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Securities Code: 6254
June 1, 2022

To Our Shareholders:

Yoshitaka Yamaki President
Nomura Micro Science Co., Ltd.
2-9-8 Okada, Atsugi-shi, Kanagawa

Notice of the 53rd Annual General Meeting of Shareholders

We are pleased to announce the 53rd annual general meeting of shareholders of Nomura Micro Science Co., Ltd. (the “Company”), which will be held as indicated below, and you are cordially invited to attend the meeting. In addition, voting rights can be exercised by one of the following methods instead of attendance on the day of the event, so please exercise your voting rights after reviewing the reference documents for the general meeting of shareholders below.

Please also be sure to read the “Measures to Prevent COVID-19 Infection” on page 3.

[In the case of exercising voting rights in writing (mail)]

Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and send it so that it arrives no later than 5:40 p.m. (JST) on Wednesday, June 22, 2022.

[In the case of exercising voting rights via the Internet, etc.]

Please access the voting website designated by the Company (<https://evote.tr.mufg.jp/>) and follow the on-screen instructions to enter your approval or disapproval of the proposals by Wednesday, June 22, 2022 at 5:40 p.m. (JST).

- 1. Date and Time:** Thursday, June 23, 2022 at 10:00 a.m. (JST)
- 2. Venue:** Rembrandt Hotel Atsugi Third Floor Banquet Halls Sagami
2-13-1 Nakamachi, Atsugi-shi, Kanagawa

3. Agenda

Matters to be Reported

1. The business report for the 53rd period (from April 1, 2021 to March 31, 2022), contents of consolidated financial statements, and report on the results of audits of consolidated financial statements by the financial auditor and the Audit and Supervisory Committee
2. Report on the contents of financial statements for the 53rd period (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Amendment to the Articles of Incorporation |
| Proposal No. 3 | Election of Five Directors (excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 4 | Election of Two Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 5 | Revision of Remuneration Amount for Granting Restricted Shares to Directors (excluding Outside Directors and Directors Who are Audit and Supervisory Committee Members) |
| Proposal No. 6 | Payment of Retirement Benefits for a Retiring Director |

4. Matters to be Decided upon Convocation (Information on the Exercise of Voting Rights)

- (1) If there is no indication of approval or disapproval on Exercise Voting Rights Form, it will be deemed that approval has been indicated for the relevant proposal.
- (2) If voting rights are exercised multiple times via the Internet, etc., the last exercise of voting rights will be treated as valid.
- (3) In the event that voting rights are exercised both by mail and via the Internet, etc., the vote cast via the Internet, etc. will be deemed valid, regardless of the date and time of arrival.
- (4) If voting rights are exercised by a proxy, one other shareholder with voting rights may attend the general meeting of shareholders as a proxy. However, please note that it is necessary to submit a document proving the right of representation.
- (5) When voting rights are exercised without unifying them (limited to shareholders who hold shares for others, such as stock trusts), please notify the Company in writing to that effect and reason at least three days before the general meeting of shareholders.

- Notes:
1. When attending on the day of the event, please submit the enclosed voting exercise form at the reception desk. Please note that persons other than shareholders who are entitled to exercise their voting rights, such as proxies who are not shareholders and persons accompanying them, will not be admitted.
 2. The reception is scheduled to start at 9:30 a.m. (JST) on the day of the event.
 3. The “Notes to Consolidated Financial Statements” and “Non-Consolidated Financial Statements” which are among the documents to be provided in the Notice of this Annual General Meeting of Shareholders, are posted on the Company’s website (<https://www.nomura-nms.co.jp/>) in accordance with laws and regulations and the Company’s Articles of Incorporation. Therefore, they are not included in the documents to be provided with this Notice of Convocation of the Annual General Meeting of Shareholders.
The Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing the Audit Report and the Accounting Auditor’s Audit Report respectively, include the matters to be presented as “Notes to Consolidated Financial Statements” and “Notes to Non-Consolidated Financial Statements” in addition to those stated in the provided documents.
 4. If it becomes necessary to revise any of the items in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Non-Consolidated Financial Statements, the revised items will be posted on the Company’s website on the Internet (<https://www.nomura-nms.co.jp/>).

“Measures to prevent COVID-19 infection”

The Company’s 53rd Annual General Meeting of Shareholders will be held on June 23, 2022 (Thursday), and we would like to inform you of the following request to our shareholders and the Company’s response to the prevention of COVID-19 infection.

<Requests and Information for Shareholders>

- In order to prevent the transmission of the COVID-19, we recommend that you exercise your voting rights at this General Meeting of Shareholders in writing or via the Internet, etc. as far as possible in advance of the meeting. The deadline for exercising voting rights is until Wednesday, June 22, 2022, at 5:40 p.m. (JST), upon arrival or receipt.
- Shareholders who wish to attend the meeting are also urged to carefully consider not coming to the meeting, regardless of your health condition, after carefully checking the infection situation up to the day of the meeting and the announcements made by the government and local governments. In particular, elderly people, those with underlying medical conditions, those who are pregnant, etc., please make careful decisions about coming to the venue.

<Requests and Information for Shareholders Visiting the Meeting>

- On the day of the event, temperature may be taken at the entrance of the venue. In addition, visitors who are recognized to have symptoms such as fever may be denied admission and asked to leave.
- Please cooperate in wearing a mask at all times and using alcohol disinfectant in the venue.
- From the viewpoint of preventing COVID-19 infection, the seating arrangement will be spaced apart, so the number of seats will decrease as in last year. For this reason, please note that admission may be restricted if seats are full.

<Regarding the Measures to be taken by the Company>

- The agenda for the General Meeting of Shareholders will be shortened in time, as was the case last year.
- Speakers and management staffs will wear masks.
- If you appear to be physically unwell, the management staff may ask you to leave the venue.

We would like to ask for the understanding and cooperation of you shareholders.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company's basic policy is to make internal reserves necessary for future business development and strengthening the Company's management structure, and to continue stable dividends from a shareholder-oriented perspective.

The Company has given comprehensive consideration to matters including the business performance of the fiscal year ended March 31, 2022 and future business development, and it proposes year-end dividends for the 53rd fiscal year as follows.

As a result, the annual dividend for the fiscal year under review will be ¥95 per share, combined with an interim dividend of ¥30 (¥10 is a commemorative dividend due to designation as a stock on the First Section of the Tokyo Stock Exchange, Inc.).

Year-end dividends

- (1) Type of dividend property
To be paid in cash.
- (2) Allotment of dividend property and their aggregate amount
The Company proposes to pay a dividend of ¥65 per common share of the Company.
In this event, the total dividends will be ¥598,463,905.
- (3) Effective date of the dividends of surplus (starting date of dividend payments)
The effective date of dividends will be June 24, 2022.

Proposal No. 2 Amendment to the Articles of Incorporation

1. Reason for proposal

With the establishment of the new system for providing informational materials for the general meeting of shareholders in electronic format in accordance with the Act Partially Amending the Companies Act (Act No. 70 of 2019) and the revision of the Companies Act to provide for this system coming into effect on September 1, 2022, the Articles of Incorporation will be amended as follows in preparation for the introduction of this system. In addition, the Company will revise the wording and make other amendments in accordance with the introduction of the Executive Officer System on April 1, 2022.

2. The details of the amendments are as follows:

(The underlined part indicates the place of change.)

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">Chapter 1 General rules</p> <p>Article 1 to Article 5 <Clause omitted></p>	<p style="text-align: center;">Chapter 1 General rules</p> <p>Article 1 to Article 5 <Unchanged></p>
<p style="text-align: center;">Chapter 2 Shares</p> <p>Article 6 to Article 12 <Clause omitted></p>	<p style="text-align: center;">Chapter 2 Shares</p> <p>Article 6 to Article 12 <Unchanged></p>
<p style="text-align: center;">Chapter 3 The General Meeting of Shareholders</p> <p>Article 13 to Article 14 <Clause omitted></p>	<p style="text-align: center;">Chapter 3 The General Meeting of Shareholders</p> <p>Article 13 to Article 14 <Unchanged></p>
<p>Article 15 (Convocation right holder and chairman)</p> <p>1. The General Meeting of Shareholders shall be convened and chaired by <u>the Director and President</u>, unless otherwise stipulated in laws and regulations.</p> <p>2. In the absence or disability of the <u>Director and President</u>, another Director shall take his/her place in the order previously determined by the Board of Directors.</p>	<p>Article 15 (Convocation right holder and chairman)</p> <p>1. The General Meeting of Shareholders shall be convened and be chaired by a <u>Representative Director predetermined by the Board of Directors</u>, unless otherwise stipulated in laws and regulations.</p> <p>2. In the absence or disability of the <u>Representative Director set forth in the preceding paragraph</u>, another Director shall take his/her place in the order previously determined by the Board of Directors.</p>
<p><u>Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p style="text-align: center;"><Newly established></p>	<p style="text-align: center;"><Deleted></p> <p><u>Article 16 (Measures, etc. for Providing Information in Electronic Format)</u></p> <p>1. <u>When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>Article 17 to Article 18<Clause omitted></p> <p style="text-align: center;">Chapter 4 Directors and the Board of Directors</p> <p>Article 19 to Article 23<Clause omitted></p> <p>Article 24 (<u>Notice of Convocation</u> of Board of Directors Meeting)</p> <p>1. The Board of Directors shall be convened and chaired by <u>the Director and President</u>, unless otherwise stipulated in laws and regulations.</p> <p><u>In the absence or disability of the Director and President, another director shall take his/her place in the order previously determined by the Board of Directors.</u></p> <p style="text-align: center;"><Newly established></p> <p><u>2. Notwithstanding the preceding paragraph, the Audit and Supervisory Committee members selected by the Audit and Supervisory Committee may convene a Board of Directors meeting.</u></p> <p>3. <Clause omitted></p> <p>4. <Clause omitted></p>	<p><u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p>Article 17 to Article 18 <Unchanged></p> <p style="text-align: center;">Chapter 4 Directors and the Board of Directors</p> <p>Article 19 to Article 23 <Unchanged></p> <p>Article 24 (<u>Convocation and Chairman</u> of the Board of Directors Meeting)</p> <p>1. The Board of Directors shall be convened and chaired by <u>a Representative Director predetermined by the Board of Directors</u>, unless otherwise stipulated in laws and regulations.</p> <p style="text-align: center;"><Deleted></p> <p><u>2. In the absence or disability of the Representative Director set forth in the preceding paragraph, another director shall take his/her place in the order previously determined by the Board of Directors.</u></p> <p style="text-align: center;"><Deleted></p> <p>3. <Unchanged></p> <p>4. <Unchanged></p>
<p>Article 25 to Article 28<Clause omitted></p> <p style="text-align: center;">Chapter 5 Audit and supervisory committee</p> <p>Article 29 to Article 31<Clause omitted></p> <p style="text-align: center;">Chapter 6 Responsibilities of Financial Auditor</p> <p>Article 32 <Clause omitted></p> <p style="text-align: center;">Chapter 7 Statement</p> <p>Article 33 to Article 36<Clause omitted></p>	<p>Article 25 to Article 28 <Unchanged></p> <p style="text-align: center;">Chapter 5 Audit and supervisory committee</p> <p>Article 29 to Article 31 <Unchanged></p> <p style="text-align: center;">Chapter 6 Responsibilities of Financial Auditor</p> <p>Article 32 <Unchanged></p> <p style="text-align: center;">Chapter 7 Statement</p> <p>Article 33 to Article 36 <Unchanged></p>
<p>Supplementary provisions (Transitional Measures for Audit & Supervisory Board Members)</p> <p>1. <Clause omitted></p> <p>2. <Clause omitted></p>	<p>Supplementary provisions <u>Article 1</u> (Transitional Measures for Audit & Supervisory Board Members)</p> <p>1. <Unchanged></p> <p>2. <Unchanged></p>

Current Articles of Incorporation	Proposed amendments
<p><Newly established></p>	<p><u>Article 2 (Transitional measures regarding Internet disclosure and deemed provision of reference documents for the General Meeting of Shareholders, etc. and electronic provision measures, etc.)</u></p> <p><u>1. The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) in the pre-amended Articles of Incorporation and the establishment of the new Article 16 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from September 1, 2022, which is the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p> <p><u>2. Notwithstanding the provision (s) of the preceding paragraph, Article 16 of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p><u>3. These Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal No. 3 Election of Five Directors (excluding Directors Who Are Audit and Supervisory Committee Members)

All Directors (seven) (excluding Directors who are members of the Audit and Supervisory Committee. The same shall apply hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders.

Therefore, the Company proposes the election of five Directors.

The selection of candidates is based on the report of the nominating committee.

The Audit and Supervisory Committee has considered this proposal and has determined that all of the candidates are suitable for the position.

Matters related to each Director candidate are as described on pages 9 to 11.

List of the candidates for Directors

Candidate No.	Name		Position and responsibility in the Company	Attendance at the Board of Directors
1	Toyosaku Senda	Reelection	Chairman	13/13
2	Yoshitaka Yamaki	Reelection	President, Executive Officer	13/13
3	Makoto Uchida	Reelection	Vice President, Executive Officer General Manager of Sales Head Office	13/13
4	Takayuki Haga	Reelection	Managing Executive Officer General Manager of Engineering Head Office and in charge of Quality Control	13/13
5	Katsuji Nishie	Reelection	Executive Officer Deputy General Manager of Sales Head Office (in charge of Overseas) and Division Manager of Korea Sales Div.	13/13

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Toyosaku Senda (February 22, 1940)	Apr. 1958 Joined HOKKO CHEMICAL INDUSTRY CO., LTD. Nov. 1973 Joined the Company June 1986 Director June 1990 Managing Director June 1992 Senior Managing Director June 1996 Vice President June 2000 President Apr. 2014 Chairman and President June 2016 Chief Executive Officer (CEO) June 2020 Chairman (current position) (Significant concurrent positions outside the Company) President of Nomura Micro Science Korea Co., Ltd.	279,900
		<p>[Reasons for nomination as candidate for Director]</p> <p>Toyosaku Senda has been in charge of the business and management of the Company and the Group for many years as president of the Company. Based on his extensive experience and broad knowledge of corporate management, the Company have determined that he can contribute to the performance of the Company and the Group, also to the enhancement of corporate value, and the Company continue to nominate him as a candidate for Director.</p>	
2	Yoshitaka Yamaki (April 17, 1957)	Apr. 1982 Joined Sumitomo Bakelite Co., Ltd. Apr. 1985 Joined the Company June 2004 Director June 2009 Managing Director June 2010 Managing Executive Officer June 2011 Senior Managing Executive Officer Apr. 2013 General Manager of Development Head Office and in charge of Domestic Business Head Office, Overseas Sales Head Office, Business Head Office Apr. 2014 In charge of New Business and Development Apr. 2016 In charge of Overseas Business Head Office, Development Head Office Apr. 2017 President June 2017 Chief Operating Officer (COO) Apr. 2022 President, Executive Officer (current position)	72,200
		<p>[Reasons for nomination as candidate for Director]</p> <p>Yoshitaka Yamaki has held key positions in the technology, development, domestic and overseas sales division, and the Company believes that he will be able to contribute to improving the performance and corporate value of the Company and the Group by fully fulfilling his responsibilities by making appropriate management decisions based on his experience and extensive knowledge in a wide range of fields. He is therefore nominated as a candidate for the position of Director.</p>	

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Makoto Uchida (February 20, 1958)	<p>Apr. 1983 Joined Mitsubishi Rayon Co., Ltd. (currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2010 General Manager of Membrane Dept.</p> <p>Apr. 2012 Aqua Division Manager</p> <p>July 2014 Representative water environment business in China General Manager, Wuxi Rayon Membrane Technology Co., Ltd.</p> <p>Apr. 2017 Manager, China Business Promotion Group, Mitsubishi Chemical Corporation</p> <p>Oct. 2018 Joined to the Company, In charge of Special Mission Representative to the chairman and president of the Company</p> <p>June 2019 Managing Director and General Manager of Sales Head Office (current position)</p> <p>June 2020 Senior Managing Director</p> <p>Oct. 2020 Senior Managing Director and Representative Director</p> <p>June 2021 Vice President</p> <p>Apr. 2022 Representative Director, Executive Vice President (current position)</p> <p>(Significant concurrent positions outside the Company) President of Shanghai Nomura Engineering Co., Ltd</p>	6,600
<p>[Reasons for nomination as candidate for Director]</p> <p>Makoto Uchida has been involved in the membrane and water treatment business for many years, and the company believe that his wealth of knowledge and broad experience in corporate management will contribute to improving the performance and corporate value of the Company and the Group, and therefore the company continue to nominate him as a candidate for Director.</p>			
4	Takayuki Haga (December 19, 1955)	<p>Apr. 1974 Joined Toyota Motor Corporation</p> <p>June 1979 Joined to Marusuzu Co., Ltd.</p> <p>Mar. 1989 Joined the Company</p> <p>Apr. 2011 Division Manager of Domestic Engineering Div.</p> <p>Apr. 2015 Executive Officer, Deputy General Manager of Technical Head Office</p> <p>Apr. 2017 Senior General Manager, Deputy General Manager of Engineering Head Office</p> <p>Apr. 2018 Senior General Manager, General Manager of Engineering Head Office (current position)</p> <p>June 2018 Director</p> <p>June 2020 Managing Director</p> <p>June 2021 In charge of Quality Control Div. (current position)</p> <p>Apr. 2022 Managing Executive Officer (current position)</p>	6,400
<p>[Reasons for nomination as candidate for Director]</p> <p>Takayuki Haga has held important positions in the engineering division in Japan for many years, and since he has extensive experience and broad knowledge, the Company believes that he will contribute to improving the performance and corporate value of the Company and the Group, and therefore the company continue to nominate him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Katsuji Nishie (June 1, 1972)	<p>Apr. 1996 Joined to Aqua System Co., Ltd. May 1999 Joined to Tachibana Industry Co., Ltd. Oct. 2000 Joined the Company Apr. 2014 Division Manager of Overseas Sales Div. Apr. 2018 Senior General Manager, Division Manager of Korea Sales Div. June 2019 Director, Deputy General Manager of Sales Head Office and Division Manager of Korea Sales Div. June 2020 Deputy General Manager of Sales Head Office (Overseas) and Division Manager of Korea Sales Div. (current position) Apr. 2022 Executive Officer of the Company (current position)</p> <p>(Significant concurrent positions outside the Company) President of Nomura Micro Science USA Ltd., Co</p>	3,700
<p>[Reasons for nomination as candidate for Director] Katsuji Nishie has gained work experience in domestic and overseas sales division, and the Company determined that he can contribute to the performance and corporate value improvement of the Company and the Group by utilizing the experience and knowledge he has cultivated so far, and the Company continues to nominate him as candidate of Director.</p>			

- Notes:
1. Toyosaku Senda is the president of Nomura Micro Science Korea Co., Ltd., and the Company outsources parts sales and research and development of the ultrapure water system to them.
 2. Makoto Uchida is the chairman of Shanghai Nomura Engineering Co., Ltd. and the Company sells parts for the ultrapure water system to the company.
 3. Katsuji Nishie is the president of Nomura Micro Science USA Ltd., Co and the Company sell parts for the ultrapure water system to the said company.
 4. There are no special interests between any other candidates for director and the Company.
 5. The Company has concluded a directors and officers liability insurance policy with insurance companies stipulated in Article 430-3, paragraph (1) of the Companies Act, in which the insured person is the director of the Company, and the insurance premiums are borne by the Company. The insurance policy will cover damages and litigation expenses incurred by the insured in the event of a claims for damages during the insurance period due to acts committed by the insured in his/her capacity as an insured during the insurance period. However, damages, etc. resulting from criminal acts or acts performed while recognizing violations of laws and regulations are not covered by compensation. If each candidate is elected and appointed as a director, he/she will be insured under the policy concerned. In addition, the insurance policy is scheduled to be renewed with the same contents at the next renewal.

Proposal No. 4 Election of Two Directors Who Are Audit and Supervisory Committee Members

The terms of office of both Directors who are Audit and Supervisory Committee members of the Company, Masahiko Koshiba and Hideo Sakano will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of two Directors who are Audit and Supervisory Committee members.

In addition, the consent of Audit and Supervisory Committee has been obtained for this proposal.

Matters relating to candidates for Directors who are Audit and Supervisory Committee members are described on pages 13 to 14.

List of candidates for Directors who are Audit and Supervisory Committee Members

Candidate No.	Name		Position and responsibility in the Company	Candidate Attributes
1	Masahiko Koshiba	Reelection	Full time Director who are Audit and Supervisory Committee member	
2	Hisayori Kataoka	New election	—	Outside Director Independent officer

Candidate No.	Name (Date of birth)	Career summary, position in and responsibility the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Masahiko Koshiba (February 14, 1955)	<p>Oct. 1980 Joined Namtec Co., Ltd.</p> <p>Apr. 2003 Joined the Company</p> <p>July 2008 Division Manager of Procurement Div.</p> <p>Jan. 2011 Division Manager of General Affairs Div.</p> <p>May 2011 Executive Officer</p> <p>Apr. 2014 Division Manager of Personnel Div.</p> <p>Apr. 2015 In charge of Extraordinary</p> <p>June 2015 Audit and Supervisory Board Member (Full time)</p> <p>June 2018 Director (Full time Audit and Supervisory Committee member) (current position)</p>	3,000
<p>[Reason for nomination as candidate for Director and Audit and Supervisory Committee member]</p> <p>Masahiko Koshiba has served as Division Manager of Procurement Div., General Affairs Div., Personnel Div., and Audit and Supervisory Board Member of the Company, and has contributed to ensuring the soundness and appropriateness of management since June 2018. The Company expects highly effective audits based on Masahiko Koshiba's extensive experience and broad insight, as well as accurate management decisions and management oversight at the Board of Directors, and the Company determined that those will be necessary to contribute to the sustainable enhancement of shareholder value and corporate value of the Company. Therefore the Company continues to nominate him as a candidate for director who are Audit and Supervisory Committee Member.</p>			
2	* Hisayori Kataoka (January 29, 1959)	<p>Apr. 1981 Joined Toto Kiki LTD. (currently TOTO LTD.)</p> <p>Sept. 1987 Joined Sanwa Tohmatsu Aoki Audit Corporation (currently Deloitte Touche Tohmatsu LLC)</p> <p>Sept. 1990 Registered as certified public accountant</p> <p>Oct. 2020 Director of Hisayori Kataoka Certified Public Accountant Office (current position)</p> <p>Dec. 2020 Auditor of ROMS, Inc. (current position)</p> <p>Feb. 2021 Audit and Supervisory Board Member of Finatext Holdings Ltd. (current position)</p> <p>Apr. 2021 Audit and Supervisory Board Member of Startbahn, Inc. (current position)</p> <p>Jan. 2022 Representative partner of Bloom Audit Corporation (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Director of Hisayori Kataoka Certified Public Accountant Office</p> <p>Audit and Supervisory Board Member of Finatext Holdings Ltd.</p> <p>Representative partner of Bloom Audit Corporation</p>	-
<p>[Reason for nomination as candidate for Director and Audit and Supervisory Committee member, and Outline of Expected Roles]</p> <p>Hisayori Kataoka has been involved in audit work and advisory work after joining a major audit firm in 1987, and has experience in overseas auditing work, etc., and has been active globally as a certified public accountant. The Company expects Hisanori Kataoka to perform highly effective audits based on his expertise as a certified public accountant, wide-ranging knowledge and insights cultivated through auditing and advisory services over many years, and make appropriate management judgment and, provide management supervision, as well as providing objective advice and recommendations based on his extensive experience. The Company has judged that these are necessary for the sustainable enhancement of shareholder value and corporate value of the Company, and has nominated him as a candidate for outside Director who is an Audit and Supervisory Committee Member. Although he has never been involved in corporate management in the past except as an outside officer, for the above reasons, the Company determined that he will be able to appropriately perform his duties as an outside Director and Audit and Supervisory Committee Member.</p>			

- Notes:
1. New candidates are indicated by an asterisk (*)
 2. Hisayori Kataoka is a candidate for outside Director as defined in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.
 3. There are no special interests between Masahiko Koshiba and Hisayori Kataoka, and the Company.
 4. Hisayori Kataoka is a Representative partner of Bloom Audit Corporation, but there is no transaction record between the Company and Bloom Audit Corporation.

5. If Mr. Hisayori Kataoka's election is approved, the Company plans to enter into a limited liability agreement with him pursuant to Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation, limiting his liability for damages under Article 423, paragraph (1) of the Companies Act to the amount stipulated by law.
6. The Company has concluded a directors and officers liability insurance policy with insurance companies stipulated in Article 430-3, paragraph (1) of the Companies Act, in which the insured person is the director of the Company, and the insurance premiums are borne by the Company. The insurance policy will cover damages and litigation expenses incurred by the insured in the event of a claims for damages during the insurance period due to acts committed by the insured in his/her capacity as an insured during the insurance period. However, damages, etc. resulting from criminal acts or acts performed while recognizing violations of laws and regulations are not covered by compensation. If each candidate is elected and assumes office as a director who is an Audit and Supervisory Committee member, he/she will be insured under the relevant insurance policy. In addition, the insurance policy is scheduled to be renewed with the same contents at the next renewal.
7. Hisayori Kataoka satisfies the requirements for independent officer as stipulated by the Tokyo Stock Exchange and will be designated as an independent officer if his appointment is approved.

Reference: Skills Matrix of Directors

The composition of the Board of Directors and the expertise of each Director if Proposal No. 3 and Proposal No. 4 are approved are as follows.

No.	Directors Name	Nominating Committee Remuneration Committee	Independent Outside Director	Corporate management Business operations Corporate planning/ Strategy	Technology/ Development Engineering	Sales Marketing	Global Overseas business	Finance/ Accounting Human resources	Legal Compliance Risk management	ESG Sustainability
1	Toyosaku Senda	Nominating Committee member		●	●	●	●			
2	Yoshitaka Yamaki	Remuneration Committee member		●	●		●			●
3	Makoto Uchida			●	●	●	●			●
4	Takayuki Haga			●	●					●
5	Katsuji Nishie				●	●	●			
6	Masahiko Koshiba (Audit and Supervisory Committee member)	Nominating Committee member Remuneration Committee member			●			●	●	
7	Shinsuke Tanaka (Audit and Supervisory Committee member)	Nominating Committee member Remuneration Committee member	●	●		●	●		●	
8	Yumiko Nijima (Audit and Supervisory Committee member)	Nominating Committee member Remuneration Committee member	●						●	
9	Hisayori Kataoka (Audit and Supervisory Committee member)	Nominating Committee member Remuneration Committee member	●				●	●		

Proposal No. 5 Revision of Remuneration Amount for Granting Restricted Shares to Directors (excluding Outside Directors and Directors Who are Audit and Supervisory Committee Members)

At the 50th Annual General Meeting of Shareholders held on June 20, 2019, it was approved that the Company introduced a compensation system (hereinafter referred to as “the System”) for granting restricted shares to Directors (excluding outside Directors and Directors who are Audit and Supervisory Committee Members, hereinafter referred to as “Subject Directors”), and approved that the amount of compensation for monetary compensation claims to be paid to Subject Directors under the System shall be no more than ¥30,000 thousand per year (excluding the salary for employees of Directors who concurrently serve as employees), and that the total number of shares of the Company to be granted to Subject Directors shall be no more than 50,000 shares per year. In addition, at the 52nd Annual General Meeting of Shareholders held on June 23, 2021, the amount of remuneration for monetary remuneration claims to be paid to Subject Directors was revised to no more than ¥50,000 thousand per year (however, the salary for employees of directors who concurrently serve as employees is not included). However, the Company proposes to revise the amount of remuneration for monetary remuneration claims to be paid to Subject Directors to no more than ¥70,000 thousand per year (however, the salary for employees of directors who concurrently serve as employees is not included) as an incentive to further strengthen initiatives for increasing the company’s corporate value over the medium to long term and to further share value with shareholders.

This proposal was decided by the Board of Directors after consultation with the Compensation Committee, the majority of which consists of outside Directors, taking into consideration the remuneration system for directors and the balance among base remuneration and bonuses (short-term incentives), and share remuneration (long-term incentives) from the perspective of increasing corporate value over the medium to long term, and is deemed appropriate, and the Company believes that this decision is appropriate.

In addition, there are currently seven Subject Directors, but if Proposal No. 3 “Election of Five Directors (excluding Directors Who Are Audit and Supervisory Committee Members)” is approved as originally proposed, the Subject Director will be five.

In this proposal, the Audit and Supervisory Committee expressed its opinion that the revision of the amount of such remuneration is appropriate for the Subject Director to fulfill his/her responsibilities.

Summary of Remuneration for Granting Restricted Shares

Under the System, in principle, each fiscal year, in accordance with a resolution of the Board of Directors of the Company, monetary compensation claims are granted to Subject Directors in order to allocate Restricted Stock to them, and by having the Company make a capital contribution in kind with the monetary compensation claims, common shares of the Company are issued or disposed. The total number of common shares of the Company to be issued or disposed of under the System shall not exceed 50,000 shares per year.

However, if the total number of shares issued by the Company increases or decreases due to a consolidation of shares, a split of shares, or a free allotment of shares, etc., the maximum number of shares shall be adjusted within a reasonable range according to the ratio.

The amount to be paid per share of the restricted stock under this system shall be determined by the Board of Directors based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors resolution (or the closing price of the immediately preceding trading day if no trading was effected on that date), to the extent that the amount paid per share is not particularly favorable to the Subject Director who subscribes to the common stock.

In addition, when issuing or disposing of common shares of the Company under this system, the Company and the Subject Directors shall enter into a restricted share allotment agreement with transfer restrictions (hereinafter referred to as the “Allotment Agreement”) that includes following details.

Outline of Allotment Agreement

(1) Transfer restriction period

Subject Directors shall not transfer, encumber, reserve for encumbrance or otherwise dispose of the Company common shares (hereinafter referred to as “Transfer Restrictions”) allotted under the Allotment Agreement (hereinafter referred to as “Allotted Shares”) for a period of three to five years from the date of allotment of our company’s common shares under the System (hereinafter referred to as “Transfer Restriction Period”) which is predetermined by the Board of Directors of the Company.

(2) Removal of transfer restrictions due to expiration of Transfer Restriction Period

The Company may cancel the transfer restriction on all of the allotted shares upon expiration of the transfer restriction period, provided that the Subject Director has continuously held the position of director, executive officer not concurrently serving as director, executive director, employee, advisor or counselor or any other equivalent position at the Company or its subsidiaries during the transfer restriction period.

However, the Company shall naturally acquire without consideration the allotted shares for which the restriction on transfer has not yet been lifted as of the expiration of the restriction period.

(3) Handling in case of retirement, etc.

If the Subject Director resigns or retires from any of the positions of director, executive officer who does not concurrently serve as director, executive director, director, employee, advisor or counselor or any other similar position at the Company or its subsidiary before the expiration of the transfer restriction period, the Company shall, unless the Board of Directors of the Company has a justifiable reason not to do so, shall naturally acquire the allotted shares without consideration.

However, if there are reasons deemed legitimate by the Board of Directors of the Company, such as expiration of the term of office, death, etc., the number of allotted shares to be lifted and the timing for lifting the transfer restrictions shall be adjusted to a reasonable extent as necessary.

(4) Handling of organizational restructuring, etc.

In case that a merger agreement under which the Company will be the dissolving company, a share exchange agreement or share transfer plan under which the Company will become a wholly-owned subsidiary during the transfer restricted transfer period, or other matters related to organizational restructuring, etc. are approved at a general meeting of shareholders of the Company (or at a meeting of the Board of Directors of the Company if such organizational restructuring, etc. does not require approval at a general meeting of shareholders of the Company), in accordance with a resolution of the Board of Directors of the Company during the transfer restriction period, the transfer restriction will be lifted for the number of allotted shares reasonably determined based on the period from the start date of the transfer restriction period to the date of approval of such organizational restructuring, etc. prior to the effective date of such organizational restructuring, etc.

However, the Company shall naturally acquire the allotted shares for no consideration at the time the transfer restriction is lifted, if the transfer restriction has not yet been lifted.

(5) Other matters

The allotted shares will be managed in a dedicated account established by the Subject Director at Nomura Securities Co., Ltd. during the transfer restriction period so that they cannot be transferred during the transfer restriction period.

Other matters relating to this allotment agreement shall be determined by the Board of Directors of the Company.

Proposal No. 6 Payment of Retirement Benefits for a Retiring Director

In order to reward both Directors, Mr. Kazuhiko Setoguchi and Masato Misaka, who will retire at the conclusion of this General Meeting of Shareholders, for their hard work during their tenure, the Company would like to present retirement benefits within a reasonable range according to the standards prescribed by the Company. In addition, we would like to ask that the Board of Directors resolve the specific amount, timing, method, etc. of the presentation. This proposal was decided by the Board of Directors after consultation with the Compensation Committee, the majority of which are composed of outside Directors, in accordance with the Company's policy for determining the content of individual director compensation and the internal regulations for handling director retirement benefits established in advance by the Board of Directors, and the Company believes that this proposal is appropriate.

In addition, the Audit and Supervisory Committee considered this proposal to be appropriate, and there was no particular opinion.

The biographies of retiring Directors are as follows.

Name	Career summary	
Kazuhiko Setoguchi	June 2017	Director of the Company (current position)
Masato Misaka	June 2019	Director of the Company (current position)