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(Securities Code: 6315)

June 7, 2022

Dear Shareholders:

Hirokazu Okada
President & CEO
TOWA CORPORATION
5, Kamichoshi-cho, Kamitoba,
Minami-ku, Kyoto, Japan

CONVOCAATION NOTICE FOR THE 44TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 44th Ordinary General Meeting of Shareholders of TOWA CORPORATION (the “Company”) will be held as detailed below.

In the event you are unable to attend the meeting, you can exercise your voting rights in writing (the Voting Rights Exercise Form) or via the Internet. In this case, please examine the Reference Documents for the General Meeting of Shareholders later in this translation, then exercise your voting rights in accordance with “Exercising voting rights” on page 3 by 5:30 p.m. on Tuesday, June 28, 2022.

To reduce the risk of infection with the novel coronavirus, shareholders attending this Ordinary General Meeting of Shareholders are sincerely asked to confirm the state of infection and your health condition on that day. Also, please take measures to prevent infection by wearing a face mask and so on.

You can also exercise your voting rights via the Internet in addition to via mail. We recommend you taking these ways.

1. Date and time: June 29, 2022 (Wednesday) 10:00 a.m.
2. Venue: 5, Kamichoshi-cho, Kamitoba, Minami-ku, Kyoto, Japan
Meeting room on the seventh floor of the Company’s HQ building
3. Agenda:
 - Reports; 1. Business report, consolidated financial statements, and audit reports regarding the consolidated financial statements by the Accounting Auditor and the Audit and Supervisory Committee for the 44th fiscal term (from April 1, 2021 to March 31, 2022)
 - 2. Report of the financial statements for the 44th fiscal term (from April 1, 2021 to March 31, 2022)
 - Proposal; 1. Amendments to the Articles of Incorporation
 - 2. Election of Five (5) Directors who are not Audit and Supervisory Committee Members
 - 3. Election of Four (4) Directors who are Audit and Supervisory Committee Members
 - 4. Determination of compensation for granting restricted shares to Directors who are not Audit and Supervisory Committee Members or Outside Directors

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Should the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company's website (<https://www.towajapan.co.jp>).

Exercising voting rights

Your voting right for the shareholders meeting is important.

Please examine the Reference Documents for the General Meeting of Shareholders later in this translation, then exercise your voting rights.

There are three ways to exercise your voting rights.

1. Voting at the General Meeting of Shareholders

Please bring this convocation notice and the enclosed Voting Rights Exercise Form, and submit the form to the reception.

Date and time: June 29, 2022 (Wednesday) 10:00 a.m.

2. Voting via mail

Please indicate your approval or disapproval for each proposal listed on the enclosed Voting Rights Exercise Form and return it to us.

Deadline to arrive us: June 28, 2022 (Tuesday) 5:30 p.m.

3. Voting via the Internet

Please see the instructions for online voting on the next page and enter your approval or disapproval for each proposal.

Deadline: June 28, 2022 (Tuesday) 5:30 p.m.

[Note]

If voting is conducted both in writing and via the Internet, the Internet vote will be regarded as effective.

If voting is conducted multiple times via the Internet, the most recent vote will be regarded as effective.

If you wish to vote via the Internet, please follow the procedures below

Reading the login QR code —Smart Exercise®—

You can login to the voting website without entering your voting code and password.

Procedures:

1. Read the QR code printed on the lower-right corner of the Voting Rights Exercise Form.

Note: QR code is a registered trademark of Denso Wave Inc.

2. Indicate your approval or disapproval in accordance with the guidance appearing on the screen.

You can use this “Smart Exercise®” to vote only **one (1)** time.

If you want to change your vote results after you have voted, please access the website for computers by entering your voting code and password printed on the Voting Rights Exercise Form. Then vote again.

Note: You can access the website for computers by reading the QR code again.

Entering your voting code and password

Procedures:

1. Access the website for voting: <https://soukai.mizuho-tb.co.jp/>
2. Enter your voting code printed on the Voting Rights Exercise Form.
3. Enter the initial password printed on the Voting Rights Exercise Form.
Then, set your own new password in accordance with the guidance appearing on the screen.
4. Indicate your approval or disapproval in accordance with the guidance appearing on the screen.

For inquiries on exercising voting rights via the Internet

Please address any inquiries concerning exercising voting rights via the Internet, such as the operations for a computer, smartphone and mobile phone, to the following number:

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

Internet Help Dial

0120-768-524

(9:00 a.m. to 9:00 p.m. on weekdays)

[Note]

Please note that institutional investors can use the platform operated by ICJ, Inc. for exercising voting rights.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1. Amendments to the Articles of Incorporation

1. Reasons for proposal

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

(1) Article 14, paragraph 1 in “Proposed amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.

(2) Article 14, paragraph 2 in “Proposed amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.

(3) Since the provisions for Online Disclosure and Deemed Provision of General Meeting of Shareholders Reference Materials, etc. (Article 14 of the current Articles of Incorporation) will no longer be required, they will be deleted.

(4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the proposed amendments

Details of the amendments are as follows:

(Underlined portions show amended parts.)

Present Articles of Incorporation	Proposed amendments
<p><u>Articles 1 to 13 (Articles omitted).</u> <u>(Online Disclosure and Deemed Provision of General Meeting of Shareholders Reference Materials, etc.)</u> Article 14 The company may regard information <u>pertaining to matters to be stated or displayed in general meeting of shareholders reference materials, business reports, financial statements and consolidated financial statements when convening a general meeting of shareholders as having been provided to shareholders when such information has been disclosed via the Internet in accordance with the provisions of the ordinance of the Ministry of Justice.</u></p> <p>< NEWLY ESTABLISHED ></p>	<p>Articles 1 to 13 (Unchanged).</p> <p>< DELETED ></p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u> Article 14 1. When the Company convenes a <u>general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p>

Present Articles of Incorporation	Proposed amendments
<p>Articles 15 to 41 (Articles omitted).</p> <p>(Supplementary Provisions)</p> <p>Articles 1 to 2 (Articles omitted).</p> <p>< NEWLY ESTABLISHED ></p>	<p><u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p>Articles 15 to 41 (Unchanged).</p> <p>(Supplementary Provisions)</p> <p>Articles 1 to 2 (Unchanged).</p> <p><u>Article 3</u> 1. <u>The deletion of Article 14 (Online Disclosure and Deemed Provision of General Meeting of Shareholders Reference Materials, etc.) in the pre-amended Articles of Incorporation and the establishment of the new Article 14 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from September 1, 2022.</u></p> <p>2. <u>Notwithstanding the provision of the preceding paragraph, Article 14 of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six (6) months from September 1, 2022.</u></p> <p>3. <u>This Article 3 shall be deleted on the date when six months have elapsed from September 1, 2022 or three (3) months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is the later.</u></p>

Proposal 2. Election of Five (5) Directors who are not Audit and Supervisory Committee Members

The terms of office of all four (4) current Directors who are not Audit and Supervisory Committee Members will expire at the conclusion of this meeting. This time, the Company plans to further enhance the management system by proposing that five (5) Directors who are not Audit and Supervisory Committee Members be elected.

This proposal has been determined by the Board of Directors after deliberation by the voluntary Nomination and Compensation Committee (majority of the members are Independent Outside Directors and the Chairperson is an Independent Outside Director).

The Audit and Supervisory Committee has previously given its opinion to this proposal that all of the candidates are suitable.

The candidates for Directors who are not Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Current positions and responsibilities at the Company
1	Hirokazu Okada Re-nominated	President & CEO
2	Koichi Ishida Re-nominated	Director, Managing Executive Officer (Chief Operating Officer, Marketing and Sales Division, Core Technology Business Division, Development Division and Singulation Development Division) Core Technology Business Division Manager
3	Nobutaka Shibahara Re-nominated	Director, Executive Officer (Chief Operating Officer, Corporate Planning Division and Administration Division) Administration Division Manager
4	Kazuhiro Nishimura Newly nominated	Executive Officer Production Division Manager
5	Muneo Miura Newly nominated	Executive Officer Marketing and Sales Division Manager

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
1 <div style="border: 1px solid black; padding: 2px; width: fit-content;">Re-nominated</div>	Hirokazu Okada (August 11, 1951)	April 1979 Joined the Company March 1988 Director June 2000 Senior Director August 2003 Director November 2005 Director, Department Manager of PM Market Development Dept. June 2006 Director, Managing Executive Officer, Department Manager of PM Market Development Dept. June 2008 Director, Managing Executive Officer, Division Manager of Development Div. April 2010 Executive Director, Chief Operating Officer of Development Div., Marketing and Sales Div. and Bandoh Memorial Research Laboratory April 2012 President & CEO (to present) (Significant concurrent positions) CEO of TOWA (Nantong) Co., Ltd.	191,220
<p>《Reasons for nomination as a candidate for Director》</p> <p>Mr. Okada joined the Company in 1979 and promoted the globalization of the Company's business. After serving as sales department manager, he was promoted to Director. Then he founded the sales and marketing system of TOWA Group's semiconductor equipment business. After that, he was appointed as the head of product development divisions such as the Development Div. After serving as Executive Director, he was promoted to President & CEO in 2012. Through such various experiences in the Company's business, he acquired and possesses abundant ideas in addition to deep insights and wide connections. He continuously exerts leadership as the top management and plays the most important role in passing down the Company's technologies and culture. Therefore, we once again nominate Mr. Okada as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
2 Re-nominated	Koichi Ishida (October 6, 1962)	<p>March 1985 Joined the Company</p> <p>April 2010 Executive Officer, Division Manager of Mold Products Div.</p> <p>April 2014 Executive Officer, Division Manager of Marketing and Sales Div.</p> <p>April 2016 Senior Executive Officer, Division Manager of Marketing and Sales Div. and New Business Promotion Div.</p> <p>June 2017 Director, Senior Executive Officer, Division Manager of Marketing and Sales Div. and New Business Promotion Div.</p> <p>April 2018 Director, Senior Executive Officer, Chief Operating Officer of Marketing and Sales Div. and New Business Promotion Div., Division Manager of New Business Promotion Div.</p> <p>April 2021 Director, Managing Executive Officer, Chief Operating Officer of Marketing and Sales Div. and New Business Promotion Div., Division Manager of New Business Promotion Div.</p> <p>April 2022 Director, Managing Executive Officer, Chief Operating Officer of Marketing and Sales Div., Core Technology Business Div., Development Div. and Singulation Development Div., Division Manager of Core Technology Business Div. (to present)</p>	15,000
<p>《Reasons for nomination as a candidate for Director》</p> <p>Mr. Ishida joined the Company in 1985 and engaged in manufacturing for many years. From 2010, he has been responsible for planning business strategies and implementing them as Executive Officer and contributed to the reinforcement of the business basis of the Company. He has served as Director since June 2017 and now he heads the Marketing and Sales Div., Core Technology Business Div., Development Div. and Singulation Development Div. His experience and achievements will continue to contribute significantly to TOWA Group's management and he is considered indispensable to the Company's continuous development. Therefore, we once again nominate Mr. Ishida as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
3 Re-nominated	Nobutaka Shibahara (August 16, 1964)	<p>April 1987 Joined the Company</p> <p>April 2008 Department Manager of Production Control Dept., Production Div.</p> <p>April 2010 Department Manager of Planning Dept., Administration Div.</p> <p>April 2014 CEO of TOWA (Suzhou) Co., Ltd.</p> <p>October 2017 Division Manager of Corporate Planning Div.</p> <p>April 2019 Executive Officer, Division Manager of Corporate Planning Div.</p> <p>April 2021 Executive Officer, Division Manager of Administration Div. (to present)</p> <p>June 2021 Director, Executive officer, Chief Operating Officer, Corporate Planning Div. and Administration Div., Division Manager of Administration Div. (to present)</p>	9,500
<p>《Reasons for nomination as a candidate for Director》</p> <p>Mr. Shibahara joined the Company in 1987 and was mainly engaged in manufacturing and administration. Then, he served as CEO of an overseas office and managed and administrated whole areas of the subsidiary. Making the most of these careers, he has been contributing as executive officer of the Company since 2019, and as director of the Company since 2021 and strengthening management foundation. With his insight and ability to execute business in all business areas of TOWA Group, he is considered indispensable to TOWA Group's continuous corporate value enhancement. Therefore, we once again nominate Mr. Shibahara as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession																		
4 <u>Newly Nominated</u>	Kazuhiro Nishimura (November 3, 1965)	<table border="0"> <tr> <td>June</td> <td>1984</td> <td>Joined the Company</td> </tr> <tr> <td>October</td> <td>2010</td> <td>CEO of TOWA (Suzhou) Co., Ltd.</td> </tr> <tr> <td>April</td> <td>2014</td> <td>Department Manager of System Manufacturing Dept., System Products Div.</td> </tr> <tr> <td>October</td> <td>2017</td> <td>Assistant Division Manager of Mold Products Div.</td> </tr> <tr> <td>October</td> <td>2018</td> <td>Division Manager of Mold Products Div.</td> </tr> <tr> <td>April</td> <td>2020</td> <td>Executive Officer, Division Manager of Production Div. (to present)</td> </tr> </table>	June	1984	Joined the Company	October	2010	CEO of TOWA (Suzhou) Co., Ltd.	April	2014	Department Manager of System Manufacturing Dept., System Products Div.	October	2017	Assistant Division Manager of Mold Products Div.	October	2018	Division Manager of Mold Products Div.	April	2020	Executive Officer, Division Manager of Production Div. (to present)	66 (2,920)
June	1984	Joined the Company																			
October	2010	CEO of TOWA (Suzhou) Co., Ltd.																			
April	2014	Department Manager of System Manufacturing Dept., System Products Div.																			
October	2017	Assistant Division Manager of Mold Products Div.																			
October	2018	Division Manager of Mold Products Div.																			
April	2020	Executive Officer, Division Manager of Production Div. (to present)																			
<p>《Reasons for nomination as a candidate for Director》</p> <p>Mr. Nishimura joined the Company in 1984 and was mainly engaged in manufacturing. Then, he served as CEO of a main manufacturing subsidiary in China and managed and administrated whole areas of the subsidiary. From 2020, as an executive officer, he has strengthened the production system, contributing significantly to the achievement of TOWA 10-year vision. He is considered an indispensable person in further promoting the Group's production strategy and reinforcing the production system. Therefore, we newly nominate Mr. Nishimura as a candidate for Director.</p>																					

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
5 <u>Newly Nominated</u>	Muneo Miura (August 1, 1969)	<p>October 1990 Joined the Company</p> <p>April 2015 Department Manager of Sales Engineering Dept., Marketing and Sales Div.</p> <p>April 2016 Department Manager of Global Sales Dept., Marketing and Sales Div.</p> <p>April 2018 Division Manager of Marketing and Sales Div.</p> <p>April 2020 Executive Officer, Division Manager of Marketing and Sales Div. (to present)</p>	- (3,177)
<p>《Reasons for nomination as a candidate for Director》</p> <p>Mr. Miura joined the Company in 1990 and was mainly engaged in design, and also spent about ten (10) years at the Company's overseas subsidiaries. After returning to Japan, he served in the Sales Engineering Dept. and as Sales Manager, and from 2020, as Executive Officer, he made a significant contribution to improving the Group's profitability by strengthening the global sales structure and improving cash flow such as advance payment transactions. With his extensive overseas experience and track record, he is considered indispensable to TOWA Group's continuous development in the future. Therefore, we newly nominate Mr. Miura as a candidate for Director.</p>			

(Notes)

1. There are no special interests between each candidate and the Company.
2. Each candidate's "number of shares of the Company in possession" is as of March 31, 2022. For Mr. Kazuhiro Nishimura and Mr. Muneo Miura, the individual's shareholding in the TOWA Employees' Shareholding Association is shown as an external number in brackets.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company based on Article 430-3, Paragraph 1 of the Companies Act of Japan to compensate for possible damages the executives may bear, such as expenses for compensation or expenses needed for a trial, when they are sought for compensation for damages by shareholders or a third party. All candidates for Director are insured by the contract. Although the contract will expire during their term, the Company will seamlessly conclude an equivalent directors and officers liability insurance contract to insure all of the candidates.

Proposal 3. Election of Four (4) Directors who are Audit and Supervisory Committee Members

The terms of office of all four (4) current Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this meeting. Accordingly, it is proposed that four (4) Directors who are Audit and Supervisory Committee Members be elected.

The Audit and Supervisory Committee has previously given its approval to this proposal after deliberation by the voluntary Nomination and Compensation Committee.

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

Candidate No.	Name	Current positions and responsibilities at the Company
1	Kiyoshige Gamo Newly Nominated	Executive Officer
2	Daisuke Wake Re-nominated Outside Independent Director	Outside Director, Audit and Supervisory Committee Member (Part-time)
3	Miho Goto Re-nominated Outside Independent Director	Outside Director, Audit and Supervisory Committee Member (Part-time)
4	Motoko Tanaka Newly Nominated Outside Independent Director	—

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
1 <u>Newly Nominated</u>	Kiyoshige Gamo (March 18, 1961)	<p>October 2000 Joined the Company</p> <p>October 2008 Department Manager of Quality Assurance Dept.</p> <p>April 2012 Department Manager of Administrative Dept., Bando Memorial Research Laboratory</p> <p>January 2013 Department Manager of Planning Dept., Administration Div.</p> <p>October 2014 Executive Officer, Division Manager of Corporate Planning Div.</p> <p>October 2017 Executive Officer Managing Director of TOWAM Sdn. Bhd.</p> <p>April 2022 Executive Officer (to present)</p>	33,000 (1,939)
<p>《Reasons for nomination as a candidate for Director who is an Audit and Supervisory Committee Member》</p> <p>Mr. Gamo joined the Company in 2000, and has utilized his management experience in various departments, including manufacturing, development and corporate planning, to strengthen the management foundation as an executive officer from 2014. From 2017, he served as Managing Director of a main manufacturing subsidiary in Malaysia and managed and administrated whole areas of the subsidiary, contributing to strengthening the production system. Based on his insight into the overall management of the TOWA Group and his knowledge of overseas operations, he is considered capable of performing the duties of a member of the Audit and Supervisory Committee from an objective and fair standpoint. Therefore, we newly nominate Mr. Gamo as a candidate for Director who is a member of the Audit and Supervisory Committee.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession												
2 Re-nominated Outside Independent Director	Daisuke Wake (August 2, 1968)	<table border="1"> <tr> <td>October</td> <td>1998</td> <td>Joined Chuo Audit Corporation</td> </tr> <tr> <td>January</td> <td>2005</td> <td>Established Wake Certified Public Accountant Office, Representative of the office (to present)</td> </tr> <tr> <td>June</td> <td>2012</td> <td>Auditor</td> </tr> <tr> <td>June</td> <td>2016</td> <td>Director, Audit and Supervisory Committee Member (to present)</td> </tr> </table> <p>(Significant concurrent positions)</p> <p>Representative of Wake Certified Public Accountant Office Outside director and member of the Audit and Supervisory Committee of Shirai Electronics Industrial Co., Ltd.</p>	October	1998	Joined Chuo Audit Corporation	January	2005	Established Wake Certified Public Accountant Office, Representative of the office (to present)	June	2012	Auditor	June	2016	Director, Audit and Supervisory Committee Member (to present)	6,400
October	1998	Joined Chuo Audit Corporation													
January	2005	Established Wake Certified Public Accountant Office, Representative of the office (to present)													
June	2012	Auditor													
June	2016	Director, Audit and Supervisory Committee Member (to present)													
<p>《Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles》</p> <p>Mr. Wake, a CPA and licensed tax accountant, has abundant experience and achievements in corporate finance management and so on. Through these experiences, he possesses wide knowledge, deep insights and suitable ability to participate in the Company's management from an objective standpoint. Based on these, although he has no experience participating in a company's management other than serving as an outside officer so far, he is considered capable of performing the duties of an Outside Director who is a member of the Audit and Supervisory Committee. Therefore, we once again nominate Mr. Wake as a candidate for Outside Director who is a member of the Audit and Supervisory Committee.</p>															

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
3 Re-nominated Outside Independent Director	Miho Goto (December 10, 1969)	<p>April 1997 Registered as lawyer</p> <p>October 2005 Established Goto Law Office (to present)</p> <p>June 2020 Director, Audit and Supervisory Committee Member (to present)</p> <p>(Significant concurrent positions) Lawyer of Goto Law Office</p>	500
<p>《Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles》</p> <p>Ms. Goto, who jointly operates a law office as a lawyer, has sufficient law expertise and experience and suitable ability to participate in the Company's management from an objective standpoint. Based on these, although she has no experience participating in a company's management so far, she is considered capable of performing the duties of an Outside Director who is a member of the Audit and Supervisory Committee. Therefore, we once again nominate Ms. Goto as a candidate for Outside Director who is a member of the Audit and Supervisory Committee.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
4 Newly nominated Outside Independent Director	Motoko Tanaka (December 13, 1959)	<p>October 1989 Joined Tohmatsu Awoki & Sanwa (Now Deloitte Touche Tohmatsu LLC)</p> <p>July 2003 Partner of Deloitte Touche Tohmatsu LLC</p> <p>July 2020 Established Tanaka Certified Public Accountant Office, Representative of the office (to present)</p> <p>(Significant concurrent positions) Representative of Tanaka Certified Public Accountant Office</p>	-
<p>《Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles》</p> <p>Ms. Tanaka has extensive experience and expertise as a certified public accountant at a major auditing firm and is able to participate in the Company's management from an objective standpoint. Based on these, although she has no experience participating in a company's management so far, she is considered capable of performing the duties of an Outside Director who is a member of the Audit and Supervisory Committee. Therefore, we newly nominate Ms. Tanaka as a candidate for Outside Director who is a member of the Audit and Supervisory Committee.</p>			

(Notes)

- There are no special interests between each candidate and the Company.
- Mr. Daisuke Wake, Ms. Miho Goto and Ms. Motoko Tanaka are candidates for Outside Director.
- Mr. Daisuke Wake and Ms. Miho Goto, who are currently serving as Outside Director of the Company, will have served six (6) years and two (2) years, respectively, as of the end of this General Meeting of Shareholders.
- The Company has executed a contract for limitation of liability with Mr. Daisuke Wake and Ms. Miho Goto based on Article 423, Paragraph 1 of the Companies Act of Japan. The maximum amount of liability that each of Mr. Daisuke Wake and Ms. Miho Goto is held accountable for against the Company shall be the minimum liability amount stipulated in the relevant Article of the Companies Act of Japan. The company intends to extend this contract if the reappointment of each candidate is approved. Also, the Company will conclude the same contract with Ms. Motoko Tanaka if the appoint of her is approved.
- The Company has concluded a directors and officers liability insurance contract with an insurance company based on Article 430-3, Paragraph 1 of the Companies Act of Japan to compensate for possible damages the executives may bear, such as expenses for compensation or expenses needed for a trial, when they are sought for compensation for damages by shareholders or a third party. All candidates for Director are insured by the contract. Although the contract will expire during their term, the Company will seamlessly conclude an equivalent directors and officers liability insurance contract to insure all of the candidates.
- The Company reported Mr. Daisuke Wake and Ms. Miho Goto as independent directors who meet the requirements for the position in accordance with the regulations of the Tokyo Stock Exchange. The Company intends to once again report them as independent directors if the reappointment of each candidate is approved. Also, the Company will report Ms. Motoko Tanaka as independent director who meets the requirements for the position in accordance with the regulations of the Tokyo Stock Exchange if the appoint of her is approved.

7. The number of shares in the Company held by each candidate is shown as at March 31, 2022. For Mr. Kiyoshige Gamo, his shareholding in the TOWA Employees' Shareholding Association is shown as an external number in brackets.

(Reference) Skills matrix of director candidates

The list of skills possessed by the director candidates will be as follows

NAME	Position/title (planned)	Outside	Independent	Corporate management	Production, engineering development	Expatriate experience	Sales and marketing	Accounting	Legal and compliance
Hirokazu Okada	President & CEO, Director			●	●	●	●		
Koichi Ishida	Director, Managing Executive Officer				●		●		
Nobutaka Shibahara	Director, Senior Executive Officer			●		●			●
Kazuhiro Nishimura	Director, Executive Officer			●	●	●			
Muneo Miura	Director, Executive Officer					●	●		
Kiyoshige Gamo	Director, Full-time Audit and Supervisory Committee Member			●		●			
Daisuke Wake	Director, Audit and Supervisory Committee Member	○	○					●	
Miho Goto	Director, Audit and Supervisory Committee Member	○	○						●
Motoko Tanaka	Director, Audit and Supervisory Committee Member	○	○					●	

Proposal 4. Determination of compensation for granting restricted shares to Directors who are not Audit and Supervisory Committee Members or Outside Directors

The amount of compensation for Directors of the company (excluding Directors who are Audit and Supervisory Committee Members) was approved at the 38th Ordinary General Meeting of Shareholders held on June 29, 2016 as 300 million yen or less per year (not including employee salaries for directors concurrently serving as employees).

The Company would like to grant the Directors who are not Audit and Supervisory Committee Members or Outside Directors (hereinafter referred to as ‘eligible Directors’) ordinary shares of the Company as described below, which are subject to certain transfer restriction periods and reasons for free acquisition by the Company, etc. (hereafter referred to as “Restricted Shares”), in order to provide them with incentives to continuously improve the Company’s corporate value and to promote further value sharing with the Company’s shareholders.

Accordingly, based on a comprehensive consideration of the contribution of the eligible Directors and various other matters, the total amount of monetary compensation claims to be paid to the eligible Director as compensation for Restricted Shares, separate from the amount of compensation to the director mentioned above, is set at no more than 90 million yen per annum.

The grant of Restricted Shares is determined based on a comprehensive consideration of various matters, including the contribution of the eligible Directors, and the maximum number of Restricted Shares to be allocated in each financial year as set out in 2. below is around 0.18% (The percentage of the total number of shares outstanding over a 10-year period in the event of the issue of such a maximum number of Restricted Shares is around 1.8%.) of the total number of shares issued, which is a minor dilution ratio, and the details are therefore reasonable. The proposal is also decided by the Board of Directors after deliberations by the voluntary Nomination and Compensation Committee, whose majority of the members are Independent Outside Directors and whose the chairperson is an Independent Outside Director.

If the proposal is approved, the Company intends to make changes to the policy for determining the content of remuneration for individual Directors (excluding Directors who are Audit and Supervisory Committee Members) to be consistent with what has been approved.

Currently the number of Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) is four (4). If Proposal 2 is approved as proposed, there will be five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members), of which none are outside directors.

Specific details and maximum number of Restricted Shares to be transferred to eligible Directors

1. Grant and payment for Restricted Shares

The Company shall, in accordance with a resolution of the Board of Directors of the Company, pay monetary compensation claims to the eligible Directors as remuneration in relation to the Restricted Shares within the annual amount mentioned above, and each eligible Director shall receive an grant of Restricted Shares by paying all such monetary compensation claims by way of contribution in kind.

The amount to be paid in for Restricted Shares shall be determined by the Board of Directors of the Company on the basis of the closing price of the Company’s ordinary shares on the Tokyo Stock Exchange on the business day preceding the date of the resolution of the Board of Directors of the Company regarding the issue or disposal of such shares (or, if no trading is made on that date, the closing price on the immediately preceding trading day) to the extent that such amount is not particularly beneficial to the eligible Directors who subscribe to the shares.

The above monetary compensation claims shall be paid subject to the eligible Director’s consent to the above-mentioned contribution-in-kind and the execution of a Restricted Share allotment agreement that includes the details set out in 3. below.

2. Number of Restricted Shares

The total number of Restricted Shares granted to the eligible Directors in each fiscal year shall not exceed 45,000 shares.

However, if, after the date on which a resolution is passed to adopt this Proposal, there is a stock split (including the gratis grant of the Company's common shares) or stock consolidation of the Company's common shares, or any other similar event requiring adjustment to the total number of Restricted Shares to be granted, the total number of Restricted Shares to be granted will be adjusted accordingly within a reasonable range.

3. Details of Restricted Share allotment agreement

Upon the grant of Restricted Shares, the Restricted Share allotment agreement to be entered into between the Company and the eligible Director to whom the Restricted Shares are granted in accordance with a resolution of the Board of Directors of the Company shall include the following details.

(1) Details of transfer restrictions

The eligible Directors who have received a grant of Restricted Shares shall be eligible to receive the Restricted Shares during the period between the date of grant of the Restricted Shares and the date of their retirement as a director of the Company (hereinafter referred to as the "Restriction Period"). The Restricted Shares allocated to such eligible Directors (hereinafter referred to as the "Allotted Shares") The shares may not be transferred, pledged, pledged as security, donated during life, bequeathed or otherwise disposed of to a third party (hereinafter referred to as "Restriction"). The following restrictions shall apply.

(2) Free acquisition of Restricted Shares

If an eligible Director who has received the Restricted Shares retires as a Director of the Company by the day before the date of the first annual general meeting of shareholders of the Company that falls after the commencement date of the Restriction Period, the Company shall naturally acquire the Allotted Shares without compensation, unless the Board of Directors of the Company has a justifiable reason to the contrary.

If any of the Allotted Shares have not been released from the Restrictions in accordance with the provisions of the reasons for release of the Restrictions in (3) below at the time the Restriction Period in (1) above expires, the Company shall naturally acquire them free of charge.

(3) Lifting of Restrictions

The Company shall lift the Restriction of all of the Restricted Shares upon the expiry of the Restriction Period, provided that the eligible Director who has received the Allotted Shares has continuously held the position of director of the Company from the start date of the Restriction Period until the first annual general meeting of shareholders of the Company to be held after the start date of the Restriction Period.

However, if the eligible Director retires from the Board of Directors of the Company by the day before the date of the first annual general meeting of shareholders of the Company that falls after the commencement date of the Restriction Period for reasons deemed justifiable by the Board of Directors of the Company, the number of Allotted Shares to be transferred and the time at which the Restriction is lifted shall be reasonably adjusted, as necessary.

(4) Treatment in reorganizations, etc.

The Company may, during the Restriction Period, if a merger agreement under which the Company becomes a defunct company, a share exchange agreement under which the Company becomes a wholly-owned subsidiary or a share transfer plan or any other proposal relating to a reorganization is approved at a General Meeting of the Company's Shareholders (or, if such reorganization does not require approval at a General Meeting of the Company's Shareholders, by the Board of Directors of the Company), the Restriction shall be lifted by resolution of the Board of Directors of the Company for a number of the Allotted Shares reasonably determined based on the period from the commencement date of the Restriction Period to the date of approval of the relevant reorganization, prior to the effective date of the

relevant reorganization.

In such cases, the Company shall naturally acquire the Allotted Shares for no consideration immediately after the transfer restriction has been lifted in accordance with the above-mentioned provisions and which have not yet been lifted.

(Reference)

The Company intends to allocate Restricted Shares to the Company's executive officers, subject to the approval of the proposal for this scheme at the General Meeting of Shareholders.