

This English translation is made for reference purposes only, and in the event of any discrepancies between the English version and the Japanese version, the Japanese version prevails.

Securities Code: 5988

June 3, 2022

To Our Shareholders:

145, 6-chome, Hanasaki-cho,
Nishi-ku, Yokohama-shi,
Kanagawa

Piolax, Inc.

Yukihiko Shimazu, President

Notice of the 106th Annual Meeting of Shareholders

The Company would hereby like to inform you that the Company's 106th Annual Meeting of Shareholders will be held as described below.

You may exercise your voting rights in writing or via the Internet, etc. In the interest of preventing the spread of COVID-19 infections, we kindly request that you read the following Reference Document for the Annual Meeting of Shareholders and exercise your voting rights no later than the close of business at 5:30 p.m., Thursday, June 23, 2022, following the instructions below, and to refrain from attending this year's Annual Meeting of Shareholders in person if possible.

If there is any major change to the operation of the Annual Meeting of Shareholders, depending on the situation in the future, we will give notification thereof on the Company's website below.

- Company's website (<https://www.piolax.co.jp/en/>)

Sincerely yours,

Notice regarding our countermeasures against COVID-19

We sincerely ask all shareholders attending the Annual Meeting of Shareholders to consider their infection status regarding COVID-19 and their health condition on the day of the meeting, and to take preventive measures such as wearing a mask when coming to the venue. Please also understand that our officers and staff will wear masks and take measures that are necessary to prevent the spread of COVID-19 at the venue of the Annual Meeting of Shareholders (e.g. ask our shareholders to wear masks, take our shareholders' temperature, regulate admissions to ensure social distancing among our shareholders, ask our shareholders who have symptoms such as fever and cough not to attend the meeting, and shorten the hours of the meeting).

1. **Date:** 10:00 a.m., Friday, June 24, 2022
(Reception start: 9:00 a.m.)
2. **Venue:** Large Meeting Room, 7F West Tower, Yokohama Business Park
134 Godo-cho, Hodogaya-ku, Yokohama-shi, Kanagawa
3. **Purposes:**
 - Items to be reported:**
 1. The Business Report, the Consolidated Financial Statements and the Results of Consolidated Financial Statement Audits by the Accounting Auditor and the Audit and Supervisory Committee for the 106th business period (April 1, 2021 to March 31, 2022)
 2. The Non-Consolidated Financial Statements for the 106th business period (April 1, 2021 to March 31, 2022)
 - Items to be resolved:**
 - Agenda No. 1:** Appropriation of Retained Earnings
 - Agenda No. 2:** Partial Amendment of the Articles of Incorporation
 - Agenda No. 3:** Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)
 - Agenda No. 4:** Election of Three (3) Directors who are Audit and Supervisory Committee Members
 - Agenda No. 5:** Election of One (1) Director who is a Substitute Audit and Supervisory Committee Member
4. **Information on exercise of voting rights, etc.** Please see Information on Exercise of Voting Rights, etc. listed on Page 4.

- When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue. Please also bring this notice to the meeting with you to help us preserve resources.
- The following matters that are required to be attached to the Notice of the Annual Meeting of Shareholders are reported on the Company's website (<https://www.piolax.co.jp/en/>) in accordance with the provisions of laws and regulations and Article 19 of the Articles of Incorporation of the Company, so they are not shown in this notice to the meeting.
 - Notes to Consolidated Financial Statements
 - Notes to Non-Consolidated Financial Statements
- Consolidated Financial Statements and Non-Consolidated Financial Statements, which have been audited by the Audit & Supervisory Committee and the Accounting Auditor when preparing the Audit Report and the Accounting Audit Report respectively, include matters that should be presented as these Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements in addition to matters presented in this notice to the meeting.
- If there are any revisions to the Reference Document for the Annual Meeting of Shareholders, the Business Report, and/or the Non-Consolidated and the Consolidated Financial Statements, the revised matters will be listed on the Company's website (<https://www.piolax.co.jp/en/>).

Information on exercise of voting rights, etc.

Voting rights at the Annual Meeting of Shareholders are valuable rights of our shareholders.

We kindly request you to read the following Reference Document for the Annual Meeting of Shareholders and exercise your voting rights.

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

If you exercise your voting rights in writing (by mail):

Please indicate “for” or “against” on each agenda item on the voting form enclosed herewith and return it by mail.

Voting deadline: must arrive by 5:30 p.m., Thursday, June 23, 2022

If you exercise your voting rights via the Internet, etc.:

Please enter “for” or “against” on each agenda according to the guidance on the following page.

Voting deadline: must complete entries by 5:30 p.m., Thursday, June 23, 2022

If you attend the Annual Meeting of Shareholders:

Please submit the voting form enclosed herewith to the receptionist at the venue.

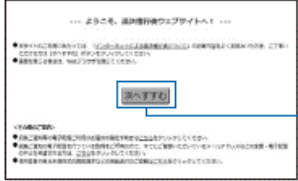
Date: 10:00 a.m., Friday, June 24, 2022 (Reception start: 9:00 a.m.)

Information on exercise of voting rights via the Internet, etc.

How to enter your voting rights exercise code and password

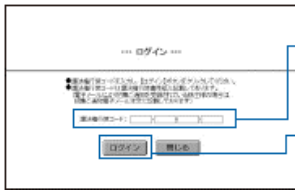
Voting right exercise website: <https://www.web54.net>

1. Please access the voting right exercise site.



Click “continue to the next.”

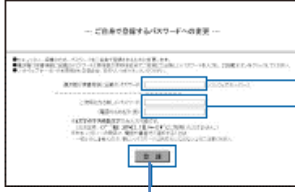
2. Please enter your voting rights exercise code listed on the voting form.



Enter your voting rights exercise code.

Click “Login.”

3. Please enter your password listed on the voting form.



Enter your initial password.

Set a new password that you will actually use.

Click “Register.”

4. Please enter “for” or “against” according to input guidance on the screen for the following.

*Operation screen images are for illustration purposes only.

If you have any inquiries about the operation of a personal computer, a smartphone or a cellular phone regarding the exercise of voting rights via the Internet, please contact the number on the right-hand side:	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Web Support 0120-652-031 (toll free, only in Japan) (Operating hours: 9:00 a.m. to 9:00 p.m.)
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Institutional investors can utilize the electronic voting platform operated by ICJ, Inc.

Reference Document for the Annual Meeting of Shareholders

Meeting Agenda and Referential Matters

Agenda No. 1: Appropriation of Retained Earnings

The Company follows the principle of paying a dividend to shareholders upon taking into account performance, financial condition, etc., because the Company regards appropriately returning profits to shareholders to be the most important management policy based on its fundamental philosophy of maintaining stable dividends. The year-end dividend and other appropriations of retained earnings for the 106th business period are stated below.

1. Year-end Dividend

(1) Type in which dividends are paid

Cash payment

(2) Allocation of dividends and total amount of dividends

The Company would like to disburse 22.5 yen per common share of the Company.

In this case, the total amount of dividends shall be 794,954,588 yen.

As a result, the dividends on an annual basis will be 45 yen per share including the interim dividends of 22.5 yen per share.

(3) Effective date on which dividends are disbursed from retained earnings

June 27, 2022

Agenda No. 2: Partial Amendment of the Articles of Incorporation

1. Reasons for the Proposal

- (1) Since the system to provide documents for general meetings for shareholders electronically will be introduced as the amendment provision as stipulated in Article 1, proviso, of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will come into force on September 1, 2022, the Company would like to amend its Articles of Incorporations as follows.
 - i) Since it will be mandatory to stipulate in the Articles of Incorporation that information of the reference documents for shareholder’s meetings and others be provided electronically, the Company proposes to newly establish Article 19 (Measures, etc. for Providing Information in Electronic Format), Paragraph 1, after amendment.
 - ii) In order for the Company to exclude all or some of those items as 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, among items for which the measures for providing information of the reference documents for shareholder’s meetings and others in electronic format will be taken, the Company proposes to newly establish Article 19 (Measures, etc. for Providing Information in Electronic Format), Paragraph 2, after amendment.
 - iii) Since Article 19 (Internet Disclosure and Deemed Provision of Reference Documents for Shareholder’s Meetings, Etc.) of the current Articles of Incorporation will become unnecessary once the system to provide materials for general meetings of shareholders electronically is introduced, the Company proposes to delete it.
 - iv) The Company proposes to add supplementary provisions regarding the effect of the provisions to be newly established and deleted as above. The supplementary provisions shall be deleted after the pre-designated date.
- (2) With the aim to further enhance the effectiveness of the Board of Directors by appointing its Chairman flexibly, the Company proposes to amend Article 26 (Person Authorized to Convene a Board of Directors’ Meeting and Its Chairman), Paragraphs 1 and 2 of the current Articles of Incorporation to clarify that the Board of Directors may resolve to select a person who is authorized to convene a Board of Directors’ meeting and acts as its Chairman.

2. Details of Amendment

The details of amendment are as follows.

(The underlined portions represent where changes are made.)

Current Articles of Incorporation	After amendment
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for Shareholder’s Meetings, Etc.)</u> <u>Article 19</u> <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 a shareholder’s meeting, business report, non-consolidated financial statements and consolidated financial statements via the Internet in accordance with laws and regulations, it may be deemed that the Company has provided this information to shareholders.</u></p>	<p>(To be deleted)</p>

Current Articles of Incorporation	After amendment
<p>(To be newly established)</p> <p>(Person Authorized to Convene a Board of Directors' Meeting and Its Chairman)</p> <p>Article 26 <u>The Chairman of the Board of Directors shall convene and chair Board of Directors' meetings, except where provided otherwise in laws and regulations.</u></p> <p><u>2 In the event of an accident to the Chairman of the Board of Directors, other Directors in the order pre-designated by the Board of Directors shall perform the role.</u></p>	<p><u>(Measures for Providing Information for Shareholder's Meetings, etc. In Electronic Format)</u></p> <p><u>Article 19 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 shareholder's meeting, etc., in electronic format.</u></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>(Person Authorized to Convene a Board of Directors' Meeting and its Chairman)</p> <p>Article 26 <u>A Director pre-designated by the Board of Directors shall convene and chair a Board of Directors' meeting, except where provided otherwise in laws and regulations. However, in the event of a vacancy arising in or an accident occurring to the relevant Director, other Directors in the order pre-designated by the Board of Directors shall perform the role to convene and chair a Board of Directors' meeting.</u></p> <p>(To be deleted)</p>

Current Articles of Incorporation	After amendment
<p>(Supplementary Provisions) (Transitional Measures Concerning Limitation of Liability of Audit and Supervisory Committee Members) Article 1 (Text omitted)</p> <p>(To be newly established)</p>	<p>(Supplementary Provisions) (Transitional Measures Concerning Limitation of Liability of Audit and Supervisory Committee Members) Article 1 (As per the current) (Transitional Measures for Providing Information for Shareholder’s Meetings, etc. in Electronic Format)</p> <p><u>Article 2</u> The deletion of the provision of <u>Article 19 (Internet Disclosure and Deemed Provision of Reference Documents for Shareholder’s Meetings, Etc.) in the pre-amended Articles of Incorporation and the new establishment of provisions of Article 19 (Measures, etc. for Providing Information in Electronic Format) in the Articles of Incorporation, after amendment, shall be effective from September 1, 2022.</u></p> <p><u>2. Notwithstanding the provision of the preceding paragraph, Article 19 (Internet Disclosure and Deemed Provision of Reference Documents for Shareholder’s Meetings, Etc.) of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six (6) months from September 1, 2022.</u></p> <p><u>3. The provisions under this Article shall be deleted on the date when six (6) months have elapsed from September 1, 2022, or three (3) months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Agenda No. 3: Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The term of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same applies in this agenda) will expire upon conclusion of this Annual Meeting of Shareholders. Accordingly, the Company hereby proposes the election of seven (7) Directors.

With respect to the agenda item, the Audit and Supervisory Committee of the Company deems all candidates to be appropriate as Directors of the Company.

The candidates for Directors are as follows.


Candidate No.	Name	Current position and responsibility, etc.	Attributes
1	Yukihiko Shimazu	President and Representative Director President Executive Officer Chairman of the Board of Directors CEO, Piolax (China) Co., Ltd.	Re-election
2	Michio Nagamine	Senior Managing Director Senior Managing Executive Officer Supervision of Planning and Administration Department, Information Technology Department, and affiliated companies	Re-election
3	Toru Suzuki	Director Senior Executive Officer Supervision of Sales Department and Purchasing Department	Re-election
4	Shigeru Masuda	Director Senior Executive Officer Supervision of Production and Logistics Department and Quality Assurance Department Executive Officer, Fasteners SBU	Re-election
5	Masaaki Kaji	Senior Executive Officer CEO, Piolax (China) Co., Ltd. President, Dongguan Piolax Co., Ltd. President, Wuhan Piolax Co., Ltd.	New election
6	Hiroyuki Ochiai	Executive Director, Aichi Employers' Association Board Member, The Chubu Association of Corporate Executives	New election External Independent
7	Makiko Akabane	Japan Representative, CSR Asia	New election External Independent


Re-election The candidates for Directors to be re-elected


New election The candidates for Directors to be newly elected


External The candidate for External Director


Independent Independent Director in conformity with the regulation of the Stock Exchange


Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
1	 <p data-bbox="264 707 467 801">Yukihiko Shimazu (September 10, 1957)</p> <p data-bbox="301 808 430 837">Re-election</p>	<p data-bbox="504 349 1038 439">March 1981 Joined Piolax, Inc. July 1999 General Manager, Overseas Sales Department, Piolax, Inc.</p> <p data-bbox="504 450 991 510">August 2001 President, Piolax Corporation June 2005 Director, Piolax, Inc.</p> <p data-bbox="504 521 1038 645">June 2006 Director Executive Officer, Sales SBU General Manager, Overseas Sales Department, Piolax, Inc.</p> <p data-bbox="504 656 983 716">April 2010 President and Representative Director, Piolax, Inc.</p> <p data-bbox="504 728 1038 808">June 2016 President and Representative Director, President Executive Officer, Piolax, Inc. (incumbent)</p> <p data-bbox="504 819 887 954">(Responsibility) Chairman of the Board of Directors (Significant concurrent positions) CEO, Piolax (China) Co., Ltd.</p>	<p data-bbox="1110 461 1182 490">57,304</p> <p data-bbox="1086 524 1206 864">(Of the above shares, the number of those to be issued under the share-based compensation system) 10,204</p>	<p data-bbox="1262 640 1326 674">19/19</p>	
<p data-bbox="248 987 839 1016">Reason for the election of Director and Expected Role</p> <p data-bbox="248 1021 1487 1200">Mr. Yukihiko Shimazu has served as President and Representative Director of the Company since April 2010 up to the present and has expressed an excellent leadership for our domestic and overseas Company group under the slogan, "ONE PIOLAX," toward growth. He had undertaken the role of President of the U.S. subsidiary of the Company from August 2001 to May 2006, and currently has the concurrent position of CEO (Chairman) of Chinese-based general subsidiary of the Company, thus having made contributions to transforming the Company as a global entity.</p> <p data-bbox="248 1205 1487 1323">The Company expects that Mr. Shimazu will continue to make use of his abundant experience, considerable insight and extensive networks gained over the years to contribute to decision-making of the Board of Directors, and bring benefits for business development on a global scale, as well as improvement in the corporate value of the Company. Accordingly, the Company proposes that he be a candidate for Director.</p>					


Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
2	 <p>Michio Nagamine (March 15, 1957) Re-election</p>	<p>April 1979 Joined Japan Development Bank (current Development Bank of Japan Inc.)</p> <p>June 2003 General Manager, Information Resources Department, Development Bank of Japan Inc.</p> <p>June 2007 Advisor, Piolax, Inc.</p> <p>July 2007 Advisor General Manager, ERP Promotion Department, Piolax, Inc.</p> <p>April 2008 Advisor General Manager, Purchasing Department, Piolax, Inc.</p> <p>June 2008 Director General Manager, Purchasing Department, Piolax, Inc.</p> <p>June 2012 Director General Manager, HR Office, Piolax, Inc.</p> <p>April 2013 Managing Director General Manager, HR Office, Piolax, Inc.</p> <p>April 2015 Managing Director, Piolax, Inc.</p> <p>June 2016 Managing Director, Managing Executive Officer, Piolax, Inc.</p> <p>June 2019 Senior Managing Director, Senior Managing Executive Officer, Piolax, Inc. (incumbent)</p> <p>(Responsibility) Supervision of Planning and Administration Department, Information Technology Department, and affiliated companies</p>	<p>6,975</p> <p>(Of the above shares, the number of those to be issued under the share-based compensation system)</p> <p>6,975</p>	<p>19/19</p>	
<p>Reason for the election of Director and Expected Role</p> <p>Mr. Michio Nagamine served as Managing Director of the Company from April 2013 through June 2019 and contributed to the growth of the Company by undertaking roles as General Manager responsible for Planning and Administration, Purchasing, and Information Technology Departments, as well as operations of the affiliates of the Company”, and has expressed an excellent leadership for the Company group as Senior Managing Director since June 2019. He has gained considerable knowledge and insight in IT and finance fields through managerial jobs including the management of Development Bank of Japan Inc. prior to joining the Company in June 2007.</p> <p>The Company expects that Mr. Shimazu will continue to make use of his abundant experience, considerable insight and extensive networks gained over the years to contribute to decision-making of the Board of Directors, and bring benefits for business development on a global scale, as well as improvement in the corporate value of the Company. Accordingly, the Company proposes that he be a candidate for Director.</p>					

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
3	 Toru Suzuki (March 1, 1962) <u>Re-election</u>	March 1985 Joined Piolax, Inc. December President, P.S.T. Inc. 2001 April 2005 Manager, Moka Plant, Piolax, Inc. June 2008 Manager, Moka Plant, Piolax, Inc. President, P.M.T. Inc. June 2010 Executive Officer Manager, Fuji Plant, Piolax, Inc. President, P.M.T. Inc. June 2011 Managing Executive Officer Director Manager, Fuji Plant, Piolax, Inc. January Managing Executive Officer 2014 Director, Piolax, Inc. President, Dongguan Piolax Co., Ltd. President, Wuhan Piolax Co., Ltd. June 2016 Senior Executive Officer, Piolax, Inc. President, Dongguan Piolax Co., Ltd. President, Wuhan Piolax Co., Ltd. January Senior Executive Officer, Piolax, Inc. 2019 President, Dongguan Piolax Co., Ltd. President, Wuhan Piolax Co., Ltd. President, Shanghai Piolax Co., Ltd. June 2019 Director Senior Executive Officer Executive Officer, Sales SBU, Piolax, Inc. June 2021 Director Senior Executive Officer, Piolax, Inc. (incumbent) (Responsibility) Supervision of Sales Department and Purchasing Department Executive Officer, Sales SBU	13,331 (Of the above shares, the number of those to be issued under the share-based compensation system) 2,231	19/19	
<p>Reason for the election of Director and Expected Role</p> <p>Mr. Toru Suzuki became Executive Officer of the Company in June 2010, and Director and the head of production, logistics and quality assurance in June 2011. In January 2014, he assumed the position of president of the subsidiary in China and then became Senior Executive Officer of the Company in conjunction with the Company's transition to a company with an audit and supervisory committee in June 2016. In January 2019, he assumed the office of president of the Chinese-based general subsidiary and had extensive knowledge of China as the world's largest automobile market. Since June 2019, he has served as Director of the Company and contributed to the growth of the Company by undertaking roles as Supervision responsible for Sales and Purchasing Departments. From December 2001 to March 2005, he served as president of P.S.T. Inc., a subsidiary specializing in presswork, and from June 2008 to May 2011, he assumed the position of president of P.M.T. Inc., a subsidiary specializing in metal-mold production. Through various positions including the above, he has been working on improving the corporate characteristics of the subsidiaries of the Company.</p> <p>The Company expects that Mr. Shimazu will continue to make use of his abundant experience, considerable insight and extensive networks gained over the years to contribute to decision-making of the Board of Directors, and bring benefits for business development on a global scale, as well as improvement in the corporate value of the Company. Accordingly, the Company proposes that he be a candidate for Director.</p>					

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
4	 <p>Shigeru Masuda (August 12, 1963) <u>Re-election</u></p>	<p>March 1987 Joined Piolax, Inc. April 2004 General Manager, Production Engineering Department, Piolax, Inc. April 2006 Group Leader, Production Group, Fuel Parts SBU, Piolax, Inc. June 2010 Group Leader, Production Group, Fasteners SBU June 2011 Executive Officer Executive Officer, Open/Close Mechanism Parts SBU, Piolax, Inc. January 2014 Executive Officer Executive Officer, Open/Close Mechanism Parts SBU General Manager, Production Engineering Department, Piolax, Inc. June 2016 Senior Executive Officer Executive Officer, Open/Close Mechanism Parts SBU General Manager, Production Engineering Department, Piolax, Inc. June 2018 Senior Executive Officer Executive Officer, Fasteners SBU General Manager, Production Engineering Department, Piolax, Inc. August 2020 Director Senior Executive Officer Executive Officer, Fasteners SBU, Piolax, Inc. (incumbent)</p> <p>(Responsibility) Supervision of Production and Logistics Department Supervision of Quality Assurance Department Executive officer, Fasteners SBU</p>	<p>21,350 (Of the above shares, the number of those to be issued under the share-based compensation system) 850</p>	<p>19/19</p>	
<p>Reason for the election of Director and Expected Role Mr. Shigeru Masuda served as Executive Officer in charge of Open/Close Mechanism Parts SBU from June 2011, has held the positions of Senior Executive Officer and Fasteners SBU Executive Officer, as well as General Manager of the Production Engineering Department, since June 2018, and has been a Director of the Company since August 2020, thereby contributing to the development of the Company group as Fasteners SBU Executive Officer and the person in charge of the production and distribution department and the quality assurance department. The Company expects that Mr. Shimazu will continue to make use of his abundant experience, considerable insight and extensive networks gained over the years to contribute to decision-making of the Board of Directors, and bring benefits for business development on a global scale, as well as improvement in the corporate value of the Company. Accordingly, the Company proposes that he be a candidate for Director.</p>					

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
5	 <p>Masaaki Kaji (March 1, 1963) New election</p>	<p>April 1985 Joined Japan Development Bank (current Development Bank of Japan Inc.)</p> <p>April 2005 Chief Representative, New York Office, Development Bank of Japan Inc.</p> <p>June 2010 General Manager, Information Resources Department, Development Bank of Japan Inc.</p> <p>April 2014 Joined Piolax Inc.</p> <p>June 2014 Advisor General Manager, ERP Promotion Department, Piolax Inc.</p> <p>June 2016 Executive Officer General Manager, Human Resources Department General Manager, Global IT Department, Piolax, Inc.</p> <p>June 2019 Senior Executive Officer, Piolax, Inc. President, Shanghai Piolax Co., Ltd. President, Dongguan Piolax Co., Ltd. President, Wuhan Piolax Co., Ltd.</p> <p>December 2020 Senior Executive Officer, Piolax, Inc. CEO, Piolax (China) Co., Ltd. President, Dongguan Piolax Co., Ltd. President, Wuhan Piolax Co., Ltd. (incumbent)</p> <p>(Significant concurrent positions) CEO, Piolax (China) Co., Ltd. President, Dongguan Piolax Co., Ltd. President, Wuhan Piolax Co., Ltd.</p>	-		
<p>Reason for the election of Director and Expected Role</p> <p>Mr. Masaaki Kaji took office as Executive Officer of the Company in June 2016 to assume the responsibility for the Human Resources and IT divisions. In June 2019 he took office as Senior Executive Officer to lead sales promotional activities as a person in charge of China, which is the largest automobile market. Prior to joining the Company, he worked in corporate credit and other divisions at Development Bank of Japan Inc., and also served as a management executive after having worked in the U.S., to be thoroughly familiar with corporate management, IT, and finance matters.</p> <p>The Company expects that Mr. Kaji would make use of his abundant experience in Japan and abroad, considerable insight and extensive networks gained over the years to contribute to decision-making of the Board of Directors, and bring benefits for business development on a global scale, as well as improvement in the corporate value of the Company. Accordingly, the Company proposes that he be a candidate for Director.</p>					

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
6	 <p>Hiroyuki Ochiai (October 24, 1956)</p> <p><input type="checkbox"/> New election <input type="checkbox"/> External <input type="checkbox"/> Independent</p>	<p>April 1979 Joined Toyota Motor Co., Ltd</p> <p>June 2008 Managing Officer, Toyota Motor Corporation</p> <p>July 2008 Executive Vice President, Toyota Motor Europe S.A./N.V.</p> <p>April 2012 General Manager, Kamigo Plant and Shimoyama Plant, Toyota Motor Corporation</p> <p>June 2013 Representative Director and President, FTS Co., Ltd.</p> <p>July 2013 Executive Director, Aichi Employers' Association (incumbent)</p> <p>March 2018 Board Member, The Chubu Association of Corporate Executives (incumbent)</p> <p>(Significant concurrent positions) Executive Director, Aichi Employers' Association Board Member, The Chubu Association of Corporate Executives</p>	-		
<p>Reason for the election of External Director and Expected Role</p> <p>After taking office as Managing Officer of Toyota Motor Corporation in June 2008, Mr. Hiroyuki Ochiai served as EVP at Toyota Motor Europe S.A./N.V. and General Manager of Kamigo Plant and Shimoyama Plant, and took office as President of FTS Co., Ltd. in June 2013.</p> <p>He assumed public offices such as Executive Director of Aichi Employers' Association and Board Member of the Chubu Association of Corporate Executives, in addition to having worked in Europe as a management executive, to gain extensive experience in and knowledge on corporate management beyond the automobile industry.</p> <p>The Company expects that Mr. Ochiai will make use of his abundant experience, considerable insight, and extensive networks gained over the years to contribute to decision-making at the Board of Directors and bring benefits for business development on a global scale, and improvement in the corporate value of the Company. He also satisfies the independence criteria as External Director of the Company. Accordingly, the Company proposes that he be a candidate for External Director.</p>					

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
7	 <p>Makiko Akabane (November 21, 1969)</p> <p><u>New election</u> <u>External</u> <u>Independent</u></p>	<p>April 1993 Joined the Mitsubishi Bank, Ltd.</p> <p>January 2001 Environment Project Team, Public Relations, Starbucks Coffee Japan, Limited</p> <p>August 2003 General Manager, Social Contribution Department, Salesforce.com, Co., Ltd.</p> <p>November 2006 General Manager, CSR Office, Nikko Asset Management Co., Ltd.</p> <p>April 2010 Japan Representative, CSR Asia <i>kabushiki-kaisha</i> (incumbent)</p> <p>(Significant concurrent positions) Japan Representative, CSR Asia <i>kabushiki-kaisha</i> (incumbent)</p>	-		
<p>Reason for the election of External Director and Expected Role</p> <p>Ms. Makiko Akabane served as the manager of the Environment Project Team, Public Relations, of Starbucks Coffee Japan, Limited since January 2001, General Manager of Social Contribution Department, Salesforce.com, Co., Ltd. since 2003, and General Manager of CSR Office, Nikko Asset Management Co., Ltd. since November 2006, and has been acting as Japan Representative, CSR Asia <i>kabushiki-kaisha</i> (incumbent) since April 2010. She gives lectures at the Ministry of Environment, World Bank, universities and others as an expert on sustainability, and provides third-party opinions and guidance on CSR reports issued by companies to lead sustainability and CSR initiatives in the Japanese business circle.</p> <p>The Company expects that Ms. Akabane will make use of her abundant experience, considerable insight, and extensive networks gained over the years to contribute to decision-making at the Board of Directors and bring benefits for improvement in non-financial value for promoting ESG management at the Company. She also satisfies the independence criteria as External Director of the Company. Accordingly, the Company proposes that she be a candidate for External Director.</p>					

Notes:


1. There are no special conflicts of interests between the candidates and the Company.
2. Mr. Hiroyuki Ochiai and Ms. Makiko Akabane are the candidates for External Directors.
3. Provided that the election of Mr. Hiroyuki Ochiai and Ms. Makiko Akabane is approved, the Company plans to enter into a contract with them to limit the liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act in accordance with the provision of Article 427, Paragraph 1 thereof. The limited amount of liability under such contracts is the amount stipulated in laws and regulations.
4. The Company has entered into directors and officers liability insurance with an insurance company based on the provisions of Article 430-3, paragraph 1 of the Companies Act to cover damage that the insured, including Directors of the Company and eligible subsidiaries, may be liable for. (However, excluding cases that were caused by intention and grave negligence.) The Company is responsible for paying the premium in full, and the insured are effectively not subject to payment. Provided that each candidate is elected and takes office, they will become insured. The Company plans to renew the insurance with the same terms and conditions before it expires.
5. Mr. Hiroyuki Ochiai and Ms. Makiko Akabane satisfy the requirements for Independent Directors as per the regulations of the Tokyo Stock Exchange, Inc. The Company plans to designate them as Independent Directors provided that they are elected as Directors.

Agenda No. 4: Election of Three (3) Directors who are Audit and Supervisory Committee Members


The term of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire upon conclusion of this Annual Meeting of Shareholders. Accordingly, the Company hereby proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.


With respect to this agenda item, consent by the Audit and Supervisory Committee has been obtained.

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

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
1	 Genichi Ishikawa (April 18, 1963) <u>New election</u>	April 1987 Joined the Industrial Bank of Japan, Limited (current Mizuho Bank, Ltd.) November 2008 Deputy General Manager, Overseas Sales Promotion Department, Mizuho Corporate Bank, Ltd. April 2010 Office Director, Industrial Research Department, Mizuho Corporate Bank, Ltd. April 2012 General Manager, Kansai Financial Institutions Department, Mizuho Corporate Bank, Ltd. May 2014 Joined Piolax, Inc. December 2014 Executive Officer, Piolax, Inc. President, Piolax Corporation June 2018 Managing Director, Piolax Medical Devices, Inc. June 2019 Executive Officer General Manager, Human Resources Department General Manager, Global Business Administration Department, Piolax, Inc. (incumbent) June 2022 External Audit & Supervisory Board Member, Saga Tekkohsho Co., Ltd. (incumbent) (Responsibility) General Manager, Human Resources Department General Manager, Global Business Administration Department (Significant concurrent positions) External Audit & Supervisory Board Member, Saga Tekkohsho Co., Ltd.	400		
Reason for the election of Director and Expected Role Mr. Genichi Ishikawa took office as Executive Officer of the Company in December 2014, and served as President of a subsidiary in the U.S., an important base. He further served as Managing Director of a subsidiary in the medical devices business since June 2018 and has been acting as Executive Officer, General Manager of the Human Resources Department, and General Manager of the Global Business Administration Department since June 2019. Prior to joining the Company, he worked in the corporate credit division and others at Mizuho Corporate Bank, Ltd.					

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
		<p>He also served as a management executive, after having worked in the U.S., to be thoroughly familiar with corporate management, international affairs, and finance matters.</p> <p>The Company expects that Mr. Ishikawa would make use of his abundant experience and considerable insight to conduct audits of and provide oversight on the business execution of the Company from an objective standpoint. Accordingly, the Company proposes that he be a candidate for Director who is an Audit and Supervisory Committee Member.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
2	 <p>Kenichi Asano (December 11, 1967)</p> <p>Re-election External Independent</p>	<p>April 1996 Registered as attorney at law at the Dai-ichi Tokyo Bar Association Joined Ueno and Takayama Law Office</p> <p>February 2001 External Auditor, Naigai TEC Corporation (incumbent)</p> <p>June 2004 External Auditor, Shibaura Electronics Co., Ltd.</p> <p>October 2004 Representative, Ueno and Asano Law Office (incumbent)</p> <p>November 2004 Director, Credit Guarantee Servicer Inc. (incumbent)</p> <p>June 2011 External Auditor, Piolax, Inc.</p> <p>June 2016 External Director (Audit and Supervisory Committee Member), Piolax, Inc. (incumbent)</p> <p>(Significant concurrent positions) Representative, Ueno and Asano Law Office External Auditor, Naigai TEC Corporation Director, Credit Guarantee Servicer Inc.</p>	-	19/19	12/12
<p>Reason for the election of External Director and Expected Role</p> <p>Mr. Kenichi Asano served as External Auditor of the Company for the period of June 2011 to June 2016, and has been serving as External Director who is an Audit and Supervisory Committee Member since June 2016 when the Company was reorganized as a company with audit and supervisory committee, to conduct audits of the business execution of the Company, etc., and provide appropriate advice and suggestions on the occasions of important management decisions.</p> <p>The Company expects that Mr. Asano will continue to make use of his considerable insight and abundant experience gained over the years in areas related to law as an attorney to conduct audits of and provide oversight on the business execution of the Company from an objective standpoint. Accordingly, the Company proposes that he be a candidate for External Director who is an Audit and Supervisory Committee Member.</p>					

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
3	 Sakae Komiyama (November 21, 1969) Re-election External Independent	October 1988 Joined Eiwa Audit Corporation (current KPMG AZSA LLC) October 1992 Joined Tomy Co., Ltd. (current Tomy Company, Ltd.) March 2000 Joined Ota Showa Audit Corporation (current Ernst & Young ShinNihon LLC) April 2014 Joined Imanishi Tax and Accounting Corporation (incumbent) July 2015 Auditor, Government Pension Investment Fund October 2017 Governor and Auditor, Government Pension Investment Fund (incumbent) August 2020 External Director (Audit and Supervisory Committee Member), Piolax, Inc. (incumbent) (Significant concurrent positions) Imanishi Tax and Accounting Corporation Governor and Auditor, Government Pension Investment Fund	1	19/19	12/12
<p>Reason for the election of External Director and Expected Role</p> <p>Ms. Sakae Komiyama has been serving as External Director who is an Audit and Supervisory Committee Member since August 2020, to conduct audits of the business execution of the Company and provide appropriate advice and suggestions on the occasions of important management decisions.</p> <p>Ms. Komiyama has never been directly involved in corporate management. However, the Company expects that Ms. Komiyama will continue to make use of her considerable insight and abundant experience gained over the years in areas related to accounting and tax as a certified public accountant to conduct audits of and provide oversight on the business execution of the Company from an objective standpoint. Accordingly, the Company proposes that she be a candidate for External Director who is an Audit and Supervisory Committee Member.</p>					

Notes:


- There are no special conflicts of interests between the candidates and the Company.
- Mr. Kenichi Asano and Ms. Sakae Komiyama are candidates for External Directors.
- Mr. Kenichi Asano and Ms. Sakae Komiyama currently serve as External Directors who are Audit and Supervisory Committee Members of the Company, and they will have held office for six (6) years and one (1) year and 10 months, respectively, at the closing time of this Annual Meeting of Shareholders. Mr. Kenichi Asano also served as officer (Auditor) who does not have executive duty in the past.
- The Company has entered into contracts with Mr. Kenichi Asano and Ms. Sakae Komiyama to limit the liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act in accordance with the provision of Article 427, Paragraph 1 thereof. The limited amount of liability under such contracts is the amount stipulated in laws and regulations. Provided that the candidates are approved at the re-election of Directors, the Company plans to continue such contracts.
- The Company has entered into directors and officers liability insurance with an insurance company based on the provisions of Article 430-3, paragraph 1 of the Companies Act to cover damage that the insured, including Directors of the Company and eligible subsidiaries, may be liable for. (However, excluding cases that were caused by intention and grave negligence.) The Company is responsible for paying the premium in full, and the insured are effectively not subject to payment. Provided that each candidate is elected and takes office, they will become insured. The Company plans to renew the insurance with the same terms and conditions before it expires.
- The Company designated Mr. Kenichi Asano and Ms. Sakae Komiyama as Independent Directors in conformity with the regulation of the Tokyo Stock Exchange, Inc. Provided that they are approved at the re-election of Directors, they will continue to be Independent Directors.

Agenda No. 5: Election of One (1) Director who is a Substitute Audit and Supervisory Committee Member

In order to prepare for a vacancy arising in the legally required number of Directors who are Audit and Supervisory Committee Members, the Company proposes the election of one (1) substitute Audit and Supervisory Committee Member.

With respect to this agenda item, consent by the Audit and Supervisory Committee has been obtained.

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

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
1	 Tetsu Hirowatari (November 28, 1958) External	April 1992 Registered as attorney at law at the Dai-ichi Tokyo Bar Association Joined the Takashi Ueno Law Office April 1999 Representative, the Hirowatari Law Office (incumbent) June 2006 External Auditor, Kuribayashi Steamship Co., Ltd. (incumbent) (Significant concurrent positions) Representative, the Hirowatari Law Office External Auditor, Kuribayashi Steamship Co., Ltd.	-		
<p>Reason for the election of External Director and Expected Role</p> <p>After having joined the Takashi Ueno Law Office at the same time as being registered as attorney at law at the Dai-ichi Tokyo Bar Association in April 1992, Mr. Tetsu Hirowatari opened the Hirowatari Law Office in April 1999. In addition, he has been serving as External Auditor of Kuribayashi Steamship Co., Ltd. since June 2006, gaining extensive experience and expertise in corporate management.</p> <p>The Company expects that Mr. Hirowatari will make use of his considerable insight and abundant experience gained over the years in areas related to law as an attorney to conduct audits of and provide oversight on the business execution of the Company from an objective standpoint. Accordingly, at this timing of the re-election of Directors who are Audit and Supervisory Committee Members, the Company proposes that he be a candidate for External Director who is a substitute Audit and Supervisory Committee Member.</p>					

Notes:

1. There are no special conflicts of interests between the candidates and the Company.
2. Mr. Tetsu Hirowatari is a candidate for substitute External Director.
3. When Mr. Tetsu Hirowatari assumes office as External Director who is an Audit and Supervisory Committee Member, the Company plans to enter into a contract with him to limit the liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act in accordance with the provision of Article 427, Paragraph 1 thereof. The limited amount of liability under such contract is the amount stipulated in laws and regulations.
4. Mr. Tetsu Hirowatari satisfies the requirements for Independent Director as per the regulations of the Tokyo Stock Exchange, Inc. The Company plans to designate him as Independent Director and submit a notification to the said exchange when he assumes office as Director who is an Audit and Supervisory Committee Member.
5. The Company has entered into directors and officers liability insurance with an insurance company based on the provisions of Article 430-3, paragraph 1 of the Companies Act to cover damage that the insured, including Directors of the Company and eligible subsidiaries, may be liable for. (However, excluding cases that were caused by intention and grave negligence.) The Company is responsible for paying the premium in full, and the insured are effectively not subject to payment. Provided that each candidate is elected and takes office, they will become insured. The Company plans to renew the insurance with the same terms and conditions before it expires.

[Reference]

Basic policy for election of candidates for Director

The Company, following the slogan of “Pioneer in Creating Elasticity”, aspires to be a development/creation-oriented enterprise that makes great use of the “elasticity” of raw materials as the core technology in the automotive, medical, life-related, and other industries. Having already expanded into the global market centering on the U.S. and Asia, the Company sets an eye on the new movements of the automotive industry represented by “CASE,” and is determined to aggressively deepen and expand its business domain and aims at the sustainable growth and the medium to long-term enhancement of corporate value through incorporating “ESG” into its corporate management. Based on this basic policy, the Company has set forth the election criteria for candidates for Director.

Procedure for election of candidates for Director

In appointing candidates for Director, the Nomination and Remuneration Advisory Committee will make a proposal to the Board of Directors, and the Board of Directors will deliberate, decide on the proposal of the Nomination and Remuneration Advisory Committee, and submit an agenda item for election of Directors to a general meeting of shareholders.

Independence criteria for External Director

The Company has formulated the “independence criteria for External Director” and will select Independent Directors who do not fall under any of the following items to lack independence.

- (1) Any person who currently belongs or at any point in the past has belonged to the Company, subsidiaries, and affiliates as one who executes business
- (2) Any person who currently belongs to an organization, such as a corporation of which the Company is a main shareholder, as one who executes business
- (3) Any person who currently belongs to an organization, such as a corporation of which the Company is a main shareholder or one that is a main shareholder of the Company, as one who executes business
- (4) Any person who currently is a main business partner of the Company or to whom the Company is a main business partner (in the case of an organization, such as corporations, any person who currently belongs to that organization and executes business.)
- (5) Any person who currently is a main lender or an important creditor to the Company (in the case of an organization, such as corporations, any person who currently belongs to that organization and executes business.)
- (6) Any person who currently is the accounting auditor of the Company or a certified public accountant who is the accounting advisor to the Company or currently belongs to the accounting firm of the Company
- (7) Any person who currently receives a large amount of compensation through providing legal, financial, tax and other professional services or consulting to the Company (in the case of an organization, such as corporations, any person who currently belongs to that organization)
- (8) Any person who currently receives a large amount of donations from the Company (in the case of an organization, such as corporations, any person who currently belongs to that organization)
- (9) Any person who has been External Director whose number of years in office exceeds the period stipulated by the Company
- (10) Any person who falls under any of (2) to (8) above in the past five years.
- (11) Any person who has a special reason that may be judged as likely to cause a conflict of interest with general shareholders, notwithstanding the provisions of the preceding paragraphs.

Notes:

- 1: Main shareholder: A shareholder who has 10% or more of the total voting rights
- 2: Main business partner: A business partner whose transactions with the Company total a monetary amount exceeding 2% or more of the consolidated net sales of the Company
- 3: Main lender (other large creditor): A lender whose lending exceeds 2% or more of the total consolidated assets of the Company (Large creditor)
- 4: Large amount of compensation: A monetary amount exceeding an annual 10 million yen in average in the past three fiscal years.
- 5: Large amount of donations: A monetary amount exceeding an annual 10 million yen in the past fiscal year
- 6: Number of years in office: The tenure for External Director who is not an Audit and Supervisory Committee Member and who is an Audit and Supervisory Committee Member is six years and 12 years, respectively.

[Reference] The structure of the Board of Directors after Agenda No. 3 and Agenda No. 4 have been approved
When Agenda No. 3 and Agenda No. 4 are approved as they are proposed, the structure of the Board of Directors at the close of the Annual General Meeting of Shareholders will be as below:

	Name	Independence	Gender	Tenure as Director	Position at the Company (Planned)
Re-election	Yukihiko Shimazu		Male	17 years	President and Representative Director
Re-election	Michio Nagamine		Male	14 years	Senior Managing Director
Re-election	Toru Suzuki		Male	8 years	Director
Re-election	Shigeru Masuda		Male	1 year and 10 months	Director
New election	Masaaki Kaji		Male	-	Director
New election	Hiroyuki Ochiai	Independent Director	Male	-	External Director
New election	Makiko Akabane	Independent Director	Female	-	External Director
New election	Genichi Ishikawa		Male	-	Director Full-time Audit and Supervisory Committee Member
Re-election	Kenichi Asano	Independent Director	Male	6 years	External Director Audit and Supervisory Committee Member
Re-election	Sakae Komiyama	Independent Director	Female	1 year and 10 months	External Director Audit and Supervisory Committee Member

- *1. The tenure of each Director is described as the total number of years in office regardless of their titles.
2. Mr. Kenichi Asano has been an officer of the Company who does not execute business (an Auditor) in the past.

[Reference] Skill matrix of the Board of Directors after Agenda No. 3 and Agenda No. 4 have been approved
When Agenda No. 3 and Agenda No. 4 are approved as they are proposed, the skill matrix of the Board of Directors at the close of the Annual General Meeting of Shareholders will be as below:

Position at the Company (Planned)	Name	Corporate management	Sales/marketing	Technology/development	Manufacturing/quality	Finance/accounting	Legal/risk management	Global business	ESG/sustainability	DX/IT	Innovation/new business
President and Representative Director	Yukihiko Shimazu	●	●					●	●		●
Senior Managing Director	Michio Nagamine	●				●			●	●	
Director	Toru Suzuki	●	●		●			●			
Director	Shigeru Masuda			●	●					●	
Director	Masaaki Kaji	●				●		●		●	
External Director	Hiroyuki Ochiai	●			●			●	●		
External Director	Makiko Akabane	●							●		
Director	Genichi Ishikawa	●				●		●			
Full-time Audit and Supervisory Committee Member	Kenichi Asano						●				
External Director	Sakae Komiya					●					