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Securities Code: 6905

July 19, 2022

To Our Shareholders:

Masato Tanikawa
President and Representative Director
COSEL CO., LTD.
1-6-43 Kamiakae-machi, Toyama City,
Toyama

Notice of the 53rd Annual General Meeting of Shareholders

We are pleased to announce the 53rd Annual General Meeting of Shareholders of COSEL CO., LTD. (the “Company”), which will be held as indicated below.

Instead of attending the Meeting in person, you may exercise your voting rights by mail or via the Internet, etc. Please examine the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights in accordance with the “Guidance on Exercising Voting Rights” (in Japanese only) no later than 5:15 p.m. on Tuesday, August 9, 2022 (JST).

- 1. Date and Time:** Wednesday, August 10, 2022, at 10:00 a.m.
- 2. Venue:** Hall 10F, The Toyama Chamber of Commerce and Industry
2-1-3 Sogawa, Toyama City, Toyama

3. Purpose of the Meeting

Matters to be reported

1. The Business Report and Consolidated Financial Statements for the 53rd Fiscal Year (from May 21, 2021 to May 20, 2022), as well as the audit reports of the Financial Auditors and the Audit & Supervisory Board for Consolidated Financial Statements
2. Financial Statements for the 53rd Fiscal Year (from May 21, 2021 to May 20, 2022)

Matters to be resolved

- Proposal No. 1** Partial Amendment to the Articles of Incorporation
- Proposal No. 2** Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 3** Election of Three Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 4** Establishment of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 5** Establishment of the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 6** Performance-Linked Share-Based Remuneration for Directors (Excluding Director Who Are Audit and Supervisory Committee Members and Outside Directors)

4. Matter prescribed for convocation

If you diversely exercise your voting rights, you are requested to notify the Company in writing of your intention to do so and state the reason for this no later than three days before the date of the Meeting.

- ◎ When you attend the Meeting, you are kindly requested to present the enclosed voting card at the reception.
- ◎ Of the documents to be provided in this Notice of Convocation, the following items are not included in the documents attached to this Notice of Convocation, as they are posted on the Company's website (<https://www.cosel.co.jp/corporate/ir/>) (in Japanese only) in accordance with laws and regulations and Article 16 of the Company's Articles of Incorporation. Therefore, this information is not included in the attached document of this Notice.
 - (i) Notes to Consolidated Financial Statements
 - (ii) Notes to Non-consolidated Financial Statements

Accordingly, the documents attached to this Notice of Convocation represent a part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members in preparing the Audit Report and the Financial Auditors in preparing the Accounting Audit Report.

If any changes are made to the Reference Documents for General Meeting of Shareholders, such changes will be posted on the Company's website (<https://www.cosel.co.jp/corporate/ir/>).

Reference Documents for General Meeting of Shareholders

Proposal No. 1

Partial Amendment to the Articles of Incorporation

1. Reasons for the Proposals

- (1) The Company will transition to a Company with an “Audit and Supervisory Committee.”
 - 1) The Company will establish an Audit and Supervisory Committee and grant voting rights at the Meeting of the Board of Directors to Directors (including multiple outside Directors) who are Audit and Supervisory Committee Members, thereby strengthening the audit and supervisory function and further enhancing the corporate governance system to further increase corporate value.
 - 2) As part of this process, the Company will make the changes to establish new provisions relating to the Audit and Supervisory Committee Members and the Audit and Supervisory Committee required for a company with an Audit and Supervisory Committee and delete provisions relating to Audit & Supervisory Board Members and the Audit & Supervisory Board.
 - 3) The amendment to the Articles of Incorporation under this proposal will take effect at the conclusion of this meeting.
- (2) The Company will introduce a system for providing general shareholder meeting materials in electronic format, in line with the enforcement on September 1, 2022 of the amended provisions in the proviso of Article 1 of the Supplementary Provisions to the Act Partially Amending the Companies Act (Act No. 70 of 2019).
 - 1) Under the foregoing Act, it will be obligatory to stipulate in the Articles of Incorporation that measures to provide information contained in the reference documents for general meetings of shareholders and related documents in electronic format shall be taken. Therefore, the Company proposes establishing a new paragraph 1 of Article 17 (Measures to Provide Information in Electronic Format) in the proposed amendments to the Articles of Incorporation.
 - 2) Regarding information contained in the reference documents for general meetings of shareholders and related documents that is subject to the measures to provide information in electronic format, in order to enable the Company to limit the scope of matters to be stated in paper-based format delivered to shareholders who request delivery of materials in such format, to the scope stipulated by the applicable Ministry of Justice ordinance, the Company proposes establishing a new paragraph 2 of Article 17 (Measures to Provide Information in Electronic Format) in the proposed amendments to the Articles of Incorporation.
 - 3) Upon the introduction of the system for providing general shareholder meeting materials in electronic format, the provisions of Article 16 (Disclosure on Internet and Deemed Provision of Reference Documents for General Meetings of Shareholders and Related Documents) in the current Article of Incorporation will not be needed. Therefore, the Company proposes deleting those provisions.
 - 4) The supplemental provisions regarding the effect of the above new and deleted provisions are hereby established. The Company proposes deleting these supplementary provisions after the deadline has elapsed.

2. Contents of the amendment

Details of the changes are as follows.

(Underlined sections indicate the changes.)

Current Articles of Incorporation	Planned Amendments
Chapter 1 General Provisions Article 1 - Article 4 <Omitted> <Newly established>	Chapter 1 General Provisions Article 1 - Article 4 <Unchanged> <u>Article 5 (Entities)</u> <u>In addition to the General Meeting of Shareholders and</u> <u>Directors, the Company shall have the following entities.</u> <u>(1) Meeting of the Board of Directors</u> <u>(2) Audit and Supervisory Committee</u> <u>(3) Financial Auditor</u>
Chapter 2 Shares Article 5 - Article 12 <Omitted>	Chapter 2 Shares Article 6 - Article 13 <Unchanged>

Current Articles of Incorporation	Planned Amendments
<p style="text-align: center;">Chapter 3 General Meeting of Shareholders</p> <p>Article <u>13</u> - Article <u>15</u> <Omitted></p> <p>Article <u>16</u> (<u>Disclosure on Internet and Deemed Provision of Reference Documents for General Meetings of Shareholders and Related Documents</u>)</p> <p><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, financial statements and consolidated financial statements on the Internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p style="text-align: center;"><Newly established></p> <p>Article <u>17</u> - Article <u>19</u> <Omitted></p>	<p style="text-align: center;">Chapter 3 General Meeting of Shareholders</p> <p>Article <u>14</u> - Article <u>16</u> <Unchanged></p> <p style="text-align: center;"><Deleted></p> <p>Article <u>17</u> (<u>Measures to Provide Information in Electronic Format</u>)</p> <p><u>1. 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></p> <p><u>2. Among items for which the measures to provide information in electronic format will be taken, the Company reserves the right to exclude, in whole or in part, any or all of the information set forth by the Ordinance of the Ministry of Justice in the documents to be delivered to shareholders who have requested delivery of the hardcopies of documents by the record date for voting rights.</u></p> <p>Article <u>18</u> - Article <u>20</u> <Unchanged></p>
<p style="text-align: center;">Chapter 4 Directors and Meeting of the Board of Directors</p> <p>Article <u>20</u> (Number of Members)</p> <p>The Company shall have no more than 15 Directors.</p> <p style="text-align: center;"><Newly established></p> <p>Article <u>21</u> (Method of Election)</p> <p>1. The Directors of the Company shall be elected by a resolution of the General Meeting of Shareholders.</p> <p>2. <Omitted></p> <p>3. <Omitted></p> <p>Article <u>22</u> (Term of Office)</p> <p>1. The term of office of Directors of the Company shall expire at the close of the Annual General Meeting of Shareholders relating to the last fiscal year ending within one year after their election.</p> <p><u>2. The term of office of Directors appointed to increase or fill vacancies shall expire at the end of the term of office of the Directors in office.</u></p>	<p style="text-align: center;">Chapter 4 Directors and Meeting of the Board of Directors, and Audit and Supervisory Committee</p> <p>Article <u>21</u> (Number of Members)</p> <p><u>1. The Company shall have no more than 15 Directors (excluding Directors who are Audit and Supervisory Committee Members).</u></p> <p><u>2. The Company shall have no more than four Directors who are Audit and Supervisory Committee Members.</u></p> <p>Article <u>22</u> (Method of Election)</p> <p>1. The Directors of the Company shall be elected by a resolution of the General Meeting of Shareholders, <u>with a distinction between Directors who are Audit and Supervisory Committee Members and those who are not.</u></p> <p>2. <Unchanged></p> <p>3. <Unchanged></p> <p>Article <u>23</u> (Term of Office)</p> <p>1. The term of office of Directors of the Company (<u>excluding Directors who are Audit and Supervisory Committee Members</u>) shall expire at the close of the Annual General Meeting of Shareholders relating to the last fiscal year ending within one year after their election.</p> <p style="text-align: center;"><Deleted></p>

Current Articles of Incorporation	Planned Amendments
<p style="text-align: center;"><Newly established></p> <p style="text-align: center;"><Newly established></p> <p style="text-align: center;"><Newly established></p>	<p>2. <u>The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the close of the Annual General Meeting of Shareholders relating to the last fiscal year ending within two years after their appointment.</u></p> <p>3. <u>The term of office of a Director who is an Audit and Supervisory Committee Member appointed to fill the vacancy of a Director who retires before the expiration of their term of office shall expire when the term of office of the retiring director as an Audit and Supervisory Committee Member expires.</u></p> <p>4. <u>The effective term of the resolution for the election of a Director who is a substitute Audit and Supervisory Committee Member appointed pursuant to Article 329, paragraph (3) of the Companies Act, unless shortened by such resolution, shall expire at the beginning of the Annual General Meeting of Shareholders of the Company for the last fiscal year ending within two years from the date of appointment.</u></p>
<p>Article 23 (Establishment of Board of Directors)</p>	<p style="text-align: center;"><Deleted></p>
<p><u>The Company shall have a Board of Directors.</u></p>	
<p>Article 24 (Representative Director and Directors with Special Titles)</p> <p>1. The Representative Director of the Company shall be selected by resolution of the Board of Directors.</p> <p>2. The Company may, by resolution of the Board of Directors, appoint one Director and Chairman, and Director and President, and a few Director and Vice Presidents, Senior Managing Directors, and Managing Directors.</p>	<p>Article 24 (Representative Director and Directors with Special Titles)</p> <p>1. The Representative Director of the Company shall be selected by resolution of the Board of Directors <u>from among the Directors (excluding Directors who are Audit and Supervisory Committee Members).</u></p> <p>2. The Company may, by resolution of the Board of Directors, appoint one Director and Chairman, and Director and President, and a few Director and Vice Presidents, Senior Managing Directors, and Managing Directors <u>from among the Directors (excluding Directors who are Audit and Supervisory Committee Members).</u></p>
<p>Article 25 <Omitted></p>	<p>Article 25 <Unchanged></p>
<p>Article 26 (Notice of Convocation of Board of Directors)</p> <p>1. A notice of a Meeting of the Board of Directors of the Company shall be given to <u>each Director and Audit & Supervisory Board Member</u> at least three days prior to the date of the meeting. However, in the event of an urgent need, this period may be shortened.</p> <p>2. With the unanimous consent of all <u>Directors and Audit & Supervisory Board Members</u>, a Meeting of the Board of Directors may be held without going through the procedures for convening a meeting.</p>	<p>Article 26 (Notice of Convocation of Board of Directors)</p> <p>1. A notice of a Meeting of the Board of Directors of the Company shall be given to <u>each Director</u> at least three days prior to the date of the meeting. However, in the event of an urgent need, this period may be shortened.</p> <p>2. With the unanimous consent of all <u>Directors</u>, a Meeting of the Board of Directors may be held without going through the procedures for convening a meeting.</p>
<p>Article 27 (Method of Resolution of the Board of Directors)</p>	<p>Article 27 (Method of Resolution of the Board of Directors)</p>
<p>1. <Omitted></p> <p>2. The Company shall deem that a resolution of the Board of Directors to approve matters to be resolved at a Meeting of the Board of Directors has been passed if all Directors (limited to those who can participate in the voting on such matters to be resolved) have expressed their consent to such resolution in writing or by electromagnetic record. <u>However, this shall not apply if an Audit & Supervisory Board Member objects to such resolution.</u></p>	<p>1. <Unchanged></p> <p>2. The Company shall deem that a resolution of the Board of Directors to approve matters to be resolved at a Meeting of the Board of Directors has been passed if all Directors (limited to those who can participate in the voting on such matters to be resolved) have expressed their consent to such resolution in writing or by electromagnetic record.</p>

Current Articles of Incorporation	Planned Amendments
<p>Article 28 (Minutes of the Meeting of the Board of Directors)</p> <p>The minutes of the meetings of the Board of Directors of the Company shall be prepared in writing or in electromagnetic record as required by law, and the <u>Directors and Audit & Supervisory Board Members</u> present at the meeting shall sign or affix their names and seals thereto or put their electronic signatures thereon.</p> <p>Article 29 <Omitted></p> <p>Article 30 (Compensation, Etc.)</p> <p>Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties (hereinafter referred to as the “Remuneration, Etc.”) to Directors of the Company shall be determined by resolution of a general meeting of shareholders.</p> <p>Article 31 <Omitted> <Newly established></p> <p><Newly established></p> <p><Newly established></p> <p><Newly established></p> <p><Newly established></p>	<p>Article 28 (Minutes of the Meeting of the Board of Directors)</p> <p>The minutes of the meetings of the Board of Directors of the Company shall be prepared in writing or in electromagnetic record as required by law, and the <u>Directors</u> present at the meeting shall sign or affix their names and seals thereto or put their electronic signatures thereon.</p> <p>Article 29 <Unchanged></p> <p>Article 30 (Compensation, Etc.)</p> <p>Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties (hereinafter referred to as the “Remuneration, Etc.”) to Directors of the Company shall be determined by resolution of a general meeting of shareholders. <u>However, the Remuneration, Etc. for Directors who are Audit and Supervisory Committee Members shall be determined by resolution of a general meeting of shareholders separately from the Remuneration, Etc. for other Directors.</u></p> <p>Article 31 <Unchanged></p> <p><u>Article 32 (Standing Audit and Supervisory Committee Members)</u></p> <p><u>The Audit and Supervisory Committee may, by its resolution, select Standing Audit and Supervisory Committee Members from among the Directors who are Audit and Supervisory Committee Members.</u></p> <p><u>Article 33 (Notice of Convocation of the Audit and Supervisory Committee)</u></p> <p><u>1. A notice of a meeting of the Audit and Supervisory Committee shall be given to each Director who is an Audit and Supervisory Committee Member at least three days prior to the date of the meeting. However, in the event of an urgent need, this period may be shortened.</u></p> <p><u>2. With the consent of all Directors who are Audit and Supervisory Committee Members, the Audit and Supervisory Committee may hold a meeting without going through the procedures for convening such a meeting.</u></p> <p><u>Article 34 (Method of Resolution of the Audit and Supervisory Committee)</u></p> <p><u>The resolutions of the Audit and Supervisory Committee of the Company are made by a majority of the Audit and Supervisory Committee Members present at the meeting where the majority of the Audit and Supervisory Committee Members entitled to participate in the vote are present.</u></p> <p><u>Article 35 (Minutes of the Meeting of the Audit and Supervisory Committee)</u></p> <p><u>The minutes of the meetings of the Audit and Supervisory Committee of the Company shall be prepared in writing or in electromagnetic record as required by law, and the Audit and Supervisory Committee Members present at the meeting shall sign or affix their names and seals thereto or put their electronic signatures thereon.</u></p> <p><u>Article 36 (Regulations of the Audit and Supervisory Committee)</u></p>

Current Articles of Incorporation	Planned Amendments
	<u>Matters concerning the Audit and Supervisory Committee of the Company shall be governed by the Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee in addition to laws and regulations or these Articles of Incorporation.</u>
<p style="text-align: center;"><u>Chapter 5</u> <u>Audit & Supervisory Board Members and Audit & Supervisory Board</u></p>	<Deleted>
<p><u>Article 32 (Establishment of Audit & Supervisory Board Members and Audit & Supervisory Board)</u> <u>The Company shall have Audit & Supervisory Board Members and Audit & Supervisory Board)</u></p>	<Deleted>
<p><u>Article 33 (Number of Members)</u> <u>The Company shall have no more than four Audit & Supervisory Board Members.</u></p>	<Deleted>
<p><u>Article 34 (Method of Election)</u> <u>1. The Audit & Supervisory Board Members of the Company shall be elected at the General Meeting of Shareholders.</u> <u>2. The resolution for the election of Audit & Supervisory Board Members shall be adopted by a majority of the votes of the shareholders present at the meeting where the shareholders holding one-third or more of the voting rights of the shareholders entitled to exercise their voting rights are present.</u></p>	<Deleted>
<p><u>Article 35 (Term of Office)</u> <u>1. The term of office of Audit & Supervisory Board Members of the Company shall expire at the close of the Annual General Meeting of Shareholders relating to the last of the four years after their assumption of office.</u> <u>2. The term of office of an Audit & Supervisory Board Member elected to fill the vacancy of a retiring Audit & Supervisory Board Member shall expire when the term of office of the retiring Audit & Supervisory Board Member expires.</u></p>	<Deleted>
<p><u>Article 36 (Standing Audit & Supervisory Board Members)</u> <u>Standing Audit & Supervisory Board Members of the Company shall be elected by a resolution of the Audit & Supervisory Board.</u></p>	<Deleted>
<p><u>Article 37 (Notice of Convocation of Audit & Supervisory Board)</u> <u>1. A notice of a Meeting of the Audit & Supervisory Board of the Company shall be given to each Audit & Supervisory Board Member at least three days prior to the date of the meeting. However, in the event of an urgent need, this period may be shortened.</u> <u>2. With the unanimous consent of all Audit & Supervisory Board Members, a Meeting of the Audit & Supervisory Board may be held without going through the procedures for convening a meeting.</u></p>	<Deleted>
<p><u>Article 38 (Method of Resolution of the Audit & Supervisory Board)</u> <u>Except as otherwise provided by law, resolutions of the Audit & Supervisory Board of the Company shall be adopted by a majority of the Audit & Supervisory Board Members.</u></p>	<Deleted>

Current Articles of Incorporation	Planned Amendments
<p><u>Article 39 (Minutes of the Meeting of the Audit & Supervisory Board)</u></p> <p><u>The minutes of the meetings of the Audit & Supervisory Board of the Company shall be prepared in writing or in electromagnetic record as required by law, and the Audit & Supervisory Board Members present at the meeting shall sign or affix their names and seals thereto or put their electronic signatures thereon.</u></p>	<Deleted>
<p><u>Article 40 (Regulations of the Audit & Supervisory Board)</u></p> <p><u>Matters concerning the Audit & Supervisory Board of the Company shall be governed by the Regulations of the Audit & Supervisory Board established by the Audit & Supervisory Board in addition to laws and ordinances and these Articles of Incorporation.</u></p>	<Deleted>
<p><u>Article 41 (Compensation, Etc.)</u></p> <p><u>The compensation of the Audit & Supervisory Board Members of the Company shall be determined by resolution of the General Meeting of Shareholders.</u></p>	<Deleted>
<p><u>Article 42 (Exemption of Audit & Supervisory Board Members from Liability)</u></p> <p>1. <u>Pursuant to Article 426, paragraph (1) of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liability for damages under Article 423, paragraph (1) of the said Act to the extent permitted by law.</u></p> <p>2. <u>Pursuant to Article 427, paragraph (1) of the Companies Act, the Company may enter into a Limited Liability Agreement with Audit & Supervisory Board Members to limit their liability for damages under Article 423, paragraph (1) of the same Act. However, the maximum amount of liability based on such contract shall be the amount stipulated by laws and regulations.</u></p>	<Deleted>
<p style="text-align: center;">Chapter <u>6</u> Financial Auditor</p>	<p style="text-align: center;">Chapter <u>5</u> Financial Auditor</p>
<p><u>Article 43 (Establishment of Financial Auditor)</u></p> <p><u>The Company shall have a Financial Auditor.</u></p>	<Deleted>
<p>Article <u>44</u> - Article <u>45</u> <Omitted></p>	Article <u>37</u> - Article <u>39</u> <Unchanged>
<p>Article <u>46</u> (Compensation, Etc.)</p> <p>The compensation, etc. of the Financial Auditor shall be determined by the Representative Director with the consent of the <u>Audit & Supervisory Board</u>.</p>	<p>Article <u>40</u> (Compensation, Etc.)</p> <p>The compensation, etc. of the Financial Auditor shall be determined by the Representative Director with the consent of the <u>Audit and Supervisory Committee</u>.</p>
<p style="text-align: center;">Chapter <u>7</u> Accounts</p>	<p style="text-align: center;">Chapter <u>6</u> Accounts</p>
<p>Article <u>47</u> - Article <u>50</u> <Omitted></p>	Article <u>41</u> - Article <u>44</u> <Unchanged>
<p style="text-align: center;"><Newly established> <Newly established></p>	<p style="text-align: center;"><u>Supplementary Provisions</u></p> <p><u>Article 1 (Transitional measures concerning exemption of Audit & Supervisory Board Members from liability)</u></p>

Current Articles of Incorporation	Planned Amendments
<p><Newly established></p>	<p><u>1. The Company may, by a resolution of a Meeting of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liability for damages provided in Article 423, paragraph (1) of the Companies Act with respect to acts committed prior to the conclusion of the 53rd Annual General Meeting of Shareholders to the extent permitted by law.</u></p> <p><u>2. With respect to the agreement of Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) to limit their liability for damages under Article 423, paragraph (1) of the Companies Act with respect to acts committed prior to the conclusion of the 53rd Annual General Meeting of Shareholders, the provisions of Article 42, paragraph 2 of the Articles of Incorporation prior to the amendment by the said resolution of the said Annual General Meeting of Shareholders shall still apply.</u></p> <p><u>Article 2 (Transitional Measures Concerning Measures to Provide Information in Electronic Format)</u></p> <p><u>1. The deletion of Article 16 (Disclosure on Internet and Deemed Provision of Reference Documents for General Meetings of Shareholders and Related Documents) before amendment by resolution of the 53rd Annual General Meeting of Shareholders and the establishment of Article 17 (Measures to Provide Information in Electronic Format) of these Articles of Incorporation shall take effect as of September 1, 2022 (hereinafter referred to as the “effective date”).</u></p> <p><u>2. Notwithstanding the provision of the preceding paragraph, Article 16 of the Articles of Incorporation prior to the amendment by the resolution of the 53rd Annual General Meeting of Shareholders shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p><u>3. These Articles 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>

Proposal No. 2 Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Subject to the approval of Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” the Company will transition to a Company with an Audit and Supervisory Committee. The terms of office of all seven Directors will expire when the amendment to the Articles of Incorporation takes effect. Therefore, the Company proposes to elect seven Directors (excluding Directors who are Audit and Supervisory Committee Members). This proposal shall take effect on the condition that the amendment to the Articles of Incorporation in Proposal No. 1, “Partial Amendment to the Articles of Incorporation” takes effect.

The candidates for Director (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

No.	Name (Date of birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's shares held
1	<p style="text-align: center;">Masato Tanikawa (August 8, 1956)</p>	<p>Mar. 1979 Joined the Company</p> <p>Jul. 1998 General Manager, Application Design Department</p> <p>Aug. 2003 Director (incumbent)</p> <p>Jun. 2004 General Manager, Quality Management Department</p> <p>May 2008 Supervisor of Production, Materials and Information Systems</p> <p>Jun. 2008 Managing Director and Supervisor of Production and Materials</p> <p>Aug. 2013 Managing Director and Supervisor of Sales, Production and Materials</p> <p>Nov. 2013 President and Representative Director</p> <p>Aug. 2021 President and Representative Director Chief Executive Officer (CEO) (incumbent)</p> <hr/> <p>(Significant Concurrent Positions outside the Company)</p> <ul style="list-style-type: none"> • Vice Chairman, Toyama Prefectural Machinery and Electronic Industries Association 	97,229 shares
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Masato Tanikawa appropriately supervises the management of the Company as President and Representative Director. He appropriately manages the Board of Directors as a chair, enhancing the decision-making function of the Board based on reports from executive directors concerning important business matters. He also leads the management of the Company and strives to pursue sustainable growth and increase of corporate value through the dissemination and practice of its corporate philosophy within the Group.</p> <p>Taking into account the above facts, the Company determines that he is suitable for the leader of the Company to realize its medium- and long-term vision; therefore, the Company appoints him as a candidate for Director for re-election.</p>			

No.	Name (Date of birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's shares held
2	Morio Saito (July 14, 1959)	<p>Mar. 1982 Joined the Company</p> <p>Feb. 2003 General Manager, On-Board Production Department</p> <p>May 2006 General Manager, Eastern Japan Sales Department</p> <p>Aug. 2008 General Manager, Unit Production Department</p> <p>Aug. 2011 Project Leader, Wuxi Cosel Development Project</p> <p>Dec. 2011 Legal Representative, Wuxi Cosel Electronics Co., Ltd. (incumbent)</p> <p>Aug. 2013 Director (incumbent)</p> <p>Aug. 2013 In charge of Global Procurement and Production</p> <p>May 2014 In charge of Middle-range Global Power Supply</p> <p>Aug. 2015 In charge of Production in China</p> <p>Aug. 2016 Supervisor of Production</p> <p>Aug. 2017 Managing Director and Supervisor of Production</p> <p>Aug. 2020 Managing Director, in charge of SCM</p> <p>Aug. 2021 Managing Executive Officer, SCM Supervisor (incumbent)</p> <p>(Significant Concurrent Positions outside the Company)</p> <ul style="list-style-type: none"> • Legal Representative, Wuxi Cosel Electronics Co., Ltd. 	37,634 shares
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Morio Saito has broad experience in the areas of Production including innovative activities as well as Sales. Specifically, as the person in charge of Production in China, he played a role in launching “Wuxi Cosel Electronics Co., Ltd.,” and he possesses abundant insight gained from the practical experience of establishing the core structures for corporate management. Currently, as the person charge of SCM, he appropriately supervises the management of the Company from global perspectives, thereby enhancing the decision-making function of the Board of Directors based on such experience and insight.</p> <p>Taking into account the above facts, the Company determines that he is suitable for achieving sustainable growth and enhanced corporate value; therefore, the Company appoints him as a candidate for Director for re-election.</p>			

No.	Name (Date of birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's shares held
3	Satoshi Kiyosawa (September 28, 1960)	<p>Apr. 1983 Joined the Company</p> <p>May 2002 General Manager, General Affairs Department</p> <p>Aug. 2010 General Manager, Eastern Japan Sales Department</p> <p>Aug. 2011 Director (incumbent)</p> <p>Aug. 2011 Supervisor of Domestic Sales and General Manager, Domestic Sales Department</p> <p>Dec. 2012 Supervisor of Sales</p> <p>Aug. 2013 In charge of Personnel and Labor and General Manager, Human Resources Development Department</p> <p>Nov. 2013 Supervisor of Sales, in charge of Personnel and Labor, and General Manager, Human Resources Development Department</p> <p>May 2014 Supervisor of Sales and in charge of Personnel and Labor</p> <p>Aug. 2016 In charge of Quality Management and Quality Assurance System Innovation and in charge of Personnel and Labor</p> <p>May 2020 In charge of General Affairs, Personnel and Labor, and General Manager, TQM Promotion Office</p> <p>May 2021 In charge of General Affairs, Personnel and Labor, and General Manager, General Affairs Department, and General Manager, TQM Promotion Office</p> <p>Aug. 2021 Executive Officer, in charge of General Affairs, Personnel and Labor, and General Manager, General Affairs Department, and General Manager, TQM Promotion Office</p> <p>May 2022 Executive Officer, in charge of General Affairs, Personnel and Labor, and General Manager, TQM Promotion Office (incumbent)</p>	31,793 shares
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Satoshi Kiyosawa appropriately supervises the management of the Company by using his wide-ranging experience and past performance in personnel and human resources development amid a company-wide effort to promote total quality management (TQM), which is a pillar of management, from a perspective of strengthening the structures formed by links between individuals and the organization, and between organizations. He also strives to improve the quality of decision-making on the overall business operations as well as the effectiveness of governance systems of the entire Group by focusing on dialogue with on-site employees while providing advice on human resources development initiatives such as small-group activities at a company-wide level and career support activities.</p> <p>Taking into account the above facts, the Company determines that he is suitable for achieving sustainable growth and enhanced corporate value; therefore, the Company appoints him as a candidate for Director for re-election.</p>			

No.	Name (Date of birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's shares held
4	Isao Yasuda (January 11, 1963)	Apr. 1985 Joined the Company May 2007 General Manager, Application Standard Design Department May 2013 General Manager in charge of Intelligent Power System Business Promotion Aug. 2013 Director (incumbent) Aug. 2013 Supervisor of Development Dec. 2013 Supervisor of Development and General Manager, On-Board Standard Design Department May 2015 Supervisor of Development Aug. 2016 Supervisor of Sales and in charge of Sales and International R&D May 2018 Supervisor of Sales May 2020 In charge of Global Sales Aug. 2021 Executive Officer, in charge of Global Sales (incumbent)	28,526 shares
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Isao Yasuda appropriately supervises the management of the Company as the Director in charge of Sales. At the Board of Directors, he provides appropriate explanations on matters regarding progress and results on management plans in light of market and customer trends, thereby enhancing the decision-making function of the Board in corporate management.</p> <p>Taking into account the above facts, the Company determines that he is suitable for achieving sustainable growth and enhanced corporate value; therefore, the Company appoints him as a candidate for Director for re-election.</p>			

No.	Name (Date of birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's shares held
5	Tatsuya Mano (September 7, 1969)	<p>Mar. 1995 Joined the Company</p> <p>May 2011 General Manager, New-market Standard Design Department</p> <p>May 2013 General Manager, R&D Department</p> <p>Dec. 2013 General Manager, Intelligent Power System Design Department</p> <p>Aug. 2016 Director (incumbent)</p> <p>Aug. 2016 Supervisor of R&D, in charge of New Business Promotion, and General Manager, Intelligent Power System Design Department</p> <p>Nov. 2018 Supervisor of R&D and in charge of New Business Promotion</p> <p>May 2020 In charge of Quality Assurance and of New Business Promotion</p> <p>Aug. 2020 In charge of Quality Assurance, IT Strategy and of New Business Promotion</p> <p>Aug. 2021 Executive Officer, in charge of Quality Assurance, IT Strategy and of New Business Promotion (incumbent)</p>	12,148 shares
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Tatsuya Mano has advanced technological expertise and knowledge as the Director in charge of Quality Assurance and of New Business Promotion, thereby enhancing the decision-making function of the Board of Directors. Regarding the execution of business, based on advanced technology, he promotes the improvement of products' quality and the improvement of productivity based on IT technology. Also, by stimulating inter-personal exchanges through professional connections, he is promoting planning and examination that leads to new business in the fields in which the Company's current technologies can be practically applied.</p> <p>Taking into account the above facts, the Company determines that he is suitable for achieving sustainable growth and enhanced corporate value; therefore, the Company appoints him as a candidate for Director for re-election.</p>			

No.	Name (Date of birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's shares held																						
6	Yasuro Uchida (May 2, 1966)	<table border="0" style="width: 100%;"> <tr> <td style="width: 10%; vertical-align: top;">Apr. 1998</td> <td>Full-time Lecturer, Faculty of Economics, University of Toyama</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2000</td> <td>Assistant Professor, Faculty of Economics, University of Toyama</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2007</td> <td>Associate Professor, Faculty of Economics, University of Toyama</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2008</td> <td>Professor, Faculty of Economics, University of Toyama</td> </tr> <tr> <td style="vertical-align: top;">Oct. 2010</td> <td>Director, Japan Academy of International Business Studies (incumbent)</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2013</td> <td>Head, Faculty of Economics, Department of Business Administration, University of Toyama</td> </tr> <tr> <td style="vertical-align: top;">Aug. 2014</td> <td>Director, Transcultural Management Society (incumbent)</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2015</td> <td>Deputy Dean, Faculty of Economics, University of Toyama</td> </tr> <tr> <td style="vertical-align: top;">Jul. 2015</td> <td>Director, Academy of Multinational Enterprises (incumbent)</td> </tr> <tr> <td style="vertical-align: top;">Aug. 2015</td> <td>Outside Director, the Company (incumbent)</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2018</td> <td>Professor, Graduate School of Business, University of Hyogo (currently Graduate School of Social Sciences, University of Hyogo) Professor Emeritus, University of Toyama (incumbent)</td> </tr> </table> (Significant Concurrent Positions outside the Company) <ul style="list-style-type: none"> • Professor, Graduate School of Business, University of Hyogo (currently Graduate School of Social Sciences, University of Hyogo) • Professor Emeritus, University of Toyama • Director, Japan Academy of International Business Studies • Director, Transcultural Management Society • Director, Academy of Multinational Enterprises 	Apr. 1998	Full-time Lecturer, Faculty of Economics, University of Toyama	Apr. 2000	Assistant Professor, Faculty of Economics, University of Toyama	Apr. 2007	Associate Professor, Faculty of Economics, University of Toyama	Apr. 2008	Professor, Faculty of Economics, University of Toyama	Oct. 2010	Director, Japan Academy of International Business Studies (incumbent)	Apr. 2013	Head, Faculty of Economics, Department of Business Administration, University of Toyama	Aug. 2014	Director, Transcultural Management Society (incumbent)	Apr. 2015	Deputy Dean, Faculty of Economics, University of Toyama	Jul. 2015	Director, Academy of Multinational Enterprises (incumbent)	Aug. 2015	Outside Director, the Company (incumbent)	Apr. 2018	Professor, Graduate School of Business, University of Hyogo (currently Graduate School of Social Sciences, University of Hyogo) Professor Emeritus, University of Toyama (incumbent)	-
Apr. 1998	Full-time Lecturer, Faculty of Economics, University of Toyama																								
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<p>Reasons for nomination as candidate for Outside Director and outline of expected roles</p> <p>Mr. Yasuro Uchida has never been involved in the management of a company. However, he supervises and provides appropriate advice for the management of the Company based on his professional knowledge and experience as a university professor gained from his research activities on business management strategies (global competition strategies) as well as practical business instructions through the case study of other companies. In addition, Mr. Uchida is currently serving as the chairperson of the Nomination and Remuneration Committee, and if he is elected, the Company intends for him to continue to hold discussions and provide suggestions from an independent standpoint in relation to the nomination of candidates for officers of the Company and the determination of officer remuneration, etc.</p> <p>Taking into account the above facts, the Company desires that he supervises the management of the Company for continually enhancing its corporate value; therefore, the Company appoints him as a candidate for Outside Director for re-election.</p>																									

No.	Name (Date of birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's shares held
7	Akio Misuta (October 6, 1954)	<p>Apr. 1977 Joined Pokka Lemon Co., Ltd.</p> <p>May 1981 Joined Tombow Beverage Co. Ltd.</p> <p>Jun. 1987 Director and Senior Managing Officer, Tombow Beverage Co. Ltd.</p> <p>Jun. 1998 President and CEO, Tombow Beverage Co. Ltd. (incumbent)</p> <p>Aug. 2017 Outside Director, the Company (incumbent)</p> <p>(Significant Concurrent Positions outside the Company)</p> <ul style="list-style-type: none"> • President and CEO, Tombow Beverage Co. Ltd. • Chairman, Hokuriku Soft Drink Industry Cooperative Association • Vice-Chairman, The Toyama Chamber of Commerce and Industry • Executive Secretary, Toyama Association of Corporate Executives • Chairman, Toyama Food Hygiene Association • Part-Time Auditor of URAYAMA GAKUEN 	—
<p>Reasons for nomination as candidate for Outside Director and outline of expected roles</p> <p>Mr. Akio Misuta has expert knowledge of management from his many years of involvement in management in the senior management of a long-established soft drink manufacturer. Furthermore, in an environment dominated by overseas companies and major domestic players, he leveraged proprietary technologies and expertise to promote product development and continues to achieve steady growth.</p> <p>If he is elected, the Company intends for him to be involved from an independent standpoint in the nomination of candidates for officers of the Company and the determination of officer remuneration, etc. as a member of the Nomination and Remuneration Committee.</p> <p>Taking into account the above facts, the Company desires that he supervises the management of the Company for continually enhancing its corporate value; therefore, the Company appoints him as a candidate for Outside Director for re-election.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. The number of the Company's shares held by each candidate is the number of shares held as of the end of the fiscal year under review (May 20, 2022) including the number of shares held by each candidate under the name of the COSEL Directors' and Officers' Shareholding Association.
 3. Both Mr. Yasuro Uchida and Mr. Akio Misuta are candidates for Outside Director.
 4. Mr. Yasuro Uchida and Mr. Akio Misuta are currently serving as Outside Directors of the Company, and at the conclusion of this meeting, their tenure as outside Directors will have been seven years for Mr. Yasuro Uchida and five years for Mr. Akio Misuta.
 5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Mr. Yasuro Uchida and Mr. Akio Misuta to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for by Article 425, paragraph (1) of the same Act, and if the reelection of Mr. Yasuro Uchida and Mr. Akio Misuta is approved, the Company plans to renew the aforementioned agreement with them.
 6. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Yasuro Uchida and Mr. Akio Misuta have been designated as independent officers as provided for by the aforementioned exchange. If the reelection of Mr. Yasuro Uchida and Mr. Akio Misuta is approved, the Company plans to maintain their positions as independent officers.

Proposal No. 3 Election of Three Directors Who Are Audit and Supervisory Committee Members

Subject to the approval of Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” the Company will transition to a Company with an Audit and Supervisory Committee.

Therefore, the Company proposes the election of three Directors who are Audit and Supervisory Committee Members.

Note, the consent of the Audit & Supervisory Board has been obtained for this Proposal in advance.

This Proposal will become effective when the Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” takes effect. The candidates for Director who are Audit and Supervisory Committee Members are as follows.

No.	Name (Date of birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	Number of the Company’s shares held
1	Mitsuhiro Tanino (November 27, 1955)	<p>Jul. 1996 Joined the Company</p> <p>May 2002 General Manager, Accounting Department</p> <p>Aug. 2007 Director and Supervisor of General Affairs and Accounting, and General Manager, Accounting Department</p> <p>Aug. 2010 Director and General Manager, Administration Department</p> <p>Aug. 2013 Part-time Counselor</p> <p>Aug. 2016 Part-time General Manager, Audit Office, the Company</p> <p>Aug. 2018 Full-Time Audit & Supervisory Board Member, the Company (incumbent)</p> <p>(Significant Concurrent Positions outside the Company)</p> <ul style="list-style-type: none"> • None in particular 	13,340 shares
<p>Reasons for nomination as a candidate for Director who is an Audit and Supervisory Committee Member</p> <p>Mr. Mitsuhiro Tanino has served as a Director of the Company as well as a Director in charge of the administrative division, and is currently serving as a Full-Time Audit & Supervisory Board Member to build the Group’s audit system and strengthen its governance structure.</p> <p>After the transition to a company with an Audit and Supervisory Committee, the Company judges that, as a Director who is a Full-Time Audit Committee Member, he will be able to enhance audit and supervisory functions based on his accumulated knowledge and experience, and therefore the Company appoints him as a candidate for Director who is an Audit and Supervisory Committee Member.</p>			
2	Yasuhiro Saeki (October 13, 1947)	<p>Apr. 1978 Established Saeki Law Firm (incumbent)</p> <p>Jun. 2003 Outside Auditor, KOKANDO Co., Ltd. (incumbent)</p> <p>Aug. 2003 Outside Audit & Supervisory Board Member, the Company (incumbent)</p> <p>(Significant Concurrent Positions outside the Company)</p> <ul style="list-style-type: none"> • President, Saeki Law Firm • Outside Auditor, KOKANDO Co., Ltd. 	5,327 shares
<p>Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and outline of expected roles</p> <p>Mr. Yasuhiro Saeki has extensive experience and specialized knowledge in business activities as an attorney-at-law and is judged to be able to strengthen the decision-making, auditing and supervisory functions of the Meetings of the Board of Directors from an independent standpoint based on his extensive insight, and therefore the Company appoints him as a candidate for outside Director who is an Audit and Supervisory Committee Member.</p>			

No.	Name (Date of birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's shares held
3	Shinichiro Inushima (March 20, 1940)	<p>Apr. 1963 Joined The HOKURIKU BANK, Ltd.</p> <p>Jun. 1996 Senior Managing Director, The HOKURIKU BANK, Ltd.</p> <p>Jun. 1998 President and Director, The HOKURIKU BANK, Ltd.</p> <p>Jul. 1998 Chairman, Toyama Prefecture Bankers Association</p> <p>Jun. 2002 Special Advisor, The HOKURIKU BANK, Ltd.</p> <p>Jun. 2003 Associate Director, The HOKURIKU BANK, Ltd.</p> <p>Aug. 2008 Outside Audit & Supervisory Board Member, the Company (incumbent)</p> <p>Jun. 2015 Outside Director, TONAMI HOLDINGS CO., LTD. (incumbent)</p>	—
<p>Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and outline of expected roles</p> <p>Mr. Shinichiro Inushima has extensive knowledge and experience related to management, notably through his experience as President and Director of The HOKURIKU BANK, Ltd. The Company expects him to leverage his abundant experience and knowledge as a corporate manager and conduct auditing from an objective standpoint. Therefore, the Company appoints him as a candidate for outside Director who is an Audit and Supervisory Committee Member.</p>			

- Notes: 1. There is no special interest between any of the candidates and the Company.
2. The number of the Company's shares held by each candidate is the number of shares held as of the end of the fiscal year under review (May 20, 2022) including the number of shares held by each candidate under the name of the COSEL Directors' and Officers' Shareholding Association.
3. Mr. Yasuhiro Saeki and Mr. Shinichiro Inushima are candidates for Outside Director who are Audit and Supervisory Committee Members.
4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Mr. Yasuhiro Saeki and Mr. Shinichiro Inushima to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for by Article 425, paragraph (1) of the same Act, and if the election of Mr. Yasuhiro Saeki and Mr. Shinichiro Inushima is approved, the Company plans to renew the aforementioned agreement with them.
5. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Yasuhiro Saeki and Mr. Shinichiro Inushima have been designated as independent officers as provided for by the aforementioned exchange. If the election of Mr. Yasuhiro Saeki and Mr. Shinichiro Inushima is approved, the Company plans to maintain their positions as independent officers.

(Reference) Skills Matrix for Directors (including Audit and Supervisory Committee Members)

If Proposal No. 2 and Proposal No. 3 are approved as originally proposed, a skills matrix for Directors (including Audit and Supervisory Committee Members) is as follows.

Name	Position in the Company after the General Meeting of Shareholders	Committee of appointment	Expertise and experience possessed by the Directors							
		Nomination and Remuneration ★ indicates the Chairman	Management strategy	Financial accounting	Sales / Marketing	R&D Production / Technology	IT / Digital	Personnel and labor / Human resources development	Environment	Legal affairs
Masato Tanikawa	President and Representative Director	○	○	○				○		
Morio Saito	Director		○	○	○	○		○		
Satoshi Kiyosawa	Director		○	○				○	○	○
Isao Yasuda	Director		○		○	○	○			
Tatsuya Mano	Director		○		○	○	○			
Yasuro Uchida	Outside Director (Independent)	★	○		○					
Akio Misuta	Outside Director (Independent)	○	○	○				○	○	
Mitsuhiko Tanino	Director Audit and Supervisory Committee Member			○						○
Yasuhiro Saeki	Outside Director (Independent) Audit and Supervisory Committee Member			○					○	○
Shinichiro Inushima	Outside Director (Independent) Audit and Supervisory Committee Member		○	○						○

Note: The Company has established the Nomination and Remuneration Committee as a voluntary advisory body to further enhance the corporate governance system since the Board of Directors' meeting held on June 16, 2021.

Proposal No. 4 Establishment of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Subject to the approval of Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” the Company will transition to a Company with an Audit and Supervisory Committee.

At the 43rd Annual General Meeting of Shareholders of the Company held on August 10, 2012, it was resolved that the maximum amount of remuneration for Directors shall be a fixed amount of 200 million yen or less per year (including remuneration for Outside Directors 20 million yen or less per year) and a variable amount of 1% or below of profit for the previous fiscal year.

In accordance with the transition to a Company with an Audit and Supervisory Committee, the Company has now established the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) after abolishing this system. The amount of remuneration will consist of a fixed portion of 200 million yen or less per year (including remuneration for Outside Directors of 20 million yen or less per year) and a variable portion of 1% or less of the amount of profit for the previous fiscal year. The amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) is the same as that resolved at the 43rd Annual General Meeting of Shareholders held on August 10, 2012.

This Proposal is to determine a remuneration range for the Directors (excluding Directors who are Audit and Supervisory Committee Members) within the reasonable range, taking into consideration the economic situation, the size of the Company, the number of directors, and the level of remuneration at other companies and the Company considers the content proposed as necessary and reasonable.

The amount of remuneration shall not include the portion of employee remuneration for employees serving concurrently as Director.

If Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” and Proposal No. 2, “Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members),” are approved as proposed, the number of Directors (excluding Directors who are Members of the Audit Committee) will be seven.

This Proposal will become effective when the Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” takes effect.

Proposal No. 5 Establishment of the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members

Subject to the approval of Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” the Company will transition to a Company with an Audit and Supervisory Committee.

At the 43rd Annual General Meeting of Shareholders held on August 10, 2012, it was resolved that the maximum amount of remuneration for an Audit & Supervisory Board Member of the Company shall be 30 million yen or less per year. However, in consideration of the duties and responsibilities of Directors who are Audit and Supervisory Committee Members, following the transition to a Company with an Audit and Supervisory Committee, the Company proposes that the amount of remuneration for Directors who are Audit and Supervisory Committee Members be set at 30 million yen or less per year.

The Company has judged that the amount of remuneration established for Directors who are Audit and Supervisory Committee Members in relation to this Proposal is necessary and appropriate as a remuneration range by taking into consideration the amount of remuneration paid to the Audit & Supervisory Board Member to date, the level of the number of eligible directors, and the responsibilities of Directors who are Audit and Supervisory Committee Members, as well as other factors, comprehensively.

If Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” and Proposal No. 3, “Election of Three Directors Who Are Audit and Supervisory Committee Members,” are approved as proposed, the number of Directors who are Audit and Supervisory Committee Members will be three.

This Proposal will become effective when the Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” takes effect.

Proposal No. 6 Performance-Linked Share-Based Remuneration for Directors (Excluding Director Who Are Audit and Supervisory Committee Members and Outside Directors)

Subject to the approval of Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” the Company will transition to a Company with an Audit and Supervisory Committee.

This System was resolved at the 48th Annual General Meeting of Shareholders held on August 9, 2017, and will be proposed again at this General Meeting of Shareholders following the transition to a Company with an Audit and Supervisory Committee.

This System is applicable to executive directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors). Also, the amount of that remuneration is limited to 30 million yen per year (90 million yen in total for the three fiscal years) within the total of the fixed amount of remuneration for Directors (200 million yen or less per year) and the variable amount (1% or less of profit for the previous fiscal year).

There is no particular change in the overview of this system change including the above from the previous system.

If Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” and Proposal No. 2, “Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members),” are approved as proposed, the number of eligible Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) will be five.