

(Translation)

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2. If you are a nonresident shareholder and wish to exercise your voting rights, please instruct your custodians, nominees or brokers accordingly in advance of the date of the Ordinary General Meeting of Shareholders.

Securities Code: 6055  
June 9, 2022

**Dear Shareholders with Voting Rights:**

Hisao Tanaka  
President and Representative Director  
JAPAN MATERIAL Co., Ltd.  
3098-22, Nagai, Komono-cho,  
Mie-gun, Mie Prefecture, Japan

### **Notice of Convocation of the 25th Annual Shareholders' Meeting**

We hereby inform you that the 25th Annual Shareholders' Meeting of JAPAN MATERIAL Co., Ltd. (the "Company") will be held as described on the next page.

The shareholders who are unable to attend the meeting may exercise their voting rights in writing or by electromagnetic means (via the Internet) instead of attending the Annual Shareholders' Meeting. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m., Tuesday, June 28, 2022 (JST).

- 1. Date and Time:** Wednesday, June 29, 2022 at 10:00 a.m. (JST)
- 2. Location:** 4<sup>th</sup> floor, MIYAKO HOTEL YOKKAICHI  
1-3-38, Yasujima, Yokkaichi City, Mie Prefecture, Japan
- 3. Agenda of the Meeting:**
- Matters to be Reported:**
1. Business Report and Consolidated Financial Statements for the Company's 25th Fiscal Year (from April 1, 2021, to March 31, 2022) and the Results of Audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 25th Fiscal Year (from April 1, 2021, to March 31, 2022)
- Matters to be Resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendment to the Articles of Incorporation
- Proposal 3:** Election of Ten (10) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal 4:** Election of Three (3) Directors Serving as Audit & Supervisory Committee Members
- Proposal 5:** Election of One (1) Substitute Director Serving as Audit & Supervisory Committee Member
- Proposal 6:** Revision to Amount of Remuneration, Etc. for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal 7:** Determination of Amount of Remuneration, Etc. for Directors Serving as Audit & Supervisory Committee Members

# Reference Documents for Shareholders' Meeting

## Proposals and Reference

### Proposal 1: Appropriation of Surplus

The Company's basic policy for dividends is to continue to pay stable dividends to shareholders while considering enhancing internal reserves necessary for developing its business in future and strengthening its financial position. Based on this policy, the Company proposes to pay dividends as below:

#### 1.1 Matters related to year-end dividend

##### 1.1.1 Type of dividend property:

Cash

##### 1.1.2 Matters related to the allocation of dividend property and the total amount thereof:

¥18 per ordinary share of the Company for a total amount of dividends of ¥1,847,458,746.

##### 1.1.3 Effective date of distribution of surplus:

June 30, 2022

**Proposal 2: Partial Amendment to the Articles of Incorporation**

**2.1 Reasons for Proposal**

- 2.1.1 To clarify the Company’s business, the Company proposes to make necessary amendments to Article 2 (Purpose) of the current Articles of Incorporation.
- 2.1.2 The Company plans to transition to a company with an Audit & Supervisory Committee from a company with an Audit & Supervisory Board in order to strengthen the audit function of the Board of Directors and further enhance corporate governance through a stronger monitoring system by making its Audit & Supervisory Committee Members, who are responsible for auditing the execution of duties of the Directors, members of the Board of Directors. Accordingly, the Company proposes to make amendments necessary for the transition to a company with an Audit & Supervisory Committee, such as the establishment of provisions pertaining to Directors serving as Audit & Supervisory Committee Members and the Audit & Supervisory Committee and the deletion of provisions pertaining to Audit & Supervisory Board Members and the Audit & Supervisory Board.
- 2.1.3 The amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will take effect on September 1, 2022. Accordingly, the Company proposes to establish provisions to electronically provide information contained in the documents for shareholders’ meetings, etc. and limit the scope of matters to be included in the documents to be sent to shareholders who have requested document delivery, to delete the provision regarding the disclosure of reference documents for shareholders’ meetings, etc. via the Internet and deemed provision of information, and to establish supplementary provisions concerning the effective date, etc.
- 2.1.4 In order to ensure that the Company can distribute dividends of surplus, etc. with agility even in the face of changes in the business environment or unexpected events, the Company proposes to establish Article 37 (Decision-making Body for Dividends of Surplus, etc.) and Article 38 (Record Date for Dividends of Surplus), to delete Article 42 (Year-End Dividends) and Article 43 (Interim Dividends) of the current Articles of Incorporation as some of the details therein overlaps with those in Articles 37 and 38 in the proposed amendment, and to amend Article 39 (Expiration Period of Year-End Dividends, etc.). The amendments will, pursuant to provisions of Article 459, Paragraph 1 of the Companies Act, allow the Company to distribute dividends of surplus, etc. by resolution of the Board of Directors.

**2.2 Details of the Amendment**

The details of the amendment are as follows. The amendment to the Articles of Incorporation under this Proposal, excluding the amendment related to the system for electronic provision in 2.1.3 above, shall come into effect upon conclusion of this Shareholders’ Meeting.

(The part to be amended is underlined.)

Current Articles of Incorporation	Proposed Amendment
Chapter I GENERAL PROVISIONS	Chapter I GENERAL PROVISIONS
Article 1 (Omitted)	Article 1 (Unchanged)
Article 2 (Purpose) The purpose of the Company shall be to engage in the following businesses:	Article 2 (Purpose) The purpose of the Company shall be to engage in the following businesses:

Current Articles of Incorporation	Proposed Amendment
<p>2.1.–2.17. (Omitted)</p> <p>2.18. <u>Business of dispatching general and specified workers based on the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers</u></p> <p>2.19.–2.20. (Omitted)</p> <p>2.21. <u>Transportation business</u></p> <p>2.22.–2.24. (Omitted)</p>	<p>2.1.–2.17. (Unchanged)</p> <p>2.18. <u>Business of dispatching workers and paid employment placement business</u></p> <p>2.19.–2.20. (Unchanged)</p> <p>2.21. <u>Freight forwarding business</u></p> <p>2.22.–2.24. (Unchanged)</p>
<p>Article 3 (Omitted)</p> <p>Article 4 (Governing Bodies) The Company shall have the following governing bodies:</p> <p>4.1. Board of Directors</p> <p>4.2. <u>Audit &amp; Supervisory Board Members</u></p> <p>4.3. <u>Audit &amp; Supervisory Board</u></p> <p>4.4. Accounting Auditor</p>	<p>Article 3 (Unchanged)</p> <p>Article 4 (Governing Bodies) The Company shall have the following governing bodies:</p> <p>4.1. Board of Directors</p> <p>4.2. <u>Audit &amp; Supervisory Committee</u> (Deleted)</p> <p>4.3. Accounting Auditor</p>
<p>Article 5–Article 6 (Omitted)</p>	<p>Article 5–Article 6 (Unchanged)</p>
<p style="text-align: center;">Chapter II SHARES</p>	<p style="text-align: center;">Chapter II SHARES</p>
<p>Article 7–Article 12 (Omitted)</p>	<p>Article 7–Article 12 (Unchanged)</p>
<p style="text-align: center;">Chapter III SHAREHOLDERS’ MEETING</p>	<p style="text-align: center;">Chapter III SHAREHOLDERS’ MEETING</p>
<p>Article 13–Article 14 (Omitted)</p>	<p>Article 13–Article 14 (Unchanged)</p>
<p><u>Article 15 (Disclosure of Reference Documents for Shareholders’ Meeting, etc. via the Internet and the Deemed Provision of Information)</u></p> <p><u>The Company may disclose information on matters required to be stated or presented in the reference documents for shareholders’ meeting, the business report, non-consolidated and consolidated financial statements when convening a Shareholders’ Meeting via the Internet in accordance with the Order of the Ministry of Justice and deem that necessary information has been provided to shareholders.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">(New)</p> <p style="text-align: center;">(New)</p>	<p><u>Article 15 (Measures for Electronic Provision, etc.)</u></p> <p><u>15.1. The Company shall, when convening a Shareholders' Meeting, provide information contained in the reference documents for shareholders' meetings, etc. electronically.</u></p> <p><u>15.2. Among the matters to be provided electronically, the Company may elect not to include all or part of the matters stipulated in the Order of the Ministry of Justice in the documents to be sent to shareholders who have requested document delivery by the record date for voting rights.</u></p>
<p>Article 16–Article 17 (Omitted)</p>	<p>Article 16–Article 17 (Unchanged)</p>
<p style="text-align: center;">Chapter IV DIRECTORS AND BORAD OF DIRECTORS</p>	<p style="text-align: center;">Chapter IV DIRECTORS AND BORAD OF DIRECTORS</p>
<p>Article 18 (Number of Directors) The maximum number of Directors of the Company shall be twelve (12).</p>	<p>Article 18 (Number of Directors) 18.1. The maximum number of Directors of the Company <u>(excluding Directors serving as Audit &amp; Supervisory Committee Members)</u> shall be twelve (12).</p>
<p style="text-align: center;">(New)</p>	<p><u>18.2. The maximum number of Directors of the Company serving as Audit &amp; Supervisory Committee Members shall be four (4).</u></p>
<p>Article 19 (Election of Directors) 19.1. Directors shall be elected by resolution of the Shareholders' Meeting.</p> <p>19.2. Resolutions for the election of Directors shall be adopted by a majority of the voting rights of shareholders in attendance holding one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.</p> <p>19.3. Resolutions for the election of Directors shall not be made by cumulative voting.</p>	<p>Article 19 (Election of Directors) 19.1. Directors shall be elected by resolution of the Shareholders' Meeting, <u>distinguishing between those serving as Audit &amp; Supervisory Committee Members and those who are not.</u></p> <p>19.2. Resolutions for the election of Directors shall be adopted by a majority of the voting rights of shareholders in attendance holding one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.</p> <p>19.3. Resolutions for the election of Directors shall not be made by cumulative voting.</p>

Current Articles of Incorporation	Proposed Amendment
<p>Article 20 (Term of Directors)</p> <p>The term of a Director shall expire upon the conclusion of the Annual Shareholders' Meeting pertaining to the last fiscal year ending within one (1) year from his/her election.</p> <p style="text-align: center;">(New)</p> <p style="text-align: center;">(New)</p> <p style="text-align: center;">(New)</p>	<p>Article 20 (Terms of Directors)</p> <p>20.1. The term of a Director <u>(excluding Directors serving as Audit &amp; Supervisory Committee Members)</u> shall expire upon the conclusion of the Annual Shareholders' Meeting pertaining to the last fiscal year ending within one (1) year from his/her election.</p> <p>20.2. <u>The term of a Director who is an Audit &amp; Supervisory Committee Member shall expire upon the conclusion of the Annual Shareholders' Meeting pertaining to the last fiscal year ending within two (2) years from his/her election.</u></p> <p>20.3. <u>The term of a Director serving as an Audit &amp; Supervisory Committee Member elected as a substitute for a Director serving as an Audit &amp; Supervisory Committee Member and retired before the expiration of his/her term of office shall expire upon the expiration of the term of the retiring Director serving as an Audit &amp; Supervisory Committee Member.</u></p> <p>20.4. <u>The effective period of a resolution to elect a Director who is a substitute Audit and Supervisory Committee Member based on Article 329, Paragraph 3 of the Companies Act shall be until the beginning of the Annual Shareholders' Meeting held in the last fiscal year out of the fiscal years ending within two (2) years after the election of said Director, unless the term is shortened by the said resolution.</u></p>
<p>Article 21 (Directors with Titles and Representative Directors)</p> <p>21.1. The Board of Directors shall appoint by resolution one (1) person as President from among the Directors. If necessary, a Chairperson, a Vice President, as well as a few Senior Managing Directors and Managing Directors may also be appointed.</p>	<p>Article 21 (Directors with Titles and Representative Directors)</p> <p>21.1. The Board of Directors shall appoint by resolution one (1) person as President from among the Directors <u>(excluding Directors serving as Audit &amp; Supervisory Committee Members)</u>. If necessary, a Chairperson, a Vice President, as well as a few Senior Managing Directors and Managing Directors may also be appointed.</p>

Current Articles of Incorporation	Proposed Amendment
21.2. The President shall represent the Company and execute its business.	21.2. The President shall represent the Company and execute its business.
21.3. Other than the President, the Board of Directors may appoint by resolution other Directors to represent the Company.	21.3. Other than the President, the Board of Directors may appoint by resolution other Directors from <u>among the Directors (excluding Directors serving as Audit &amp; Supervisory Committee Members)</u> to represent the Company.
Article 22 (Omitted)	Article 22 (Unchanged)
<p>Article 23 (Notice of Convocation of Board of Directors Meetings)</p> <p>Notice of convocation of a meeting of the Board of Directors shall be sent to each of the Directors <u>and Audit &amp; Supervisory Board Members</u> at least three (3) days prior to the meeting. However, in the event of urgency, the period may be shortened.</p>	<p>Article 23 (Notice of Convocation of Board of Directors Meetings)</p> <p>Notice of convocation of a meeting of the Board of Directors shall be sent to each of the Directors at least three (3) days prior to the meeting. However, in the event of urgency, the period may be shortened.</p>
Article 24 (Omitted)	Article 24 (Unchanged)
<p>Article 25 (Omission of Resolution of the Board of Directors)</p> <p>The Company shall deem that the Board of Directors has passed a resolution in the event of unanimous consent to a proposal at the Board of Directors in writing or electromagnetic record <u>unless Audit &amp; Supervisory Board Members oppose.</u></p>	<p>Article 25 (Omission of Resolution of the Board of Directors)</p> <p>The Company shall deem that the Board of Directors has passed a resolution in the event of unanimous consent to a proposal at the Board of Directors in writing or electromagnetic record.</p>
Article 26 (Omitted)	Article 26 (Unchanged)
<p>Article 27 (Remuneration, etc. for Directors)</p> <p>The remuneration, <u>etc.</u> for Directors shall be determined by resolution of the Shareholders' Meeting.</p>	<p>Article 27 (Remuneration, etc. for Directors)</p> <p>The remuneration, <u>bonuses, and other property benefits to be paid to Directors by the Company as consideration for the execution of their duties,</u> shall be determined by resolution of the Shareholders' Meeting, <u>distinguishing between Directors serving as Audit &amp; Supervisory Committee Members and those who are not.</u></p>
Article 28 (Omitted)	Article 28 (Unchanged)



Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">(New)</p> <p style="text-align: center;"><u>CHAPTER V AUDIT &amp; SUPERVISORY BOARD MEMBERS AND AUDIT &amp; SUPERVISORY BOARD</u></p> <p><u>Article 29 (Number of Audit &amp; Supervisory Board Members)</u>  <u>The maximum number of Audit &amp; Supervisory Board Members of the Company shall be four (4).</u></p> <p><u>Article 30 (Election of Audit &amp; Supervisory Board Members)</u>  <u>30.1. Audit &amp; Supervisory Board Members shall be elected by resolution of the Shareholders' Meeting.</u>  <u>30.2. Resolutions for the election of Audit &amp; Supervisory Board Members shall be adopted by a majority of the voting rights of shareholders in attendance holding one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.</u></p> <p><u>Article 31 (Term of Audit &amp; Supervisory Board Members)</u>  <u>31.1. The term of an Audit &amp; Supervisory Board Member shall expire upon the conclusion of the Annual Shareholders' Meeting pertaining to the last fiscal year ending within four (4) years from his/her election.</u>  <u>31.2. The term of an Audit &amp; Supervisory Board Member who was elected as a substitute shall expire upon the expiration of the term of his/her predecessor.</u></p>	<p><u>Article 29 (Delegation of Decisions on Execution of Important Operations)</u>  <u>In accordance with Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate all or part of the decisions on the execution of important operations (excluding matters provided in each item of Paragraph 5 of the same Article) to Directors.</u></p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p>

Current Articles of Incorporation	Proposed Amendment
<p><u>Article 32 (Full-Time Audit &amp; Supervisory Board Members)</u>  <u>The Audit &amp; Supervisory Board shall appoint full-time Audit &amp; Supervisory Board Members from among the Audit &amp; Supervisory Board Members.</u></p>	(Deleted)
<p><u>Article 33 (Notice of Convocation of Audit &amp; Supervisory Board Meetings)</u>  <u>Notice of convocation of a meeting of the Audit &amp; Supervisory Board shall be sent to each Audit &amp; Supervisory Board Member at least three (3) days prior to the meeting. However, in the event of urgency, the period may be shortened.</u></p>	(Deleted)
<p><u>Article 34 (Method of Adopting Resolutions of the Audit &amp; Supervisory Board)</u>  <u>Resolutions of the Audit &amp; Supervisory Board shall be adopted by a majority vote of the Audit &amp; Supervisory Board Members, unless otherwise provided for by laws and regulations.</u></p>	(Deleted)
<p><u>Article 35 (Audit &amp; Supervisory Board Regulations)</u>  <u>Matters concerning the Audit &amp; Supervisory Board shall be governed by the Audit &amp; Supervisory Board Regulations established by the Audit &amp; Supervisory Board, in addition to laws and regulations or these Articles of Incorporation.</u></p>	(Deleted)
<p><u>Article 36 (Remuneration, etc. for Audit &amp; Supervisory Board Members)</u>  <u>The remuneration, etc. for Audit &amp; Supervisory Board Members shall be determined by resolution of the Shareholders' Meeting.</u></p>	(Deleted)
<p><u>Article 37 (Exemption of Audit &amp; Supervisory Board Members from Liability)</u>  <u>37.1. Pursuant to provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendment
<p><u>their liability for damages specified in Article 423, Paragraph 1 of the same Act, to the extent provided for by laws and regulations.</u></p>	
<p><u>37.2. Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with an Audit &amp; Supervisory Board Member to limit his/her liability for damages specified in Article 423, Paragraph 1 of the same Act; provided, however, that the limitation of liability based on the agreement shall be the amount provided for by laws and regulations.</u></p>	<p>(Deleted)</p>
<p>(New)</p>	<p><u>Chapter V AUDIT &amp; SUPERVISORY COMMITTEE</u></p>
<p>(New)</p>	<p><u>Article 30 (Full-Time Audit &amp; Supervisory Committee Members)</u>  <u>The Audit and Supervisory Committee shall appoint full-time Audit &amp; Supervisory Committee Members from among the Audit &amp; Supervisory Committee Members.</u></p>
<p>(New)</p>	<p><u>Article 31 (Procedure for Convocation of Audit &amp; Supervisory Committee)</u>  <u>Notice of convocation of a meeting of the Audit &amp; Supervisory Committee shall be sent to each Audit &amp; Supervisory Committee Member at least three (3) days prior to the meeting. However, in the event of urgency, the period may be shortened.</u></p>
<p>(New)</p>	<p><u>Article 32 (Audit &amp; Supervisory Committee Regulations)</u>  <u>Matters concerning the Audit &amp; Supervisory Committee shall be governed by the Audit &amp; Supervisory Committee Regulations established by the Audit &amp; Supervisory Committee, in addition to laws and regulations or these Articles of Incorporation.</u></p>

Current Articles of Incorporation	Proposed Amendment
Chapter VI ACCOUNTING AUDITOR	Chapter VI ACCOUNTING AUDITOR
Article 38–Article 39 (Omitted)	Article <u>33</u> –Article <u>34</u> (Unchanged from the current Article 38–Article 39)
Article <u>40</u> (Remuneration, etc. for Accounting Auditor)	Article <u>35</u> (Remuneration, etc. for Accounting Auditor)
The remuneration, etc. for the Accounting Auditor shall be determined by the Representative Director upon obtaining the consent of the <u>Audit &amp; Supervisory Board</u> .	The remuneration, etc. for the Accounting Auditor shall be determined by the Representative Director upon obtaining the consent of the <u>Audit &amp; Supervisory Committee</u> .
Chapter VII ACCOUNTS	Chapter VII ACCOUNTS
Article <u>41</u> (Omitted)	Article <u>36</u> (Unchanged from the current Article 41)
<u>Article 42 (Year-End Dividends)</u>	(Deleted)
<u>The Company shall, by resolution of the Shareholders’ Meeting, distribute a dividend of surplus via monetary payments (hereinafter “year-end dividends”) to the shareholders or registered pledgees of shares who are listed or recorded in the final shareholder registry at the end of each fiscal year.</u>	
<u>Article 43 (Interim Dividends)</u>	(Deleted)
<u>The Company may, by resolution of the Board of Directors, distribute a dividend of surplus provided for in Article 454, Paragraph 5 of the Companies Act (hereinafter “interim dividends”) to the shareholders or registered pledgees of shares who are listed or recorded in the final shareholder registry at September 30 of each year.</u>	
(New)	Article 37 (Decision-making Body for <u>Dividends of Surplus, etc.</u> )
	<u>The Company may determine the matters provided in each item of Article 459, Paragraph 1 of the Companies Act, including dividends of surplus, by resolution of the Board of Directors, unless otherwise provided for by laws and regulations.</u>

Current Articles of Incorporation	Proposed Amendment
(New)	<u>Article 38 (Record Date for Dividends of Surplus)</u> <u>38.1. The record date for year-end dividends of the Company shall be March 31 of each year.</u> <u>38.2. The record date for interim dividends of the Company shall be September 30 of each year.</u> <u>38.3. In addition to the preceding two paragraphs, the Company may distribute dividends of surplus by setting a separate record date.</u>
Article 44 (Expiration Period of Year-End Dividends, etc.) <u>44.1. If the year-end dividends and interim dividends of the Company are not claimed within three (3) years from the date of commencement of payment, the Company shall be relieved of the obligation to make the said payments.</u> <u>44.2. No interest shall accrue on unpaid year-end dividends or interim dividends.</u>	Article 39 (Expiration Period of Year-End Dividends, etc.) <u>39.1. If the dividend property is cash and not claimed within three (3) years from the date of commencement of payment, the Company shall be relieved of the obligation to make the said payments.</u> <u>39.2. No interest shall accrue on unpaid year-end dividends or interim dividends.</u>
(New)	<u>SUPPLEMENTARY PROVISIONS</u>
(New)	<u>Article 1 (Transitional Measures Concerning Exemption of Audit &amp; Supervisory Board Members from Liability)</u> <u>1.1. The Company may, by resolution of the Board of Directors, exempt Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from their liability for damages specified in Article 423, Paragraph 1 of the Companies Act concerning an act of them before the conclusion of the 25th Annual Shareholders' Meeting held in June 2022, to the extent provided for by laws and regulations.</u>
(New)	<u>1.2. Agreements to limit liability of Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) for damages specified in Article 423, Paragraph 1 of the Companies Act</u>

Current Articles of Incorporation	Proposed Amendment
	<p><u>concerning an act of them before the conclusion of the 25th Annual Shareholders' Meeting held in June 2022, shall be in accordance with the provision set forth in Article 37 of the Articles of Incorporation before the amendment approved at said Annual Shareholders' Meeting.</u></p>
(New)	<p><u>Article 2 (Transitional Measures Concerning Measures for Electronic Provision, etc.)</u></p> <p><u>2.1. The deletion of Article 15 (Disclosure of Reference Documents for Shareholders' Meeting, etc. via the Internet and the Deemed Provision of Information) of the Articles of Incorporation before the amendment and the establishment of Article 15 (Measures for Electronic Provision, etc.) in the proposed amendment shall come into effect on September 1, 2022 (the "Effective Date"), the effective date of the amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019).</u></p>
(New)	<p><u>2.2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation before the amendment shall remain in effect with respect to a Shareholders' Meeting to be held on a date within six (6) months from the Effective Date.</u></p>
(New)	<p><u>2.3. These supplementary provisions shall be deleted after the lapse of six (6) months from the Effective Date or the lapse of three (3) months from the date of the Shareholders' Meeting set forth in the preceding paragraph, whichever is later.</u></p>

**Proposal 3:** Election of Ten (10) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

If Proposal 2, “Partial Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee, and all eleven (11) Directors will retire due to expiration of their terms of office upon the effectuation of the amendment to the Articles of Incorporation concerning the transition to a company with an Audit & Supervisory Committee. Accordingly, the Company proposes to newly elect ten (10) Directors after the transition to a company with an Audit & Supervisory Committee (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same shall apply in this proposal).

This proposal shall take effect subject to the effectuation of the amendment to the Articles of Incorporation in Proposal 2, “Partial Amendment to the Articles of Incorporation.”

The candidates for Director are listed in the following pages.

(Policy and Procedure for the Nomination of Candidates for Director)

For the nomination of candidates for Director, the President and Representative Director made a proposal in accordance with the following criteria. After deliberation by the Nomination & Remuneration Advisory Committee, the Board of Directors approved the proposal as a proposal submitted to the Shareholders’ Meeting, and the proposal is being presented to this Shareholders’ Meeting.

- a. Based on the Company’s philosophy, candidates must be those who can be expected to contribute, have the ability to identify problems in their departments of responsibility accurately and resolve those problems with the cooperation of other officers and employees, and have the insight to comply thoroughly with laws and regulations and with corporate ethics.
- b. Candidates for Outside Directors must be those who can provide advice to the Board of Directors from objective perspectives based on a high degree of insight and to play a role in the supervision of the individual Directors’ execution of their duties.

Candidate No.	Name				Current Position and Responsibilities at the Company
1	Hisao Tanaka	Reappoint			President and Representative Director
2	Tetsuo Kai	Reappoint			Managing Director and Executive Officer, Division Director of Construction Division
3	Keisuke Hase	Reappoint			Director and Executive Officer, Division Director of Administrative Division
4	Yoshinori Sakaguchi	Reappoint			Director and Executive Officer, Division Director of Graphics Solution Division
5	Nobuharu Yanai	Reappoint			Director and Executive Officer, Division Director of TFM Division
6	Kosuke Tanaka	Reappoint			Director and Executive Officer, General Manager of Kitakami Branch
7	Tomokazu Tanaka	Reappoint			Director and Executive Officer, Division Director of Engineering Division
8	Jiro Oshima	Reappoint	Outside	Independent	Outside Director
9	Kenichi Sugiyama	Reappoint	Outside	Independent	Outside Director
10	Sadahiro Numazawa	New appoint	Outside		

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
1	Hisao Tanaka (July 13, 1947)  <u>Reappointment</u>	July 2003      Joined the Company; Division Director of Sales Management Division March 2006      President and Representative Director (current position) [Significant concurrent positions] Representative Director of JAPAN MATERIAL International Scholarship Foundation	12,517,300
		<p>[Reasons for nomination as a candidate for Director] Mr. Hisao Tanaka has a wealth of experience and insight in the Company's business and management. The Company nominates him as a candidate for Director in the expectation that his participation as a Director in making important decisions for the Company's management will strengthen the Company's management structure and maintain and enhance the audit functions of the Board of Directors.</p> <p>[Special interests] There are no special interests between Mr. Hisao Tanaka and the Company.</p>	
2	Tetsuo Kai (January 27, 1950)  <u>Reappointment</u>	January 2017      Joined the Company April 2017      Executive Officer and Division Director of Sales Division June 2017      Director and Executive Officer, Division Director of Sales Division December 2018      Managing Director and Executive Officer, Division Director of Construction Division (current position) [Significant concurrent positions] Not applicable.	17,800
		<p>[Reasons for nomination as a candidate for Director] Mr. Tetsuo Kai has been involved in management as a Director of the Company and its subsidiaries and has a wealth of experience and achievements in electronics-related businesses. The Company nominates him as a candidate for Director in the belief that he will continue to be the right person to hold responsibility for the construction division.</p> <p>[Special interests] There are no special interests between Mr. Tetsuo Kai and the Company.</p>	



No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
3	Keisuke Hase (August 19, 1952)  <u>Reappointment</u>	April 2013      Joined the Company October 2013    General Manager, Supervisor of Engineering Department, Engineering Sales Division January 2014    Division Director of Engineering Division June 2014        Director and Executive Officer, Division Director of Engineering Division April 2022        Director and Executive Officer, Division Director of Administrative Division (current position)  [Significant concurrent positions] Not applicable.	255,700
		[Reasons for nomination as a candidate for Director] Mr. Keisuke Hase has been involved in management as a Director of the Company and its subsidiaries and has a wealth of experience and achievements in electronics-related businesses. The Company nominates him as a candidate for Director in the belief that he will be the right person to strengthen the corporate governance structure as a person responsible for the administrative division. [Special interests] There are no special interests between Mr. Keisuke Hase and the Company.	
4	Yoshinori Sakaguchi (December 19, 1960)  <u>Reappointment</u>	October 1998    Joined the Company April 2006        General Manager of Graphics Solution Division April 2007        Division Director of Graphics Solution Division April 2012        Division Director, Supervisor of Graphics Solution Division April 2013        Executive Officer, Division Director of Graphics Solution Division June 2015        Director and Executive Officer, Division Director of Graphics Solution Division (current position)  [Significant concurrent positions] President and Representative Director of C'set Co., Ltd.	193,500
		[Reasons for nomination as a candidate for Director] Mr. Yoshinori Sakaguchi has been involved in management as a Director of the Company and as President and Representative Director of a subsidiary and has a wealth of experience and achievements in the graphics solution business. The Company nominates him as a candidate for Director in the belief that he will continue to be the right person to hold responsibility for the graphics solution division. [Special interests] There are no special interests between Mr. Yoshinori Sakaguchi and the Company.	

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
5	Nobuharu Yanai (February 6, 1953)  <u>Reappointment</u>	January 2016 Director of JM Engineering Service Co., Ltd. (current position)	5,400
		April 2017 Joined the Company; Executive Officer, Division Director of TFM Division	
		June 2017 Director and Executive Officer, Division Director of TFM Division (current position)	
		[Significant concurrent positions] Not applicable.	
[Reasons for nomination as a candidate for Director] Mr. Nobuharu Yanai has been involved in management as a Director of the Company and its subsidiaries and has a wealth of experience and achievements in electronics-related businesses. The Company nominates him as a candidate for Director in the belief that he will continue to be the right person to hold responsibility for the TFM division.			
[Special interests] There are no special interests between Mr. Nobuharu Yanai and the Company.			
6	Kosuke Tanaka (April 7, 1977)  <u>Reappointment</u>	April 2003 Joined Towa Shoko Co., Ltd.	9,200
		April 2006 Joined the Company	
		April 2014 General Manager of Construction Management Department, Construction Division	
		April 2017 Executive Officer, Division Director of Construction Management Division	
		December 2018 Executive Officer, General Manager of Kitakami Branch	
		June 2019 Director and Executive Officer, General Manager of Kitakami Branch (current position)	
		[Significant concurrent positions] President and Representative Director of JM Engineering Service Co., Ltd.	
[Reasons for nomination as a candidate for Director] Mr. Kosuke Tanaka has been involved in management as a Director of the Company and as the President and Representative Director of a subsidiary and has a wealth of experience and achievements in the electronics-related businesses. The Company nominates him as a candidate for Director in the belief that he will continue to be the right person to hold responsibility for the Kitakami Branch.			
[Special interests] There are no special interests between Mr. Kosuke Tanaka and the Company.			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
7	Tomokazu Tanaka (June 27, 1957) <u>Reappointment</u>	<p>March 1991      Joined Towa Shoko Co., Ltd.</p> <p>June 1997      Director of Towa Shoko Co., Ltd.</p> <p>March 2003     Director of the Company</p> <p>March 2006     Representative Director and Senior Managing Director, Division Director of Administrative Division</p> <p>October 2008   Senior Managing Director, Division Director of Administrative Division</p> <p>April 2010     Director, General Manager of Sales Promotion Department</p> <p>July 2010      Director, Division Director of Engineering Division</p> <p>April 2011     Director, Division Director of Electronics Business Division</p> <p>June 2012     Director, Division Director of Manufacturing Division</p> <p>April 2013     Director and Executive Officer, in charge of Overseas Operations</p> <p>June 2014     Director and Executive Officer, in charge of External Relations and New Businesses</p> <p>April 2020     Director and Executive Officer</p> <p>April 2022     Director and Executive Officer, Division Director of Engineering Division (current position)</p> <p>[Significant concurrent positions] Not applicable.</p>	9,301,500
<p>[Reasons for nomination as a candidate for Director] Mr. Tomokazu Tanaka has been involved in management as a Director of the Company and subsidiaries and has a wealth of experience and achievements in electronics-related businesses. The Company nominates him as a candidate for Director in the belief that he will continue to be the right person to hold responsibility for the engineering division.</p> <p>[Special interests] There are no special interests between Mr. Tomokazu Tanaka and the Company.</p>			
8	Jiro Oshima (March 24, 1953) <u>Reappointment</u> <u>Outside</u> <u>Independent</u>	<p>June 2009      President &amp; CEO of Toshiba Materials Co., Ltd.</p> <p>June 2013      Advisor of Toshiba Materials Co., Ltd.</p> <p>June 2014      Auditor of TOSHIBA DEVICE CORPORATION</p> <p>June 2015      Outside Director of the Company (current position)</p> <p>[Significant concurrent positions] Not applicable.</p>	7,200
<p>[Reasons for nomination as a candidate for Outside Director and expected roles] Mr. Jiro Oshima has a wealth of knowledge and experience in the electronic device industry and has experience of involvement in corporate management in that industry. The Company nominates him as a candidate for Outside Director in the expectation that he will leverage his knowledge and experience in the management of the Company and will enhance the supervisory function of the Directors.</p> <p>[Special interests] There are no special interests between Mr. Jiro Oshima and the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
9	Kenichi Sugiyama (January 9, 1965)  <u>Reappointment</u> <u>Outside</u> <u>Independent</u>	April 1987      Joined The Tokai Bank, Limited (currently MUFG Bank, Ltd.) July 2006      Representative Director of S-tation Corporation (current position) June 2013      Managing Director of Association for Support Smaller Enterprise (ASSE) (current position) January 2014    Outside Audit & Supervisory Board Member of Fabrica Communications Co., LTD. (current position) June 2021      Outside Director of the Company (current position) December 2021    Outside Director of Efu-Kei Co, Ltd (current position)  [Significant concurrent positions] Representative Director, S-tation Corporation Managing Director, Association for Support Smaller Enterprise (ASSE) Outside Audit & Supervisory Board Member, Fabrica Communications Co., LTD. Outside Director, Efu-Kei Co, Ltd	0
<p>[Reasons for nomination as a candidate for Outside Director and expected roles]            Mr. Kenichi Sugiyama has a wealth of knowledge and experience in corporate management. The Company nominates him as a candidate for Outside Director in the expectation that he will leverage his knowledge and experience in the management of the Company and will enhance the supervisory functions of the Directors.</p> <p>[Special interests]            There are no special interests between Mr. Kenichi Sugiyama and the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
10	Sadahiro Numazawa (March 28, 1960)  New Appointment Outside	<p>July 2014 Corporate Officer and Division Manager of Manufacturing Unit of Japan Display Inc.</p> <p>April 2016 Corporate Officer and General Manager of Mobil Display Business Unit of Japan Display Inc.</p> <p>February 2018 Corporate Officer and General Manager of Manufacturing Management Department of Japan Display Inc.</p> <p>November 2018 Corporate Officer and Chief Strategy Officer of Japan Display Inc.</p> <p>May 2019 Senior Corporate Officer and Chief Operating Officer of Japan Display Inc.</p> <p>June 2019 Representative Director, Senior Corporate Officer and Chief Operating Officer of Japan Display Inc.</p> <p>[Significant concurrent positions] Not applicable.</p>	500
<p>[Reasons for nomination as a candidate for Outside Director and expected roles] Mr. Sadahiro Numazawa has a wealth of knowledge and experience in the electronic device industry and has experience of involvement in corporate management in that industry. The Company nominates him as a candidate for Outside Director in the expectation that he will leverage his knowledge and experience in the management of the Company and will enhance the supervisory function of the Directors.</p> <p>[Special interests] There are no special interests between Mr. Sadahiro Numazawa and the Company.</p>			

- Notes:
1. Mr. Jiro Oshima will have served as Outside Director for seven (7) years at the conclusion of this Shareholders' Meeting.
  2. Mr. Kenichi Sugiyama will have served as Outside Director for one (1) years at the conclusion of this Shareholders' Meeting.
  3. In the event that this proposal is approved and resolved as originally proposed, Messrs. Jiro Oshima and Kenichi Sugiyama will become Independent Officers as set forth by the Tokyo Stock Exchange and the Nagoya Stock Exchange.
  4. In the event that this proposal is approved as originally proposed, the Company will conclude agreements with Messrs. Jiro Oshima, Kenichi Sugiyama and Sadahiro Numazawa to limit their liability for damages caused by negligence of duty under Article 423, Paragraph 1 of the Companies Act of Japan to the amount stipulated in Article 425, Paragraph 1 of the Act.
  5. The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act of Japan, with the Directors (including Outside Directors), Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members) and Executive Officers as the insured. The contract covers legal damages and litigation expenses, etc. in case of a claim for damages arising from an act of any of the insured in their capacity, and the insurance premiums are fully borne by the Company. The contract is renewed on an annual basis. However, measures are taken to ensure the appropriateness of their execution of duties by excluding damage, etc. caused by an act with knowledge of violation of law.

**Proposal 4:** Election of Three (3) Directors Serving as Audit & Supervisory Committee Members

If Proposal 2, “Partial Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee. Accordingly, the Company proposes to elect three (3) Directors serving as Audit & Supervisory Committee Members. The Audit & Supervisory Board has given its consent to this proposal.

This proposal shall take effect subject to the effectuation of the amendment to the Articles of Incorporation in Proposal 2, “Partial Amendment to the Articles of Incorporation.”

The candidates for Director serving as Audit & Supervisory Committee Member are listed in the following pages.

(Policy and Procedure for the Nomination of Candidates for Director Serving as Audit & Supervisory Committee Member)

For the nomination of candidates for Directors serving as Audit & Supervisory Committee Members, the President and Representative Director made a proposal in accordance with the following criteria. After deliberation by the Nomination & Remuneration Advisory Committee, the Board of Directors approved the proposal as a proposal submitted to the Shareholders’ Meeting, and the proposal is being presented to this Shareholders’ Meeting.

- a. Based on the Company’s philosophy, candidates must be those who can audit the duties of Directors (excluding Directors serving as Audit & Supervisory Committee Members), prevent any violation of laws, regulations or the Articles of Incorporation, work to maintain and improve sound management and social credibility of the Group, and contribute to ensuring the soundness of management by conducting audits from neutral and objective perspectives.
- b. Candidates for Outside Director serving as Audit & Supervisory Committee Member must be those who can attend Board of Directors meetings and supervise the execution of duties of Directors (excluding Directors serving as Audit & Supervisory Committee Members) from an objective standpoint and can be expected to play a role in the formation and expression of opinions from a fair perspective.

Candidate No.	Name				Current Position and Responsibilities at the Company
1	Teruyuki Kita	New appoint			Audit & Supervisory Board Member
2	Yoko Haruma	New appoint	Outside	Independent	Outside Audit & Supervisory Board Member of the Company
3	Tsuyoshi Imaeda	New appoint	Outside	Independent	Outside Audit & Supervisory Board Member of the Company

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
1	Teruyuki Kita (August 12, 1947)  <u>New Appointment</u>	April 1971      Joined Nippon Koei Co., Ltd. June 2005      Executive Officer of Nippon Koei Co., Ltd. June 2009      Managing Executive Officer of Nippon Koei Co., Ltd. June 2010      Advisor to Nippon Koei Co., Ltd. June 2011      Audit & Supervisory Board Member of the Company June 2012      Director and Division Director of Administrative Division April 2013      Director and Executive Officer, Division Director of Administrative Division June 2014      Audit & Supervisory Board Member (current position)  [Significant concurrent positions] Audit & Supervisory Board Member, Towashoko Co., Ltd. Audit & Supervisory Board Member, JM TECH Co., Ltd. Audit & Supervisory Board Member, KUSUNOKI CHEMICO Co., Ltd. Audit & Supervisory Board Member, JM Engineering Service Co., Ltd. Audit & Supervisory Board Member, PEK Co., Ltd. Audit & Supervisory Board Member, C'set Co., Ltd. Auditor, TAIWAN MATERIAL TECHNOLOGY Co., Ltd. Audit & Supervisory Board Member, WiL Co., Ltd.	2,524,960
<p>[Reasons for nomination as a candidate for Director serving as Audit &amp; Supervisory Committee Member]            Mr. Teruyuki Kita has served as Director and Audit &amp; Supervisory Board Member of the Company and its subsidiaries and has a wealth of experience and insight in the Group's businesses and management. The Company nominates him as a candidate for Director serving as Audit &amp; Supervisory Committee Member in the expectation that he will supervise the overall management, provide effective advice, and strengthen the corporate governance structure.</p> <p>[Special interests]            There are no special interests between Mr. Teruyuki Kita and the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
2	<p data-bbox="199 474 443 542">Yoko Haruma (November 19, 1974)</p> <p data-bbox="215 577 427 611"><u>New Appointment</u></p> <p data-bbox="274 622 368 656"><u>Outside</u></p> <p data-bbox="247 667 395 701"><u>Independent</u></p>	<p data-bbox="475 275 1265 365">October 2001 Registered as an attorney-at-law (admitted to the bar as Yoko Noguchi), joined the Daini Tokyo Bar Association Joined Torikai Law Office</p> <p data-bbox="475 405 1090 461">November 2003 Joined the Nagoya Bar Association Joined Ishihara Law Office</p> <p data-bbox="475 472 1217 562">October 2006 Partner of Founded Haruma &amp; Noguchi Law Office (current Attorney-at-law of and LEGAL LPC) (current position)</p> <p data-bbox="475 566 1185 622">June 2009 Audit &amp; Supervisory Board Member of the Company (current position)</p> <p data-bbox="475 640 855 674">[Significant concurrent positions]</p> <p data-bbox="475 678 866 712">Attorney-at-law, and LEGAL LPC</p> <p data-bbox="475 716 1185 784">Outside Director (Audit and Supervisory Committee Member), ICHIBANYA CO., LTD.</p> <p data-bbox="475 788 914 822">External Director, NADEX CO., LTD.</p> <p data-bbox="475 826 1185 893">Outside Director (Audit and Supervisory Committee Member), HAMAYUU CO., LTD.</p>	0
<p data-bbox="193 913 1469 947">[Reasons for nomination as a candidate for Outside Director serving as Audit &amp; Supervisory Committee Member]</p> <p data-bbox="193 952 1445 1097">Ms. Yoko Haruma is registered as an attorney-at-law. The Company nominates her as a candidate for Outside Director serving as Audit &amp; Supervisory Committee Member in the expectation that she will leverage her considerable knowledge in corporate legal affairs in her duties and will enhance the supervisory functions over the Directors' execution of duties.</p> <p data-bbox="193 1108 400 1142">[Special interests]</p> <p data-bbox="193 1146 1054 1180">There are no special interests between Ms. Yoko Haruma and the Company.</p>			



No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
3	Tsuyoshi Imaeda (August 13, 1973)  New Appointment Outside Independent	<p>October 1996    Joined Chuo Audit Corporation</p> <p>April 2000      Registered as a certified public accountant</p> <p>August 2007    Joined AZSA &amp; Co. (currently KPMG AZSA LLC)</p> <p>September 2012    Founded Imaeda Accounting Office, Director (current position)</p> <p>October 2012    Registered as a certified public tax accountant</p> <p>October 2013    Representative Partner of Brain One Tax Accountant Corporation</p> <p>January 2016    Outside Auditor of NATOCO Co., Ltd. (current position)</p> <p>May 2016        Outside Auditor of PALEMO HOLDINGS Co., Ltd. (current position)</p> <p>June 2020        Audit &amp; Supervisory Board Member of the Company (current position)</p> <p>October 2021    Representative Partner of Cross Brain Tax Accountant Corporation (current position)</p> <p>[Significant concurrent positions] Director, Imaeda Accounting Office Outside Auditor, NATOCO Co., Ltd. Outside Auditor, PALEMO HOLDINGS Co., Ltd. Representative Partner, Cross Brain Tax Accountant Corporation</p>	0
<p>[Reasons for nomination as a candidate for Outside Director serving as Audit &amp; Supervisory Committee Member] Mr. Tsuyoshi Imaeda is registered as a certified public accountant and a certified public tax accountant. The Company nominates him as a candidate for Outside Director serving as Audit &amp; Supervisory Committee Member in the expectation that he will leverage his considerable knowledge in finance and accounting in his duties and will enhance the supervisory functions over the Directors' execution of duties.</p> <p>[Special interests] There are no special interests between Mr. Tsuyoshi Imaeda and the Company.</p>			

- Notes:
- Ms. Yoko Haruma will have served as Outside Audit & Supervisory Board Member for thirteen (13) years at the conclusion of this Shareholders' Meeting.
  - Mr. Tsuyoshi Imaeda will have served as Outside Audit & Supervisory Board Member for two (2) years at the conclusion of this Shareholders' Meeting.
  - In the event that this proposal is approved and resolved as originally proposed, Ms. Yoko Haruma and Mr. Tsuyoshi Imaeda will become Independent Officers as set forth by the Tokyo Stock Exchange and the Nagoya Stock Exchange.
  - In the event that this proposal is approved as originally proposed, the Company will conclude agreements with Ms. Yoko Haruma and Mr. Tsuyoshi Imaeda to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act of Japan to the amount stipulated in Article 425, Paragraph 1 of the Act
  - The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act of Japan, with the Directors (including Outside Directors), Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members) and Executive Officers as the insured. The contract covers legal damages and litigation expenses, etc. in case of a claim for damages arising from an act of any of the insured in their capacity, and the insurance

premiums are fully borne by the Company. The contract is renewed on an annual basis. However, measures are taken to ensure the appropriateness of their execution of duties by excluding damage, etc. caused by an act with knowledge of violation of law.

**Proposal 5:** Election of One (1) Substitute Director Serving as Audit & Supervisory Committee Member

If Proposal 2, “Partial Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee. Accordingly, in preparation for the contingency in which the number of Directors serving as Audit & Supervisory Committee Members falls below that required by laws and regulations, the Company proposes to elect one (1) Substitute Director serving as Audit & Supervisory Committee Member. The effectiveness of the election in this proposal may be cancelled by resolution of the Board of Directors, with the consent of the Audit & Supervisory Committee, provided it is prior to the candidate’s assumption of office.

The Audit & Supervisory Board has given its consent to this proposal.

This proposal shall take effect subject to the effectuation of the amendment to the Articles of Incorporation in Proposal 2, “Partial Amendment to the Articles of Incorporation.”

The candidates for Substitute Director serving as Audit & Supervisory Committee Member are as follows.

Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
Mikio Hayashi (September 16, 1949)	April 1974      Joined Toshiba Corporation	0
	April 1994      General Manager of No. 2 Pellet Manufacturing Department, Oita Operations of Toshiba Corporation (currently JAPAN SEMICONDUCTOR CORPORATION)	
	April 1997      General Manager of Manufacturing Department, Yokkaichi Operations of Toshiba Corporation (currently Kioxia Corporation)	
	April 2001      General Manager of Yokkaichi Operations of Toshiba Corporation (currently Kioxia Corporation)	
	April 2003      Officer Responsible for Production Management, Toshiba Semiconductor Company (currently Kioxia Corporation)	
	January 2007    Associate Director of Canon Inc.	
	October 2011    Representative Director of Lee Hayashi Consulting Co., Ltd. (current position)	
	[Significant concurrent positions] Representative Director, Lee Hayashi Consulting Co., Ltd.	
<p>[Reasons for nomination as candidate for Substitute Outside Director serving as Audit &amp; Supervisory Committee Member] Mr. Mikio Hayashi has a wealth of knowledge and experience in the electronic device industry and experience in corporate management, and the Company believes he will be the right person for Substitute Outside Director serving as Audit &amp; Supervisory Committee Member.</p> <p>[Special interests] There are no special interests between Mr. Mikio Hayashi and the Company.</p>		

Notes: 1. The Company has transactions with Lee Hayashi Consulting Co., Ltd., where Mr. Mikio Hayashi serves as Substitute Outside Director serving as Audit & Supervisory Committee Member, but the value of those transactions is less than 1% of the Company’s selling, general and administrative expenses for the year under review.

2. Matters concerning Mr. Mikio Hayashi, the candidate for Substitute Outside Director serving as Audit & Supervisory Committee Member, are as follows.
  - a. Mr. Mikio Hayashi is a candidate for Substitute Outside Director serving as Audit & Supervisory Committee Member.
  - b. Reasons for belief that the candidate will be able to execute his duties as Substitute Outside Director serving as Audit & Supervisory Committee Member appropriately  
Mr. Mikio Hayashi has never served as an Audit & Supervisory Board Member, but he does have experience in as a corporate manager. For this reason, the Company believes that he will be able to execute his duties appropriately.
  - c. Mr. Mikio Hayashi satisfies the requirements of an Independent Officer pursuant to the rules of the Tokyo Stock Exchange and the Nagoya Stock Exchange. In the event that he assumes office as Substitute Outside Director serving as Audit & Supervisory Committee Member, the Company will register him with both exchanges as an Independent Officer.
  - d. Overview of Liability Limitation Agreement  
The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act of Japan, with the Directors (including Outside Directors), Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members) and Executive Officers as the insured. The contract covers legal damages and litigation expenses, etc. in case of a claim for damages arising from an act of any of the insured in their capacity, and the insurance premiums are fully borne by the Company. The contract is renewed on an annual basis. However, measures are taken to ensure the appropriateness of their execution of duties by excluding damage, etc. caused by an act with knowledge of violation of law.

**Proposal 6:** Revision to Amount of Remuneration, Etc. for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

A resolution was adopted by the 21st Annual Shareholders' Meeting, held on June 27, 2018, for the amount of remuneration for the Company's Directors to be within ¥500,000 thousand (of which, ¥20,000 thousand for Outside Directors) per year, which has remained unchanged to this day. If Proposal 2, "Partial Amendment to the Articles of Incorporation" is approved as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee. Accordingly, in consideration of various circumstances including recent changes in the economic conditions, the Company proposes to change the amount of remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) after the transition to a company with an Audit & Supervisory Committee to within ¥500,000 thousand (of which, ¥20,000 thousand for Outside Directors) per year. The Company believes that the amounts of remuneration, etc. in this proposal are in line with the determination policy set forth in (3)(i) of the Business Report in page 52 of this Notice, and are reasonable in consideration of work responsibilities of Directors (excluding Directors serving as Audit & Supervisory Committee Members).

The amount of remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) does not include the salary portion of Directors who serve concurrently as employees, as in the past.

The number of current Directors is eleven (11) (of which, three (3) are Outside Directors). If Proposal 2, "Partial Amendment to the Articles of Incorporation" and Proposal 3, "Election of Eleven (11) Directors (Excluding Directors serving as Audit & Supervisory Committee Members)" are approved as originally proposed, the number of Directors (excluding Directors serving as Audit & Supervisory Committee Members) will be eleven (11) (of which, three (3) are Outside Directors).

This proposal shall take effect subject to the effectuation of the amendment to the Articles of Incorporation in Proposal 2, "Partial Amendment to the Articles of Incorporation."

**Proposal 7: Determination of Amount of Remuneration, Etc. for Directors Serving as Audit & Supervisory Committee Members**

If Proposal 2, “Partial Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee. Accordingly, in association with the transition to a company with an Audit & Supervisory Committee, the Company proposes to set forth the amount of remuneration for Directors serving as Audit & Supervisory Committee Members to be within ¥60,000 thousand per year in consideration of the duties and responsibilities of Directors serving as Audit & Supervisory Committee Members. The Company believes that the contents of this proposal are necessary and reasonable, as this proposal determines the range of remuneration for Directors serving as Audit & Supervisory Committee Members within a reasonable range after giving consideration to the work responsibilities of Directors serving as Audit & Supervisory Committee Members and the level of remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) etc..

If Proposal 2, “Partial Amendment to the Articles of Incorporation” and Proposal 4, “Election of Three (3) Directors Serving as Audit & Supervisory Committee Members” are approved as originally proposed, the number of Directors serving as Audit & Supervisory Committee Members will be three (3). This proposal shall take effect subject to the effectuation of the amendment to the Articles of Incorporation in Proposal 2, “Partial Amendment to the Articles of Incorporation.”

[Reference] Skill Matrix

If the elections of the candidates in this notice are approved as originally proposed, the skill matrix of the Board of Directors will be as follows:

Name	Nomination & Remuneration Advisory Committee	Corporate Management	Electronics	Graphics Solution & IT	Engineering & Operation Service	Sales & Marketing	Finance & Accounting	Legal Affairs & HR
Hisao Tanaka	<input type="checkbox"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>		
Tetsuo Kai		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Keisuke Hase		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>	
Yoshinori Sakaguchi		<input type="radio"/>		<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	
Nobuharu Yanai			<input type="radio"/>		<input type="radio"/>			
Kouske Tanaka		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tomokazu Tanaka		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jiro Oshima	<input type="checkbox"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>			<input type="radio"/>
Kenichi Sugiyama	<input type="checkbox"/>	<input type="radio"/>					<input type="radio"/>	<input type="radio"/>
Sadahiro Numazawa	<input type="checkbox"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>			<input type="radio"/>
Teruyuki Kita		<input type="radio"/>			<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
Yoko Harumua								<input type="radio"/>
Tsuyoshi Imaeda							<input type="radio"/>	

[Reference] Criteria for Independence of Outside Officers

The Company has set forth the following Criteria for Independence of Outside Officers and elects Outside Officers according to these criteria.

Criteria for Independence of Outside Officers

The Company sets forth its criteria for the independence of the Company's Outside Officers as follows. If an Outside Officer or a candidate for Outside Officer satisfies all of the following requirements, the Company will determine that the person is sufficiently independent of the Company.

1. The person is not or have never been a Director, Audit & Supervisory Board Member, Accounting Advisor, Executive, Executive Officer, or General Manager or above (hereinafter "Executive" of the Company or a subsidiary of the Company (hereinafter "the Group")).
2. The person is not a major shareholder (\*1) of the Company or an Executive of such shareholder, or an Executive of an entity of which the Group is a major shareholder.
3. The person have never been an Executive of a major trading partner (\*2) of the Group in the past three (3) years.
4. The person has never received donations of ¥10 million or more (\*3) from the Group in the most recently completed business year.
5. There is no relationship of cross-holding of Outside Officer positions between the Group and the company to which an Executive of the Group belongs as an Outside Officer.
6. The person is not an attorney-at-law, certified public accountant, or provider of professional services such as various forms of consulting who has received from the Group an average of ¥10 million or more in the past three (3) completed business years, apart from Director's/Audit & Supervisory Board Member's remuneration.
7. The person is not a certified public accountant at the accounting firm that is the Group's Accounting Auditor or have never engaged in audit operations for the Group in the past three (3) years.
8. The person has never belonged to the Company's lead underwriting securities firm in the past three (3) years.
9. The person is not be a close relative within two (2) degrees of kinship of an Executive of the Group.

\*1. "Major shareholder" refers to an entity that holds 10% or more of total voting rights either directly or indirectly.

\*2. "Major trading partner" refers to a trading partner for which the amount paid by the Group exceeded 2% of that trading partner's consolidated net sales (mainly suppliers) or whose payments to the Group exceeded 2% of the Group's consolidated net sales (mainly customers) in any one of the past three (3) completed business years.

\*3. If an organization such as a union, etc., this refers to a person who belongs to that organization or who belonged to the organization in the past five (5) years.