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Securities Code: 7482

June 2, 2022

To our shareholders:

Yoshihiko Kasai, CEO
SHIMOJIMA Co.,Ltd.
5-29-8, Asakusabashi, Taito-ku, Tokyo

Notice of the 61st Annual General Meeting of Shareholders

We are pleased to announce the 61st Annual General Meeting of Shareholders of SHIMOJIMA Co.,Ltd. (the “Company”), which will be held as indicated below.

Instead of attending the meeting in person, you may exercise your voting rights either in writing (postal mail) or via the internet and other means. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in writing (postal mail) or via the internet by 5:30 p.m. on Wednesday, June 22, 2022 (JST).

- 1. Date and Time:** Thursday, June 23, 2022 at 10:00 a.m. (JST)
- 2. Venue:** NEXT-1, 4F, AKIHABARA UDX
4-14-1, Soto-Kanda, Chiyoda-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 61st fiscal year (from April 1, 2021 to March 31, 2022), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 61st fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved

- | | |
|-----------------------|-------------------------------------------------------------|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Amendment to the Articles of Incorporation |
| Proposal No. 3 | Election of Nine Directors |
| Proposal No. 4 | Election of Three Audit & Supervisory Board Members |
| Proposal No. 5 | Election of One Substitute Audit & Supervisory Board Member |

- The Company will provide no gifts for the shareholders who attend the general meeting in person, the same as last year. Thank you for your understanding.
- If revisions to the contents of the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements are required, the Company will post the revised documents on the Company's website (<https://www.shimojima.co.jp>).
- To ensure that information is furnished in a timely manner, the contents of this Notice were posted on the Company's website before this Notice was sent out.
- **Disclosure on the internet**

Among the documents to be attached to this Notice, the following documents are posted on the Company's website pursuant to laws and regulations, as well as Article 16 of the Articles of Incorporation of the Company; therefore, they are not included in the documents attached to this Notice. Accordingly, the documents attached to this Notice are part of the documents that were audited by the Audit & Supervisory Board Members and the Financial Auditor in preparing the Audit Reports.

1. Notes to Consolidated Financial Statements

2. Notes to Non-consolidated Financial Statements

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

If you are attending the General Meeting of Shareholders in person

The Company will take the utmost care to prevent infection of COVID-19 in running this General Meeting of Shareholders. We request your understanding and cooperation. You are requested to accept the contents of the “Notice Regarding Measures to Prevent Infection of COVID-19” as below.

If attending the General Meeting of Shareholders in person, please bring this notice of the annual general meeting of shareholders and the enclosed voting form and submit the latter at the reception desk.

(Note) We will shoot videos of the venue for livestreaming on the day. We will limit the shooting to areas near the seats of the chairperson and officers in the interest of the privacy of attending shareholders. However, attending shareholders may appear in a video unavoidably. We would appreciate your prior understanding.

Notice Regarding Measures to Prevent Infection of COVID-19

We ask that shareholders attending the meeting bring and wear masks and cooperate by allowing their temperature to be checked. In addition, attendees who appear to be unwell may be refused entry or may be asked to leave the venue during the meeting. We appreciate your understanding.

Hand sanitizer will be provided near the reception area of the venue for use by shareholders. In addition, the Company’s staff at the venue will have their health condition checked, including taking their temperature, and will wear masks.

To increase the spacing between the seats at the venue, there will be fewer seats than usual at this year’s meeting. In addition, the Company intends to make the meeting’s proceedings shorter.

There will also be additional measures in place at the venue to prevent the spread of infection, and your understanding and cooperation with such measures is requested. If future developments necessitate a major change in the way the General Meeting of Shareholders will be run, shareholders will be informed via the website below.

https://www.shimojima.co.jp/ir/cov_topics.html (in Japanese only)

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company's basic policy regarding the return of profit to its shareholders is to target a dividend payout ratio of 30% while securing internal reserves necessary for future business development and strengthening the management base.

The Company proposes the appropriation of surplus as follows:

1. Year-end dividend

The Company has given consideration to matters including the business performance of the fiscal year and future management environment, and it proposes to pay year-end dividends as follows:

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥11 per common share of the Company.

In this event, the total dividends will be ¥256,041,841. In addition, as the Company paid an interim dividend of ¥11 per share on December 6, 2021, the annual dividend for the fiscal year will be ¥22 per share.

(3) Effective date of dividends of surplus

The effective date of dividends will be June 24, 2022.

2. Other appropriation of surplus

As the funds to pay for the above year-end dividend, the Company plans to use the general reserve as follows.

(1) Item of surplus to be increased and amount of increase

Retained earnings brought forward: ¥500,000,000

(2) Item of surplus to be decreased and amount of decrease

General reserve: ¥500,000,000

Proposal No. 2 Amendment to the Articles of Incorporation

1. Reasons for the 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 16, 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 16, 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 Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 16 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 proposed amendments are as follows:

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>Article 16.</u> <u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by laws and regulations, it may be deemed that the Company has provided this information to shareholders.</u></p> <p>(Newly Established)</p>	<p>(Deleted)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u> <u>Article 16.</u> 1. <u>When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> 2. <u>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 laws and regulations 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>

Current Articles of Incorporation	Proposed Amendments
(Newly Established)	<p data-bbox="802 203 1075 230"><u>(Supplementary Provisions)</u></p> <p data-bbox="802 237 895 264"><u>Article 1.</u></p> <p data-bbox="847 275 1401 495"><u>The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) in the current Articles of Incorporation and the establishment of the new Article 16 (Measures, etc. for Providing Information in Electronic Format) in the proposed amendments shall be effective from September 1, 2022 (hereinafter referred to as the “Date of Enforcement”).</u></p> <p data-bbox="802 506 895 533"><u>Article 2.</u></p> <p data-bbox="847 544 1401 678"><u>Notwithstanding the provision of the preceding paragraph, Article 16 of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p data-bbox="802 689 895 716"><u>Article 3.</u></p> <p data-bbox="847 728 1401 862"><u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Supplementary explanation on Proposal No. 2 Amendment to the Articles of Incorporation

The system for providing informational materials in electronic format is a system under which a company may provide informational materials for general meetings of shareholders to its shareholders by posting them on its website or another website and notifying the shareholders in writing of the address of such website or how to access the website. Because listed companies must adopt the system for providing informational materials in electronic format, this system will be applied starting with the 62nd Annual General Meeting of Shareholders for the fiscal year ending March 31, 2023. Shareholders will receive simplified notices, such as a notice stating the fact that information has been posted on a website and the address of such website.

This item is intended to change the standard means of providing information to shareholders from paper-based documents to electronic format, and is not intended to reduce the amount of information.

Shareholders who wish to continue receiving paper-based documents containing informational materials for general meetings of shareholders after the adoption of the system for providing informational materials in electronic format may request the delivery of paper-based documents through a certain procedure. For details of this procedure, please contact the securities firm you have an account with if you are making the request to a securities firm, or Mitsubishi UFJ Trust and Banking Corporation if you are making the request to the shareholder register administrator.

Proposal No. 3 Election of Nine Directors

At the conclusion of this meeting, the terms of office of nine Directors will expire. Therefore, the Company proposes the election of nine Directors, including three outside Directors.

When nominating a candidate for Director, the Board of Directors conducts careful deliberations with an emphasis on the statutory requirements and requirements with respect to internal corporate regulations, as well as the candidate's personality and insight. In addition, when setting the business that the candidates are in charge of, etc., the Company tries to achieve an appropriate balance among the members in consideration of their professional background and expertise.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility	Attribute	Attendance at Board of Directors meetings
1	Yoshihiko Kasai	CEO	Reelection	14/14 (100%)
2	Masayuki Shimojima	Managing Director, Senior Executive Officer, General Manager of Administration Division and General Manager of Human Resources Department	Reelection	14/14 (100%)
3	Hitoshi Onodera	Director, Senior Executive Officer, General Manager of Product Administrative Division and General Manager of SCM Department	Reelection	14/14 (100%)
4	Toshiharu Kawahara	Director, Senior Executive Officer and General Manager of Sales Management Division	Reelection	14/14 (100%)
5	Shinkichi Hattori	Executive Officer and Deputy General Manager of Sales Management Division	New election	–
6	Manabu Onuki	Executive Officer, General Manager of Product Division and General Manager of Quality Control Department	New election	–
7	Tsutomu Umeno	Outside Director	Reelection Outside Independent	14/14 (100%)
8	Takeyuki Iwasaki	Outside Director	Reelection Outside Independent	14/14 (100%)
9	Chihiro Kanai	Outside Director	Reelection Outside Independent	10/10 (100%)

Reelection: Candidate for Director to be reelected

New election: Candidate for Director to be newly elected

Outside: Candidate for outside Director

Independent: Independent officer as defined by the securities exchange, etc.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned	
1 Reelection	Yoshihiko Kasai (January 21, 1959)	Apr. 1981	Joined SHIMOJIMA Co.,Ltd.	8,019 shares
		Mar. 2007	General Manager of West Japan Sales Department	
Feb. 2008	Representative Director and President of a Company's subsidiary, Sanwa Co., Ltd.			
May 2012	Deputy General Manager of Sales Division and General Manager of West Japan Sales Department of the Company			
June 2012	Director and Deputy General Manager of Sales Division			
June 2014	Executive Officer and Deputy General Manager of Sales Division			
June 2015	Executive Officer and General Manager of Sales Division			
June 2016	Director, Senior Executive Officer and General Manager of Sales Division			
Aug. 2017	Director, Managing Executive Officer, General Manager of Sales Management Division, and General Manager of Sales Division			
June 2018	Senior Managing Director, Senior Executive Officer, General Manager of Sales Management Division, and General Manager of Sales Division			
June 2019	Representative Senior Managing Director, Senior Executive Officer, General Manager of Sales Management Division, and General Manager of Sales Division			
		Apr. 2021	CEO (current position)	
[Reasons for nomination as a candidate for Director] The candidate is well-versed in sales and marketing, and has experience managing a subsidiary of the Company. To contribute to improving the efficiency and effectiveness of the decision-making and supervision of the Board of Directors, the Company has nominated him again as a candidate for Director.				
2 Reelection	Masayuki Shimojima (October 14, 1955)	Apr. 1978	Joined The Sanwa Bank, Limited	182,052 shares
		Jan. 2005	Joined SHIMOJIMA Co.,Ltd.	
Apr. 2009	General Manager of Corporate Management Department			
Dec. 2011	General Manager of Finance Department			
June 2014	Executive Officer and Deputy General Manager of Administration Division			
Apr. 2015	Executive Officer, Deputy General Manager of Administration Division and General Manager of Corporate Management Department			
June 2016	Director, Senior Executive Officer, General Manager of Administration Division and General Manager of Human Resources Department			
		June 2018	Managing Director, Senior Executive Officer, General Manager of Administration Division and General Manager of Human Resources Department (current position)	
[Reasons for nomination as a candidate for Director] The candidate has a wealth of experience regarding finance, corporate management and managing a subsidiary, and has experience in international business. To improve the appropriateness of the decision-making and supervision of the Board of Directors, the Company has nominated him again as a candidate for Director.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
3 Reelection	Hitoshi Onodera (June 18, 1960)	Apr. 1983	Joined SHIMOJIMA Trading Co., Ltd.	4,765 shares
		Apr. 2005	General Manager of Corporate Planning Office of the Company	
		June 2014	Executive Officer and General Manager of Corporate Planning Office	
		June 2016	Director, Senior Executive Officer and General Manager of Corporate Planning Office	
		Apr. 2018	Director, Senior Executive Officer, and General Manager of Product Administrative Division	
		Oct. 2018	Director, Senior Executive Officer, General Manager of Product Administrative Division, and General Manager of SCM Department (current position)	
<p>[Significant concurrent positions outside the Company] CEO of Akinai Shien Co., Ltd., Director and Chairman of ASAHIJUSHI KOGYO CORPORATION, and CEO of SHIMOJIMA Processed Paper Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Director] The candidate has a wealth of experience in corporate planning, and is well-versed in budget control, listing-related legislation and matters related to IR, etc. In addition, he has experience managing a subsidiary engaged in the highly important mail-order business, and is well-acquainted with the Company's product structures and business models. To improve the decision-making function and supervisory function of the Board of Directors, the Company has nominated him again as a candidate for Director.</p>				
4 Reelection	Toshiharu Kawahara (October 26, 1960)	Apr. 1983	Joined SHIMOJIMA Trading Co., Ltd.	9,655 shares
		Apr. 2009	General Manager of Sales Management Office of the Company	
		Dec. 2011	General Manager of East Japan Sales Department	
		Apr. 2014	Assistant to General Manager of Sales Division	
		June 2016	Executive Officer, Deputy General Manager of Sales Division and General Manager of Fifth Sales Department	
		Apr. 2017	Executive Officer, Deputy General Manager of Sales Division and General Manager of First Sales Department	
		Feb. 2018	Executive Officer and General Manager of Marketing Division	
		June 2018	Director, Senior Executive Officer and General Manager of Marketing Division	
		Apr. 2021	Director, Senior Executive Officer, and General Manager of Sales Management Division (current position)	
<p>[Reasons for nomination as a candidate for Director] The candidate has a wealth of experience in sales and managing stores at the Company, and is also well-acquainted with credit and other risk management, internal control, etc. To improve the decision-making function and supervisory function of the Board of Directors, the Company has nominated him again as a candidate for Director.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned	
5 New election	Shinkichi Hattori (August 23, 1961)	Apr. 1984 June 1997 Apr. 2007 Apr. 2013 June 2016 Mar. 2021	Joined SHIMOJIMA Trading Co., Ltd. Opened the Shizuoka Sales Office, General Manager of Shizuoka Sales Office General Manager of Tokyo Sales Department General Manager of FC Sales Department Executive Officer, Deputy General Manager of Sales Division and General Manager of FC Sales Department (current position) Executive Officer and Deputy General Manager of Sales Management Division (current position)	5,800 shares
		<p>[Significant concurrent positions outside the Company] CEO of S-PACK Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Director] The candidate has a wealth of experience in sales at the Company, and is also well versed in sales promotion at the Company's stores and risk management. To improve the decision-making function and supervisory function of the Board of Directors, the Company has nominated him as a new candidate for Director.</p>		
6 New election	Manabu Onuki (July 20, 1965)	Apr. 1988 June 2003 Nov. 2011 June 2018 Apr. 2020 June 2020 Mar. 2021	Joined SHIMOJIMA Trading Co., Ltd. General Manager of Saitama Sales Office General Manager of Business Model Development Department Executive Officer, Deputy General Manager of Sales Division and General Manager of Second Sales Department Executive Officer and Deputy General Manager of Product Division Executive Officer and General Manager of Product Division (current position) General Manager of Quality Control Department (current position)	6,200 shares
		<p>[Significant concurrent positions outside the Company] CEO of STC Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Director] The candidate has a wealth of experience in sales and product procurement at the Company, and is well versed in overall business of the Company including work processes, product portfolio, and business development. To improve the decision-making function and supervisory function of the Board of Directors, the Company has nominated him as a new candidate for Director.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7 Reelection Outside Independent	Tsutomu Umeno (March 6, 1951)	<p>Sept. 1976 Joined Honda Motor Co., Ltd.</p> <p>Sept. 1995 Managing Director and CEO of Honda Australia Pty., Ltd.</p> <p>June 1998 General Manager of East Asia and Oceania Division</p> <p>Apr. 2000 Representative Director of VOLKSWAGEN Group Japan KK</p> <p>July 2001 President and CEO of VOLKSWAGEN Group Japan KK and Executive Management Member of Volkswagen AG Group</p> <p>May 2005 Chairman of Japan Automobile Importers Association</p> <p>Feb. 2008 Representative Director and Chairman of VOLKSWAGEN Group Japan KK</p> <p>July 2009 Managing Partner of M&C SAATCHI TOKYO</p> <p>June 2010 Outside Director of Mitsui Kinzoku ACT Corporation</p> <p>June 2014 Special Advisor of the Company</p> <p>June 2015 Outside Director (current position)</p> <p>June 2020 Director (Member of Audit & Supervisory Committee) of NIPPO LTD. (current position)</p>	1,084 shares
<p>[Reason for nomination as a candidate for Outside Director and expected roles]</p> <p>The candidate has a wealth of experience as a manager of an automobile company. The Company deems that he can provide objective opinions and advice on the Company's management to make decisions from the perspective of general shareholders and ensure the effectiveness of the supervisory function of the Board of Directors. Accordingly, the Company has nominated him again.</p>			
8 Reelection Outside Independent	Takeyuki Iwasaki (February 18, 1969)	<p>Apr. 1991 Joined Funai Consulting Incorporated</p> <p>Apr. 2008 Senior Consultant</p> <p>Apr. 2015 Part-time Lecturer of College of Business at Rikkyo University</p> <p>June 2017 Director of Business Wrapping Association (current position)</p> <p>Apr. 2019 Established Mugamae, Inc. Representative Director and President (current position)</p> <p>Jan. 2020 Director, Audit and Supervisory Committee Member of EARLY AGE CO., LTD. (current position)</p> <p>June 2020 Outside Director of the Company (current position)</p>	932 shares
<p>[Significant concurrent positions outside the Company]</p> <p>Representative Director of Mugamae, Inc., Outside Director, Audit and Supervisory Committee Member of EARLY AGE CO., LTD.</p> <p>[Reason for nomination as a candidate for Outside Director and expected roles]</p> <p>The candidate has a wealth of knowledge and experience as a management consultant. The Company deems that he can provide objective opinions and advice on the Company's management based on that wealth of knowledge and experience to make decisions from the perspective of general shareholders and ensure the effectiveness of the supervisory function. Accordingly, the Company has nominated him again.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
9	Chihiro Kanai (July 1, 1961)	<p>Apr. 1984 Joined Citibank, N.A.</p> <p>Oct. 1990 Joined Chuo Audit Corporation</p> <p>Mar. 1994 Registered as Certified Public Accountant</p> <p>Aug. 2000 Established Chihiro Kanai Certified Public Accountant Office (current position)</p> <p>Apr. 2015 Auditor of National Institute for Materials Science (current position)</p> <p>May 2016 Auditor of Agricultural and Fishery Co-operative Savings Insurance Corporation (current position)</p> <p>Dec. 2019 Auditor of Inose Logistics Service Co., Ltd. (current position)</p> <p>Aug. 2020 Partner of Seirei Audit Corporation (current position)</p> <p>June 2021 Outside Director of the Company (current position)</p>	– shares
<p>[Significant concurrent positions outside the Company] Representative of Chihiro Kanai Certified Public Accountant Office, Auditor of National Institute for Materials Science, Auditor of Agricultural and Fishery Co-operative Savings Insurance Corporation, Auditor of Inose Logistics Service Co., Ltd., Partner of Seirei Audit Corporation</p> <p>[Reason for nomination as a candidate for Outside Director and expected roles] The candidate has a wealth of knowledge and experience as a certified public accountant. The Company expects her to provide objective opinions and advice on the Company's management based on that wealth of knowledge and experience to make decisions from the perspective of general shareholders and ensure the effectiveness of the supervisory function. Accordingly, the Company has nominated her again.</p>			

- Notes:
1. There is no special interest between any of the candidates for Director and the Company.
 2. Tsutomu Umeno, Takeyuki Iwasaki, and Chihiro Kanai are candidates for outside Director.
 3. The overview of the limited liability agreement for outside Directors is as follows. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and Article 28 of the Articles of Incorporation, the Company has entered into an agreement with Tsutomu Umeno, Takeyuki Iwasaki, and Chihiro Kanai to limit their liability for damages pursuant to Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under this agreement is the amount provided for under laws and regulations. If the reelection of each candidate is approved, the Company plans to renew the aforementioned agreement with them.
 4. The Company has submitted notification to the Tokyo Stock Exchange that Tsutomu Umeno, Takeyuki Iwasaki, and Chihiro Kanai have been designated as independent officers as provided for by Tokyo Stock Exchange, Inc. If they are reelected, the Company plans for their designation as independent officers to continue.
 5. In addition to the independence standards for outside directors stipulated by Tokyo Stock Exchange, Inc., the Company has established its own independence standards, taking into account the relationships with the Group, its officers and major shareholders, and Tsutomu Umeno, Takeyuki Iwasaki and Chihiro Kanai satisfy the independence standards.
 6. Although Chihiro Kanai has never been involved in the management of businesses in ways other than serving as outside officer, she not only has a wealth of experience as a certified public accountant but also has been serving as tax counsel for the Company for many years and is thoroughly familiar with the Company's businesses and management environment. Accordingly, we have judged that she will be able to perform duties as outside Director appropriately.
 7. At the conclusion of this meeting, tenure of Tsutomu Umeno as outside Director will have been seven years. At the conclusion of this meeting, tenure of Takeyuki Iwasaki as outside Director will have been two years. At the conclusion of this meeting, tenure of Chihiro Kanai as outside Director will have been one year.
 8. The Company has entered into a directors and officers liability insurance policy with an insurance company pursuant to the provision of Article 430-3, paragraph (1) of the Companies Act to cover loss due to damage claims filed against the insured including the Company's Directors through the relevant insurance policy (however, this does not include cases of unjust acts, etc. such as illegally gaining benefits or advantages, violations of laws and regulations, insider trading, and gross negligence). If a relevant candidate is elected and assumes office as Director, he or she will become an insured under the relevant insurance policy. The insurance policy is planned to be renewed with the same terms and conditions at the time of the next renewal.

(Reference) Independence of outside Directors

The Company's own independence standards are as follows.

- (1) The candidate is not a person who, as of the date they are scheduled to assume their position or in the past, is or was a person executing business at the Company, its subsidiaries or its associates.
- (2) The candidate is not a person who currently belongs to the Company's subsidiaries or its associates.
- (3) For items (1) and (2) above, ten years or more will have passed since the candidate's retirement as of the date they are scheduled to assume their position.
- (4) The candidate is not a person who, in the three most recent fiscal years, was one of the top ten major shareholders in the Company's shareholder register or belonged to an organization that is a major shareholder.
- (5) The candidate is not a person who currently belongs to a business partner whose business transactions with the Group in the three most recent fiscal years account for 1% or more of the consolidated net sales annually for the Group or the business partner.
- (6) The candidate is not an accounting professional, legal professional, or consulting or advisory agreement partner (in cases where the partner is a corporation or other organization, a person who currently belongs to that organization) who, in the three most recent fiscal years, has received an average of ¥10 million or more annually in monetary consideration or other economic benefits from the Company besides officer remuneration, etc.
- (7) The candidate is not a person who belongs to a non-profit organization that has received donations from the Group in the three most recent fiscal years accounting for 1% or more of its annual average total income.
- (8) For items (4), (5), (6) and (7) above, if the candidate belonged to an organization, business partner, etc., five years or more will have passed since the candidate's retirement as of the date they are scheduled to assume their position.
- (9) The candidate is not the spouse or a relative within the third degree of kinship, etc. of a person executing business at the Company or a specified affiliated business operator for the Company.

Skills Matrix Items

Name	1	2	3	4	5	6	7	8	9
	Corporate Management (Leadership)	Sales Marketing	International Strategy	Legal Affairs/Risk Management	Finance & Accounting /M&As	Human Resources /General Affairs	DX (IT) /SCM (Logistics)	R&D/Product Development	ESG/SDGs Environment
Yoshihiko Kasai	●	●	●				●	●	●
Masayuki Shimojima			●	●	●	●	●		●
Hitoshi Onodera							●	●	●
Toshiharu Kawahara	●	●							●
Shinkichi Hattori	●	●						●	●
Manabu Onuki		●						●	●
Tsutomu Umeno	●	●	●			●		●	●
Takeyuki Iwasaki	●	●							●
Chihiro Kanai				●	●	●			●

Proposal No. 4 Election of Three Audit & Supervisory Board Members

At the conclusion of this meeting, the terms of office of Audit & Supervisory Board Members Koichi Hida, Yuichi Sato, and Mineo Enomoto will expire. Therefore, the Company proposes the election of three Audit & Supervisory Board Members. In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

Candidate No.	Name (Date of birth)	Career summary, position, and significant concurrent positions outside the Company	Number of the Company's shares owned
1 New election	Hiroyuki Kudo (November 24, 1957)	Apr. 1980 Joined SHIMOJIMA Co.,Ltd. Apr. 2009 General Manager of First Product Department June 2016 Executive Officer and General Manager of First Product Department June 2018 Executive Officer and General Manager of Product Division	5,800 shares
		[Reasons for nomination as a candidate for Audit & Supervisory Board Member] The candidate, as a General Manager of Product Division, has a wealth of experience and expertise in the Group's business including that of subsidiaries. To ensure legality and appropriateness of business execution, the Company requests his election as a full-time Audit & Supervisory Board Member.	
2 Reelection Outside Independent	Yuichi Sato (May 10, 1950)	Mar. 1979 Registered as Certified Public Accountant Aug. 1985 Partner of Chuo Audit Corporation June 1988 Representative Partner Mar. 2000 Joined Chuo Consulting Co., Ltd. Nov. 2006 Representative of Yuichi Sato Certified Public Accountant Office (current position) June 2007 Outside Audit & Supervisory Board Member of SHINDEN HIGHTEX CORPORATION June 2010 Outside Audit & Supervisory Board Member of the Company (current position) June 2010 Outside Director of Avex Group Holdings Inc. June 2014 Outside Audit & Supervisory Board Member of TOKATSU HOLDINGS CO.,LTD.	1,084 shares
		[Reasons for nomination as a candidate for outside Audit & Supervisory Board Member] The candidate has advanced professional insight and a strong track record in audits, as well as knowledge of accounting and finance, accumulated as a certified public accountant over many years. The Company believes he can be expected to provide advice and opinions to ensure appropriateness and properness of decision-making by the Board of Directors as an outside Audit & Supervisory Board Member, and thus requests his reelection.	
3 Reelection Outside Independent	Mineo Enomoto (December 12, 1950)	Oct. 1975 Passed the national bar examination Apr. 1978 Registered with a bar association (Tokyo Bar Association) May 2000 Representative of Mineo Enomoto Law Office (now Enomoto and Matsui Law Office) (current position) May 2004 Outside Audit & Supervisory Board Member of Sammy Networks Co., Ltd. June 2004 Outside Auditor of SEGA CORPORATION June 2006 Outside Audit & Supervisory Board Member of Nippon Koei Co., Ltd. June 2007 External Audit & Supervisory Board Member of SEGA SAMMY HOLDINGS INC. June 2014 Outside Audit & Supervisory Board Member of the Company (current position)	748 shares
		[Reasons for nomination as a candidate for outside Audit & Supervisory Board Member] The candidate has a strong track record in rulings based on advanced insight and a wealth of experience accumulated as an attorney over many years. The Company believes he is capable of implementing the Company's fair and transparent audit system by providing appropriate advice and opinions from a professional and objective perspective as an outside Audit & Supervisory Board Member, and thus requests his reelection.	

Reelection: Candidate for Audit & Supervisory Board Member to be reelected

New election: Candidate for Audit & Supervisory Board Member to be newly elected

Outside: Candidate for outside Audit & Supervisory Board Member

Independent: Independent officer as defined by the securities exchange, etc.

- Notes:
1. There is no special interest between the candidate for Audit & Supervisory Board Member and the Company.
 2. Yuichi Sato and Mineo Enomoto are candidates for outside Audit & Supervisory Board Member.
 3. Reasons for our judgement of their capability to perform duties as outside Audit & Supervisory Board Member appropriately
 - (1) Although Yuichi Sato has never been involved in the management of businesses in ways other than serving as outside officer, he not only has a strong track record in audits and expert knowledge of accounting and finance as a certified public accountant but also is well versed in the management environment and various conditions surrounding the Company. Accordingly, we have judged that he will be able to perform duties as outside Audit & Supervisory Board Member appropriately.
 - (2) Although Mineo Enomoto has never been involved in the management of businesses in ways other than serving as outside officer, he not only has a wealth of experience as an attorney but also is well versed in corporate legal affairs. Accordingly, we have judged that he will be able to perform duties as outside Audit & Supervisory Board Member appropriately.
 4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and Article 35 of the Articles of Incorporation, the Company has entered into an agreement with Yuichi Sato and Mineo Enomoto to limit their liability for damages pursuant to Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under Article 425, paragraph (1) of the same Act. If their reelection is approved, the Company plans to renew the aforementioned agreement with them.
 5. The Company has submitted notification to the Tokyo Stock Exchange that Yuichi Sato and Mineo Enomoto have been designated as independent officers as provided for by Tokyo Stock Exchange, Inc. If they are reelected, the Company plans for their designation as independent officers to continue.
 6. Yuichi Sato and Mineo Enomoto are currently serving as outside Audit & Supervisory Board Member of the Company. At the conclusion of this meeting, tenure of Yuichi Sato and Mineo Enomoto as Audit & Supervisory Board Member will have been 12 years and eight years, respectively.
 7. The Company has entered into a directors and officers liability insurance policy with an insurance company pursuant to the provision of Article 430-3, paragraph (1) of the Companies Act to cover loss due to damage claims filed against the insured including the Company's Audit & Supervisory Board Members through the relevant insurance policy (however, this does not include cases of unjust acts, etc. such as illegally gaining benefits or advantages, violations of laws and regulations, insider trading, and gross negligence). If a relevant candidate is elected and assumes office as Audit & Supervisory Board Members, he will become an insured under the relevant insurance policy. The insurance policy is planned to be renewed with the same terms and conditions at the time of the next renewal.

Proposal No. 5 Election of One Substitute Audit & Supervisory Board Member

The effect of election of Takao Karasawa, who was elected as substitute Audit & Supervisory Board Member at the 57th Annual General Meeting of Shareholders held on June 26, 2018, will expire at the commencement of this meeting. Accordingly, the Company proposes the election of one substitute Audit & Supervisory Board Member to prepare for cases in which the number of Audit & Supervisory Board Members falls below that stipulated in laws and regulations. The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Takao Karasawa (Sept. 29, 1959) Reelection Outside Independent	Apr. 1990 Registered as an attorney (Daini Tokyo Bar Association) Apr. 1990 Joined Kaneko & Iwamatsu July 2004 Securities Inspector of Kanto Local Finance Bureau, Ministry of Finance Mar. 2006 Returned to Kaneko & Iwamatsu (current position) June 2010 Statutory Auditor of New Real Property Corporation (current position)	– shares
[Significant concurrent positions outside the Company] Statutory Auditor of New Real Property Corporation [Reasons for nomination as a candidate for outside Audit & Supervisory Board Member] The Company requests his reelection as substitute outside Audit & Supervisory Board Member to reflect his advanced expert knowledge of corporate legal affairs in enhancing the Company's audit system. Although Takao Karasawa has never been involved in the management of businesses in ways other than serving as outside officer, we have judged that he will be able to perform duties as outside Audit & Supervisory Board Member appropriately for the above reasons.		

Reelection: Candidate for substitute Audit & Supervisory Board Member to be reelected

Outside: Candidate for outside substitute Audit & Supervisory Board Member

Independent: Independent officer as defined by the securities exchange, etc.

- Notes:
1. There is no special interest between Takao Karasawa and the Company.
 2. Takao Karasawa is a candidate for substitute outside Audit & Supervisory Board Member.
 3. If Takao Karasawa assumes office as Audit & Supervisory Board Member, the Company plans to enter into an agreement with him to limit his liability for damages pursuant to Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and Article 35 of the Articles of Incorporation. The maximum amount of liability for damages under this agreement will be the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act.
 4. The Company has entered into a directors and officers liability insurance policy with an insurance company pursuant to the provision of Article 430-3, paragraph (1) of the Companies Act to cover loss due to damage claims filed against the insured including the Company's Audit & Supervisory Board Members through the relevant insurance policy (however, this does not include cases of unjust acts, etc. such as illegally gaining benefits or advantages, violations of laws and regulations, insider trading, and gross negligence). If a relevant candidate is elected as substitute Audit & Supervisory Board Member and assumes the office of Audit & Supervisory Board Member, he will become an insured under the relevant insurance policy. The insurance policy is planned to be renewed with the same terms and conditions at the time of the next renewal.