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(Stock Exchange Code 7607)
November 2, 2022

To Shareholders with Voting Rights:

Tetsuo Nemoto
President
SHINWA Co., Ltd.
2-9-3, Naeshiro, Moriyama, Nagoya,
Aichi 463-0046 Japan

**NOTICE OF
THE 72nd ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We are pleased to inform you that the 72nd Annual General Meeting of Shareholders of SHINWA Co., Ltd. (the “Company”) will be held for the purposes as described below.

Given the current situation with novel coronavirus disease (COVID-19), in order to protect shareholders’ safety and prevent infections, we request that shareholders exercise their voting rights in writing or via the internet in advance, whenever possible.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than the end of the business day (6:00 p.m.), Wednesday, November 16, 2022, Japan time.

- 1. Date and Time:** Thursday, November 17, 2022 at 10:00 a.m. Japan time
- 2. Place:** Conference room on the eighth floor of the Head Office, located at 2-9-3, Naeshiro, Moriyama, Nagoya, Aichi 463-0046 Japan
- 3. Meeting Agenda:**
Matters to be reported: (1) The Business Report, Consolidated Financial Statements for the Company’s 72nd Fiscal Year (September 1, 2021 - August 31, 2022) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
(2) Non-consolidated Financial Statements for the Company’s 72nd Fiscal Year (September 1, 2021 - August 31, 2022)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Seven Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 4:** Election of Four Directors who are Audit and Supervisory Committee Members
- Proposal 5:** Election of One Director who is a Supplementary Audit and Supervisory Committee Member
- Proposal 6:** Payment of Bonuses to Officers

4. Other matters relating to the convocation of the General Meeting of Shareholders

Please note that any voting right exercised without an indication of for or against a proposal on the Voting Rights Exercise Form shall be treated as an intent of approval.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company considers the return of profits to shareholders as one of its most important management priorities and makes it a basic policy to strive for constant and stable return of profits while taking into account the progress of its business performance. In concrete terms, the Company strives to increase profit distribution through sustained increase in business performance, with a target dividend payout ratio of 30%.

Based on this basic policy, the Company proposes the following year-end dividend for the fiscal year under review. Together with the interim dividend of ¥37 per share, the annual dividend will be ¥85 per share.

We intend to use internal reserves to bolster our corporate strength and develop business going forward, while making efforts to ensure shareholder returns into the future.

1. Matters concerning year-end dividend

(1) Type of dividend assets

Cash

(2) Matters concerning allocation of dividend assets and the total amount thereof

Dividend per common share of the Company: ¥48.00 Total: ¥641,473,344

(3) Effective date of dividends of surplus

November 18, 2022

2. Matters concerning appropriation of other surplus

(1) Item and amount of surplus to be increased

General reserve: ¥500,000,000

(2) Item and amount of surplus to be decreased

Retained earnings brought forward: ¥500,000,000

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reason for amendments to the Articles of Incorporation

The amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) were enforced on September 1, 2022, and the system for electronic provision of materials for general meetings of shareholders has been introduced. Accordingly, the Articles of Incorporation of the Company shall be amended as follow:

- (1) Paragraph 1 of Article 17 (Measures for Electronic Provision, Etc.) of the proposed amendment is newly established because the Articles of Incorporation are required to stipulate that the Company takes measures for electronic provision of information that is the contents of the reference documents for the general meeting of shareholders, etc. In accordance with the provisions of Article 10, Paragraph 2 of the “Act on Arrangement, Etc. of Relevant Acts Incidental to Enforcement of the Act Partially Amending the Companies Act” (Act No. 71 of 2019), the Company is deemed to have established this article and paragraph in its Articles of Incorporation as of September 1, 2022.
- (2) Paragraph 2 of Article 17 (Measures for Electronic Provision, Etc.) of the proposed amendment shall be newly established to allow the Company to limit the scope of matters to be included in the document to be delivered to shareholders who have requested the document to the scope specified by the applicable Ordinance of the Ministry of Justice, among the matters for which electronic provision measures are taken for information that is the content of the reference documents for the general meeting of shareholders, etc.
- (3) The provisions of Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation shall be deleted as they will become unnecessary once the system for electronic provision of materials for general meetings of shareholders is introduced.
- (4) Supplementary Provisions regarding the effect of the above deleted provisions shall be established. The Supplementary Provisions shall be deleted after the transition date.

2. Details of amendments

The details of the 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 17 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>(Measures for Electronic Provision, Etc.)</u> <u>Article 17 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u> <u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to</u></p>

Current Articles of Incorporation	Proposed amendments
<p>Supplementary Provisions (Transitional Measures Concerning Liability Limitation Agreements for Audit and Supervisory Board Members)</p> <p style="text-align: center;">(omitted)</p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;"><u>be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p>Supplementary Provisions (Transitional Measures Concerning Liability Limitation Agreements for Audit and Supervisory Board Members)</p> <p><u>Article 1</u> (unchanged)</p> <p><u>(Transitional Measures Regarding the Electronic Provision System)</u></p> <p><u>Article 2 Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation before the amendment shall remain in force with respect to general meetings of shareholders dated within six months from September 1, 2022 (the “Effective Date”).</u></p> <p><u>2. These Supplementary Provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Seven Directors (excluding Directors who are Audit and Supervisory Committee Members)

At the conclusion of this Annual General Meeting of Shareholders, the terms of office of all of the seven Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire. Accordingly, the Company proposes the election of seven Directors (excluding Directors who are Audit and Supervisory Committee Members), based on reports from the Nomination and Remuneration Advisory Committee.

This proposal was deliberated by the Audit and Supervisory Committee and no particular objections were expressed. The candidates for Director (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

No.	Name	Current positions and responsibilities at the Company
1	Tetsuo Nemoto	President; President & CEO; All company integration [Reappointment]
2	Yoshiro Takitani	Director; Senior Managing Executive Officer; General Manager, Overseas Business Division [Reappointment]
3	Shuji Ishikawa	Director; Managing Executive Officer; General Manager, Marketing Division; General Manager, Mid-Japan District Head Office [Reappointment]
4	Hiroki Hamada	Director; Senior Executive Officer; Supervisor, Nagoya Sales Department III; Supervisor, Strategies Sales Promotion Department [Reappointment]
5	Kiyoshi Kato	Director; Senior Executive Officer; General Manager, Management Division [Reappointment]
6	Morihiko Okura	Director; Senior Executive Officer; General Manager, Manufacturing Division; General Manager, Manufacturing Department [Reappointment]
7	Junichi Kagawa	Director [Reappointment] [Outside] [Independent]

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
1	Tetsuo Nemoto (September 14, 1951) [Reappointment] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	November 1997 Director of the Company November 2001 Managing Director November 2003 Senior Managing Director November 2013 President November 2020 President President & CEO (to present)	425,570
[Reason for nomination as candidate for Director] As President of the Company, Mr. Tetsuo Nemoto is responsible for the management of the Group as a whole. He has abundant knowledge and experience in the marketing, manufacturing and management divisions, and is also well-versed in operations in general. He has also demonstrated strong leadership based on his extensive experience and appropriately fulfilled his role to make important decisions and supervise execution of duties of Directors. Therefore, the Company has judged that he is qualified as Director of the Company and has once again nominated him as a candidate for Director.			
2	Yoshiro Takitani (December 2, 1963) [Reappointment] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	April 2000 Director of SHINWA INTEC Co., Ltd. (secondment) November 2011 Director of the Company November 2016 Managing Director November 2018 Senior Managing Director November 2020 Director, Senior Managing Executive Officer (to present) [Significant concurrent positions] Chairman of SHINWA U.S.A. CORPORATION President of SHINWA INTEC Co., Ltd. President of SHINWA (INDIA) ENGINEERING & TRADING PRIVATE LIMITED Chairman of SHINWA REPRESENTAÇÃO COMERCIAL DO BRASIL LTDA. Representative Director of PT. SANTAKU SHINWA INDONESIA President of SHINWA INTEC MALAYSIA SDN. BHD. President of SHINWA ENGINEERING S.A. de C.V. Chairman of SHINWATEC LIMITED	28,021
[Reason for nomination as candidate for Director] Mr. Yoshiro Takitani has been responsible for the management of the overseas subsidiaries for many years before his return to Japan. After his return, he has overseen the Overseas Business Division as Director and has been significantly contributing to the improvement of the overseas division's business performance of the Company. Therefore, the Company has judged that he is qualified as Director of the Company and has once again nominated him as a candidate for Director.			
3	Shuji Ishikawa (July 10, 1969) [Reappointment] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	April 2008 General Manager, Nagoya Sales Department III of the Company April 2012 General Manager, Nagoya Sales Department II November 2015 Executive Officer General Manager, Nagoya Sales Department II November 2016 Director November 2018 Managing Director November 2020 Director, Managing Executive Officer (to present) [Significant concurrent positions] Executive Director of SHINWA (SHANGHAI) Co., Ltd.	25,915
[Reason for nomination as candidate for Director] Mr. Shuji Ishikawa has been responsible for sales to the Company's major clients for many years. He currently oversees the Marketing Division as Director. He has been significantly contributing to the improvement of the domestic sales division's business performance as a whole, based on his experience in sales to date. Therefore, the Company has judged that he is qualified as Director of the Company and has once again nominated him as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
4	Hiroki Hamada (June 1, 1968) [Reappointment] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	April 2007 April 2010	General Manager, Nagoya Sales Department I of the Company Executive Vice President and COO of SHINWA U.S.A. CORPORATION (secondment)	26,693
		December 2012 November 2015 November 2017 November 2019 November 2020	General Manager, Nagoya Sales Department III of the Company Executive Officer General Manager, Nagoya Sales Department III Managing Executive Officer General Manager, Nagoya Sales Department III Director Director, Senior Executive Officer (to present)	
[Reason for nomination as candidate for Director] Mr. Hiroki Hamada has been responsible for sales to the Company's major clients for many years. He currently oversees the Nagoya Sales Department III and the Strategies Sales Promotion Department as Director. He also has a wide range of experience in sales as a person responsible for the overseas subsidiaries, including overseas work assignments, and has been significantly contributing to the improvement of the Company's business performance. Therefore, the Company has judged that he is qualified as Director of the Company and has once again nominated him as a candidate for Director.				
5	Kiyoshi Kato (September 26, 1964) [Reappointment] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	April 2007 December 2008	Assistant Manager, Nagoya Sales Department III of the Company Assistant Manager, Accounting Department and Manager, Purchasing Section	11,105
		April 2010 November 2015 November 2016 November 2019 November 2020	General Manager, Purchasing Department Executive Officer General Manager, Purchasing Department Executive Officer General Manager, General Affairs Department Director Director, Senior Executive Officer (to present)	
[Significant concurrent positions] President of AISIN CORPORATION				
[Reason for nomination as candidate for Director] Mr. Kiyoshi Kato served in the sales division of the Company for many years before being transferred to the Management Division to serve as General Manager of the Purchasing Department. He currently oversees the General Affairs Department as Director. He has experience in both sales and management divisions, and is capable of making balanced judgments. Therefore, the Company has judged that he is qualified as Director of the Company and has once again nominated him as a candidate for Director.				
6	Morihiro Okura (August 4, 1962) [Reappointment] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	April 1985 March 1999 January 2006	Joined TOYOTA MOTOR CORPORATION Toyota Motor North America, Inc. (secondment) Head, Technical Management Office, Body Production Engineering Department	5,752
		April 2015 January 2019 October 2020 November 2020	General Manager, Process Improvement Department Executive Officer Deputy General Manager, Manufacturing Division, and General Manager, Manufacturing Department of the Company (secondment) Joined the Company Executive Officer, Deputy General Manager, Manufacturing Division, and General Manager, Manufacturing Department Director, Senior Executive Officer (to present)	
[Significant concurrent positions] President of YANTAI SHINWA JOINT TECHNOLOGY Co., Ltd. President of SHINWA TIANJIN FACTORY AUTOMATION SYSTEM CENTER				
[Reason for nomination as candidate for Director] From TOYOTA MOTOR CORPORATION, Mr. Morihiro Okura was seconded to the Company in January 2019 and joined it in October 2020. He currently oversees the Manufacturing Division as Director. With his extensive expertise, know-how, and human networks gained through years of experience at TOYOTA MOTOR CORPORATION, he has achieved great results not only at the manufacturing division but also at the sales division of the Company. Therefore, the Company has judged that he is qualified as Director of the Company and has once again nominated him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
7	Junichi Kagawa (September 19, 1950) [Reappointment] [Outside] [Independent] [Attendance at the Board of Directors meetings] 11 out of 11 meetings	April 1977 Joined NGK SPARK PLUG CO., LTD. June 2003 Member of the Board June 2007 Member of the Board (Managing Director) June 2009 Member of the Board (Senior Managing Director) June 2011 Advisor and Executive Technical Officer June 2012 Outside Director of CKD Corporation November 2021 Director of the Company (to present)	—
[Reason for nomination as candidate for Director and expected role] Mr. Junichi Kagawa has been involved in the management of leading manufacturers and has broad insight into the field of manufacturing in general. Therefore, the Company has judged that he is able to provide supervision over, and advice on, the management of the Company as a whole based on his extensive experience and deep insight, and has once again nominated him as a candidate for Outside Director.			

(Notes)

1. There are no special interests between each candidate and the Company.
2. The number of shares of the Company held by each candidate is as of August 31, 2022. It includes the respective candidate's holdings in the officer's shareholding association of the Company.
3. Regarding attendances at the Board of Directors meetings for Mr. Junichi Kagawa, the attendances after his assumption of office as Director on November 18, 2021 are stated.
4. The current responsibilities of each candidate at the Company are as stated on page 5.
5. Mr. Junichi Kagawa is a candidate for reappointment as Outside Director.
6. Mr. Junichi Kagawa fulfills the requirements for independent officers as defined by Tokyo Stock Exchange and the standards for independence of the Company. The Company plans to again designate him as an independent officer. For the standards for independence of Outside Directors of the Company, please refer to page 15.
7. Mr. Junichi Kagawa is currently an Outside Director of the Company, and his term of office as an Outside Director will be one year as of the end of this General Meeting of Shareholders.
8. In accordance with the provisions of Article 427, Paragraph 1, of the Companies Act, the Company has entered into agreements with Directors (excluding those who are executive directors, etc.) to limit the liability under Article 423, Paragraph 1, of the said Act. The maximum amount of liability under the agreements shall be the amount specified by laws and regulations. If Mr. Junichi Kagawa is reelected, the Company will enter into such an agreement with him to limit liability.
9. The Company has entered into a directors and officers liability insurance contract with an insurance company. The insurance policy covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. If the candidates assume the office of Director, they will be insured under the insurance contract. The insured does not bear the premiums. The Company plans to renew the insurance policy with the same details in January 2023.

Proposal 4: Election of Four Directors who are Audit and Supervisory Committee Members

At the conclusion of this Annual General Meeting of Shareholders, the terms of office of all three Directors who are Audit and Supervisory Committee Members will expire. Accordingly, in order to ensure management transparency and further strengthen corporate governance, the Company proposes to increase the number of Outside Directors by one and to elect four Directors who are Audit and Supervisory Committee Members. Regarding this proposal, the prior consent was obtained from the Audit and Supervisory Committee.

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

No.	Name	Current positions and responsibilities at the Company
1	Tsuneari Moteki	Director (Audit and Supervisory Committee Member) [Reappointment]
2	Masaaki Naito	Outside Director (Audit and Supervisory Committee Member) [Reappointment] [Outside] [Independent]
3	Yoshiaki Shiga	Outside Director (Audit and Supervisory Committee Member) [Reappointment] [Outside] [Independent]
4	Kazuhito Akiba	— [New appointment] [Outside] [Independent]

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
1	Tsuneari Moteki (April 7, 1955) [Reappointment] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	April 1979 December 1998 September 2002 November 2012 July 2013 May 2015 April 2019 November 2020	Joined The Bank of Tokyo, Ltd. Senior Vice President, The Bank of Tokyo-Mitsubishi (Luxembourg) S.A. (secondment) Audit Supervisor, Audit Office, The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.) Joined the Company Chief, Management Division Deputy General Manager, SHINWA (SHANGHAI) Co., Ltd. (secondment) Chief, Management Division of the Company Specially Appointed General Manager, General Affairs Department Director (Audit and Supervisory Committee Member) (to present)	2,463
[Reason for nomination as candidate for Director who is Audit and Supervisory Committee Member] Since joining The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.), Mr. Tsuneari Moteki had gained more than 30 years of working experience at the investment banking division and audit division. He joined the Company in 2012. Having served as Deputy General Manager of a Chinese subsidiary for about two years from 2013 to 2015, he returned to Japan where he was responsible mainly for overall management of administration operations for overseas subsidiaries. Therefore, the Company has judged that he is able to supervise business execution including outside Japan appropriately, and has once again nominated him as a candidate for Director who is Audit and Supervisory Committee Member.				
2	Masaaki Naito (April 9, 1961) [Reappointment] [Outside] [Independent] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	April 1988 April 1988 April 1994 November 2003 June 2006 November 2015 November 2016 January 2022	Registered as attorney Joined Matsuo & Kosugi Joined Naito Law Firm (to present) Auditor of the Company Inspector, The TONO SHINKIN BANK (to present) Director Director (Audit and Supervisory Committee Member) (to present) Auditor, NATOCO Co., Ltd. (to present) [Significant concurrent positions] Inspector, The TONO SHINKIN BANK Auditor, NATOCO Co., Ltd.	—
[Reason for nomination as candidate for Outside Director who is Audit and Supervisory Committee Member and expected role] After serving as Outside Auditor and Outside Director of the Company, Mr. Masaaki Naito has served as an Audit and Supervisory Committee Member since 2016. Although he has no experience involving corporate management directly, he has professional knowledge and experience in law as an attorney. Therefore, the Company has judged that he is able to supervise business execution from an independent and objective standpoint and to provide advice and suggestions on corporate management, and has once again nominated him as a candidate for Outside Director who is Audit and Supervisory Committee Member.				

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
3	Yoshiaki Shiga (November 22, 1964) [Reappointment] [Outside] [Independent] [Attendance at the Board of Directors meetings] 14 out of 15 meetings	October 1989	Joined Audit Corporation, Ito Accounting Firm (merged with ChuoAoyama Audit Corporation later)	—
		March 1993 July 2001 June 2011 July 2019 May 2020 November 2020	Registered as Certified Public Accountant Founded Yoshiaki Shiga Certified Public Accountant & Tax Accountant Office; Director (to present) Corporate Auditor, TOENEC CORPORATION Ichinomiya City's Bidding Monitoring Committee Member (to present) Corporate Auditor, NittsuSystem Co., Ltd. (currently Kinjiro Co., Ltd.) (to present) Director (Audit and Supervisory Committee Member) of the Company (to present)	
[Reason for nomination as candidate for Outside Director who is Audit and Supervisory Committee Member and expected role] Although he has no experience of direct involvement with corporate management, he has professional knowledge in finance, accounting, and tax practices as a CPA and a certified tax accountant. Therefore, the Company has judged that he is able to supervise business execution from an independent and objective standpoint and to provide advice and suggestions on corporate management, and has once again nominated him as a candidate for Outside Director who is Audit and Supervisory Committee Member.				
4	Kazuhito Akiba (June 16, 1959) [New appointment] [Outside] [Independent] [Attendance at the Board of Directors meetings] —	April 1983 June 2012	Joined The Juroku Bank, Ltd. Executive Officer General Manager, Tajimi Branch	—
		October 2012 June 2014 June 2016 April 2019 June 2020 April 2022 June 2022	Executive Officer General Manager, Corporate Planning Division Director General Manager, Corporate Planning Division Director, Managing Executive Officer Chief General Manager, Business Integration Division Director, Managing Executive Officer President and Representative Director, Juroku Research Institute Company Limited Chairperson, Kanda Machiokoshi Co., Ltd. (to present) Chairperson, Juroku Research Institute Company Limited (to present)	
[Reason for nomination as candidate for Outside Director who is Audit and Supervisory Committee Member and expected role] With his extensive experience as a manager in a regional financial organization, and a wide range of knowledge in corporate management gained from that experience, the Company has judged that he is able to supervise business execution from an independent and objective standpoint and to provide advice and suggestions on corporate management. Therefore, the Company has nominated him as a new candidate for Outside Director who is Audit and Supervisory Committee Member.				

(Notes)

1. There are no special interests between each candidate and the Company.
2. The number of shares of the Company held by each candidate is as of August 31, 2022. It includes the respective candidate's holdings in the officer's shareholding association of the Company.
3. Mr. Kazuhito Akiba is a new candidate for Outside Director who is Audit and Supervisory Committee Member.
4. Messrs. Masaaki Naito and Yoshiaki Shiga are candidates for reelection to Outside Director who are Audit and Supervisory Committee Members.
5. Mr. Masaaki Naito will have been in office as Outside Director for seven years at the conclusion of this General Meeting of Shareholders, and as Outside Director who is Audit and Supervisory Committee Member for six years at the conclusion of this General Meeting of Shareholders.
6. Mr. Yoshiaki Shiga will have been in office as Outside Director who is Audit and Supervisory Committee Member for two years at the conclusion of this General Meeting of Shareholders.

7. Messrs. Masaaki Naito and Yoshiaki Shiga fulfill the requirements for independent officers as defined by the Tokyo Stock Exchange and the Nagoya Stock Exchange, and the standards for independence of Outside Directors the Company. The Company will continue to register them as independent officers. Mr. Kazuhito Akiba will newly serve as an independent officer if he is elected as originally proposed. For the standards for independence of Outside Directors of the Company, please refer to page 15.
8. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Directors who are Audit and Supervisory Committee Members to limit liability under Article 423, Paragraph 1, of the said Act. The maximum amount of liability under the agreements shall be the amount specified by laws and regulations. If Messrs. Tsuneari Moteki, Masaaki Naito, and Yoshiaki Shiga are reelected, the Company will continue the agreement with them to limit liability. If the election of Mr. Kazuhito Akiba is approved, the Company will enter into an agreement with him to limit liability.
9. The Company has entered into a directors and officers liability insurance contract with an insurance company. The insurance policy covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. If the candidates assume the office of Director, they will be insured under the insurance contract. The insured does not bear the premiums. The Company plans to renew the insurance policy with the same details in January 2023.

[Reference]

Composition of the Board of Directors (To Be Adopted after the Conclusion of this Annual General Meeting of Shareholders)

Directors	Key competency areas expected of each Director						
	Planning and management/ Management strategy	Sales and marketing	Manufacturing /Technology	Global business	Legal affairs/ Risk management	Finance/ Accounting	Environment/ Social issues
Tetsuo Nemoto	●	●	●				●
Yoshiro Takitani	●	●		●			●
Shuji Ishikawa	●	●	●				
Hiroki Hamada	●	●		●			
Kiyoshi Kato	●				●	●	●
Morihiko Okura	●		●	●			●
Junichi Kagawa [Outside] [Independent]	●		●		●		
Tsuneari Moteki, Audit and Supervisory Committee Member	●			●	●	●	
Masaaki Naito, Audit and Supervisory Committee Member [Outside] [Independent]	●				●		●
Yoshiaki Shiga, Audit and Supervisory Committee Member [Outside] [Independent]	●				●	●	
Kazuhito Akiba, Audit and Supervisory Committee Member [Outside] [Independent]	●					●	●

Proposal 5: Election of One Director who is a Supplementary Audit and Supervisory Committee Member

As the term of office of Mr. Noriaki Kataoka, a Director who was appointed as Supplementary Audit and Supervisory Committee Member at the 70th Annual General Meeting of Shareholders held on November 19, 2020, will expire at the conclusion of this General Meeting of Shareholders. In preparation for the shortage in the number of Directors who are Audit and Supervisory Committee Members required by laws and regulations, the Company hereby proposes the election of one Director who is Supplementary Audit and Supervisory Committee Member, as a substitute for a Director who is Audit and Supervisory Committee Member.

Regarding the submission of this proposal to this General Meeting of Shareholders, the prior consent was obtained from the Audit and Supervisory Committee.

The candidate for Director who is Supplementary Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
Noriaki Kataoka (March 21, 1977) [Outside] [Independent] [Attendance at the Board of Directors meetings] —	October 2003 Registered as attorney October 2003 Joined Terazawa Sogo Law Firm October 2007 Joined KATAOKA LAW OFFICE (to present) June 2012 Audit & Supervisory Board Member, Seria Co., Ltd. June 2016 Director (Audit & Supervisory Committee Member), Seria Co., Ltd. (to present) [Significant concurrent positions] Director (Audit & Supervisory Committee Member), Seria Co., Ltd.	—
<p>[Reason for nomination as candidate for Outside Director who is Supplementary Audit and Supervisory Committee Member and expected role]</p> <p>After serving as Supplementary Auditor of the Company, Mr. Noriaki Kataoka has served as Supplementary Audit and Supervisory Committee Member since November 2016. Although he has no experience of direct involvement with corporate management, he has professional knowledge and experience in law as an attorney and experiences at other companies as Outside Auditor and Outside Director who is Audit and Supervisory Committee Member. Therefore, the Company has once again nominated him as a candidate for Outside Director who is Supplementary Audit and Supervisory Committee Member.</p>		

(Notes)

1. There are no special interests between the candidate and the Company.
2. Mr. Noriaki Kataoka is a candidate for Supplementary Outside Director who is Audit and Supervisory Committee Member.
3. Mr. Noriaki Kataoka fulfills the requirements for independent officers as defined by Tokyo Stock Exchange and Nagoya Stock Exchange, and the standards for independence of Outside Directors of the Company. For the standards for independence of Outside Directors of the Company, please refer to page 15.
4. When Mr. Noriaki Kataoka takes office as Director who is Audit and Supervisory Committee Member, the Company will enter into agreements with him to limit the liability under Article 423, Paragraph 1, of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1, of the said Act. The maximum amount of liability under the agreements shall be the amount specified by laws and regulations.
5. The Company has entered into a directors and officers liability insurance contract with an insurance company. The insurance policy covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. If Mr. Noriaki Kataoka assumes the office of Director who is Audit and Supervisory Committee Member, he will be insured under the insurance contract. The insured does not bear the premiums. The Company plans to renew the insurance policy with the same details in January 2023.

[Reference]

Standards for Independence of Outside Directors

The Company has established the independence standards of Outside Directors as follows. In the event that any of the following items are applicable, they shall be deemed not to have sufficient independence to the Company:

1. Executors of operations of the Company and its subsidiaries, or those who were executors of operations even once in the past (Note 1)
2. Major shareholders who own 5% or more of the Company's voting rights or their executors of operations
3. Executor of operations of companies which fall under any of the following:
 - (1) Major suppliers of the Group (Note 2)
 - (2) Major customers of the Group (Note 3)
 - (3) Companies that the Company owns 5% or more of their voting rights
4. Professionals who belong to organizations that fall under any of the following:
 - (1) Professionals who belong to the audit corporation that is the accounting auditor of the Company, or professionals who belong to the consulting tax accountant office of the Company
 - (2) Other professionals such as consultants, accountants, attorneys and the like whom the Company paid ¥10,000,000 or more per year other than remuneration of directors
5. Those who receive donations of ¥10,000,000 or more per year from the Company, or executors of operations of entities
6. Those who are from companies where Directors of the Company took office as outside officers
7. Spouses or relatives within the second degree of kinship of the above 1. to 6.
8. Those who had fallen under the above 2. to 7. in the last five years

- (Notes)
1. Executors of operations refer to executors of operations stipulated in Article 2, Paragraph 3, Item 6 of the Regulation for Enforcement of the Companies Act and include not only executive directors but also executive officers and employees. Audit & Supervisory Board Members are not included.
 2. Major suppliers refer to a company and its group companies that have 2% or more of the Group's consolidated purchase price.
 3. Major customers refer to a company and its group companies that have 2% or more of the Group's consolidated sales.

End

Proposal 6: Payment of Bonuses to Officers

The Company proposes to pay a total of ¥40,000 thousand as bonuses to the six Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) in office as of the end of the fiscal year under review, in consideration of the Company's business performance and other factors during the fiscal year under review.

The Company has set a policy on determining the content of remuneration for individual Directors, etc. at the Board of Directors meeting held on February 22, 2021. The Company believes that this proposal is consistent with the policy and is therefore appropriate.

The Company requests that the amounts to be paid to the individual Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) be left to the discretion of the Board of Directors.