed Provision of Proxy Statement and Other Documents Disclosed on Internet)</u> <u>Article 15 In convening a Meeting of Shareholders, the Company shall be deemed to have provided shareholders with all information concerning the matters to be written or included in the proxy statement, business report, financial statements and consolidated financial statements if it discloses them on internet in accordance with the regulations stipulated by the Ministry of Justice Ordinance</u></p>	<p style="text-align: center;"><Deleted></p>
<p style="text-align: center;"><Newly Established></p> <p style="text-align: center;"><Newly Established></p>	<p><u>(Measures for Electronic Provision, Etc.)</u> <u>Article 15 In convening a Meeting of Shareholders, the Company shall provide information contained in the proxy statement and other documents electronically.</u> 2. <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p><u>(Supplementary provisions)</u> <u>Article 1 Amendments to Article 1 (Corporate Name) and Article 2 (Purposes) shall take effect on April 1, 2023, which is the effective date of each absorption-type company split, subject to a resolution of the approval of absorption-type company split agreement as originally proposed at the Ordinary General Meeting of Shareholders scheduled to be held on June 24, 2022, and the effect of each absorption-type company split based on the absorption-type company split agreement.</u> 2. <u>This supplementary provision shall be deleted after the lapse of effective date set forth in the preceding paragraph.</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p data-bbox="815 264 1398 678"><u>Article 2 The deletion of Article 15 (Deemed Provision of Proxy Statement and Other Documents Disclosed on Internet) of the current Articles of Incorporation and the establishment of the proposed Article 15 (Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022, which is on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019), (the “Effective Date”).</u></p> <p data-bbox="847 683 1382 902">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six (6) months from the date of enforcement.</u></p> <p data-bbox="847 907 1382 1126">3. <u>These supplementary provisions shall be deleted after the lapse of six (6) months from the Effective Date or the lapse of three (3) months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Eight (8) Directors

As the term of office will expire for all eight (8) Directors at the conclusion of this meeting, the Company proposes the election of eight (8) Directors.

The candidates for Directors are as follows. In nominating these candidates, the Company has, in accordance with a report by the Nomination and Remuneration Advisory Committee chaired by an Outside Director, nominated individuals with discernment, experience and capabilities that achieve effective corporate governance and contribute to the Company's sustainable growth as well as medium to long-term enhancement of its corporate value.

Candidate No.	Name	Position and responsibilities in the Company	Attendance at the board of directors meetings
1	Reappointment Kazuhiko Yamada	Chairman, Representative Director	100% (13/13)
2	Reappointment Yoshiyuki Fukuzawa	President, Representative Director	100% (13/13)
3	Reappointment Keita Takatori	Senior Managing Executive Officer, Representative Director Corporate General Manager, Environmental Business Division	92% (12/13)
4	Reappointment Jun Kawasaki	Senior Managing Executive Officer, Representative Director In charge of corporate performance management (domestic Group), reform of Group's manufacturing, Group corporate ethics, and Affiliate Management Sec.	100% (13/13)
5	New Candidate Toru Takano	Senior Managing Executive Officer Corporate General Manager, Corporate Administration Division In charge of corporate administration division, treasury dept., personnel and administration dept. information systems dept., and legal and IP dept. Senior General Manager, Corporate Administration Division, Treasury Dept.	-
6	Reappointment Michiyoshi Mazuka	Outside Independent	100% (13/13)
7	Reappointment Norio Katsuyama	Outside Independent	92% (12/13)
8	New Candidate Nobuya Masuda	Outside Independent	-

Notes:

In addition to the number of board of directors meetings held as stated in the attendance at the board of directors meetings above, there was one resolution in writing that was deemed to be a resolution by the Board of Directors pursuant to the provisions of Article 370 of the Companies Act and Article 25 of the Company's Articles of Incorporation.

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Kazuhiko Yamada (January 1, 1947) [Reappointment] Attendance at 13 out of 13 board of directors meetings	April 1969 Joined the Company. April 1998 Executive Officer (Riji) of the Company June 2000 Director of the Company June 2002 Managing Director of the Company June 2003 Senior Managing Director, Representative Director of the Company June 2005 President & CEO, Representative Director of the Company April 2020 Chairman, Representative Director of the Company (present position)	134,100
<p>Reasons for nomination as candidate for Director</p> <p>Since his appointment as President & CEO and Representative Director in 2005, Kazuhiko Yamada has pursued company-wide operational reforms, and has developed the environmental and energy business and expanded the overseas business to build a foundation for the Company's sustainable growth. Since his appointment as Chairman and Representative Director in April 2020, he has demonstrated great ability in effective and efficient operation of board of directors and enhancement of the Group's corporate governance. Given his strong discernment, and abundant experience and achievements, we ask that his reappointment as Director be approved.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
2	<p data-bbox="331 651 544 712">Yoshiyuki Fukuzawa (July 15, 1964)</p> <p data-bbox="331 748 544 869">[Reappointment] Attendance at 13 out of 13 board of directors meetings</p>	<p data-bbox="580 448 687 477">April 1990</p> <p data-bbox="580 479 687 508">July 2004</p> <p data-bbox="580 544 687 573">April 2006</p> <p data-bbox="580 609 687 638">April 2013</p> <p data-bbox="580 640 687 669">April 2017</p> <p data-bbox="580 766 687 795">April 2018</p> <p data-bbox="580 831 687 860">April 2019</p> <p data-bbox="580 987 687 1016">June 2019</p> <p data-bbox="580 1019 687 1048">April 2020</p> <p data-bbox="746 448 1203 1077"> Joined the Company. Senior General Manager, Research & Development Dept. of the Company Senior General Manager, Solution Technology Dept. of the Company Executive Officer of the Company Managing Executive Officer of the Company Deputy Corporate General Manager, Environmental Business Division of the Company Corporate General Manager, Research & Development Division of the Company Deputy Corporate General Manager, Industrial Business Division of the Company Deputy Corporate General Manager, Procurement Management Division of the Company Director of the Company President, Representative Director of the Company (present position) </p>	36,800
<p data-bbox="311 1093 820 1122">Reasons for nomination as candidate for Director</p> <p data-bbox="311 1124 1337 1279">Yoshiyuki Fukuzawa has acquired abundant experience and a proven performance record of development and plant planning/design, and has been fulfilling his duties of Director as executive manager in the technology divisions of the Company. Since his appointment as President, Representative Director in April 2020, he has fully demonstrated great ability as top management of the Group. Accordingly, we ask that his reappointment as Director be approved.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Keita Takatori (July 29, 1965) [Reappointment] Attendance at 12 out of 13 board of directors meetings	April 1988 Joined the Company. July 2004 Senior General Manager, Environmental Business Dept. of the Company June 2007 President and Representative Director, Samukawa Water Service Co., Ltd. October 2008 Senior General Manager, Corporate Management Planning Dept. of the Company June 2009 Executive Officer of the Company December 2014 President and Representative Director, Owari Water & Energy Co., Ltd. April 2017 Managing Executive Officer of the Company Deputy Corporate General Manager, Environmental Business Division of the Company April 2018 Corporate General Manager, Environmental Business Division of the Company (present position) June 2018 Director of the Company April 2019 Senior Managing Executive Officer, Representative Director of the Company (present position)	35,100
<p>Reasons for nomination as candidate for Director As executive manager in the environmental business of the Company, Keita Takatori has, for many years, been committed to the development of the business through promotion of active business expansion not only in Japan but also overseas. He also has abundant experience and a proven performance record in management including his service as executive manager in the corporate management planning division. Accordingly, we ask that his reappointment as Director be approved.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
4	<p>Jun Kawasaki (July 29, 1971)</p> <p>[Reappointment] Attendance at 13 out of 13 board of directors meetings</p>	<p>April 1992 Joined the Company.</p> <p>December 2003 General Manager, TBR Promotion Sec. of the Company</p> <p>January 2006 General Manager, Secretary Sec. of the Company</p> <p>June 2009 General Manager, Executive Secretary Office of the Company</p> <p>April 2010 Senior General Manager, Personnel and Administration Dept. of the Company</p> <p>April 2014 Senior General Manager, Corporate Management Planning Dept. of the Company</p> <p>April 2015 Executive Officer of the Company</p> <p>April 2017 Managing Executive Officer of the Company Deputy Corporate General Manager, Corporate Planning and Administration Division of the Company</p> <p>April 2019 Corporate General Manager, Corporate Administration Division of the Company</p> <p>June 2019 Director of the Company</p> <p>May 2020 President & CEO, PRIMIX HOLDINGS, Inc. (present position) President and CEO, PRIMIX Corporation (present position)</p> <p>April 2021 Senior Managing Executive Officer of the Company</p> <p>April 2022 Senior Managing Executive Officer, Representative Director of the Company (present position)</p>	26,400
<p>Areas in charge Corporate performance management (domestic Group), reform of Group's manufacturing, Group corporate ethics, and Affiliate Management Sec.</p> <p>Reasons for nomination as candidate for Director Jun Kawasaki has acquired abundant experience and a proven performance record as executive manager in the administration divisions such as operational reforms, personnel and corporate management planning, and has striven to increase corporate management quality in positions of responsibility in the Company's administration divisions in general. He also plays a leading role in growth strategies of the Group by way of promoting M&As and real estate development. Accordingly, we ask that his reappointment as Director be approved.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Toru Takano (November 17, 1966) [New Candidate]	April 1990 Joined Chiyoda Corporation July 2001 Joined the Company. July 2004 Senior General Manager, Corporate Management Planning Dept. of the Company December 2007 General Manager, Executive Secretary Office of the Company October 2008 Senior General Manager, Treasury Dept. of the Company April 2010 Executive Officer of the Company April 2017 Managing Executive Officer of the Company Deputy Corporate General Manager, Corporate Planning and Administration Division of the Company April 2021 Senior Managing Executive Officer of the Company (present position) Corporate General Manager, Corporate Administration Division of the Company (present position) April 2022 Senior General Manager, Corporate Administration Division, Treasury Dept. of the Company (present position)	18,600
<p>Areas in charge In charge of Corporate Administration Division, treasury dept., personnel and administration dept., information systems dept., and legal and IP dept.</p> <p>Reasons for nomination as candidate for Director Toru Takano has acquired abundant experience and a proven performance record as executive manager in the administration divisions such as corporate management planning, treasury, personnel, and administration. The Company judged that he will be competent in positions of responsibility in the Company's administration divisions in general. Accordingly, we ask that his appointment as Director be approved.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
6	<p>Michiyoshi Mazuka (October 17, 1943)</p> <p>[Reappointment] [Outside Director Candidate]</p> <p>Attendance at 13 out of 13 board of directors meetings</p>	<p>April 1968 Joined Fujitsu FACOM Co., Ltd.</p> <p>April 1971 Joined FUJITSU LIMITED.</p> <p>June 2001 Member of the Board and Head of East Japan Sales Business Unit, FUJITSU LIMITED</p> <p>June 2005 Member of the Board, Corporate Executive Vice President, FUJITSU LIMITED</p> <p>June 2006 Corporate Senior Executive Vice President and Representative Director, FUJITSU LIMITED</p> <p>June 2008 Chairman and Representative Director, FUJITSU LIMITED</p> <p>September 2009 Chairman, President and Representative Director, FUJITSU LIMITED</p> <p>April 2010 Chairman and Representative Director, FUJITSU LIMITED</p> <p>June 2012 Chairman and Director, FUJITSU LIMITED</p> <p>June 2014 Advisor and Director, FUJITSU LIMITED</p> <p>June 2015 Outside Director, NIPPON CONCRETE INDUSTRIES CO., LTD. (present position)</p> <p>June 2016 Advisor, FUJITSU LIMITED Outside Director, AMADA HOLDINGS CO., LTD. (currently AMADA CO., LTD.) (present position)</p> <p>April 2018 Senior Advisor, FUJITSU LIMITED</p> <p>June 2018 Outside Director of the Company (present position)</p>	3,500
<p>Reasons for nomination as candidate for Outside Director and overview of expected roles</p> <p>Michiyoshi Mazuka has made points and given opinions that are valuable for the management of the Group, based on his impressive experience and knowledge built up during his long career as a corporate manager. Accordingly, we expect that he will continue to provide appropriate advice based on his strong discernment in corporate management and ask that his appointment as Outside Director be approved.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
7	<p>Norio Katsuyama (May 3, 1949)</p> <p>[Reappointment] [Outside Director Candidate]</p> <p>Attendance at 12 out of 13 board of directors meetings</p>	<p>April 1975 Joined Nippon Steel Corporation. (currently NIPPON STEEL CORPORATION)</p> <p>June 2005 Director, Nippon Steel Corporation</p> <p>June 2006 Executive Officer, Nippon Steel Corporation</p> <p>April 2009 Managing Executive Officer, Nippon Steel Corporation</p> <p>April 2011 Executive Vice President, Nippon Steel Corporation</p> <p>June 2011 Executive Vice President and Representative Director, Nippon Steel Corporation</p> <p>June 2013 Representative Director and President, Nippon Steel & Sumikin Chemical Co., Ltd. (currently NIPPON STEEL Chemical & Material Co., Ltd.)</p> <p>June 2016 Director, Member of the Board and Senior Advisor, Nippon Steel & Sumikin Chemical Co., Ltd.</p> <p>June 2017 Senior Advisor, Nippon Steel & Sumikin Chemical Co., Ltd.</p> <p>June 2020 Outside Director of the Company (present position)</p>	2,100
<p>Reasons for nomination as candidate for Outside Director and overview of expected roles</p> <p>Norio Katsuyama has made points and given opinions that are valuable for the management of the Group, based on his impressive experience and knowledge built up during his long career as a corporate manager. Accordingly, we expect that he will continue to provide appropriate advice based on his strong discernment in corporate management and ask that his appointment as Outside Director be approved.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
8	Nobuya Masuda (October 30, 1947) [New Candidate] [Outside Director Candidate]	<p>April 1974 Prosecutor, Tokyo District Public Prosecutors Office</p> <p>November 2001 Prosecutor, Supreme Public Prosecutors Office</p> <p>August 2002 Director-General, Immigration Bureau, Ministry of Justice</p> <p>September 2004 General Manager, Trial Department, Supreme Public Prosecutors Office</p> <p>August 2006 Chief Prosecutor, Chiba District Public Prosecutors Office</p> <p>July 2008 Chief Prosecutor, Yokohama District Public Prosecutors Office</p> <p>January 2009 Superintending Prosecutor, Sendai High District Public Prosecutors Office</p> <p>March 2012 Member, National Offenders Rehabilitation Commission</p> <p>October 2018 Representative of Masuda Law Office (present position)</p>	-
<p>Reasons for nomination as candidate for Outside Director and overview of expected roles</p> <p>Nobuya Masuda has served as Prosecutor for many years and we expect that he will provide appropriate advice to enhance the transparency and objectivity of our management based on his high level of legal expertise and strong discernment in corporate management in general and ask that his appointment as Outside Director be approved. He does not have experience with corporate management, but for the reasons stated above we believe that he can fulfill his responsibilities satisfactorily as Outside Director.</p>			

Notes:

1. There is no conflict of interest between any of the candidates and the Company.
2. Michiyoshi Mazuka, Norio Katsuyama and Nobuya Masuda are Outside Director candidates.
3. Michiyoshi Mazuka and Norio Katsuyama will have served in their positions four years and two years, respectively, as of the conclusion of this general meeting of shareholders.
4. Michiyoshi Mazuka, Norio Katsuyama and Nobuya Masuda meet the Criteria for Assessing the Independence of Independent Outside Officers that the Company has established. The Company has registered Michiyoshi Mazuka, and Norio Katsuyama with the Tokyo Stock Exchange as independent officers as stipulated by the rules of the Tokyo Stock Exchange. In the event that Nobuya Masuda is appointed as Director, the Company intends to register him with the Tokyo Stock Exchange as an independent officer as stipulated by the rules of the Tokyo Stock Exchange.
5. The Company has a limited liability agreement with Michiyoshi Mazuka and Norio Katsuyama which limits their liabilities to the minimum total liability stipulated by laws and regulations. In the event that the aforementioned individuals are reappointed, the Company plans to continue the limited liability agreement with them. In the event that Nobuya Masuda is appointed as Director, the Company plans to enter into the same limited liability agreement with him.
6. The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise due to insured directors and officers assuming liability for the exercise of their duties or receiving a claim for the pursuit of such liability. However, there are some exemption clauses, such as no compensation being given for liability attributable to acts of the insured in violation of laws or regulations that were carried out with full knowledge of their illegality. The insurance premiums, including those of riders, are fully borne by the Company and the insured essentially bears no premiums. In the event that the candidates for Directors are appointed as Director, each of them will be insured under this insurance contract. The Company plans to renew the insurance contract with the same contents at the next renewal.

Reference

Management Structure Expected After Proposal 3 Is Approved

Name	Areas of expertise and experience							Independence	Nomination & Remuneration Advisory Committee
	Corporate Management	Manufacturing, Engineering, R&D	Finance & Accounting	Personnel & Labor Relations	Legal Affairs	Sales	Information Systems		
Director	Kazuhiko Yamada	•		•	•			•	•
	Yoshiyuki Fukuzawa	•	•						
	Keita Takatori	•					•		
	Jun Kawasaki	•		•	•			•	
	Toru Takano	•		•	•				
	Michiyoshi Mazuka	•						•	•
	Norio Katsuyama	•	•					•	•
	Nobuya Masuda					•		•	
Statutory Auditor	Torahiko Maki	•							
	Satoshi Yoshika	•		•				•	
	Masamichi Ouchi			•				•	•
	Hidehiro Tsukano	•		•				•	

Criteria for Assessing the Independence of Independent Outside Officers

Augmenting the criteria for independence stipulated by the Tokyo Stock Exchange, the Company has established the following criteria for assessing the independence of Outside Officers.

1. The individual is not a business executor for the Company or a Group company and was not in the past as well.
2. The individual is not an important business executor of a major shareholder of the Company (a shareholder holding 10% or more of the voting rights).
3. The individual is not an important business executor of a company in which the Company is a major shareholder.
4. The individual is not a major business partner (a business partner whose amount of consideration received in transactions with the Company in the most recent fiscal year exceeds 2% of the Company's non-consolidated total sales; in the event of a financial institution, a business partner whose loans to the Company do not exceed 2% of the Company's non-consolidated total assets in the most recent fiscal year) nor its business executor.
5. The Company is not a major business partner for the individual (a business partner whose amount of consideration paid in transactions with the Company in the most recent fiscal year exceeds 2% of the counterparty's non-consolidated total sales) nor is the individual's business executor.
6. The individual is not a legal expert, accounting or tax expert, consultant, or research and education specialist and does not belong to such a corporation or group that has received a large sum (in the most recent fiscal year, 10 million yen or more in the case of individuals and an amount equivalent to more than 2% of the corporation's or group's non-consolidated sales in the case of a corporation or group) in compensation or contributions from the Company.
7. The individual does not have any family relationships (family relationships of the third degree or a relative living with the individual) with business executors of the Company or Group companies.
8. In addition to the above, there are no doubts as to the independence of the candidate as an independent Outside Officer and no rational reason to determine that the individual would pose a conflict of interest with general shareholders.

Proposal 4: Revision of Director Remuneration Framework for Outside Directors

The monetary remuneration for Directors of the Company was approved to be up to 440 million yen per year (of which 30 million yen or less per year for Outside Directors and not including the amount of remuneration paid as salary to employees to Directors who have status of employees) by the 149th Ordinary General Meeting of Shareholders held on June 29, 2011. In addition to the remuneration, at the 157th Ordinary General Meeting of Shareholders held on June 25, 2019, the amount of stock-based remuneration was approved to be up to 80 million yen per year and the maximum number of shares was approved to be up to 93,000 shares per year for Directors other than Outside Directors (not including the amount of remuneration paid as salary to employees to Directors who have status of employees).

In consideration of various circumstances such as the role required of Outside Directors, the Company therefore proposes to revise the monetary remuneration framework for Outside Directors from up to 30 million yen to up to 70 million yen per year. The amount of monetary remuneration for Directors (including the amount of remuneration for Outside Directors) will remain within 440 million yen and the amount of stock-based remuneration and the maximum number of shares for Directors other than Outside Directors will not be changed from the current level.

This proposal is to revise only the monetary remuneration limit granted to Outside Directors. This proposal has been resolved at the meeting of the Board of Directors after consultation by the Nomination and Remuneration Advisory Committee by taking into consideration the roles required of Outside Directors, the business environment, trends of other companies, etc. The content is necessary and rational therefore the Company judges it is appropriate as it is in line with the decision policy regarding the content of individual remuneration of Directors of the Company. (The overview is as described in (1) “Matters concerning the decision policy regarding the content of individual remuneration of Directors” of Item 6 of “4 Matters concerning Company Officers” on page 50.)

Currently, the number of Directors is eight (8) (including three (3) Outside Directors), and if Proposal 3 gains approval as originally proposed, then the number of Directors will be eight (8) (including three (3) Outside Directors).