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Securities code: 8052
June 10, 2022

To Shareholders with Voting Rights:

Masashi Koda
President & COO
TSUBAKIMOTO KOGYO CO.,
LTD.
3-3-20 Umeda, Kita-ku, Osaka-shi,
Osaka, 530-0001, Japan

**NOTICE OF
THE 119th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 119th Annual General Meeting of Shareholders of TSUBAKIMOTO KOGYO CO., LTD. (the "Company") will be held as described below.

In order to prevent the spread of COVID-19, we kindly ask you to refrain from attending the General Meeting of Shareholders in person and exercise your voting rights in writing or via the Internet, etc. as much as possible, by reviewing the attached Reference Documents for the General Meeting of Shareholders.

1. Date and Time: Wednesday, June 29, 2022 at 10:00 a.m. Japan time
(Reception will open at 9:30 a.m.)

2. Place: Conference Room at the Company
3rd floor, Meiji Yasuda Life Osaka Umeda Building
3-3-20 Umeda, Kita-ku, Osaka-shi, Osaka, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 119th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 119th Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of Seven (7) Directors
Proposal 4: Election of One (1) Substitute Corporate Auditor
Proposal 5: Revision of Amount of Remuneration for Outside Directors

End

Disclosure via the Internet

- Of the documents to be provided for this Notice, “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements and “Non-consolidated Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements are posted on the Company’s website, in accordance with provisions of laws and regulations as well as Article 17 of the Articles of Incorporation, and therefore are not described in the documents attached to this Notice.
- Any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements will be posted on the Company’s website.

The Company’s website: <https://www.tsubaki.co.jp/ja/ir/library/meeting/> (in Japanese only)

Guide to Exercising Voting Rights

When exercising your voting rights in advance

Exercising your voting rights in writing

(Exercise deadline: To be arrived no later than Tuesday, June 28, 2022 at 5:15 p.m. Japan time)

Please indicate “for” or “against” for each proposal on the enclosed Voting Rights Exercise Form, and return it to us so that it arrives by the exercise deadline.

Exercising your voting rights via the Internet, etc.

(Exercise deadline: To be exercised no later than Tuesday, June 28, 2022 at 5:15 p.m. Japan time)

Please access the website (<https://www.web54.net>), with your smart phone, personal computer, or etc. and indicate “for” or “against” for each proposal by following the instructions displayed on the screen. (in Japanese only)

- If you exercise your voting rights both in writing and via electronic or magnetic means (the Internet, etc.), we will treat the latter as a valid exercise of your voting rights.
- If you exercise your voting rights more than once via electronic or magnetic means (the Internet, etc.), we will treat the last exercise as a valid exercise of your voting rights.
- In exercising your voting rights, if neither “for” nor “against” is indicated, it shall be deemed as an intention of approval.
- Institutional investors may use the Electronic Voting Platform for institutional investors operated by ICJ, Inc.

When attending the General Meeting of Shareholders

Date and Time of the General Meeting of Shareholders:

Wednesday, June 29, 2022 at 10:00 a.m. Japan time (Reception starts at 9:30 a.m.)

When attending the meeting on the day, please submit the enclosed Voting Rights Exercise Form to the reception desk.

- * If you intend to exercise your voting rights by proxy, only one (1) shareholder with voting rights can act as your proxy.
In this case, the proxy will be required to submit written proof of his/her right of proxy.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company proposes to appropriate its surplus as follows.

1. Matters concerning year-end dividend

The Company's basic policy is to provide shareholders with appropriate dividends in proportion to profit or loss during the period, and to enhance internal reserve required to invest in mid- to long-term growth and to stabilize the financial foundation.

In accordance with the above policy, and in consideration of the favorable business results, we propose the year-end dividend for the fiscal year under review as follows, including an increase of 10 yen per share in the ordinary dividend and a commemorative dividend of 20 yen per share in appreciation of the 105th anniversary of the Company's founding in last October. Accordingly, the annual dividend for the fiscal year under review will be 150 yen per share, including the interim dividend of 30 yen per share.

Type of dividend property

Cash

Allotment of dividend property to shareholders and the total amount thereof

120 yen per share of common stock of the Company

Of which:

Ordinary dividend 100 yen

Commemorative dividend 20 yen

Total amount: 758,901,840 yen

Effective date of appropriation of surplus

Thursday, June 30, 2022

2. Matters concerning appropriation of surplus

In order to ensure the sound development of the management and in comprehensive consideration of the future business environment, we propose the appropriation of surplus as follows.

Surplus item to be increased and amount thereof

General reserve 2,130,000,000 yen

Surplus item to be decreased and amount thereof

Retained earnings brought forward 2,130,000,000 yen

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reason for the proposal

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 17 (Measures for Electronic Provision, etc.), Paragraph 1 shall be newly established since it is mandatory to stipulate the measures for electronic provision in the Articles of Incorporation concerning the information contained in the reference documents for the general meeting of shareholders, etc.
- (2) The proposed Article 17 (Measures for Electronic Provision, etc.), Paragraph 2 shall be newly established to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it to the scope stipulated in the Ordinance of the Ministry of Justice, among the matters for which the measures for electronic provision are taken concerning the information contained in the reference documents for the general meeting of shareholders, etc.
- (3) Once the system for electronic provision of materials for general meetings of shareholders is introduced, the provision of Article 17 (Internet Disclosure and Deemed Provision of the Reference Documents for the General Meeting of Shareholders, etc.) of the current Articles of Incorporation will become unnecessary and will therefore be deleted.
- (4) Supplementary provisions related to the effect of the above provisions to be newly established and deleted shall be established. These supplementary provisions shall be deleted after a specified period of time elapses.

2. Content of the amendment

The details of the amendment is as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Article 1 – Article 16 (Omitted)	Article 1 – Article 16 (Unchanged)
<p>Article 17 (<u>Internet Disclosure and Deemed Provision of the Reference Documents for the General Meeting of Shareholders, etc.</u>) <u>The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions stipulated in the Ordinance of the Ministry of Justice.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>Article 18 – Article 51 (Omitted)</p> <p>(Newly established)</p>	<p><u>Article 17 (Measures for Electronic Provision, etc.)</u> <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p>(2) <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p>Article 18 – Article 51 (Unchanged)</p> <p><u>Supplementary provisions</u></p> <p><u>Article 1 The deletion of Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the current Articles of Incorporation and the new establishment of Article 17 (Measures for Electronic Provision, etc.) of the proposed Articles of Incorporation shall come into effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p>(2) <u>Notwithstanding the provisions of the preceding paragraph, Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p>(3) <u>These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Seven (7) Directors

The terms of office of all six (6) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of seven (7) Directors, increasing one (1) Outside Director, is proposed to ensure transparency of the management and further enhance the corporate governance. The Company has voluntarily set up the Nomination & Remuneration Committee, where Independent Outside Directors account for a majority of its members, and has received a report that the nomination of all the candidates listed below are appropriate.

The candidates for Director are as follows.

No.	Name	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings
1	[Reappointment] Tetsuya Tsubakimoto	Chairman(Representative Director) & CEO; overseeing Overseas Business	13/13
2	[Reappointment] Masashi Koda	President(Representative Director) & COO	13/13
3	[Reappointment] Hiroshi Kasugabe	Director, Executive Managing Officer; overseeing Corporate Administration; General Manager, Corporate Administration Center; in charge of Internal Auditing, Legal Affairs, Credit Control, Public Relations, Corporate Governance, and Compliance (current position)	13/13
4	[Reappointment] Hiroyuki Ito	Director, Executive Managing Officer; overseeing Sales and Strategic Business Development; General Manager, Strategic Business Development Center; in charge of Strategic Management and Engineering Department (current position)	13/13
5	[Reappointment] [Outside] [Independent] Kenichi Atarashi	Outside Director	13/13
6	[Reappointment] [Outside] [Independent] Hideki Ninomiya	Outside Director	13/13
7	[New appointment] [Outside] [Independent] Yumiko Yasuhara	–	–

Reappointment: Candidate for reappointment

New appointment: Candidate for new appointment

Outside: Candidate for Outside Director

Independent: Candidate for Independent Officer under the rules of Tokyo Stock Exchange, Inc.

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
1	Tetsuya Tsubakimoto (March 11, 1955) [Reappointment] [Attendance at the Board of Directors meetings] 13/13	Apr. 1989 Joined the Company Jun. 1991 Director Jun. 1993 Executive Director (Representative Director) Jun. 1997 President (Representative Director) Jul. 2005 President (Representative Director); overseeing SRS Business Jul. 2007 President (Representative Director); overseeing Overseas Business Oct. 2011 President (Representative Director); General Manager Strategic Business Development Center Jun. 2018 Chairman (Representative Director); in charge of Overseas Business Apr. 2019 Chairman (Representative Director) Jun. 2019 Chairman (Representative Director) & CEO Jun. 2021 Chairman (Representative Director) & CEO; overseeing Overseas Business (current position) [Significant concurrent positions] Not applicable	32,820
[Reason for nomination as a candidate for Director] Mr. Tetsuya Tsubakimoto has long served as a Representative Director of the Company and has exercised great leadership to lead the Company. A broad perspective and management skills based on the experience are essential to the management of the Company. The Company therefore believes that he will continue to appropriately execute his duties as a Director.			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
2	<p>Masashi Koda (November 8, 1958)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 13/13</p>	<p>Apr. 1981 Joined the Company</p> <p>Apr. 2005 Manager, Eastern Japan Sales Division, Global Business Promotion Group</p> <p>Apr. 2010 President, TSUBACO SINGAPORE PTE. LTD.</p> <p>Oct. 2013 Manager, Strategic Management Center; Manager, Market Planning Department, Strategic Management Center, the Company</p> <p>Jun. 2015 Manager, Tokyo Strategic Management Department, Strategic Management Center</p> <p>Jun. 2016 Director, Corporate Officer; General Manager, Strategic Management Center (in charge of Planning, Public Relations, and Compliance)</p> <p>Jun. 2018 President (Representative Director); in charge of Strategic Management; General Manager, Strategic Management Center (in charge of Planning and Public Relations)</p> <p>Apr. 2019 President (Representative Director)</p> <p>Jun. 2019 President (Representative Director) & COO (current position)</p> <p>[Significant concurrent positions] Not applicable</p>	4,594
<p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Masashi Koda has demonstrated his skills in the overseas business as President of an overseas subsidiary and in other roles. He has also engaged in business execution in strategic management and other fields and has served as a Representative Director of the Company since June 2018. He has a wealth of experience, track record, and knowledge.</p> <p>The Company therefore believes that he will continue to leverage these insights to the management of the Company and appropriately execute his duties as a Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
3	<p>Hiroshi Kasugabe (September 8, 1949)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 13/13</p>	<p>Apr. 1972 Joined the Company</p> <p>Oct. 2009 Corporate Officer</p> <p>Jun. 2010 Corporate Officer; in charge of Finance & Accounting</p> <p>Jun. 2011 Director, Corporate Officer</p> <p>Oct. 2011 Director, Corporate Officer; Deputy General Manager, Corporate Administration Center</p> <p>Jun. 2016 Director, Managing Officer; overseeing Corporate Administration; General Manager, Corporate Administration Center; in charge of Internal Auditing</p> <p>Jun. 2018 Director, Executive Managing Officer; overseeing Corporate Administration; General Manager, Corporate Administration Center; in charge of Compliance and Internal Auditing</p> <p>Jun. 2020 Director, Executive Managing Officer; overseeing Corporate Administration; General Manager, Corporate Administration Center; in charge of Internal Auditing, Legal Affairs, Credit Control, Public Relations, Corporate Governance, and Compliance (current position)</p> <p>[Significant concurrent positions] Not applicable</p>	3,218
<p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Hiroshi Kasugabe has long engaged in business execution in the corporate administration and has a wealth of experience and knowledge concerning information management, finance and accounting, human resources and general affairs, and legal affairs.</p> <p>The Company therefore believes that he will continue to leverage these insights to the management of the Company and appropriately execute his duties as a Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
4	<p>Hiroyuki Ito (April 3, 1946)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 13/13</p>	<p>Apr. 1969 Joined the Company</p> <p>Apr. 1992 Representative Director & President, Tsubaco Hokkaido Sales Co.,Ltd. (currently Tsubaco Kitanihon Co.,Ltd.)</p> <p>Jun. 2005 Director, the Company</p> <p>Jun. 2007 Director, Corporate Officer</p> <p>Jul. 2007 Director, Corporate Officer; Deputy General Manager, Eastern Japan Sales Headquarters; in charge of Power Transmission</p> <p>Jun. 2013 Director, Corporate Officer; General Manager, Eastern Japan Sales Headquarters</p> <p>Jun. 2014 Executive Managing Officer; General Manager, Eastern Japan Sales Headquarters</p> <p>Jun. 2016 Director, Managing Officer; General Manager, Eastern Japan Headquarters</p> <p>Jun. 2018 Director, Executive Managing Officer; overseeing Sales and Strategic Business Development; General Manager, Strategic Business Development Center; in charge of Engineering Division</p> <p>Jun. 2020 Director, Executive Managing Officer; overseeing Sales and Strategic Business Development; General Manager Strategic Business Development Center; in charge of Strategic Management and Engineering Division (current position)</p> <p>[Significant concurrent positions] Not applicable</p>	4,388
<p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Hiroyuki Ito has engaged in corporate management as a Director of the Company and its subsidiary and taken charge of sales, strategic business development, and engineering. He has a wealth of experience, track record, and knowledge concerning corporate management and sales.</p> <p>The Company therefore believes that he will continue to leverage these insights to the management of the Company and appropriately execute his duties as a Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
6	<p>Hideki Ninomiya (March 15, 1955)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Attendance at the Board of Directors meetings] 13/13</p> <p>[Term of office as Director (at the conclusion of this meeting)] 6 years</p>	<p>Jan. 1981 Joined HAYAKOMA UNYU Co., Ltd.</p> <p>Jul. 1990 Director</p> <p>Jul. 1992 Managing Director</p> <p>Jul. 2000 Representative and Executive Director (current position)</p> <p>Jun. 2016 Outside Director, the Company (current position)</p> <p>[Significant concurrent positions] Representative and Executive Director, HAYAKOMA UNYU Co. Ltd. Representative Director & President, HAYAKOMA SHOJI Co., Ltd. Representative Director & President, HAYAKOMA MARINE SERVICES Co., Ltd.</p>	824
<p>[Reason for nomination as a candidate for Outside Director and expected roles]</p> <p>Mr. Hideki Ninomiya has a wealth of experience and knowledge of company management. The Company therefore believes that he will appropriately execute his duties as an Outside Director of the Company.</p> <p>When elected, he is expected to continue to monitor decision making of the Board of Directors of the Company and business execution of the management from an objective standpoint, especially in the nomination and remuneration field.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
7	<p>Yumiko Yasuhara (November 30, 1983)</p> <p>[New appointment] [Outside] [Independent]</p> <p>[Attendance at the Board of Directors meetings] –</p> <p>[Term of office as Director (at the conclusion of this meeting)] –</p>	<p>Dec. 2012 Registered as an attorney in Osaka Bar Association Joined Takeyama Law Office (current position)</p> <p>[Significant concurrent positions] Not applicable</p>	0
<p>[Reason for nomination as a candidate for Outside Director and expected roles]</p> <p>Although Ms. Yumiko Yasuhara has no experience in directly engaging in company management, she has professional knowledge accumulated as an attorney. The Company therefore believes that she will appropriately execute her duties as an Outside Director of the Company.</p> <p>When elected, she is expected to monitor decision making of the Board of Directors of the Company and business execution of the management from an objective standpoint, especially in the fields of legal and compliance, finance and accounting, and labor.</p>			

[Special notes concerning the candidates for Director]

■ Special interests with the Company

There are no special interests between each candidate for Director and the Company

■ Matters concerning the candidates for Outside Director

Mr. Kenichi Atarashi, Mr. Hideki Ninomiya, and Ms. Yumiko Yasuhara are candidates for Outside Director.

■ Matters concerning the Independent Officers

The Company has designated Mr. Kenichi Atarashi and Mr. Hideki Ninomiya as independent officers under the rules of Tokyo Stock Exchange, Inc. (TSE) and notified TSE accordingly. If they are elected as originally proposed, they will continue to serve as Independent Officers.

If Ms. Yumiko Yasuhara is elected as originally proposed, she will be newly designated as an Independent Officer.

■ Outline of the liability limitation agreement with the candidates for Director

The Company has entered into an agreement with Mr. Kenichi Atarashi and Mr. Hideki Ninomiya, pursuant to Article 427, Paragraph 1 of the Companies Act, to limit their liability for damages under Article 423, Paragraph 1 of the said Act to the amount stipulated by laws and regulations. If they are elected as originally proposed, the Company intends to continue the agreement.

If Ms. Yumiko Yasuhara is elected as originally proposed, the Company intends to enter into the same agreement with her.

■ Outline of the directors and officers liability insurance contract to insure the candidates for Director

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, and intends to renew the insurance contract in October 2022. The said insurance contract covers damages that may arise when insured directors and officers assume liability for the execution of their duties or receive a claim related to the pursuit of such liability.

If each candidate is elected as originally proposed, all the candidates will be insured under the said insurance contract.

[Reference]

Skill matrix of Directors and Corporate Auditors after the conclusion of this Annual General Meeting of Shareholders (tentative)

	Name	■ Male ◆ Female	Skills (knowledge, experience, ability) that the Company expects					
			Corporate management	Sales/ Marketing	Finance/ Accounting	Legal/ Compliance	IT	Internationality
Directors	Tetsuya Tsubakimoto	■	○	○	○	○	○	○
	Masashi Koda	■	○	○	○	○	○	○
	Hiroshi Kasugabe	■	○		○	○	○	
	Hiroyuki Ito	■	○	○		○		○
	Kenichi Atarashi Outside Independent	■	○	○	○			○
	Hideki Ninomiya Outside Independent	■	○	○	○		○	
	Yumiko Yasuhara Outside Independent	◆			○	○		
Corporate Auditors	Kaoru Yamakita	■			○	○	○	
	Osamu Ogawara	■		○		○		○
	Hitoshi Kobayashi Outside	■			○	○		○
	Naomichi Yamamoto Outside Independent	■			○	○		

* These are the knowledge, experience, and ability expected of each Director or Corporate Auditor and do not show all the skills each possesses.

* The Directors above are those to be appointed if Proposal 3 is approved and resolved as originally proposed.

Proposal 4: Election of One (1) Substitute Corporate Auditor

The effect of the election of the current substitute Corporate Auditor will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of one (1) substitute Corporate Auditor is proposed in advance, in the event that the number of Corporate Auditors falls below the number stipulated by laws and regulations.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidate for substitute Corporate Auditor is as follows.

Name (Date of birth)	Career summary and positions		Number of shares of the Company held
Yoshihito Ueno (April 9, 1976)	Oct. 2000	Registered as an attorney in Dai-Ichi Tokyo Bar Association	0
	Jun. 2006	Joined Nagashima, Ohno & Tsunematsu Graduated from The University of Chicago, The Law School (LL.M.)	
	May 2007	Graduated from Georgetown University, Georgetown Law (LL.M. in Taxation)	
	Mar. 2008	Joined Tokyo Aoyama Aoki Koma Law Office (currently Baker & McKenzie)	
	May 2015	Established Ueno Law Office (current position)	
	Jan. 2016	Registered as an Associate Member in the Japanese Institute of Certified Public Accountants (current position)	
	Dec. 2020	Auditor, Toda-Naruo Foundation (current position) [Significant concurrent position] Attorney, Ueno Law Office	
[Reason for nomination as a candidate for substitute Outside Corporate Auditor] Although Mr. Yoshihito Ueno has no experience in directly engaging in company management, he has professional knowledge accumulated as an attorney. The Company therefore believes that he will appropriately execute his duties as an Outside Corporate Auditor by leveraging his knowledge in the auditing system of the Company when he assumes office as an Outside Corporate Auditor.			

- Notes:
1. There are no special interests between Mr. Yoshihito Ueno and the Company.
 2. Mr. Yoshihito Ueno is a candidate for substitute Outside Corporate Auditor.
 3. If Mr. Yoshihito Ueno assumes office as an Outside Corporate Auditor, he will be designated as an Independent Officer.
 4. If Mr. Yoshihito Ueno assumes office as an Outside Corporate Auditor, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the said Act to the amount stipulated by laws and regulations.
 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, and intends to renew the insurance contract in October 2022. The said insurance contract covers damages that may arise when insured directors and officers assume liability for the execution of their duties or receive a claim related to the pursuit of such liability.
If Mr. Yoshihito Ueno assumes office as an Outside Corporate Auditor, he will be insured under the said insurance contract.

Proposal 5: Revision of Amount of Remuneration for Outside Directors

The amount of monetary remuneration for the Directors of the Company was approved at the 113th Annual General Meeting of Shareholders held on June 29, 2016, as no more than 312 million yen per year (excluding the employee salaries of Directors who serve concurrently as employees, and no more than 18 million yen per year for Outside Directors), and this has continued to the present.

As described in Proposal 3 “Election of Seven (7) Directors,” we have proposed to increase the number of Outside Directors to ensure transparency of the management and further enhance the corporate governance. If Proposal 3 “Election of Seven (7) Directors” is approved and resolved as originally proposed, there will be seven Directors (including three Outside Directors).

Accordingly, the Company proposes the amendment so that the amount of remuneration for Directors (no more than 312 million yen per year) remains unchanged and only the amount of remuneration for Outside Directors increases to no more than 30 million yen per year.

This proposal is to increase the amount of remuneration for Outside Directors without changing the remuneration limit for Directors, in order to respond to the increase in the number of Outside Directors and changes in the environment surrounding Outside Directors. Therefore, we believe that this proposal is necessary and reasonable, and appropriate as well.

End