

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 6369

June 6, 2022

To our shareholders:

Takashi Owada, President and Representative Director

TOYO KANETSU K.K.

11-1 Minamisuna 2-chome, Koto-ku, Tokyo

Notice of the 114th Annual General Meeting of Shareholders

The 114th Annual General Meeting of Shareholders of TOYO KANETSU K.K. (the “Company”) will be held as indicated below.

Due to the continuous effects of novel coronavirus disease (COVID-19), the Company requests shareholders not to attend the General Meeting of Shareholders in person this year unless absolutely necessary regardless of your health condition.

Instead, the Company requests you to exercise your voting rights in writing or by electronic methods (the Internet, etc.). Please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights.

Instructions for the Exercise of Voting Rights

Exercising voting rights by mail (in writing)

Please indicate your approval or disapproval of the proposals in the enclosed voting form and then return the form to the Company by postal mail so that your vote is received by 5:30 p.m. on Monday, June 27, 2022 (JST).

Exercising voting rights via the Internet, etc.

Please access the website specified by the Company for exercising your voting rights (<https://evote.tr.mufg.jp/>) and exercise your voting rights by 5:30 p.m. on Monday, June 27, 2022 (JST).

Exercising voting rights by attending the General Meeting of Shareholders

Please submit the enclosed voting form to the reception on the day of the meeting.

* The Company participates in the electronic voting platform.

1. Date and Time: Tuesday, June 28, 2022, 10:00 a.m. (JST) (Reception will open at 9:00 a.m.)

2. Venue: Large Hall, 3F, The Industry Club of Japan
4-6 Marunouchi 1-chome, Chiyoda-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 114th fiscal year (from April 1, 2021 to March 31, 2022), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 114th fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 3 | Election of Six Directors (Excluding Audit and Supervisory Committee Members) |
| Proposal No. 4 | Revision of Remuneration Amount for Directors (Excluding Audit and Supervisory Committee Members) |
| Proposal No. 5 | Partial Revision of Remuneration Details and Amounts Associated with the Continuation of a Performance-Linked Share-Based Remuneration Plan for Directors and Executive Officers |

- If you attend the meeting in person, please submit the enclosed voting form to the reception. In addition, please bring this notice with you for reference during the meeting.
- If there are any modifications to the Reference Documents for General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements, such modifications will be published on the Company's website.

The Company's website (<https://www.toyokanetsu.co.jp/>)

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company recognizes the return of profit to its shareholders as a key management priority, and has been maintaining a basic policy for the return of profit to shareholders to optimize the balance between financial soundness and the return of profit to its shareholders.

In accordance with the policy for the return of profit to shareholders, the Company proposes to pay year-end dividends for the 114th fiscal year as follows:

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 ¥145 per common share of the Company.
In this event, the total dividends will be ¥1,197,459,445.
- (3) Effective date of dividends of surplus
June 29, 2022

<Reference>

Policy for return of profit to shareholders (fiscal year ended March 31, 2022)

- Consolidated dividend payout ratio: set at 50% or more.
(However, the lower limit will be set at ¥100 per share annually.)
- Consolidated total return ratio: not set, but to be flexibly adjusted according to the performance.
- Effective period of the policy: For three fiscal years, from the fiscal year ended March 31, 2020, to the fiscal year ending March 31, 2022. A review will be made at the expiry of the period.

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) The Company proposes to amend Article 22 of the Articles of Incorporation of the Company (Convening a Board of Directors Meeting) in order to enable the selection of a convocation authority holder and chair for board of directors meetings from among members of the Board of Directors without limitation to the Representative Director for the purpose of separating the supervision function of the Board of Directors from execution and bolstering the function.
- (2) Since 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) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.
 - (i) Article 14, paragraph 1 in “Proposed amendment” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc., in electronic format.
 - (ii) Article 14, paragraph 2 in “Proposed amendment” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
 - (iii) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 14 of the current Articles of Incorporation) will no longer be required, they will be deleted.
 - (iv) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the amendments

The details of the amendments are as follows:

(Underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed amendment
Article 1 to Article 13. (Omitted) <u>(Internet disclosure and deemed provision of reference documents for general shareholders meeting)</u> <u>Article 14.</u> <u>The Company, by disclosing through the internet in conformity with legal acts and decrees the information to be stated or registered in the reference documents, operating reports, financial statements and consolidated financial statements, may deem these to have been provided for the shareholders in conjunction with the convening of the general shareholders meeting.</u> (Newly established)	Article 1 to Article 13. (Unchanged) (Deleted) (Measures, etc. for Providing Information in Electronic Format) <u>Article 14.</u> 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>

Current Articles of Incorporation	Proposed amendment
<p>Article 15 to Article 21. (Omitted)</p> <p>(Convening a Board of Directors Meeting)</p> <p>Article 22.</p> <ol style="list-style-type: none"> 1. The meeting of the Board of Directors shall be convened and chaired by the <u>Representative Director</u>. If the <u>Representative Director</u> is unable to act, such meeting shall be convened and chaired by another director in the order previously determined by the Board of Directors. 2. The notice for convening a meeting of the meeting of the Board of Directors shall be dispatched to each director no later than three (3) days prior to the date of the meeting, provided, however, that such period of notice may be shortened in case of urgent business. 3. The meeting of the Board of Directors may be held without the convening procedures with the consent of all the directors. <p>Article 23 to Article 41. (Omitted)</p> <p>Supplementary Provisions (Transitional Measures for Immunity for Statutory Auditors)</p> <ol style="list-style-type: none"> 1. The Company may relieve the statutory auditors (including former statutory auditors) of the liability for damage as provided for under Article 423 Paragraph 1 of the Corporate Law regarding acts undertaken before the close of the 107th ordinary general shareholders meeting to the extent specified by laws upon resolution of the Board of Directors. 2. Agreements limiting the liability as provided for under Article 423 Paragraph 1 of the Corporate Law regarding acts undertaken by the external statutory auditors (including the former external statutory auditors) before the close of the 107th ordinary general shareholders meeting shall be governed by the provisions of Article 34 of the Articles of Incorporation before their revision by resolution of the said ordinary general shareholders meeting. <p>(Newly established)</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 15 to Article 21. (Unchanged)</p> <p>(Convening a Board of Directors Meeting)</p> <p>Article 22.</p> <ol style="list-style-type: none"> 1. The meeting of the Board of Directors shall be convened and chaired <u>by a person selected from among directors by resolution of the Board of Directors</u>. If <u>a director selected</u> is unable to act, such meeting shall be convened and chaired by another director in the order previously determined by the Board of Directors. 2. The notice for convening a meeting of the meeting of the Board of Directors shall be dispatched to each director no later than three (3) days prior to the date of the meeting, provided, however, that such period of notice may be shortened in case of urgent business. 3. The meeting of the Board of Directors may be held without the convening procedures with the consent of all the directors. <p>Article 23 to Article 41. (Unchanged)</p> <p>Supplementary Provisions (Transitional Measures for Immunity for Statutory Auditors)</p> <p><u>Article 1.</u></p> <ol style="list-style-type: none"> 1. The Company may relieve the statutory auditors (including former statutory auditors) of the liability for damage as provided for under Article 423 Paragraph 1 of the Corporate Law regarding acts undertaken before the close of the 107th ordinary general shareholders meeting to the extent specified by laws upon resolution of the Board of Directors. 2. Agreements limiting the liability as provided for under Article 423 Paragraph 1 of the Corporate Law regarding acts undertaken by the external statutory auditors (including the former external statutory auditors) before the close of the 107th ordinary general shareholders meeting shall be governed by the provisions of Article 34 of the Articles of Incorporation before their revision by resolution of the said ordinary general shareholders meeting. <p><u>(Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p> <p><u>Article 2.</u></p>

Current Articles of Incorporation	Proposed amendment
	<p>2. <u>The deletion of Article 14 (Internet disclosure and deemed provision of reference documents for general shareholders meeting) in the pre-amended Articles of Incorporation and the establishment of the new Article 14 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from 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>2. <u>Notwithstanding the provision(s) of the preceding paragraph, Article 14 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>3. <u>This article 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>

Note: Some underlining does not coincide with the Japanese version because of translation adjustments.

Proposal No. 3 Election of Six Directors (Excluding Audit and Supervisory Committee Members)

The terms of office of all four Directors (excluding Audit and Supervisory Committee Members) will expire at the conclusion of this meeting. Therefore, the Company proposes to add two outside Directors this time and elect six Directors.

Furthermore, as members of the “Nomination and Compensation Committee” (the majority of which are outside Directors), which was established voluntarily, all members of the Audit and Supervisory Committee made deliberations according to the criteria and procedures stipulated in the Company’s “Corporate Governance Guidelines,” participated in processes to report and make decisions in the meeting of the Board of Directors, and reexamined the above in the Audit and Supervisory Committee. As a result, the Audit and Supervisory Committee has determined that the procedures for nominating candidates for Director who are not Audit and Supervisory Committee Members are appropriate and each candidate is eligible to be a Director of the Company.

The candidates for Director (excluding Audit and Supervisory Committee Members) are as follows:

Candidate No.	Name	Current position	Responsibility, etc.	Attribute
1	Toru Yanagawa	Chairman and Director	—	Reelection
2	Takashi Owada	President and Representative Director	—	Reelection
3	Keisuke Kodama	Director	Executive Vice President and Deputy President	Reelection
4	Akira Kakihara	—	Senior Executive Officer, Deputy President and Division Manager of Business Innovation Division	New election
5	Yukari Sakai	—	—	New election Outside Independent
6	Makiko Sato	—	—	New election Outside Independent

Reelection: Candidate for Director to be reelected

New election: Candidate for Director to be newly elected

Outside: Candidate for Outside Director to be elected

Independent: Independent officer as defined by the securities exchange

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
1	Toru Yanagawa (February 26, 1953) Reelection Tenure as Director (at the conclusion of this meeting) 17 years Attendance to the Board of Directors meetings 13/13	Apr. 1975 Joined the Company Apr. 1998 General Manager of Machinery & Plant Sales Department of Sales Division July 2000 Executive Officer and General Manager of Machinery & Plant Sales Department of Sales Division July 2003 Senior Executive Officer and Deputy Division Manager of Plant & Machinery Division June 2005 Director, Senior Executive Officer, and Deputy Division Manager of Plant & Machinery Division Apr. 2008 Director Apr. 2008 President & Representative Director of TOYO KANETSU SOLUTIONS K.K. (currently the Company) Apr. 2014 President and Representative Director of the Company Apr. 2022 Chairman and Director (current position) (Significant concurrent positions outside the Company) –	20,113 shares
Reasons for nomination as candidate for Director He has superior discernment and performance not only in his pursuits in the plant & machinery business that he has mainly engaged in since joining the Company, but also in the logistics solutions business. Moreover, given his excellent management skills, cultivated through his experience as President of the Company and as Chairman since taking office in April 2022, the Company proposes his reelection as Director.			
2	Takashi Owada (June 19, 1962) Reelection Tenure as Director (at the conclusion of this meeting) 3 years Attendance to the Board of Directors meetings 13/13	Apr. 1985 Joined the Company Oct. 2002 Transferred to TOYO KANETSU SOLUTIONS K.K. (currently the Company), and General Manager of System Sales No. 1 Department, Marketing Division July 2006 General Manager of SI Department, System Division Apr. 2008 Executive Officer and General Manager of System Division Apr. 2015 Senior Executive Officer Apr. 2018 Transferred to the Company, and Executive Officer Seconded to TOYO KANETSU SOLUTIONS K.K. (currently the Company), and Director and Senior Executive Officer Apr. 2019 Managing Officer and Division Manager of Logistics Solutions Division of the Company June 2019 Director, Managing Officer and Division Manager of Logistics Solutions Division Apr. 2021 Director, Executive Vice President and Division Manager of Logistics Solutions Division Apr. 2022 President and Representative Director (current position) (Significant concurrent positions outside the Company) –	1,987 shares
Reasons for nomination as candidate for Director He has superior discernment and performance in his pursuits in the logistics solutions business that he has mainly engaged in since joining the Company. Moreover, given his excellent management skills, cultivated through his experience as Division Manager of the Logistics Solutions Division and as President since taking office in April 2022, the Company proposes his reelection as Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
3	<p>Keisuke Kodama (December 26, 1958)</p> <p>Reelection</p> <p>Tenure as Director (at the conclusion of this meeting) 7 years</p> <p>Attendance to the Board of Directors meetings 13/13</p>	<p>Apr. 1982 Joined the Company</p> <p>July 2006 General Manager of Domestic Sales Department of Plant & Machinery Division</p> <p>Apr. 2009 General Manager of Corporate Management Department of Corporate Management Division</p> <p>Apr. 2010 Executive Officer and General Manager of Corporate Management Department of Corporate Management Division</p> <p>Apr. 2012 Seconded to TOYO KANETSU SOLUTIONS K.K. (currently the Company), and Executive Officer</p> <p>Apr. 2013 Transferred to TOYO KANETSU SOLUTIONS K.K., and Senior Executive Officer</p> <p>Apr. 2015 Transferred to the Company, Senior Executive Officer and Deputy Division Manager of Corporate Management Division</p> <p>June 2015 Director and Deputy Division Manager of Corporate Management Division</p> <p>Apr. 2016 Director and General Manager of Corporate Management Division</p> <p>Apr. 2018 Director and General Manager of Corporate Management Division</p> <p>Apr. 2019 Director, Senior Managing Officer and Division Manager of Corporate Division</p> <p>Apr. 2020 Director and Executive Vice President</p> <p>Apr. 2022 Director, Executive Vice President and Deputy President (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>–</p>	5,994 shares
<p>Reasons for nomination as candidate for Director</p> <p>He has superior discernment and performance not only in his pursuits in the plant & machinery business that he has mainly engaged in since joining the Company, but also in the Corporate Division and the logistics solutions business. Moreover, given his excellent management skills, cultivated through his experience as General Manager of the Domestic Sales Department of the plant & machinery business, Division Manager of Corporate Division, and as an officer, etc., in charge of our businesses, the Company proposes his reelection as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
4	<p style="text-align: center;">Akira Kakihara Sept. 27, 1958</p> <p style="text-align: center;">New election</p> <p style="text-align: center;">Tenure as Director (at the conclusion of this meeting) - year</p> <p style="text-align: center;">Attendance to the Board of Directors meetings -</p>	<p>Apr. 1983 Joined The Saitama Bank, Limited (currently Resona Bank, Limited)</p> <p>Apr. 2003 General Manager of Department No. 1 of Saitama Head Office Branch, Saitama Resona Bank, Limited</p> <p>July 2005 General Manager of Shiki Branch</p> <p>June 2007 General Manager of Muromachi Branch of Resona Bank, Limited</p> <p>Apr. 2013 General Manager of International Business Department</p> <p>Oct. 2015 Seconded to the Company</p> <p>Oct. 2016 Transferred to the Company, and Executive Officer and General Manager of Corporate Management Department of Corporate Management Division</p> <p>Mar. 2018 Director of Kankyo Research Institute Inc. (current position)</p> <p>Apr. 2018 Managing Officer and Deputy General Manager of Corporate Management Division of the Company</p> <p>Apr. 2020 Managing Officer, Division Manager of Life & Work Environmental Business Division and Deputy Division Manager of Corporate Division</p> <p>Apr. 2021 Senior Managing Officer, Division Manager of Life & Work Environmental Business Division and Deputy Division Manager of Corporate Division</p> <p>Apr. 2021 Director of Eco Analysis Corporation (current position)</p> <p>Apr. 2022 Senior Executive Officer, Deputy President and Division Manager of Business Innovation Division of the Company (current position)</p> <p>(Significant concurrent positions outside the Company) Director of Kankyo Research Institute Inc. Director of Eco Analysis Corporation</p>	0 shares
<p>Reasons for nomination as candidate for Director</p> <p>Given his rich experience working at financial institutions, and his excellent management skills, cultivated through his experience as Deputy Division Manager of Corporate Division and Division Manager at Business Innovation Division etc., that he has mainly engaged in since Joining the Company, the Company proposes his election as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
5	<p>Yukari Sakai (June 23, 1968)</p> <p>New election Outside Independent</p> <p>Tenure as Director (at the conclusion of this meeting) - years</p> <p>Attendance to the Board of Directors meetings -</p>	<p>Apr. 1991 Joined Nomura Securities Co.,Ltd.</p> <p>Jan. 2005 Director of Corporate Tune Co., Ltd.</p> <p>June 2005 Standing Outside Audit and Supervisory Board Member of UNITED ARROWS LTD.</p> <p>June 2008 Outside Auditor of REPROCELL Inc.</p> <p>Sept. 2013 Outside Auditor of Beauty Kadan Co., Ltd.</p> <p>June 2016 Outside Director (Standing Audit and Supervisory Committee Member) of UNITED ARROWS LTD. (current position)</p> <p>Oct. 2017 Outside Director (Audit and Supervisory Committee Member) of Tea Life Co., Ltd.</p> <p>Mar. 2019 External Director (Audit & Supervisory Board Member) of Uzabase, Inc.</p> <p>June 2021 Outside Director of PACIFIC METALS CO., LTD. (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Outside Director (Standing Audit and Supervisory Committee Member) of UNITED ARROWS LTD.</p> <p>Outside Director of PACIFIC METALS CO., LTD.</p>	0 shares
<p>Reasons for nomination as candidate for outside Director and summary of expected roles</p> <p>She has broad knowledge of corporate management overall, as well as finance and accounting, cultivated through her operations experience at a securities company and her career as an outside officer in a wide range of fields, and she is expected to provide suggestions on the Group's medium- to long-term growth strategies and improvement of corporate value. Moreover, having judged that she will contribute to enhanced supervisory potential across the overall management, the Company proposes her election as outside Director. If her appointment is approved, she will also be involved in the selection of candidates for the Board of Directors and in the process of determining the remuneration for officers and other matters from an objective and neutral viewpoint as a member of voluntary advisory committees.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
6	Makiko Sato (November 6, 1977) New election Outside Independent Tenure as Director (at the conclusion of this meeting) - years Attendance to the Board of Directors meetings -	<p>Apr. 2000 Joined CyberAgent, Inc.</p> <p>Oct. 2005 Seconded to WEDDING PARK CO., LTD.</p> <p>Oct. 2006 Seconded to CyberAgent Ventures, Inc. (currently CyberAgent Capital, Inc.)</p> <p>June 2016 Established iSGS Investment Works Inc., and Director and Representative Partner (current position)</p> <p>Dec. 2018 Outside Director of LiB, Inc. (current position)</p> <p>June 2021 Member of the Promotion Committee of Tokyo Data Platform Council (current position)</p> <p>May 2022 Member of the Committee for Evaluating the Conclusion of the "Exploration and Development of Global Entrepreneurship for NEXT generation" Project at Ministry of Education, Culture, Sports, Science and Technology (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Director and Representative Partner of iSGS Investment Works Inc.</p> <p>Outside Director of LiB, Inc.</p> <p>Member of the Promotion Committee of Tokyo Data Platform Council</p> <p>Member of the Committee for Evaluating the Conclusion of the "Exploration and Development of Global Entrepreneurship for NEXT generation" Project at Ministry of Education, Culture, Sports, Science and Technology</p>	0 shares
<p>Reasons for nomination as candidate for outside Director and summary of expected roles</p> <p>She has rich experience and knowledge regarding corporate management overall, cultivated through her investment activities at a venture capital company, etc. and her role as a corporate manager at such companies, and she is expected to provide suggestions on the Group's medium- to long-term growth strategies and improvement of corporate value. Moreover, having judged that she will contribute to enhanced supervisory potential across the overall management, the Company proposes her election as outside Director. If her appointment is approved, she will also be involved in the selection of candidates for the Board of Directors and in the process of determining the remuneration for officers and other matters from an objective and neutral viewpoint as a member of voluntary advisory committees.</p>			

- Notes:
1. There is no special interest between any of the candidates for Director and the Company.
 2. Yukari Sakai and Makiko Sato are candidates for outside Director.
 3. If the election of Yukari Sakai and Makiko Sato is approved, the Company plans to enter into agreements with them to limit their liability to the amount stipulated by laws and regulations.
 4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. This policy insures Directors (including those who are Audit and Supervisory Committee Members), Corporate Auditors, and Executive Officers of the Company and its subsidiaries. Insurance premiums are borne by the Company. The policy will cover losses, such as indemnification and court costs, incurred in cases where an insured receives a claim for damages arising from the performance of duties as an officer and assumes legal liability for the damages. If the candidates are appointed and assume the office as Director, they will be included as insureds in the policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.
 5. Yukari Sakai and Makiko Sato satisfy the requirements for an independent officer as provided by Tokyo Stock Exchange, Inc., and if their election is approved, the Company plans to submit notification for their appointment as independent officers.
 6. The name of Makiko Sato on the family register is Makiko Shigematsu.

				Main expected areas of expertise								
				Corporate management / Organization management	Legal, risk management	Finance, accounting	International experience	IT / Innovation, new business	ESG, SDGs	Industry experience / Sales	Production, engineering / R&D	
1	Toru Yanagawa (Male) (69)			•						•	•	
2	Takashi Owada (Male) (60)			•							•	•
3	Keisuke Kodama (Male) (63)			•			•				•	
4	Akira Kakihara (Male) (63)					•	•	•	•			
5	Yukari Sakai (Female) (54)		Independent Outside			•		•	•			
6	Makiko Sato (Female) (44)		Independent Outside	•				•			•	
7	Kazuto Abe (Male) (69)	Audit and Supervisory Committee Member				•	•		•			
8	Toshiaki Hiwatari (Male) (76)	Audit and Supervisory Committee Member	Independent Outside	•	•				•			
9	Shigeharu Nakamura (Male) (68)	Audit and Supervisory Committee Member	Independent Outside	•	•	•	•		•			
10	Kazuo Ushida (Male) (69)	Audit and Supervisory Committee Member	Independent Outside	•					•			•

Proposal No. 4 Revision of Remuneration Amount for Directors (Excluding Audit and Supervisory Committee Members)

The remuneration amount for Directors of the Company (excluding Audit and Supervisory Committee Members) was set at ¥15 million or less per month (however, excluding employee salaries) at the 107th Annual General Meeting of Shareholders held on June 26, 2015. However, as part of our efforts to further strengthen corporate governance, and to diversify the Board of Directors, we have decided to propose to increase the number of Outside Directors who are not Audit and Supervisory Committee Members by two at this General Meeting in Proposal No. 3. In addition, in consideration of the incentive to achieve the major growth targets in the new medium-term management plan (2022-2024) announced on May 13 of this year, we propose to change the remuneration amount for Directors (excluding Audit and Supervisory Committee Members) to ¥20 million or less per month (of which ¥1.7 million or less for Outside Directors). In addition, the remuneration amount for Directors (excluding Audit and Supervisory Committee Members) shall not include the portion of employee salaries of Directors concurrently serving as employees.

We believe that this proposal is appropriate because it will increase the number of Outside Directors whose compensation is a fixed amount in cash, which will contribute to increasing the diversity of the Company's Board of Directors and raising their awareness of the need to contribute to improving the Company's performance and increasing its corporate value over the medium to long term; because the method of determining compensation will not change, and increases in compensation will only occur when the Company's performance improves; and because the cash compensation amount under this revision is appropriate given the Company's performance trends, position structure and stock price level.

In addition, at the Board of Directors meeting held on February 26, 2021, the Company established a policy and procedures for determining the remuneration of Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members). If this proposal is approved as originally proposed, the Company plans to partially revise this policy as described in [Reference] (see Page 18). This proposal is necessary and reasonable for the granting of remuneration to Directors in accordance with the policy after the relevant revisions, and we believe that it is appropriate from that perspective.

The number of Directors (excluding Audit and Supervisory Committee Members) is currently four (including no Outside Directors), but if Proposal No. 3, "Election of Six Directors (Excluding Audit and Supervisory Committee Members)," is approved and passed as proposed, the number of Directors (excluding Audit and Supervisory Committee Members) will be six (including two Outside Directors).

With respect to the revision of the monthly remuneration amount for Directors other than Audit and Supervisory Committee Members, as in the case of the procedures for the election of Directors, all Audit and Supervisory Committee Members, as members of the "Nomination and Compensation Committee," participated in the deliberation and reporting process in accordance with the "Corporate Governance Guidelines" of the Company, and the Audit and Supervisory Committee has also reviewed the matter again and has determined that the decision-making procedures are appropriate and the amount and other details of remuneration are appropriate.

Proposal No. 5 Partial Revision of Remuneration Details and Amounts Associated with the Continuation of a Performance-Linked Share-Based Remuneration Plan for Directors and Executive Officers

1. Reasons for the Proposal and Reasons Justifying such Remuneration, Etc.

This proposal requests the approval of the remuneration amount, etc. and the maximum number of shares, etc., for the Performance-Linked Share-Based Remuneration Plan (hereinafter referred to as “Plan”) for the Company’s Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members. The same shall apply hereinafter unless otherwise noted.) and Executive Officers who are not Directors but have a rank of at least Managing Executive Officer (hereinafter collectively referred to as “Directors, etc.”), which was approved at the 111th Annual General Meeting of Shareholders held on June 27, 2019, in order to partially revise the content of the Plan in accordance with the continuation of the Plan. Moreover, the resolution of details regarding the Plan shall be entrusted to the Board of Directors, within the amount shown in section 3 of this proposal, below.

The revision of the Plan is intended to clarify the link between the remuneration of Directors, etc. and the Company’s business performance and stock value, and to make Directors, etc. share the benefits and risks associated with stock price fluctuations with shareholders, which will further increase their awareness of their contribution to improving the Company’s business performance and increasing its corporate value over the medium to long term more than before. Based on such purpose, the maximum remuneration amount will be increased for the equivalent increase in the Company’s stock price at the time of the continuation of the Plan from the stock price at the time of the establishment of the Plan in 2019. In light of this purpose and reason, we believe that the content of this proposal is appropriate. The decision-making policy regarding the content of individual remuneration, etc. for Directors after the approval of this proposal is as described in [Reference] below.

If Proposal No. 3, “Election of Six Directors (Excluding Audit and Supervisory Committee Members),” is approved and passed as originally proposed, the number of Directors of the Company applicable to the Plan will be four at the conclusion of this General Meeting of Shareholders. As stated above, the Plan is also applicable to Executive Officers who are not Directors but have a rank of at least Managing Executive Officer, and together with Directors, shall be applicable to ten individuals.

Moreover, as per the procedures for revising the remuneration amount for Directors, regarding the partial revision of the remuneration details and amounts associated with the continuation of a performance-linked share-based remuneration plan for Directors and Executive Officers, all members of the Audit and Supervisory Committee participated in the deliberation and reporting processes as members of the “Nomination and Compensation Committee,” pursuant to the Company’s “Corporate Governance Guidelines.” In addition, the Audit and Supervisory Committee reexamined the above and has determined that the procedures for determining the remuneration for Directors, etc. are appropriate and that the revisions are reasonable.

2. Revised Details of the Plan

The details of the Plan are revised as follows in 3 below. The main revised details are as follows.

Item	Before Revision	After Revision
Upper Limit on the Amount of Trust Money to be Contributed by the Company	¥150 million (of which ¥111 million is for the Directors) for each of the Plan Periods	¥167 million (of which ¥120 million is for the Directors) for each of the Plan Periods

3. Remuneration Amount and Details, etc. of the Plan after the Revision

(1) Overview of the Plan

The Plan is a performance-linked share-based remuneration plan that will use money contributed by the Company as capital to acquire the Company’s shares via a trust (hereinafter, the trust established based on the Plan shall be referred to as the “Trust”) and, based on the Regulations for the Provision of Shares for the Performance-linked Share-based Remuneration Plan stipulated by the Company, each of the Directors, etc. will be provided with shares of the Company that are in proportion to the number of points assigned to each of the Directors, etc., and cash that is in proportion to the market price of the shares of the Company (hereinafter collectively referred to as the “Shares of the Company, etc.”) through the Trust. The Directors, etc. shall receive Shares of the Company, etc. after the finalization of results for the final business year of each Plan Period (as defined in (3) below), in principle.

(2) Individuals Eligible for the Plan

Individuals eligible for the Plan shall be Directors, etc.

(3) Plan Periods for the Plan

The period shall be the three fiscal years (hereinafter referred to as “Eligible Period”) from the fiscal year ending on the last day of March 2023 to the fiscal year ending on the last day of March 2025 and each of the three fiscal years (if the period of a medium-term management plan to be established after the elapse of the Eligible Period differs from a three fiscal year period, the fiscal year period corresponding to the medium-term management plan shall apply.) beginning after the elapse of the Eligible Period (each of these periods, together with the Eligible Period, is hereinafter referred to as “Plan Period”).

(4) Trust Period

The period shall be from August 26, 2019 until the termination of the Trust. (No specific termination date has been set, and the Trust shall continue as long as the Plan continues.) Moreover, the Plan will be terminated upon delisting of the Company’s shares, abolition of the Regulations for the Provision of Shares for the Performance-linked Share-based Remuneration Plan, etc.

(5) Upper Limit on the Amount of Trust Money to be Contributed by the Company to the Trust as Capital for Acquiring Shares

Subject to the approval of the partial revision of the Plan at this General Meeting of Shareholders, the Company will contribute up to ¥167 million (of which, ¥120 million is for Directors) to the Trust as funds for the acquisition of the Company’s shares (hereinafter referred to as “Share Acquisition Funds”) in order to provide the Company’s shares to the Directors, etc. under the Plan for the Eligible Period (Note). During the Eligible Period, the Company may make additional contributions to the Trust to fund the acquisition of shares to the extent that the total contribution amount, including the initial contribution amount, is ¥167 million (of which, ¥120 million is for Directors).

In addition, after the Eligible Period and until the termination of the Plan, the Company shall contribute to the Trust within the upper limit of ¥167 million (of which ¥120 million is for Directors) for each of the Plan Periods. However, in the case of such additional contribution, if there are shares (hereinafter referred to as “Remaining Shares.” However, this excludes shares of the Company equivalent to the number of points (refer to (7) below for information about points) granted to Directors, etc. for each of the immediately preceding Plan Periods for which the granting of shares to Directors, etc. has not yet been completed.) and money (hereinafter collectively referred to as “Remaining Shares, etc.”) remaining in the trust assets at the end of the Plan Period immediately preceding the Plan Period for which such additional contribution is to be made, the total amount of such Remaining Shares, etc. and the trust money to be additionally contributed shall be within the respective maximum amounts. The Company may additionally entrust funds for the acquisition of shares during the Plan Period, including during the Eligible Period, to the extent that the total amount of contributions during the Plan Period is equal to the respective maximum amounts mentioned above.

Note: In addition to the aforementioned capital to acquire shares of the Company, the actual money entrusted to the Trust by the Company includes the expected amount of expenses required for managing the Trust and trust administrator remuneration, etc.

(6) Method of Acquisition of the Company’s Shares by the Trust and the Maximum Number of Shares to be Acquired

It is planned for the Trust to acquire the Company’s shares through the stock market or subscribing to the Company’s disposal of treasury shares by using the funds contributed by the Company as in (5). The Company shall not issue new shares. Consequently, the acquisition of shares of the Company by the Trust will not increase the total number of issued shares of the Company and dilution of the shares will not occur. Details regarding the method of acquisition will be determined and disclosed by the Company after this General Meeting of Shareholders.

Moreover, following the establishment of the Trust, a maximum of 123,000 shares will be promptly acquired in the Eligible Period. In addition, the aforementioned number of shares will be the maximum number of shares to be acquired in each of the Plan Periods after the end of the Eligible Period.

(7) Method of Calculating the Shares of the Company to be Conferred to Each of the Directors, etc. and Upper Limits Thereof

The Company shall grant each of the Directors, etc., points every fiscal year according to their position and the degree of attainment of performance goals, in accordance with the Regulations for the Provision of Shares for the Performance-linked Share-based Remuneration Plan stipulated by the Board of Directors of the Company. For each Plan Period, the points conferred to Directors, etc., for one fiscal year shall be at most 41,000 points (corresponding to 41,000 shares; of which 30,340 points are for the Directors [corresponding to 30,340 shares]), and the points conferred to Directors, etc., in the three fiscal years of the Eligible Period shall be at most 123,000 points (corresponding to 123,000 shares; of which 91,020 points are for the Directors [corresponding to 91,020 shares]).

Moreover, one point shall correspond to one share of the Company (fractions below one point will be discarded) in relation to the shares provided to the Directors. However, if stock splits, allotment without consideration, share consolidation, or the like, are implemented for the shares of the Company following approval by the general meeting of this proposed program, reasonable adjustments will be made to the conversion rate of the shares of the Company per point according to such rate.

(Calculation of Points)

Directors, etc., who are not responsible for business divisions or are responsible for corporate divisions:

Conferred points = base points for position × performance-linkage coefficient ((1) × 1.0)*

Directors, etc., responsible for business divisions:

Conferred points = base points for position × performance-linkage coefficient ((1) × 0.5 + (2) × 0.5)*

* The performance linkage coefficients (1) and (2) vary between 0% and 144% according to the achievements in ROE and the operating profits of each division (the segment profits).

(8) Provision of Shares of the Company to Each of the Directors, etc.

In principle, following the determination of the performance of the final fiscal year of each of the Plan Periods, if the Directors, etc., fulfill the conditions for beneficiaries stipulated in the Regulations for the Provision of Shares for the Performance-linked Share-based Remuneration Plan, and on the condition that the Directors, etc., follow specified beneficiary determination procedures, the Trust will provide the Directors, etc., shares of the Company in accordance with the cumulative total of points conferred in each of the Plan Periods. However, from the perspective of ensuring capital for the payment of taxes, a number of shares of the Company corresponding to 50% of the cumulative points shall be converted into cash by the Trust, and the cash amount equal to the amount of the converted shares shall be paid to the Directors, etc.

(9) Exercise of Voting Rights of Shares of the Company in the Trust

To ensure neutrality to management, the voting rights of the shares of the Company in the Trust (that is, the shares of the Company prior to their provision to Directors, etc., as noted in (8)) shall not be exercised during the trust period.

(10) Treatment of Dividends for Shares of the Company in the Trust

Dividends of the shares of the Company in the Trust shall be received by the Trust for the acquisition of shares of the Company and for trust fees payable for the Trust.

(11) Treatment upon Termination of the Trust

With regard to target shares among the residual assets of the Trust at the time of termination of the Trust, the Company plans to acquire all such shares without consideration and cancel them by resolution of the Board of Directors. In addition, of the residual assets of the Trust at the time of termination of the Trust, the Company plans to provide the balance of money to the Directors, etc., currently serving in proportion to the number of points they have each accumulated as of that time.

[Reference] Policy and procedures for determining remuneration for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) after conclusion of the general meeting. In determining remuneration for individual Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members; “Executive Directors”), the Company will do so in accordance with the policy and procedures, etc., that are set forth below.

(a) Basic policy

- Our basic policy on remuneration for executive Directors is to: 1) use a remuneration structure in which remuneration, earnings, and stock value are linked to each other in order to: i) make executive Directors more eager to contribute to improving the Company’s earnings and enhancing its corporate value in the medium to long term; and ii) ensure that remuneration fully functions as incentive to share profit and risk from stock price fluctuations with shareholders; and 2) set remuneration for each of individual executive Director at fair levels reflecting their responsibilities at the time of determination. Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) consists of base pay (monetary and fixed), performance-linked monetary remuneration, and performance-linked share-based remuneration.
- The Company pays solely base pay (monetary and fixed) to Directors who are Audit and Supervisory Committee Members serving a supervision function and to non-executive Directors who are not Audit and Supervisory Committee Members in light of their duties.
- Regarding matters for a remuneration determination method for individual non-executive Directors who are not Audit and Supervisory Committee Members, we ensure the transparency of our remuneration determination processes using a method identical to the remuneration determination method described in item (e) below for individual executive Directors.

(b) Determination policy for individual base pay (monetary), etc. (including policy for determining remuneration payment timing and conditions)

- Base pay for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members), being fixed monthly pay, is determined in accordance with title-by-title remuneration tables prepared beforehand in comprehensive consideration of the levels of base pay for directors at peers, the Company’s business performance, and its employee salary levels, etc.
- Such base pay is paid monthly as fixed monthly pay over next fiscal year, coupled with performance-linked monetary remuneration as described in item “(c) 1” below.

(c) Determination policy for the description of performance-linked monetary remuneration, etc., and non-monetary remuneration, etc. (“Performance-Linked Share-Based Remuneration”), and the calculation methods for amounts or numbers for them (including policy for determining remuneration payment timing and conditions).

1. Determination policy for the description of performance-linked monetary remuneration, etc., and the calculation method for amounts or numbers for it
 - Performance-linked monetary remuneration comes in the form of cash remuneration reflecting key performance indicators (KPIs) in order to raise personnel’s enthusiasm to enhance business performance for each fiscal year, and is an amount calculated based on the amount of consolidated net income before taxes and other adjustments for a given fiscal year while also considering the projected amount of consolidated net income before taxes and other adjustments for the next fiscal year.
 - By resolution of the General Meeting of Shareholders, Directors’ bonuses could potentially be paid out in an amount constituting a portion of profit only if the amount of consolidated net income before taxes and other adjustments and the amount of stock dividends are at or above certain levels.
2. Determination policy for the description of Performance-Linked Share-Based Remuneration, etc., and the calculation method for amounts or numbers for it
 - (i) Description of Performance-Linked Share-Based Remuneration, etc., and amount and calculation method
 - Each fiscal year, the Company grants points described below for Performance-Linked Share-Based Remuneration to executive Directors and non-director Executive Officers at or above Managing Executive Officer level (“Directors, etc.”) in accordance with title and the achievement rates for business performance targets under the medium-term management plan, etc. in conformity to: i)

Regulations for the Provision of Shares for the Performance-Linked Share-Based Remuneration Plan for Directors as resolved at a Board of Directors meeting on May 14, 2019; ii) Determination of Remuneration Details and Amounts Associated with the Introduction of a Performance-Linked Share-Based Remuneration Plan for Directors and Executive Officers as resolved at the 111th Annual General Meeting of Shareholders on June 27, 2019; and iii) Proposal No. 5 resolved at the 114th Annual General Meeting of Shareholders on June 28, 2022, namely, “Partial Revision of Remuneration Details and Amounts Associated with the Continuation of a Performance-Linked Share-Based Remuneration Plan for Directors and Executive Officers.”

Directors, etc., who are not responsible for business units or are responsible for corporate divisions:

Conferred points = base points for position × performance-linkage coefficient ((1) × 1.0)*

Directors, etc., responsible for business divisions:

Conferred points = base points for position × performance-linkage coefficient ((1) × 0.5 + (2) × 0.5)*

(*) The performance linkage coefficients (1) and (2) vary between 0% and 144% according to the target achievements in ROE and the operating profits of each division.

- In the three-year period from the fiscal year ending March 31, 2023, to the fiscal year ending March 31, 2025 (“Initial Eligible Period”; an expected medium-term management plan period), points to be conferred to Directors, etc., shall be 41,000 points a year at most (corresponding to 41,000 shares; of which 30,340 points will be for executive Directors [corresponding to 30,340 shares]), and points to be conferred to Directors, etc., for the three fiscal years of the Initial Eligible Period shall be 123,000 points at most (corresponding to 123,000 shares; of which 91,020 points will be for executive Directors [corresponding to 91,020 shares]). Moreover, one point shall correspond to one share of the Company in relation to the shares provided to the Directors, etc.

(ii) Determination policy for the payment timing and conditions for Performance-Linked Share-Based Remuneration, etc.

- Eligible periods of the Performance-Linked Share-Based Remuneration Plan for officers shall be the Initial Eligible Period, as well as each of three fiscal year periods commencing after the elapse of it (if the period of a medium-term management plan to be established after the elapse of the Initial Eligible Period differs from a three fiscal year period, the fiscal year period corresponding to the medium-term management plan shall apply.)
- Shares of the Company shall be granted to Directors, etc., after a finalization of the financial results for the final year of each eligible period, in principle, and in accordance with the number of cumulative points conferred during the period. However, from the perspective of ensuring capital for the payment of taxes, a number of shares of the Company corresponding to 50% of the cumulative points shall be converted into cash by the Trust, and the cash amount equal to the amount of the converted shares shall be paid to the Directors, etc.

(d) Determination policy for the percentage for the amount of remuneration, etc. of individual Directors for base pay (monetary), performance-linked monetary remuneration, etc., and Performance-Linked Share-Based Remuneration, etc.

- The percentage of remuneration categories for executive Directors have yet to be determined due to being decided in accordance with the financial results for a given fiscal year and next fiscal year, as well as each executive Director’s achievement rates for ROE and unit operating profit targets for an Initial Eligible Period and subsequent three fiscal years. This is because: i) performance-linked monetary remuneration is intended to be in an amount calculated in accordance with previous-year and next-year financial results; and ii) Performance-Linked Share-Based Remuneration is intended to constitute a number of shares computed in accordance with ROE, a target KPI of a medium-term management plan for an Initial Eligible Period, and with the operating profit of a unit each executive Director is responsible for. However, considering the purpose of the introduction of performance-linked remuneration, the system is structured so as to ensure that the higher an officer is in position, the more weighting of performance-linked remuneration applies.

(e) Information on the determination method for the description of remuneration, etc., for individual executive Directors

As for amounts of remuneration for individual executive Directors, the Company's Corporate Governance Guidelines specifies the policy and procedures for determining the remuneration of Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members). The Company secures transparency of its remuneration determination processes by ensuring that amounts of remuneration for individual executive Directors are decided by resolution of a Board of Directors meeting through deliberations and recommendation by the Nomination and Compensation Committee, the majority of which are independent outside Directors.