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Securities Code: 5331
(Date of mailing) June 1, 2023
(Commencement Date of
Electronic Provision Measures)
May 29, 2023

To Shareholders:

Hiroshi Kato
Representative Director & President
NORITAKE CO., LIMITED
3-1-36, Noritake-shinmachi, Nishi-ku,
Nagoya, Japan

**CONVOCATION NOTICE OF
THE 142ND ANNUAL SHAREHOLDERS' MEETING**

Dear Shareholders:

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

We hereby notify you that the 142nd Annual Shareholders' Meeting of NORITAKE CO., LIMITED (the "Company") will be held as described below.

In convening this Annual Shareholders' Meeting, we have taken measures to electronically provide information ("Matters for Electronic Provision") that constitute the Reference Documents for the Shareholders' Meeting and have posted such information on the Company's website on the Internet. Therefore, shareholders are asked to review the materials by accessing the Company's website indicated below.

- The Company's website:
<https://www.noritake.co.jp/eng/company/ir/sokai/>

In addition to the above website, the Matters for Electronic Provision have also been posted on the Tokyo Stock Exchange (TSE) website. Shareholders are, therefore, asked to confirm the materials by accessing the TSE website (Listed Company Search) indicated below, entering and searching the issue name (NORITAKE) or securities code (5331), and selecting "Basic information" and "Documents for public inspection/PR information."

- The Tokyo Stock Exchange website (Listed Company Search)
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

In the case of not attending the meeting, you may exercise your voting rights via the Internet or in writing. Please review the attached Reference Documents for the Shareholders' Meeting and exercise your voting rights by **5:15 p.m. on Thursday, June 22, 2023, Japan time.**

- 1. Date and Time:** Friday, June 23, 2023, at 10:00 a.m., Japan time
- 2. Place:** Head Office of the Company located at 3-1-36, Noritake-shinmachi, Nishi-ku, Nagoya, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 142nd Fiscal Year (April 1, 2022 - March 31, 2023), and results of audits of the Consolidated Financial Statements by the Accounting Auditors and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the Company's 142nd Fiscal Year (April 1, 2022 - March 31, 2023)

Proposals to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 3:** Election of Three (3) Directors Who Are Audit & Supervisory Committee Members
- Proposal 4:** Election of One (1) Director Who Is a Substitute Audit & Supervisory Committee Member
- Proposal 5:** Setting of the Amount of Compensation of Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 6:** Setting of the Amount of Compensation of Directors Who Are Audit & Supervisory Committee Members
- Proposal 7:** Determination of the Content of the Performance-linked Stock Compensation Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)

4. Matters Decided upon the Convocation of the Annual Shareholders' Meeting

- (1) Among the Matters for Electronic Provision, in accordance with laws and regulations and the provisions of the Articles of Incorporation of the Company, the "Consolidated Statements of Changes in Net Assets" and the "Notes to the Consolidated Financial Statements" of the consolidated financial statements and the "Non-consolidated Statements of Changes in Net Assets" and the "Notes to the Non-consolidated Financial Statements" of the non-consolidated financial statements are not included in the paper-based documents delivered to shareholders who have requested the delivery of such documents. Therefore, such documents constitute a portion of the documents audited by the Audit & Supervisory Board Members and the Accounting Auditors in the preparation of their respective Audit Reports.
- (2) If you exercise your voting rights both via the Internet and in writing, the Company will only deem the exercise via the Internet valid.
Also, if you exercise your voting rights several times via the Internet, the Company will only deem the last exercise valid.
- (3) If you do not indicate your vote for or against each proposal on the Voting Rights Exercise Form returned to the Company via postal mail, the Company will deem that you have approved each proposal.
- When attending the meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception desk. The reception desk is scheduled to open at 9:00 a.m.
 - No gifts will be provided to shareholders attending the Annual Shareholders' Meeting.
 - If any revisions to the Matters for Electronic Provisions arise, a notice to that effect and both the matters before the revision and after the revision will be posted on the above Company's website and the TSE website on the Internet.
 - Please be advised that the resolutions of this Annual Shareholders' Meeting will be posted on the Company's website, after the conclusion of the Annual Shareholders' Meeting, in lieu of paper-based notices of resolutions.
 - Any major changes to the convening of the Annual Shareholders' Meeting will be notified through the Company's website.

Reference Documents for the Shareholders' Meeting

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

- (1) The Company will transition to a Company with an Audit & Supervisory Committee, primarily in an effort to strengthen the supervisory function of the Board of Directors and further enhance corporate governance, as well as accelerate the process of management decision-making. Accordingly, necessary changes will be made in the Articles of Incorporation of the Company, including the establishment of new provisions regarding the Audit & Supervisory Committee and Audit & Supervisory Committee Members and the deletion of provisions regarding the Audit & Supervisory Board and the Audit & Supervisory Board Members.
- (2) To maintain an appropriate scale in the overall number of Directors, including Directors who are Audit & Supervisory Committee Members, the maximum number of Directors will be reduced.
- (3) Additionally, in conjunction with the above changes, necessary changes will be made including the renumbering of the Articles.

2. Details of amendments

The proposed amendments are as follows.

The amendments in this Proposal shall take effect at the conclusion of this Annual Shareholders' Meeting.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Chapter I General Provisions	Chapter I General Provisions
Article 1 – Article 3 (Provisions omitted) (Organ)	Article 1 - Article 3 (Same as the current provisions) (Organ)
Article 4 The Company shall have the following organs in addition to the general meeting of shareholders and Directors. (1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) Accounting Auditor	Article 4 The Company shall have the following organs in addition to the general meeting of shareholders and Directors. (1) Board of Directors <Deleted> (2) <u>Audit & Supervisory Committee</u> (3) Accounting Auditor
Article 5 (Provision omitted)	Article 5 (Same as the current provision)
Chapter II Shares	Chapter II Shares
Article 6 – Article 11 (Provisions omitted)	Article 6 – Article 11 (Same as the current provisions)
Chapter III General Meeting of Shareholders	Chapter III General Meeting of Shareholders
Article 12 – Article 18 (Provisions omitted)	Article 12 – Article 18 (Same as the current provisions)
Chapter IV Directors and Board of Directors	Chapter IV Directors and Board of Directors

Current Articles of Incorporation	Proposed Amendments
(Number of Directors)	(Number of Directors)
Article 19 The Company shall have not more than <u>18</u> Directors.	Article 19 The Company shall have not more than <u>12</u> Directors (<u>excluding Directors who are Audit & Supervisory Committee Members</u>).
<Newly established>	2) <u>The Company shall have not more than five Directors who are Audit & Supervisory Committee Members.</u>
(Election of Directors)	(Election of Directors)
Article 20 Directors shall be elected at the general meeting of shareholders.	Article 20 Directors shall be elected at the general meeting of shareholders, <u>with a distinction between Directors who are Audit & Supervisory Committee Members and other Directors.</u>
2) (Provision is omitted)	2) (Same as the current provision)
3) (Provision is omitted)	3) (Same as the current provision)
(Term of Office of Directors)	(Term of Office of Directors)
Article 21 The term of office of a Director shall expire at the conclusion of the annual general meeting of shareholders for the last business year ending within one year after his or her election.	Article 21 The term of office of a Director (<u>excluding a Director who is an Audit & Supervisory Committee Member</u>) shall expire at the conclusion of the annual general meeting of shareholders for the last business year ending within one year after his or her election.
<Newly established>	2) <u>The term of office of a Director who is an Audit & Supervisory Committee Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year ending within two years after his or her election.</u>
<Newly established>	3) <u>The term of office of a Director who is an Audit & Supervisory Committee Member who is elected as a Substitute Director shall continue until the time the term of office of the Director who is an Audit & Supervisory Committee Member who retired from office is to expire.</u>
<Newly established>	4) <u>The effect of a pre-election of a Substitute Director who is an Audit & Supervisory Committee Member shall expire at the commencement of the annual general meeting of shareholders for the last business year ending within two years after his or her election.</u>
Article 22 (Provision omitted)	Article 22 (Same as the current provision)
(Convocation of the Meeting of the Board of Directors)	(Convocation of the Meeting of the Board of Directors)
Article 23 When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director <u>and each Audit & Supervisory Board Member</u> at least three days prior to the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.	Article 23 When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director at least three days prior to the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.
Article 24 (Provision omitted)	Article 24 (Same as the current provision)
<Newly established>	<u>(Delegation of Important Business Execution Decisions to Directors)</u>

Current Articles of Incorporation	Proposed Amendments
<p>(Representative Directors)</p> <p>Article <u>25</u> The Board of Directors shall select several persons representing the Company from Directors to represent the Company.</p> <p>(Directors with Special Titles)</p> <p>Article <u>26</u> The Company may appoint, by resolution of the Board of Directors, one Director & Chairman, one Director & President, and several Director & Vice Presidents.</p> <p>Article <u>27</u> (Provision omitted)</p> <p>(Directors' Compensation, etc.)</p> <p>Article <u>28</u> The compensation, etc. of Directors shall be determined by a resolution of a general meeting of shareholders.</p> <p>Article <u>29</u> (Provision omitted)</p> <p style="text-align: center;">Chapter V</p> <p><u>Audit & Supervisory Board Members and the Audit & Supervisory Board</u></p> <p>(Number of Audit & Supervisory Board Members)</p> <p>Article <u>30</u> The Company shall have not more than five Audit & Supervisory Board Members.</p> <p>(Election of Audit & Supervisory Board Members)</p> <p>Article <u>31</u> <u>Audit & Supervisory Board Members shall be elected at the general meeting of shareholders.</u></p> <p>2) <u>Audit & Supervisory Board Members shall be elected by a resolution made by a majority of the votes of shareholders where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes such meetings are present.</u></p> <p>(Effect of the Pre-election of Substitute Audit & Supervisory Board Members)</p> <p>Article <u>32</u> <u>The effect of a pre-election of a supplementary Audit & Supervisory Board Member shall expire at the commencement of the annual general meeting of shareholders for the last business year ending within four years after his or her election.</u></p> <p>(Term of Office of Audit & Supervisory Board Members)</p>	<p><u>Article 25 Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate important business execution decisions (excluding matters stipulated in each item of Paragraph 5 of the same Article) in whole or in part to Directors.</u></p> <p>(Representative Directors)</p> <p>Article <u>26</u> The Board of Directors shall select several persons representing the Company from <u>among</u> Directors (excluding Directors who are <u>Audit & Supervisory Committee Members</u>) to represent the Company.</p> <p>(Directors with Special Titles)</p> <p>Article <u>27</u> The Company may appoint, by resolution of the Board of Directors, one Director & Chairman, one Director & President, and several Director & Vice Presidents, <u>from among</u> Directors (excluding Directors who are <u>Audit & Supervisory Committee Members</u>).</p> <p>Article <u>28</u> (Same as the current provision)</p> <p>(Directors' Compensation, etc.)</p> <p>Article <u>29</u> The compensation, etc. of Directors shall be determined by a resolution of a general meeting of shareholders, <u>with a distinction between Directors who are Audit & Supervisory Committee Members and other Directors.</u></p> <p>Article <u>30</u> (Same as the current provision)</p> <p style="text-align: center;"><Deleted></p> <p style="text-align: center;"><Deleted></p> <p style="text-align: center;"><Deleted></p> <p style="text-align: center;"><Deleted></p> <p style="text-align: center;"><Deleted></p> <p style="text-align: center;"><Deleted></p> <p style="text-align: center;"><Deleted></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 33 The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year ending within four years after his or her election.</u></p> <p>2) <u>The term of office of an Audit & Supervisory Board Member who is elected as a substitute Audit & Supervisory Board Member shall continue until the time the term of office of the Audit & Supervisory Board Member who retired from office is to expire.</u></p> <p><u>(Regulations of Audit & Supervisory Board)</u></p>	<p><Deleted></p>
<p><u>Article 34 Matters concerning the Audit & Supervisory Board shall be governed by the Regulations of the Audit & Supervisory Board established by the Audit & Supervisory Board, in addition to applicable laws and regulations and these Articles of Incorporation.</u></p> <p><u>(Convocation of the Meeting of the Audit & Supervisory Board)</u></p>	<p><Deleted></p>
<p><u>Article 35 When convening a meeting of the Audit & Supervisory Board, a notice shall be dispatched to each Audit & Supervisory Board Member at least three days prior to the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</u></p> <p><u>(Full-time Audit & Supervisory Board Members)</u></p>	<p><Deleted></p>
<p><u>Article 36 The Audit & Supervisory Board shall appoint full-time Audit & Supervisory Board Member(s) by its resolution.</u></p> <p><u>(Audit & Supervisory Board Members' Compensation, etc.)</u></p>	<p><Deleted></p>
<p><u>Article 37 The compensation, etc. of Audit & Supervisory Board Members shall be determined by a resolution of a general meeting of shareholders.</u></p> <p><u>(Exemption of Audit & Supervisory Board Members from Liability)</u></p>	<p><Deleted></p>
<p><u>Article 38 Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including persons who were formerly Audit & Supervisory Board Members) from their liability for damages arising from neglecting their duties to the extent permitted by laws and regulations.</u></p> <p>2) <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Outside Audit & Supervisory Board Members limiting their liability for damages arising from neglecting their duties; provided, however, that the maximum liability for damages shall be the minimum liability amount stipulated by laws and regulations.</u></p>	

Current Articles of Incorporation	Proposed Amendments
<Newly established>	Chapter V
<Newly established>	<u>Audit & Supervisory Committee Members and the</u>
<Newly established>	<u>Audit & Supervisory Committee</u>
<Newly established>	<u>(Full-time Audit & Supervisory Committee</u>
<Newly established>	<u>Members)</u>
<Newly established>	<u>Article 31 The Audit & Supervisory Committee</u>
<Newly established>	<u>may appoint full-time Audit & Supervisory</u>
<Newly established>	<u>Committee Member(s) from among Audit &</u>
<Newly established>	<u>Supervisory Committee Members by its</u>
<Newly established>	<u>resolution.</u>
<Newly established>	<u>(Convocation of the Meeting of the Audit &</u>
<Newly established>	<u>Supervisory Committee)</u>
<Newly established>	<u>Article 32 When convening a meeting of the Audit</u>
<Newly established>	<u>& Supervisory Committee, a notice shall be</u>
<Newly established>	<u>dispatched to each Audit & Supervisory</u>
<Newly established>	<u>Committee Member at least three days prior to</u>
<Newly established>	<u>the day of the meeting; provided, however, that</u>
<Newly established>	<u>this period may be reduced in case of urgent</u>
<Newly established>	<u>needs.</u>
<Newly established>	<u>(Regulations of Audit & Supervisory Committee)</u>
<Newly established>	<u>Article 33 Matters concerning the Audit &</u>
<Newly established>	<u>Supervisory Committee shall be governed by</u>
<Newly established>	<u>the Regulations of the Audit & Supervisory</u>
<Newly established>	<u>Committee established by the Audit &</u>
<Newly established>	<u>Supervisory Committee, in addition to</u>
<Newly established>	<u>applicable laws and regulations and these</u>
<Newly established>	<u>Articles of Incorporation.</u>
Chapter VI	Chapter VI
Accounts	Accounts
Article 39 – Article 42 (Provisions omitted)	Article 34 – Article 37 (Same as the current
<Newly established>	provisions)
<Newly established>	Supplementary Provisions
<Newly established>	<u>(Transitional Measures regarding the Exemption of</u>
<Newly established>	<u>Liability of Audit & Supervisory Board</u>
<Newly established>	<u>Members)</u>
<Newly established>	1) <u>The Company may, by resolution of the Board</u>
<Newly established>	<u>of Directors, exempt Audit & Supervisory</u>
<Newly established>	<u>Board Members (including persons who were</u>
<Newly established>	<u>formerly Audit & Supervisory Board Members)</u>
<Newly established>	<u>from their liability for damages, under Article</u>
<Newly established>	<u>423, Paragraph 1 of the Companies Act,</u>
<Newly established>	<u>regarding acts committed prior to the</u>
<Newly established>	<u>conclusion of the 142nd Annual Shareholders’</u>
<Newly established>	<u>Meeting, to the extent permitted by laws and</u>
<Newly established>	<u>regulations.</u>
<Newly established>	2) <u>The Company shall treat agreements to limit</u>
<Newly established>	<u>the liability for damages under Article 423,</u>
<Newly established>	<u>Paragraph 1 of the Companies Act regarding</u>
<Newly established>	<u>acts committed by Outside Audit &</u>
<Newly established>	<u>Supervisory Board Members (including</u>
<Newly established>	<u>persons who were formerly Outside Audit &</u>
<Newly established>	<u>Supervisory Board Members) prior to the</u>
<Newly established>	<u>conclusion of the 142nd Annual Shareholders’</u>
<Newly established>	<u>Meeting, in accordance with the provision of</u>
<Newly established>	<u>Article 38, Paragraph 2 of the Articles of</u>
<Newly established>	<u>Incorporation prior to the amendment made by</u>

Current Articles of Incorporation	Proposed Amendments
	<u>resolution of the said Annual Shareholders' Meeting.</u>

Proposal 2: Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The Company will transition to a Company with an Audit & Supervisory Committee, on the condition that Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and resolved. Accordingly, as the terms of office of all six (6) Directors will expire at the conclusion of this Annual Shareholders’ Meeting, the Company proposes the election of six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members).

In order to strengthen corporate governance and enhance management transparency, two (2) of the six (6) candidates are candidates for Directors (Outside).


This proposal shall take effect on the condition that Proposal 1 “Partial Amendments to the Articles of Incorporation” takes effect.


The candidates for Directors (excluding Directors Who Are Audit & Supervisory Committee Members) are as follows:



No.	Name	Position (status) and assigned duties at the Company	Attendance at Board of Directors’ meetings
1	Hiroshi Kato Re-elected	Representative Director & President	13/13 (100%)
2	Akira Higashiyama Re-elected	Representative Director & Vice President, Assistant to the President, in charge of Research & Development Center, Intellectual Properties Office, Supervisor to the Corporate departments	13/13 (100%)
3	Makoto Okabe Newly elected	Managing Executive Officer, in charge of Human Resources Dept., Corporate Planning Office, Supervisor to Tabletop Group, President of Noritake Co., Inc., Chairman of Noritake Lanka Porcelain (Pvt.) Limited	-
4	Yuko Fuma Re-elected	Director & Managing Executive Officer, in charge of General Administration Dept., Legal Office, Secretariat Office, and Auditing Office	13/13 (100%)
5	Masanao Tomozoe Re-elected Director (Outside) Independent Director	Director (Outside)	13/13 (100%)
6	Ryoichi Yamamoto Re-elected Director (Outside) Independent Director	Director (Outside)	13/13 (100%)


Director (Outside): Candidate for Outside Director


Independent: Candidate for Independent Officer as defined in the provisions set forth by Tokyo Stock Exchange, Inc., etc.

No.	Name (Date of birth)	Brief biography, position (status), assigned duties, and significant concurrent position(s) at other organization(s)	Number of shares of the Company held
1	 <p>Hiroshi Kato (January 29, 1957) 66 years old</p> <p><u>Re-elected</u></p> <p>Number of years served as Director: 12 years</p> <p>Attendance at Board of Directors' meetings 13/13 (100%)</p>	<p>April 1979 Joined the Company</p> <p>June 2011 Director & Executive Officer of the Company</p> <p>June 2014 Director & Managing Executive Officer of the Company</p> <p>June 2017 Representative Director & Vice President of the Company</p> <p>June 2018 Representative Director & President of the Company (currently in service)</p>	7,200
<p>[Reasons for nomination as a candidate for Director] Mr. Hiroshi Kato has been engaged in the management of the Company for many years. Based on his wealth of experience and achievements, he is expected to contribute to the strengthening of decision-making functions and oversight functions of the Board of Directors. Thus, the Company nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Brief biography, position (status), assigned duties, and significant concurrent position(s) at other organization(s)	Number of shares of the Company held
2	 <p data-bbox="193 707 400 797">Akira Higashiyama (June 17, 1960) 62 years old</p> <p data-bbox="248 831 344 857">Re-elected</p> <p data-bbox="180 898 413 947">Number of years served as Director: 5 years</p> <p data-bbox="193 987 400 1070">Attendance at Board of Directors' meetings 13/13 (100%)</p>	<p data-bbox="432 248 544 275">April 1986</p> <p data-bbox="432 282 544 309">June 2014</p> <p data-bbox="432 371 544 398">June 2017</p> <p data-bbox="432 461 544 488">June 2018</p> <p data-bbox="432 551 544 577">April 2019</p> <p data-bbox="432 640 544 667">June 2019</p> <p data-bbox="432 730 544 757">April 2020</p> <p data-bbox="432 819 544 846">April 2021</p> <p data-bbox="432 909 544 936">April 2022</p> <p data-bbox="432 999 544 1025">June 2022</p> <p data-bbox="432 1088 544 1115">April 2023</p> <p data-bbox="632 248 1257 1189"> Joined the Company Executive Officer, Group General Manager of Engineering Group of the Company Managing Executive Officer, Group General Manager of Engineering Group of the Company Director & Managing Executive Officer, Group General Manager of Engineering Group of the Company Director & Managing Executive Officer, Group Deputy General Manager of Industrial Products Group of the Company Director & Senior Managing Executive Officer, Group Deputy General Manager & Division General Manager of Sales Division of Industrial Products Group of the Company Director & Senior Managing Executive Officer, Group General Manager & Division General Manager of Sales Division of Industrial Products Group of the Company Director & Senior Managing Executive Officer, Group General Manager of Industrial Products Group of the Company Director & Senior Managing Executive Officer, Group General Manager & Division General Manager of Sales Division of Industrial Products Group of the Company Representative Director & Vice President, Group General Manager & Division General Manager of Sales Division of Industrial Products Group of the Company Representative Director & Vice President, Assistant to the President, in charge of Research & Development Center, Intellectual Properties Office, Supervisor to the Corporate departments of the Company (currently in service) </p>	2,184
<p data-bbox="188 1196 762 1223">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="188 1229 1422 1339">Mr. Akira Higashiyama has been engaged in the management of the Engineering Group and the Industrial Products Group at the Company. Based on his wealth of experience and achievements, he is expected to contribute to the strengthening of decision-making functions of the Board of Directors. Thus, the Company nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Brief biography, position (status), assigned duties, and significant concurrent position(s) at other organization(s)	Number of shares of the Company held
3	 <p>Makoto Okabe (August 29, 1960) 62 years old</p> <p><u>Newly elected</u></p> <p>Number of years served as Director: -</p> <p>Attendance at Board of Directors' meetings -</p>	<p>April 1983 June 2020</p> <p>Joined the Mitsubishi Corporation Managing Executive Officer, Deputy Division General Manager, Sales Division, Industrial Products Group of the Company</p> <p>April 2021</p> <p>Managing Executive Officer, Deputy Division General Manager, Sales Division, Industrial Products Group of the Company</p> <p>April 2022</p> <p>Managing Executive Officer, in charge of Corporate Planning Office, and Auditing Office of the Company, Supervisor to Tabletop Group, President of Noritake Co., Inc., Chairman of Noritake Lanka Porcelain Limited</p> <p>April 2023</p> <p>Managing Executive Officer, in charge of Human Resources Dept., Corporate Planning Office, Supervisor to Tabletop Group, President of Noritake Co., Inc., Chairman of Noritake Lanka Porcelain (Pvt.) Limited (currently in service)</p>	200
<p>[Reasons for nomination as a candidate for Director] Mr. Makoto Okabe has been engaged in corporate administration and the Industrial Products Group at the Company, as well as the management of overseas subsidiaries. Based on his wealth of experience and achievements, he is expected to contribute to the strengthening of decision-making functions of the Board of Directors. Thus, the Company nominated him as a candidate for Director.</p>			
4	 <p>Yuko Fuma (September 12, 1963) 59 years old</p> <p><u>Re-elected</u></p> <p>Number of years served as Director: 4 years</p> <p>Attendance at Board of Directors' meetings 13/13 (100%)</p>	<p>April 1986 February 2015</p> <p>Joined the Company General Manager, Corporate Planning Office of the Company</p> <p>June 2018</p> <p>Executive Officer & Group Deputy General Manager of Corporate Administration Group, General Manager, Corporate Planning Office of the Company</p> <p>April 2019</p> <p>Executive Officer & Group General Manager of Corporate Administration Group, General Manager, Corporate Planning Office of the Company</p> <p>June 2019</p> <p>Director & Executive Officer, Group General Manager of Corporate Administration Group of the Company</p> <p>April 2022</p> <p>Director & Executive Officer, in charge of General Administration Dept., Human Resources Dept., Legal Office, and Secretary Office of the Company</p> <p>June 2022</p> <p>Director & Managing Executive Officer, in charge of General Administration Dept., Human Resources Dept., Legal Office, Secretary Office of the Company</p> <p>April 2023</p> <p>Director & Managing Executive Officer, in charge of General Administration Dept., Legal Office, Secretariat Office, and Auditing Office of the Company (currently in service)</p>	300
<p>[Reasons for nomination as a candidate for Director] Ms. Yuko Fuma has been engaged in corporate administration at the Company. Based on her wealth of experience and achievements, she is expected to contribute to the strengthening of decision-making functions of the Board of Directors. Thus, the Company nominated her as a candidate for Director.</p>			

No.	Name (Date of birth)	Brief biography, position (status), assigned duties, and significant concurrent position(s) at other organization(s)	Number of shares of the Company held
5	 <p>Masanao Tomozoe (March 25, 1954) 69 years old</p> <p>Re-elected</p> <p>Candidate for Director (Outside)</p> <p>Independent Director</p> <p>Number of years served as Outside Director: 4 years</p> <p>Attendance at Board of Directors' meetings 13/13 (100%)</p>	<p>April 1977 Joined Toyota Motor Sales Co., Ltd. (currently TOYOTA MOTOR CORPORATION)</p> <p>June 2005 Managing Officer of TOYOTA MOTOR CORPORATION</p> <p>April 2011 Senior Managing Officer of TOYOTA MOTOR CORPORATION</p> <p>June 2012 Senior Vice President of Toyota Motor North America, Inc. President & Representative Director of Toyota Motor Sales & Marketing Co., Ltd.</p> <p>June 2015 President & CEO of CENTRAL JAPAN INTERNATIONAL AIRPORT COMPANY, LIMITED</p> <p>June 2019 Outside Audit & Supervisory Board Member of Toyota Industries Corporation (currently in service)</p> <p>June 2019 Outside Audit & Supervisory Board Member of Daihatsu Motor Co., Ltd. (currently in service)</p> <p>June 2019 Director (Outside) of the Company (currently in service)</p> <p>March 2020 Director (Outside) of HOSHIZAKI CORPORATION (currently in service)</p> <p>(Significant concurrent post(s) at other organization(s))</p> <p>Outside Audit & Supervisory Board Member of Toyota Industries Corporation</p> <p>Outside Audit & Supervisory Board Member of Daihatsu Motor Co., Ltd.</p> <p>Director (Outside) of HOSHIZAKI CORPORATION</p>	0
<p>[Reasons for nomination as a candidate for Director (Outside) and expected roles, etc.]</p> <p>Mr. Masanao Tomozoe has many years of experience as an executive manager at TOYOTA MOTOR CORPORATION and Central Japan International Airport Co., Ltd. Utilizing his wealth of experience in corporate management and global knowledge, he has been fulfilling his role appropriately, such as oversight of the Company's business execution and advice to management. Thus, the Company nominated him once again as a candidate for Director (Outside) with the expectation that he will contribute to the strengthening of oversight functions of the Board of Directors and provide advice from wide-ranging management perspectives.</p> <p>[Matters concerning independence]</p> <p>Mr. Masanao Tomozoe worked for TOYOTA MOTOR CORPORATION, which is a trading partner of the Company. However, the annual amount of transactions with TOYOTA MOTOR CORPORATION accounts for less than 1%, an insignificant proportion, of the Company's consolidated net sales. Therefore, the Company judges that a conflict of interest is unlikely to occur between him and general shareholders and he is deemed independent. The Company has also designated him as an independent director stipulated by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and notified them of the designation of Mr. Masanao Tomozoe as an independent director.</p>			

No.	Name (Date of birth)	Brief biography, position (status), assigned duties, and significant concurrent position(s) at other organization(s)	Number of shares of the Company held
6	 <p>Ryoichi Yamamoto (March 27, 1951) 72 years old</p> <p>Re-elected</p> <p>Candidate for Director (Outside)</p> <p>Independent Director</p> <p>Number of years served as Outside Director: 2 years</p> <p>Attendance at Board of Directors' meetings 13/13 (100%)</p>	<p>April 1973 Joined The Daimaru, Inc. (currently Daimaru Matsuzakaya Department Stores Co. Ltd.)</p> <p>May 2003 President and COO of The Daimaru, Inc.</p> <p>September 2007 Director of J. FRONT RETAILING Co., Ltd. Director of Matsuzakaya Co., Ltd. (currently Daimaru Matsuzakaya Department Stores Co. Ltd.)</p> <p>March 2010 President and Representative Director of Daimaru Matsuzakaya Department Stores Co., Ltd.</p> <p>April 2013 President and Representative Director of J. FRONT RETAILING Co., Ltd.</p> <p>May 2017 Director, President, and Representative Executive Officer of J. FRONT RETAILING Co., Ltd.</p> <p>May 2020 Director and Chairperson of the Board of Directors of J. FRONT RETAILING Co., Ltd. (currently in service)</p> <p>June 2021 Outside Director of Daido Steel Co., Ltd. (currently in service)</p> <p>June 2021 Director (Outside) of the Company (currently in service)</p> <p>(Significant concurrent post(s) at other organization(s)) Director and Chairperson of the Board of Directors of J. FRONT RETAILING Co., Ltd. Outside Director of Daido Steel Co., Ltd.</p>	900
<p>[Reasons for nomination as a candidate for Director (Outside) and expected roles, etc.] Mr. Ryoichi Yamamoto has many years of experience as an executive manager at Daimaru Matsuzakaya Department Stores Co., Ltd. and J. FRONT RETAILING Co., Ltd. Utilizing his wealth of experience and knowledge in corporate management, he has been fulfilling his role appropriately, such as oversight of the Company's business execution and advice to management. Thus, the Company nominated him once again as a candidate for Director (Outside) with the expectation that he will contribute to the strengthening of oversight functions of the Board of Directors and provide advice from wide-ranging management perspectives.</p> <p>[Matters concerning independence] Mr. Ryoichi Yamamoto worked for Daimaru Matsuzakaya Department Stores Co., Ltd., which is a trading partner of the Company. However, the annual amount of transactions with Daimaru Matsuzakaya Department Stores Co., Ltd. accounts for less than 1%, an insignificant proportion, of the Company's consolidated net sales. In addition, there are no business transactions between the Company and J. FRONT RETAILING Co., Ltd., where he serves as Director and Chairperson of the Board of Directors. Therefore, the Company judges that a conflict of interest is unlikely to occur between him and general shareholders and he is deemed independent. The Company has also designated him as an independent director stipulated by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and notified them of the designation of Mr. Ryoichi Yamamoto as an independent director.</p>			

(Notes)

1. There is no special interest between each candidate for Director and the Company.
2. The Company has entered into a liability limitation agreement with Mr. Masanao Tomozoe and Mr. Ryoichi Yamamoto, which limits their liabilities for damages under Article 423, Paragraph 1 of the Companies Act, based on the provisions of Article 427, Paragraph 1 of the Act. The maximum amount of liability for damages pursuant to the agreement is the minimum liability amount stipulated by laws and regulations. If their elections are approved, the Company intends to continue this agreement with them.
3. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph

1 of the Companies Act with an insurance company, which will cover any damages, etc. in the event that the insured directors and officers are to bear liability for damages resulting from their duties. However, the agreement does include certain exemption clauses, such as no compensation being given for damages caused by a criminal act by the insured or damages caused by the insured by acts in violation of laws or regulations that were carried out with the knowledge of their illegality. If the candidates assume the position of Directors, each of them will be insured under the insurance agreement, which is to be renewed during their terms of office.

4. At Toyota Industries Corporation, where Mr. Masanao Tomozoe concurrently serves as an Outside Audit & Supervisory Board Member, the fact of a statutory violation relating to the domestic certification of forklift engines manufactured by the said company came to light in March 2023. However, Mr. Masanao Tomozoe has been appropriately fulfilling his responsibilities, given that, as an Outside Audit & Supervisory Board Member of the said company, he had always been making recommendations, as necessary, from the standpoint of compliance with laws and regulations as well as compliance-driven management, and after the disclosure of this incident, he sought to clarify the facts and demanded the implementation of appropriate measures to prevent the recurrence of such incidents. Furthermore, at Daihatsu Motor Co., Ltd., where he concurrently serves as an Outside Audit & Supervisory Board Member, the fact of misconduct involving the approval application of side collision tests for vehicles developed by the said company destined for overseas markets, came to light in April 2023. However, Mr. Masanao Tomozoe has been appropriately fulfilling his responsibilities, given that, as an Outside Audit & Supervisory Board Member of the said company, he had always been making recommendations, as necessary, from the standpoint of compliance with laws and regulations as well as compliance-driven management, and after the disclosure of this incident, he sought to clarify the facts and demanded the implementation of appropriate measures to prevent the recurrence of such incidents.

Proposal 3: Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

The Company will transition to a Company with an Audit & Supervisory Committee, on the condition that Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and resolved. Accordingly, the Company proposes the election of three (3) Directors who are Audit & Supervisory Committee Members.

The Audit & Supervisory Board has already given its consent to this proposal.


This proposal shall take effect on the condition that Proposal 1 “Partial Amendments to the Articles of Incorporation” takes effect.


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


No.	Name		Position (status) and assigned duties at the Company	Attendance at Board of Directors' meetings	Attendance at Audit & Supervisory Board meetings
1	Yoshimasa Nakamura	Newly elected	Executive officer, in charge of Finance Dept. and Information Planning Office	-	-
2	Tatsuhiko Saruwatari	Newly elected Director (Outside) Independent Director	Audit & Supervisory Board Member (Outside)	13/13 (100%)	12/12 (100%)
3	Takashi Morisaki	Newly elected Director (Outside) Independent Director	Audit & Supervisory Board Member (Outside)	13/13 (100%)	12/12 (100%)

Director (Outside): Candidate for Outside Director

Independent: Candidate for Independent Officer as defined in the provisions set forth by Tokyo Stock Exchange, Inc., etc.

No.	Name (Date of birth)	Brief biography, position (status), assigned duties, and significant concurrent position(s) at other organization(s)	Number of shares of the Company held
1	 <p>Yoshimasa Nakamura (February 23, 1967) 56 years old</p> <p>Newly elected</p> <p>Number of years served as Audit & Supervisory Board Member: -</p> <p>Attendance at Board of Directors' meetings -</p> <p>Attendance at Audit & Supervisory Board meetings -</p>	<p>April 1989 Joined the Company</p> <p>February 2015 General Manager of Finance Dept. of the Company</p> <p>April 2019 Executive Officer, Group Deputy General Manager of Corporate Administration Group, General Manager of Finance Dept. of the Company</p> <p>June 2021 Executive Officer, Group Deputy General Manager of Corporate Administration Group, General Manager of Finance Dept. of the Company</p> <p>April 2022 Executive Officer, in charge of Finance Dept. and Information Planning Office of the Company (currently in service)</p>	400
<p>[Reasons for nomination as a candidate for Director who is an Audit & Supervisory Committee Member] Mr. Yoshimasa Nakamura has been engaged in corporate administration at the Company. Based on his wealth of experience and achievements, he is expected to contribute to strengthening audit and oversight functions over business execution. Thus, the Company nominated him as a candidate for Director who is an Audit & Supervisory Committee Member.</p>			

No.	Name (Date of birth)	Brief biography, position (status), assigned duties, and significant concurrent position(s) at other organization(s)	Number of shares of the Company held
2	 <p>Tatsuhiko Saruwatari (March 1, 1953) 70 years old</p> <p>Newly elected</p> <p>Candidate for Director (Outside)</p> <p>Independent Director</p> <p>Number of years served as Audit & Supervisory Board Member (Outside): 7 years</p> <p>Attendance at Board of Directors' meetings 13/13 (100%)</p> <p>Attendance at Audit & Supervisory Board meetings 12/12 (100%)</p>	<p>April 1976 Joined TOTO KIKI LTD. (currently TOTO LTD.) June 2001 Director & Executive Officer of TOTO KIKI LTD. June 2002 Director & Managing Executive Officer of TOTO KIKI LTD. June 2006 Director & Senior Managing Executive Officer of TOTO KIKI LTD. May 2013 Outside Auditor of IZUTSUYA CO., LTD. June 2013 Vice President & Representative Director of TOTO LTD. April 2016 Director of TOTO LTD. June 2016 Advisor of TOTO LTD. June 2016 Audit & Supervisory Board Member (Outside) of the Company (currently in service) June 2020 Outside Director of JAPAN CASH MACHINE CO., LTD. (currently in service)</p> <p>(Significant concurrent post(s) at other organization(s)) Outside Director of JAPAN CASH MACHINE CO., LTD.</p>	0
<p>[Reasons for nomination as a candidate for Director (Outside) who is an Audit & Supervisory Committee Member and expected roles, etc.] Mr. Tatsuhiko Saruwatari has many years of experience as an executive manager at TOTO LTD. Utilizing his wealth of experience and knowledge in corporate management, he has been fulfilling his role appropriately as an Audit & Supervisory Board Member (Outside), such as audits of the Company's business execution and advice to management. Thus, the Company nominated him as a candidate for Director (Outside) who is an Audit & Supervisory Committee Member with the expectation that he will contribute to strengthening audit and oversight functions over business execution and provide advice from wide-ranging management perspectives.</p> <p>[Matters concerning independence] Mr. Tatsuhiko Saruwatari worked for TOTO LTD., which is a trading partner and shareholder of the Company. However, the annual amount of transactions with TOTO LTD. accounts for less than 1%, an insignificant proportion, of the Company's consolidated net sales. Furthermore, given that the shares of the Company held by TOTO LTD., account for less than 5%, TOTO LTD. is not a shareholder that can influence the management of the Company. Therefore, the Company judges that a conflict of interest is unlikely to occur between him and general shareholders and he is deemed independent.</p> <p>The Company has also designated him, who currently serves as an Audit & Supervisory Board Member (Outside), as an independent director stipulated by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and notified them of the designation of Mr. Tatsuhiko Saruwatari as an independent director. If the election of Mr. Tatsuhiko Saruwatari is approved, the Company intends to continue with this designation and notify them of the designation.</p>			

No.	Name (Date of birth)	Brief biography, position (status), assigned duties and significant concurrent position(s) at other organization(s)	Number of shares of the Company held
3	 <p>Takashi Morisaki (January 1, 1955) 68 years old</p> <p>Newly elected</p> <p>Candidate for Director (Outside)</p> <p>Independent Director</p> <p>Number of years served as Audit & Supervisory Board Member (Outside): 2 years</p> <p>Attendance at Board of Directors' meetings 13/13 (100%)</p> <p>Attendance at Audit & Supervisory Board meetings 12/12 (100%)</p>	<p>April 1978 Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.)</p> <p>April 2008 Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc. Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)</p> <p>May 2012 Senior Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2012 Senior Managing Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2014 Deputy President of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2016 Corporate Advisor of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>September 2016 Senior Counselor of Mitsubishi Research Institute, Inc.</p> <p>October 2016 Executive Vice President and Executive Officer of Mitsubishi Research Institute, Inc.</p> <p>December 2016 President and Representative Director of Mitsubishi Research Institute, Inc.</p> <p>June 2021 Audit & Supervisory Board Member(Outside) of the Company (currently in service)</p> <p>December 2021 Director & Chairman of Mitsubishi Research Institute, Inc. (currently in service)</p> <p>(Significant concurrent post(s) at other organization(s)) Director & Chairman of the Board of Mitsubishi Research Institute, Inc.</p>	300
<p>[Reasons for nomination as a candidate for Director (Outside) who is an Audit & Supervisory Committee Member and expected roles, etc.] Mr. Takashi Morisaki has many years of experience as an executive manager at MUFG Bank, Ltd. Utilizing his wealth of experience and knowledge in corporate management, he has been fulfilling his role appropriately as an Audit & Supervisory Board Member (Outside), such as audits of the Company's business execution and advice to management. Thus, the Company nominated him as a candidate for Director (Outside) who is an Audit & Supervisory Committee Member with the expectation that he will contribute to strengthening audit and oversight functions over business execution and provide advice from wide-ranging management perspectives.</p> <p>[Matters concerning independence] Mr. Takashi Morisaki worked for MUFG Bank, Ltd., which is a partner financial institution and shareholder of the Company. However, it has been seven years since he retired as an executive from the said bank and is currently not in a position to be influenced by its intentions. Loans to the Company from the said bank are insignificant and the shares of the Company held by the said bank account for around 2.5%. In addition, there are no business transactions between the Company and Mitsubishi Research Institute, Inc., where he serves as Director & Chairman of the Board. Therefore, the Company judges that a conflict of interest is unlikely to occur between him and general shareholders and he is deemed independent. The Company has also designated him, who currently serves as an Audit & Supervisory Board Member (Outside), as an independent director stipulated by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and notified them of</p>			

No.	Name (Date of birth)	Brief biography, position (status), assigned duties and significant concurrent position(s) at other organization(s)	Number of shares of the Company held
	the designation of Mr. Takashi Morisaki as an independent director. If the election of Mr. Takashi Morisaki is approved, the Company intends to continue with this designation and notify them of the designation.		

(Notes)

1. There is no special interest between each candidate for Director and the Company.
2. The Company has entered into a liability limitation agreement with Mr. Tatsuhiko Saruwatari and Mr. Takashi Morisaki, which limits their liabilities for damages under Article 423, Paragraph 1 of the Companies Act, based on the provisions of Article 427, Paragraph 1 of the Act. The maximum amount of liability for damages pursuant to the agreement is the minimum liability amount stipulated by laws and regulations. If their elections are approved, the Company intends to enter into new agreements with them under terms and conditions that are similar to the said agreement.
3. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, which will cover any damages, etc. in the event that the insured directors and officers are to bear liability for damages resulting from their duties. However, the agreement does include certain exemption clauses, such as no compensation being given for damages caused by a criminal act by the insured or damages caused by the insured by acts in violation of laws or regulations that were carried out with the knowledge of their illegality. If the candidates assume the position of Directors, each of them will be insured under the insurance agreement, which is to be renewed during their terms of office.

(Reference) Expertise and Experience of Directors after this Annual Shareholders' Meeting (Skills Matrix)

Name	Position at the Company	Expertise and experience						
		Corporate management	Sales & marketing	Manufacturing, technology, and R&D	Finance & accounting	Human resources and labor affairs	Legal affairs and risk management	Global
Hiroshi Kato	Representative Director & President	○			○	○	○	○
Akira Higashiyama	Representative Director & Vice President	○	○	○				
Makoto Okabe	Director & Senior Managing Executive Officer		○					○
Yuko Fuma	Director & Managing Executive Officer	○				○	○	○
Masanao Tomozoe	Director (Outside)	○	○					○
Ryoichi Yamamoto	Director (Outside)	○	○					
Yoshimasa Nakamura	Director & Full-time Audit & Supervisory Committee Member				○			
Tatsuhiko Saruwatari	Director (Outside) & Audit & Supervisory Committee Member	○		○			○	
Takashi Morisaki	Director (Outside) & Audit & Supervisory Committee Member	○			○			○

(Note) The above table does not represent all the expertise and experience possessed by each Director.

Proposal 4: Election of One (1) Director Who Is a Substitute Audit & Supervisory Committee Member

The Company will transition to a Company with an Audit & Supervisory Committee, on the condition that Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and resolved. Accordingly, the Company proposes the election of one (1) Director who is a substitute Audit & Supervisory Committee Member, in preparation for a case where there is a vacancy and the statutory quorum of Directors who are Audit & Supervisory Committee Members is not satisfied. As for the effect of this election, the election may be canceled by a resolution of the Company’s Board of Directors only before the appointment.

Additionally, the Audit & Supervisory Board has already given its consent to this proposal.

This proposal shall take effect on the condition that Proposal 1 “Partial Amendments to the Articles of Incorporation” takes effect.

The candidate for Director who is a substitute Audit & Supervisory Committee Member is as follows:

Name (Date of birth)	Brief biography, position (status), assigned duties and significant concurrent position(s) at other organization(s)	Number of shares of the Company held
<p>Masao Hojo (October 25, 1951 71 years old</p> <div data-bbox="183 1034 375 1093" style="border: 1px solid black; padding: 2px; width: fit-content;">Candidate for Director (Outside)</div> <div data-bbox="183 1102 375 1160" style="border: 1px solid black; padding: 2px; width: fit-content;">Independent Director</div>	<p>April 1984 Admitted to the bar, Nagoya Bar Association (currently Aichi Bar Association), Joined the Tsurumi Law Office</p> <p>April 1988 Established the Hojo Law Office, assumed a position as the Head of the law office (currently in service)</p> <p>April 2002 Assumed a position as the Vice Chairperson of the Nagoya Bar Association (currently Aichi Bar Association)</p> <p>(Significant concurrent post(s) at other organization(s)) Head of the Hojo Law Office</p>	0

[Reasons for nomination as a candidate for Director (Outside) who is a substitute Audit & Supervisory Committee Member and expected roles, etc.]

Mr. Masao Hojo has expertise and experience as an attorney-at-law. Utilizing his wealth of experience in corporate law, he is expected to strengthen audit and oversight functions over business execution and provide advice to management. Thus, the Company nominated him as a candidate for Director (Outside) who is a substitute Audit & Supervisory Committee Member. Although Mr. Masao Hojo has not directly been involved in corporate management, due to the above reasons, the Company has determined that he will appropriately fulfill his role as a Director (Outside) who is an Audit & Supervisory Committee Member.

[Matters concerning independence]

Mr. Masao Hojo has been commissioned as an outside member of the Compliance Committee and receives a commission fee from the Company. However, such a fee is minimal, and thus, the Company judges that a conflict of interest is unlikely to occur between him and general shareholders and he is deemed independent. Additionally, if Mr. Masao Hojo assumes the position of Director (Outside) who is an Audit & Supervisory Committee Member, the Company intends to designate him as an independent director stipulated by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and notify them of the designation of Mr. Masao Hojo as an independent director.

(Notes)

1. The Company has commissioned Mr. Masao Hojo as an outside member of the Compliance Committee. The Company had been paying a commission fee to Mr. Masao Hojo based on a commission agreement for the past two years and intends to do so going forward. However, there is no special interest between Mr. Masao Hojo and the Company, which could affect the execution of his duties, if he assumes the position of Director who is an Audit & Supervisory Committee Member.
2. If Mr. Masao Hojo assumes the position of a Director (Outside) who is an Audit & Supervisory Committee Member, The Company intends to enter into a liability limitation agreement with Mr. Masao Hojo, which limits his liability for damages under Article 423, Paragraph 1 of the Companies Act, based on the provisions of Article 427, Paragraph 1 of the Act. The maximum amount of liability for damages pursuant to the agreement is the minimum liability amount stipulated by laws and regulations.
3. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, which will cover any damages, etc. in the event that the insured directors and officers are to bear liability for damages resulting from their duties. However, the agreement does include certain exemption clauses, such as no compensation being given for damages caused by a criminal act by the insured or damages caused by the insured by acts in violation of laws or regulations that were carried out with the knowledge of their illegality. If Mr. Masao Hojo assumes the position of a Director (Outside) who is an Audit & Supervisory Committee Member, he will be insured under the insurance agreement.

Proposal 5: Setting of the Amount of Compensation of Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

At the 109th Annual Shareholders' Meeting held on June 28, 1990, the Company obtained shareholder approval for the amount of compensation of the Company's Directors at not more than 40 million yen per month, and this remains in place to the present day.

The Company will transition to a Company with an Audit & Supervisory Committee, on the condition that Proposal 1 "Partial Amendments to the Articles of Incorporation" is approved and resolved.

Accordingly, to establish new compensation amounts for Directors (excluding Directors who are Audit & Supervisory Committee Members) in conjunction with this transition, the Company proposes to repeal the current provisions regarding the compensation amounts of the Directors, and, in consideration of various circumstances such as the economic conditions, set the amount of compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members) at no more than 40 million yen per month (of which the amount for Directors (Outside) will be no more than 7 million yen per month).

If this proposal is approved, the Company, at the Board of Directors meeting to be held immediately following the conclusion of this Annual Shareholders' Meeting, intends to change the section listing the compensation recipients from "Directors" to "Directors (excluding Directors who are Audit & Supervisory Committee Members)" in the policies concerning the determination of individual compensation for Directors, under (4) Compensation, etc., of Directors and Audit & Supervisory Board Members, [3] Matters relating to the Officers of the Company in the business report, to maintain consistency with the approved proposal.

The content of this proposal is necessary in order to determine the details of individual compensations, etc. of Directors in line with the revised policy, having considered current economic conditions, the Company's size, the number of Directors, the levels of compensation of our peers, and other factors and also having been decided by the Board of Directors, based on the deliberation by the Nomination and Compensation Committee, a non-statutory, advisory organ to the Board of Directors established by the Company, the majority of the members of which comprise independent outside directors, and thus has been deemed by the Company to be reasonable.

If Proposal 1 "Partial Amendments to the Articles of Incorporation" and Proposal 2 "Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)" are approved and resolved as originally proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be six (6) (including two (2) Directors (Outside)).

Furthermore, this proposal shall take effect on the condition that Proposal 1 "Partial Amendments to the Articles of Incorporation" takes effect.

Proposal 6: Setting of the Amount of Compensation of Directors Who Are Audit & Supervisory Committee Members

The Company will transition to a Company with an Audit & Supervisory Committee, on the condition that Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and resolved.

Accordingly, the Company proposes to set the amount of compensation of Directors who are Audit & Supervisory Committee Members at no more than 6 million yen per month, the same amount as the amount of compensation for Audit & Supervisory Board Members approved at the 109th Annual Shareholders’ Meeting held on June 28, 1990.

The content of this proposal sets the amount of compensation within a reasonable extent, in consideration of the responsibilities of Directors who are Audit & Supervisory Committee Members, the levels of compensation amounts of Directors (excluding Directors who are Audit & Supervisory Committee Members), and other factors, and has been decided by the Board of Directors based on the deliberation by the Nomination and Compensation Committee, a non-statutory, advisory organ to the Board of Directors established by the Company, the majority of the members of which comprise independent outside directors, and thus has been deemed by the Company to be reasonable.

If Proposal 1 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Three (3) Directors Who Are Audit & Supervisory Committee Members” are approved and resolved as originally proposed, the number of Directors who are Audit & Supervisory Committee Members will be three (3).

Furthermore, this proposal shall take effect on the condition that Proposal 1 “Partial Amendments to the Articles of Incorporation” takes effect.

Proposal 7: Determination of the Content of the Performance-linked Stock Compensation Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)

1. Reasons for the proposal and the reason that the said compensation is considered to be reasonable

The Company will transition to a Company with an Audit & Supervisory Committee, on the condition that Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and resolved.

At the 135th Annual Shareholders’ Meeting held on June 29, 2016, the Company obtained shareholder approval for a performance-linked stock compensation plan (the “Plan”) that consisted of the delivery, etc., of the Company’s shares to Directors other than Directors (Outside) and to Executive Officers who have met certain requirements (however, excluding non-residents), according to the degree of achievement of corporate performance targets, to provide an incentive to the eligible officers to pursue management based on an awareness of the medium- to long-term improvement of corporate value and shareholders value, by linking the compensation of the eligible officers to the Company’s corporate performance and stock value, and the Plan remains in place to the present day. Accordingly, in conjunction with this transition, the Company proposes to continue with the Plan by once again setting a limit on the compensation amount of the Plan for the Company’s Directors (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers who meet certain requirements (hereinafter collectively referred to as “Director(s), etc.,” however, excluding non-residents).

In this proposal, the Company asks that stock compensation based on the Plan be paid to Directors, etc., separately from the maximum amount of compensation (of not more than 40 million yen per month, of which the amount for Directors (Outside) will be no more than 7 million yen per month) for Directors (excluding Directors who are Audit & Supervisory Committee Members) proposed in Proposal 5 “Setting of the Amount of Compensation of Directors (Excluding Directors Who Are Audit & Supervisory Committee Members).”

This proposal mainly involves the procedures entailed as a result of the transition to a Company with an Audit & Supervisory Committee and the actual amount and the content of the compensation will remain the same as that approved at the 135th Annual Shareholders’ Meeting, described above. Furthermore, as it has been decided upon by the Board of Directors based on the deliberation by the Nomination and Compensation Committee, a non-statutory, advisory organ to the Board of Directors established by the Company, the majority of the members of which comprise independent outside directors, it has been determined by the Company to be reasonable.

Additionally, if Proposal 1 “Partial Amendments to the Articles of Incorporation” and Proposal 2 “Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” are approved and resolved as originally proposed, the number of Directors who will be eligible under the Plan will be four (4) at the conclusion of this Annual Shareholders’ Meeting. Furthermore, given that, as stated above, Executive Officers are also eligible under the Plan, the number of Executive Officers who will be eligible under the Plan among the Executive Officers (excluding Executive Officers who concurrently serve as Directors) to be elected at the Board of Directors meeting to be held after the conclusion of this Annual Shareholders’ Meeting will be six (6).

Furthermore, this proposal shall take effect on the condition that Proposal 1 “Partial Amendments to the Articles of Incorporation” takes effect.

2. The amount and content, etc. of compensation, etc. under the Plan

(1) Outline of the Plan

The Plan is a performance-linked stock compensation plan in which the Company’s shares are acquired by a trust established by the Company (the “Trust”) using cash contributed by the Company and the Company’s shares are delivered and cash equivalent to the amount of the Company’s shares converted into cash is paid (the “Delivery, etc., of shares) to Directors, etc., through the Trust, at the time of their retirement, according to the degree of achievement of corporate performance targets, based on the share delivery regulations established by the Company.

1) Persons eligible for the Delivery, etc., of shares under this proposal

- Directors, etc. (Directors (excluding Directors who are Audit & Supervisory Committee Members and Directors (Outside)), and Executive Officers who meet certain requirements, however, excluding non-residents)
- Survivors of Directors, etc. (excluding non-residents) who meet certain requirements

- 2) Applicable period of the Plan
 - The three business years from the business year ended March 31, 2023 to the business year ending March 31, 2025

- 3) The impact of the Company's shares subject to this proposal on the total number of issued shares
 - a. Upper limit of cash to be contributed to the Trust 600 million yen for each applicable period of three business years
 - b. Upper limit of the number of the Company's shares subject to the Delivery, etc. of shares from the Trust 300 thousand shares for each applicable period of three business years (100 thousand shares for each business year)
 - c. The proportion of the upper limit of the number of the Company's shares subject to the Delivery, etc. of shares to the total number of issued shares*1 2.1%*2 for the applicable period of three business years (The proportion of the upper limit of the number of shares to the total number of issued shares is 0.7%*2 per business year)
*2 Rounded up to one decimal place.
 - d. Method of the acquisition of the Company's shares by the Trust Acquisition through the disposal of treasury shares from the Company by a third-party allotment or purchases from the stock market

- 4) How the Plan is linked to performance
 - The Plan is linked to the degree of achievement of the corporate performance targets (consolidated net sales, consolidated operating profit, etc.) set for each business year based on the Three-year Business Plan
 - Compensation levels under the Plan will vary linked to performance within a range of 0% to 150%, with 100% corresponding to the standard degree of achievement of corporate performance targets.

- 5) The timing and content of the Delivery, etc. of shares to Directors, etc.
 - a. Timing: At the time of retirement
 - b. Content: Delivery of the Company's shares and payment of cash equivalent to the amount of the Company's shares converted into cash

(2) Upper limit of cash to be contributed to the Trust

The Company will contribute cash to the Trust during the applicable period of three business years (from the business year ended March 31, 2023 to the business year ending March 31, 2025) within the upper limit of 600 million yen and establish a trust corresponding to the applicable period. Using this contributed cash, the Trust will acquire the Company's shares to be subject to the Delivery, etc. to Directors, etc., through the disposal of shares from the Company through a third-party allotment or purchases from the stock market.

Upon expiration of the applicable period, the Plan may be continued by setting a new applicable period of three business years and the same shall apply for the applicable periods thereafter.

In continuing the Plan, in lieu of setting a new trust, the trust period of the Trust may be extended by modifying the trust agreement and making additional contributions to the Trust. The upper limit of the additional contribution of cash in extending the trust period of the Trust shall be 600 million yen for each applicable period*3*4.

*3 The Company's shares remaining in the Trust at the time the trust period is extended (excluding the Company's shares corresponding to those subject to the Delivery, etc., of shares corresponding to the points granted to Directors, etc., for which the Delivery, etc. of shares has not been completed at the time of the extension of the Trust) may be used as the shares subject to the Delivery, etc. of shares corresponding to the new applicable period, and the remaining cash may be used to cover the fees for the acquisition of shares subject to the Delivery, etc. of shares corresponding to the new applicable period. In such a case, the upper limit of the total of the Company's shares remaining in the Trust at the time the trust period is extended, the remaining cash, and the additional contribution of cash shall be 600 million yen.

*4 If the Plan is not continued and terminated at the expiry of the applicable period, and Directors, etc. remain who may satisfy the beneficiary conditions in the future, points shall no longer be granted to the Directors, etc. (See (3) below) but the trust period of the Trust may be extended for a maximum 10 years until such Delivery, etc. of shares to such Directors, etc. is complete. In such a case, no additional contribution of cash to the Trust will be made.

- (3) Calculation method and the upper limit of the number of the Company's shares subject to the Delivery, etc. of shares to Directors, etc.

The number of the Company's shares subject to the Delivery, etc. of shares to Directors, etc. will be calculated based on the points granted to Directors, etc. These points are granted according to position and rank, and will vary according to the degree of achievement of corporate performance targets.

Under the Plan, on a specified date that has been set as the record date each business year, a standard number of points for the relevant business year that has been set according to position and rank will be granted to Directors, etc., who have satisfied certain conditions. These points will vary according to the degree of achievement of corporate performance targets including consolidated net sales and consolidated operating profit that have been set for each business year in the Three-year Business Plan. The range will be between 0% to 150%, with 100% corresponding to the standard degree of achievement of corporate performance targets.

The points granted to the Directors, etc., each business year will accumulate for the duration of the Plan. However, if a Director, etc. is found to have committed an act that clearly goes against the purpose of the Plan, i.e., the medium- to long-term improvement of the Company's corporate value and shareholder value, including breaches of laws and internal regulations, the points held by such Director, etc. may be confiscated.

One share of the Company's share shall correspond to one point*5, and Directors, etc., who meet the beneficiary requirements will receive the Delivery, etc., of shares corresponding to the points held by such Directors, etc. at the time of retirement (See (4) below).

*5 In the event that the Company's shares undergo a share split, reverse share split, etc., during the trust period, the number of shares corresponding to one point may be adjusted according to the split ratio, reverse split ratio, etc., if it is deemed that the adjustment of the number of points corresponding to shares is fair.

The upper limit of the number of the Company's shares (points) subject to the Delivery, etc. of shares corresponding to one business year in the Plan shall be 100 thousand shares (100 thousand points). Accordingly, the upper limit of the number of the Company's shares to be acquired by the Trust for each applicable period of three business years shall be 300 thousand shares.

- (4) Timing and the content of the Delivery, etc., of shares to Directors, etc.

Directors, etc., who meet the beneficiary requirements shall receive the Delivery, etc. of shares from the Trust corresponding to the number of points held, at the time of retirement.

The Delivery, etc. of shares to Directors, etc., shall comprise the delivery of the Company's shares (shares of less than one trading unit will be rounded down) corresponding to 70% of the total points held and the Company's shares corresponding to the remaining points shall be converted within the Trust and the cash equivalent to the converted amount shall be paid for use in the payment of income taxes, etc. (As for the cash equivalent of the converted amount, the Company will take the necessary tax payment procedures, and pay the amount remaining after tax payment to the Directors, etc.)

If a Director, etc., passes away during the trust period, the Company's shares equivalent to the points held by such Director, etc. at the time of his or her death will be converted within the Trust and the cash equivalent of the converted amount will be paid to the survivor of such Director, etc., who meets certain requirements.

- (5) Voting rights for the Company's shares within the Trust

The voting rights for the Company's shares within the Trust shall not be exercised during the trust period, in order to ensure the neutrality of management.

- (6) Handling of dividends from surplus relating to the Company's shares within the Trust

The dividends from surplus relating to the Company's shares within the Trust will be used to cover the expenses of operating the Plan including trust fees and trust expenses.

(7) Handling at the termination of the Trust

At the termination of the Trust, the Company's shares remaining within the Trust will be transferred to the Company without compensation, as shareholder returns, on the condition that the Company would cancel such shares. In addition, any cash remaining within the Trust at the time of termination will be paid to the beneficiaries of the Trust who have satisfied the beneficiary requirements as stipulated in the trust agreement, upon being used to cover various expenses.

(8) Other contents of the Plan

The Board of Directors will determine the other contents of the Plan each time the Trust is set, the trust agreement is modified, or an additional contribution to the Trust is made.