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Stock Exchange Code 5393

June 5, 2023

(Start date of measures for electronic provision: June 1, 2023)

To Shareholders with Voting Rights:

Katsumi Kametsu
President and Chief Executive Officer
NICHIAS Corporation
6-1, Hatchobori 1-chome, Chuo-ku, Tokyo,
Japan

NOTICE OF
THE 207TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

You are cordially notified that the 207th Annual General Meeting of Shareholders of NICHIAS Corporation (the “Company”) will be held for the purposes as described below.

When convening this General Meeting of Shareholders, we are taking measures for electronic provision, and we have posted the matters concerning measures for electronic provision as "Notice of the 207th Annual General Meeting of Shareholders" on the following website on the Internet.

(i) The Company's website:

<https://www.nichias.co.jp/en/ir/news/index.html>

(ii) Tokyo Stock Exchange (TSE) Website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

To view the matters, please access the above website, enter the Company’s name or securities code, and click “Search,” and then click "Basic Information" and select "Documents for Public Inspection/PR Information" in this order.

You can exercise your voting rights in writing, or via electromagnetic means (the Internet). Please review the “Reference Documents for the General Meeting of Shareholders,” described in the matters concerning measures for electronic provision and exercise your voting rights by 5:30 p.m. on Wednesday, June 28, 2023, Japan time.

1. Date and Time: Thursday, June 29, 2023 at 10:00 a.m. Japan time

2. Place: Banquet room “Ariake” on the second floor of The Royal Park Hotel located at 1-1, Kakigara-cho 2-chome, Nihonbashi, Chuo-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 207th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 207th Fiscal Year (April 1, 2022 - March 31, 2023)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of 8 Directors
- Proposal 3:** Election of 2 Audit & Supervisory Board Members
- Proposal 4:** Determination on remuneration for granting transfer restriction shares to Directors (excluding Outside Directors)

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

- If you exercise your voting rights by proxy, you may delegate your voting rights to a proxy who is a shareholder with voting rights of the Company. In such a case, a document needs to be submitted to prove such appointment of proxy.
- In the event of any modifications to the matters concerning measures for electronic provision, the modifications will be posted on the respective websites where they are posted.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

In addition to strengthening the management base in order to enhance earnings power, the basic policy of the Company Group (the “Group”) with respect to the distribution of profits is to strive for the long-term and appropriate return of profits to shareholders by expanding the level of such profits available as dividends and increasing shareholder value, while retaining sufficient reserves for reinvestment.

Based on this policy and in consideration of business results for the fiscal year under review and future business expansion, etc., the year-end dividends for the fiscal year under review is proposed as following.

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount thereof
46 yen per share of common stock of the Company, for a total amount of 3,051,262,754 yen
- (3) Effective date of distribution of surplus
June 30, 2023

* The annual dividends for the fiscal year under review will be 92 yen per share including the interim dividends of 46 yen per share already paid.

Proposal 2: Election of 8 Directors

The terms of office of all 9 Directors elected at the Annual General Meeting of Shareholders last year will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, in order to improve corporate governance and to make more flexible decision making, the reduction of 1 Director and the election of 8 Directors are proposed.

The candidates are as follows. The matters concerning each candidate for Director are as stated in the pages 6 through 11.

[Reference] Skills matrix

Leveraging technological capacity with the keywords of “Insulation and Protection,” the Company will support the development of various industries and provide essential products and services, thereby contributing to the “Earth’s brighter future.” To that end, the Company works to further improve the governance system and is conducting the sustainability-oriented management. The proposed Directors who will constitute the Board of Directors have skills necessary to realize these efforts.

No.	Name	Current positions and responsibilities at the Company	Attending status to Board of Directors’ meetings	Expertise and experience				
				Corporate management & strategy	Finance & accounting	Legal & compliance	Sales & marketing	Manufacture & development
1	Katsumi Kametsu Reelection	President and Chief Executive Officer	100% (14 meetings out of 14 meetings)	○	○	○	○	
2	Tsukasa Yamamoto Reelection	Representative Director & Senior Managing Executive Officer In charge of Internal Control, Compliance, CSR and Accounting	100% (14 meetings out of 14 meetings)	○	○	○		
3	Satoshi Tanabe Reelection	Director & Managing Executive Officer Division Director of Technical Division	100% (14 meetings out of 14 meetings)	○		○		○
4	Kiyoshi Sato Reelection	Director & Executive Officer Division Director of Research & Development Division	100% (14 meetings out of 14 meetings)	○		○		○
5	Yukinori Ryuko Reelection	Director & Executive Officer Division Director of Advanced Products Division	90% after his appointment in June 2022 (9 meetings out of 10 meetings)	○			○	○
6	Yoichi Eto Reelection Outside Independent	Outside Director	100% (14 meetings out of 14 meetings)		○	○		
7	Yoshito Hirabayashi Reelection Outside Independent	Outside Director	100% (14 meetings out of 14 meetings)	○			○	○
8	Yoko Wachi Reelection Outside Independent	Outside Director	100% (14 meetings out of 14 meetings)		○	○		

(Notes) 1. There are no special interests between each candidate and the Company.

2. The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The outline of the contract is as stated in “(3) Outline of the directors and officers liability insurance contract” on page 36 of the Business Report (Japanese version only). The insurance contract will be renewed in June 2023. If the candidates are reappointed or appointed as Director,

each of them will be insured under the insurance contract.

3. The skills matrix above does not indicate all expertise and experience of the candidates, but shows areas particularly expected of them.

Reelection: candidate for reelected Director
Outside: candidate for Outside Director

New election: candidate for newly elected Director
Independent: candidate for Independent Director

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent position	Number of shares of the Company held
1	Katsumi Kametsu (July 28, 1962) Reelection	<p>March 1985 Joined the Company</p> <p>April 2007 General Manager of Tokyo Sales Group, Advanced Polymer Products Department, Industrial Products Division of the Company</p> <p>March 2008 General Manager of East Japan Sales Group 3, Industrial Products Department, Industrial Products Division of the Company</p> <p>April 2009 General Manager of International Marketing and Sales Group, Industrial Products Department, Industrial Products Division of the Company</p> <p>March 2010 General Manager of International Marketing and Sales Group, Industrial Products Division of the Company</p> <p>April 2011 Executive Manager of Sales Group, Industrial Products Division, and General Manager of International Marketing and Sales Group, Industrial Products Division of the Company</p> <p>April 2013 Deputy Division Director of Industrial Products Division, and General Manager of International Marketing and Sales Group of the Company</p> <p>June 2013 Executive Officer of the Company</p> <p>March 2014 President of INOCRETE CO., LTD.</p> <p>April 2016 Division Director of Energy and Industrial Plants Division of the Company</p> <p>June 2016 Director & Executive Officer of the Company</p> <p>June 2019 Director & Managing Executive Officer of the Company</p> <p>April 2022 In charge of Corporate Strategic Planning of the Company</p> <p>June 2022 President and Chief Executive Officer of the Company (current position)</p>	28,300
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Katsumi Kametsu has primarily engaged in business fields including the industrial products and advanced products, and served as President of one of the Company's subsidiaries. Having been involved in business operations as Head of Energy and Industrial Plants Division, he has acquired high-level insight into management and overall business operations. The Company has judged that by utilizing his extensive knowledge and wealth of experience in the Company's management, he will contribute to the continuous improvement of the Company's corporate value, and requests his continued election as Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent position	Number of shares of the Company held	
2	Tsukasa Yamamoto (September 23, 1961) Reelection	March 1986 July 2011 January 2014 January 2014 April 2017 April 2018 June 2018 June 2020 June 2021 June 2022 June 2022	Joined the Company President of Nippon Rockwool Corporation Executive Manager of Building Materials Division (in charge of Sales and Production) and General Manager of Renovation Measures Department of the Company President of NICHIAS Cemcrete Corporation General Manager of Corporate Strategic Planning Department of the Company Deputy Division Director of Corporate Administration Division and General Manager of General Affairs Department of the Company Executive Officer of the Company Division Director of Corporate Administration Division of the Company Director & Executive Officer of the Company Representative Director & Senior Managing Executive Officer of the Company (current position) In charge of Internal Control, Compliance, CSR and Accounting of the Company (current position)	12,000
		<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Tsukasa Yamamoto has primarily engaged in the building materials business, and has served as President of the Company's subsidiaries and General Manager of Corporate Strategic Planning Department of the Company. Having also been involved in overall administration in the capacity as Division Director of Corporate Administration Division, he has acquired high-level insight into management and overall business operations. The Company has judged that by utilizing his extensive knowledge and wealth of experience in the Company's management, he will contribute to the continuous improvement of the Company's corporate value, and requests his continued election as Director.</p>		
3	Satoshi Tanabe (May 23, 1960) Reelection	April 1989 April 2006 April 2007 August 2009 April 2012 April 2013 June 2013 April 2014 June 2019 June 2021	Joined the Company General Manager of Advanced Polymer Products Manufacturing Department, Tsurumi Factory of the Company Factory General Manager of Tsurumi Factory of the Company General Manager of Corporate Strategic Planning Department of the Company Executive Manager of Technology Production, Advanced Products Division and General Manager of Polymer Technology Development Department of the Company Deputy Division Director of Advanced Products Division of the Company Executive Officer of the Company Division Director of Technical Division (current position) Director & Executive Officer of the Company Director & Managing Executive Officer of the Company (current position)	13,600
		<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Satoshi Tanabe has primarily engaged in technology field. Having experienced as Factory General Manager of Tsurumi Factory, General Manager of Corporate Strategic Planning Department and Deputy Division Director of Advanced Products Division, he has acquired high-level insight into management and overall business operations. The Company has judged that by utilizing his extensive knowledge and wealth of experience in the Company's management, he will contribute to the continuous improvement of the Company's corporate value, and requests his continued election as Director.</p>		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent position		Number of shares of the Company held
4	Kiyoshi Sato (September 3, 1962) Reelection	June 2003	Joined the Company	9,000
		April 2008	General Manager of Research & Development Department, Hamamatsu Research Laboratory of the Company	
		August 2014	Director of Hamamatsu Research Laboratory, Research & Development Division of the Company	
		June 2016	Executive Officer of the Company	
		June 2016	Deputy Division Director of Research & Development Division and Director of Hamamatsu Research Laboratory of the Company	
		April 2018	Division Director of Research & Development Division of the Company (current position)	
		June 2021	Director & Executive Officer of the Company (current position)	
		[Reason for nomination as candidate for Director] Mr. Kiyoshi Sato has primarily engaged in research and development. Having been involved in organizational management of research and development as Director of Hamamatsu Research Laboratory and Division Director of Research & Development Division, he has acquired high-level insight into broad aspects of research and development. The Company has judged that by utilizing his extensive knowledge and wealth of experience in the Company's management, he will contribute to the continuous improvement of the Company's corporate value, and requests his continued election as Director.		
5	Yukinori Ryuko (January 28, 1965) Reelection	September 1988	Joined the Company	12,800
		October 2009	General Manager of East Japan Sales Group, Advanced Products Department, Industrial Products Division of the Company	
		March 2010	General Manager of East Japan Sales Group, Advanced Products Division of the Company	
		April 2014	Executive Manager of Advanced Products Division and General Manager of East Japan Sales Group of the Company	
		April 2016	Executive Manager of Sales Group, Advanced Products Division of the Company	
		June 2017	Executive Officer of the Company	
		June 2017	Deputy Division Director of Advanced Products Division of the Company	
		April 2021	Deputy Division Director of Advanced Products Division and General Manager of Planning and Control Group of the Company	
		June 2021	Division Director of Advanced Products Division of the Company (current position)	
		June 2022	Director & Executive Officer of the Company (current position)	
		[Reason for nomination as candidate for Director] Mr. Yukinori Ryuko has primarily engaged in the advanced products business. Having been involved in organizational management of the Advanced Products Division as Division Director of Advanced Products Division, he has acquired high-level insight into management and overall business operations. The Company has judged that by utilizing his extensive knowledge and wealth of experience in the Company's management, he will contribute to the continuous improvement of the Company's corporate value, and requests his continued election as Director.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent position	Number of shares of the Company held
6	Yoichi Eto (August 11, 1950) Reelection Outside Independent	<p>April 1978 Registered as lawyer (current position)</p> <p>April 2003 Vice president of Daiichi Tokyo Bar Association</p> <p>April 2005 Vice President of Kanto Federation of Bar Associations</p> <p>July 2006 Outside Auditor of TSUNEISHI SHIPBUILDING Co., Ltd.</p> <p>April 2010 President of Daiichi Tokyo Bar Association and Vice President of the Japan Federation of Bar Associations</p> <p>June 2011 Outside Audit & Supervisory Board Member of the Company</p> <p>June 2012 Outside Auditor of Japan Display Inc.</p> <p>June 2014 Executive Board Member of Center for Housing Renovation and Dispute Settlement Support</p> <p>June 2015 Outside Director of the Company (current position)</p> <p>April 2016 President of Kanto Federation of Bar Associations</p> <p>August 2020 Audit & Supervisory Board Member of Sunrise Partners Co., Ltd.</p>	0
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Mr. Yoichi Eto has an extensive insight and broad knowledge as a lawyer, and a wealth of experience in legal community. The Company requests his continued election as Outside Director with the expectation of supervision on the overall management and valuable advice.</p> <p>Although he has no direct experience in corporate management, he has achieved a remarkable track record in corporate legal affairs in which he has been engaged as a lawyer for over the years. Based on his professional career, he has broad insight into corporate management. Therefore, the Company believes that he will execute his duties as Outside Director appropriately.</p>			

(Notes) Mr. Yoichi Eto is a candidate for Outside Director. Matters concerning the candidate for Outside Director are as follows:

- (1) Japan Display Inc., for which Mr. Yoichi Eto served as an Outside Auditor until August 2020, released results of the third party committee investigation of improper accounting treatment and the revised prior year financial reports on April 13, 2020. Although he was not aware of the improper accounting treatment before it was revealed, he had always checked Japan Display's internal control system and specific compliance measures and expressed his opinions about them. After the above fact came to light, he has appropriately checked and made proposals on how to develop and enhance a compliance structure to prevent the reoccurrence.
- (2) The Company has designated him as an independent director pursuant to the rules stipulated by the Tokyo Stock Exchange and has reported to the Exchange. Subject to the approval of his reappointment, he will be continuously designated as an independent director.
- (3) He is currently serving as Outside Director of the Company and will have served for a period of eight years as of the conclusion of this General Meeting of Shareholders. He also used to serve as Outside Audit & Supervisory Board Member of the Company.
- (4) The Company has concluded a liability limitation agreement with him pursuant to the provisions in its Articles of Incorporation. The outline of the agreement is as stated in "(2) Outline of liability limitation agreement" on page 35 of the Business Report (Japanese version only). Subject to the approval of his reappointment, the Company plans to continue such liability limitation agreement with him.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent position	Number of shares of the Company held
7	Yoshito Hirabayashi (October 22, 1944) Reelection Outside Independent	<p>April 1968 Joined Seiko Epson Corporation</p> <p>April 1987 Director & General Manager of Factory in U.K. of Seiko Epson Corporation</p> <p>November 1993 President and Representative Director of Technofer Ltd.</p> <p>April 1995 Advisor of Japan Electrical Testing Laboratories</p> <p>April 2000 Councilor of Japan Accreditation Board</p> <p>May 2001 ISO/TC176/SC2 Japanese representative expert</p> <p>April 2002 Part-time lecturer, Graduate School of Frontier Sciences, The University of Tokyo</p> <p>April 2002 Member of Japanese Industrial Standards Committee, Ministry of Economy, Trade and Industry</p> <p>April 2004 Member of Japanese Industrial Standards Mark System Committee, Ministry of Economy, Trade and Industry</p> <p>April 2008 Co-researcher of The Department of Chemical System Engineering at the University of Tokyo</p> <p>June 2008 Outside Audit & Supervisory Board Member of the Company</p> <p>April 2013 Chairman & Director of Technofer Ltd. (current position)</p> <p>June 2016 Outside Director of the Company (current position)</p>	0
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Mr. Yoshito Hirabayashi has a wealth of experience and insight as a corporate manager and professional expertise and broad knowledge of quality management that he accumulated through his work experience as an ISO Japanese representative expert, a lecturer at a university and a member of administrative committees, etc. The Company requests his continued election as Outside Director with the expectation of supervision on the overall management and valuable advice again.</p>			

(Notes) Mr. Yoshito Hirabayashi is a candidate for Outside Director. Matters concerning the candidate for Outside Director are as follows:

- (1) The Company has designated him as an independent director pursuant to the rules stipulated by the Tokyo Stock Exchange and has reported to the Exchange. Subject to the approval of his reappointment, he will be continuously designated as an independent director.
- (2) He is currently serving as Outside Director of the Company and will have served for a period of seven years as of the conclusion of this General Meeting of Shareholders. He also used to serve as Outside Audit & Supervisory Board Member of the Company.
- (3) The Company has concluded a liability limitation agreement with him pursuant to the provisions in its Articles of Incorporation. The outline of the agreement is as stated in “(2) Outline of liability limitation agreement” on page 35 of the Business Report (Japanese version only). Subject to the approval of his reappointment, the Company plans to continue such liability limitation agreement with him.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent position		Number of shares of the Company held
8	Yoko Wachi (April 29, 1960)	April 1989	Registered as lawyer (current position)	0
	Reelection Outside Independent	April 1989 June 2015 March 2016 June 2019 June 2023	Joined Kajitani Law Offices (current position) Outside Audit & Supervisory Board Member of the Company Outside Audit & Supervisory Board Member of Otsuka Holdings Co., Ltd. Outside Director of the Company (current position) Outside Director of S.T. CORPORATION (to be appointed)	
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Ms. Yoko Wachi has an extensive insight and broad knowledge as well as abundant experience as a lawyer. The Company requests her continued election as Outside Director with the expectation of supervision on the overall management and valuable advice.</p> <p>Although she has no direct experience in corporate management, she has broad knowledge and experiences in corporate legal affairs as well as broad insight into corporate management. Therefore, the Company believes that she will execute her duties as Outside Director appropriately.</p>				

(Notes) Ms. Yoko Wachi is a candidate for Outside Director. Matters concerning the candidate for Outside Director are as follows:

- (1) The Company has designated her as an independent director pursuant to the rules stipulated by the Tokyo Stock Exchange and has reported to the Exchange. Subject to the approval of her reappointment, she will be continuously designated as an independent director.
- (2) She is currently serving as Outside Director of the Company and will have served for a period of four years as of the conclusion of this General Meeting of Shareholders. She also used to serve as Outside Audit & Supervisory Board Member of the Company.
- (3) The Company has concluded a liability limitation agreement with her pursuant to the provisions in its Articles of Incorporation. The outline of the agreement is as stated in “(2) Outline of liability limitation agreement” on page 35 of the Business Report (Japanese version only). Subject to the approval of her reappointment, the Company plans to continue such liability limitation agreement with her.

Proposal 3: Election of 2 Audit & Supervisory Board Members

The terms of office of full-time Audit & Supervisory Board Member, Mr. Junichi Nakasone and Audit & Supervisory Board Member, Ms. Sachiko Murase will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 2 Audit & Supervisory Board Members is proposed.

The Audit & Supervisory Board has given its consent to the submission of this proposal in advance.

The candidates of Audit & Supervisory Board Members are as follows. The matters concerning each candidate for Audit & Supervisory Board Members are as stated in the pages 13 through 14

No.	Name	Current positions and responsibilities at the Company	Attending status to Board of Directors' meetings	Attending status to Board of Audit & Supervisory Board Members' meetings
1	Mitsuru Nose New election	Section Manager of Internal Control Audit Office	—	—
2	Sachiko Murase Reelection Outside Independent	Outside Audit & Supervisory Board Member	100% (14 meetings out of 14 meetings)	100% (12 meetings out of 12 meetings)

(Notes) 1. There are no special interests between each candidate and the Company.

2. The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The outline of the contract is as stated in “(3) Outline of the directors and officers liability insurance contract” on page 36 of the Business Report (Japanese version only). The insurance contract will be renewed in June 2023. If the candidates are reappointed or appointed as Audit & Supervisory Board Member, each of them will be insured under the insurance contract.

Reelection: candidate for reelected Audit & Supervisory Board Member

New election: candidate for newly elected Audit & Supervisory Board Member

Outside: candidate for Outside Audit & Supervisory Board Member

Independent: candidate for Independent Audit & Supervisory Board Member

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent position	Number of shares of the Company held
1	Mitsuru Nose (June 27, 1962) New election	<p>March 1986 Joined the Company</p> <p>April 2003 Section Manager of Labor Relations Section, Personnel Department of the Company</p> <p>April 2005 Section Manager of Human Resources Section, Personnel Department of the Company</p> <p>June 2007 Section Manager of General Affairs Section, Tokyo Branch Office of the Company</p> <p>July 2010 Section Manager of Human Resources Section, Personnel Department of Corporate Administration Division of the Company</p> <p>July 2015 Deputy Section Manager of Internal Control Audit Office of the Company</p> <p>April 2016 Section Manager of Internal Control Audit Office of the Company (current position)</p>	21,900
<p>[Reason for nomination as candidate for Audit & Supervisory Board Member]</p> <p>Mr. Mitsuru Nose has had experiences in Personnel Department and General Affairs Section of Tokyo Branch, and has served as Section Manager of Internal Control Audit Office of the Company. Thus, he has acquired high-level insight in administration and audit. The Company has judged that by utilizing his extensive knowledge and wealth of experience in the Company's management, he will contribute to strengthening of the Company's audit & supervisory system, and requests his election as Audit & Supervisory Board Member.</p>			

(Note) Subject to the approval of his appointment, the Company plans to conclude a liability limitation agreement with him pursuant to the provisions in its Articles of Incorporation. The outline of the agreement is as stated in “(2) Outline of liability limitation agreement” on page 35 of the Business Report (Japanese version only).

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent position	Number of shares of the Company held
2	Sachiko Murase (August 3, 1972) Reelection Outside Independent	<p>April 1995 Joined NICHIIHA CORPORATION</p> <p>September 2008 Registered as lawyer (current position)</p> <p>September 2008 Joined SEIWA MEITETSU LAW OFFICE</p> <p>November 2015 Outside Audit & Supervisory Board Member of BUNKYODO GROUP HOLDINGS CO.,LTD. (current position)</p> <p>September 2018 Joined Kudanzakaue Law Office (current position)</p> <p>June 2019 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>June 2020 Maxell Holdings, Ltd.(currently Maxell, Ltd.) Outside Director (current position)</p> <p>March 2021 Outside Director of Roland Corporation</p>	0
<p>[Reason for nomination as candidate for Audit & Supervisory Board Member]</p> <p>Ms. Sachiko Murase has an extensive insight and broad knowledge as a lawyer. The Company requests her continued election as Outside Audit & Supervisory Board Member in order to utilize them for the audit and supervision of the Company.</p> <p>Although she has no direct experience in corporate management, she has broad knowledge and experiences in corporate legal affairs. Therefore, the Company believes that she will execute her duties as Outside Audit & Supervisory Board Member with the expectation of supervision on the overall management and valuable advice.</p>			

(Notes) Ms. Yukiko Murase is a candidate for Outside Audit & Supervisory Board Member. Matters concerning the candidate for Outside Audit & Supervisory Board Member are as follows:

- (1) The Company has designated her as an independent director pursuant to the rules stipulated by the Tokyo Stock Exchange and has reported to the Exchange. Subject to the approval of her reappointment, she will be continuously designated as an independent director.
- (2) She is currently serving as Outside Audit & Supervisory Board Member of the Company and will have served for a period of four years as of the conclusion of this General Meeting of Shareholders.
- (3) The Company has concluded a liability limitation agreement with her pursuant to the provisions in its Articles of Incorporation. The outline of the agreement is as stated in “(2) Outline of liability limitation agreement” on page 35 of the Business Report (Japanese version only). Subject to the approval of her reappointment, the Company plans to continue such liability limitation agreement with her.

(Reference) Independence Standards for Independent Outside Officers

The Company deems that an Outside Officer who does not fall under any of the items below is an Independent Outside Officer.

1. A person who is currently or was in the past an Executive Director, Executive Officer or Employee of the Group (Note 1)
2. Currently or in the five years prior to their appointment, a person who falls under any of the items below:
 - (1) A person for which the Group is a major client (Note 2), or an Executive Director, Executive Officer or Employee of such a client
 - (2) A major client which places orders with the Group (Note 3), or an Executive Director, Executive Officer or Employee of such a client
 - (3) A major shareholder of the Company (Note 4), or an Executive Director, Executive Officer or Employee of such a shareholder
 - (4) An Executive Director, Executive Officer or Employee of a company in which the Group is a major shareholder (Note 5)
 - (5) A legal professional, certified public accountant, licensed tax accountant, or consultant, etc. who receives monetary or other property benefits over a certain amount from the Group (Note 6), other than executive compensation (if the recipient is a corporation, partnership or any other organization, this item applies to any person belonging to the said organization.)
 - (6) A person who receives donations or assistance over a certain amount from the Group (Note 7), or a council member or another executive of such a person
 - (7) A spouse or relative within the second degree of kinship of an Executive Director, Executive Officer or senior manager of the Group with a position higher than General Manager.
3. A person who is subject to circumstances reasonably deemed unable to fulfill their duties as an Independent Outside Officer.

(Notes) 1. “The Group” refers to “the Company and its consolidated subsidiaries.”

2. “A person for which the Group is a major client” refers to “a person who receives from the Company the payment of 2% or more of their consolidated annual sales.”
3. “A major client which places orders with the Group” refers to “a person who pays the Group 2% or more of its consolidated annual sales” or “a person who lends the Group 2% or more of its consolidated total assets at the end of the fiscal year.”
4. “A major shareholder of the Company” refers to “a person who holds directly or indirectly 10% or more of its total voting rights.”
5. “A company in which the Group is a major shareholder” refers to “a person of which the Group directly or indirectly holds 10% or more of total voting rights.”
6. “Monetary or other property benefits over a certain amount” refers to “¥10 million or more in a fiscal year” in cases where the recipient is an individual. In cases where the recipient is an organization, it refers to “¥100 million or more, or 2% or more of consolidated annual sales of the said organization, whichever is larger.”
7. “Donations or assistance over a certain amount” refers to “¥10 million or more per year.”

Proposal 4: Determination on remuneration for granting transfer restriction shares to Directors (excluding Outside Directors)

At the 181st Annual General Meeting of Shareholders held on June 27, 1997, it was approved that the maximum amount of remuneration for the Company's Directors is 32 million yen per month. For the purpose of providing the Company's Directors with incentives for continuous improvement and further promoting the sharing of corporate value between Directors and shareholders, we would like to request your approval for the introduction of a remuneration system for granting transfer restriction shares to the Company's Directors (excluding Outside Directors; hereinafter referred to as "Eligible Directors").

Therefore, the total amount of monetary remuneration to be paid to Eligible Directors for granting transfer restriction shares will be an amount that is considered to be appropriate in light of the above purposes, in addition to the current monetary remuneration limit for Directors. The annual amount shall be 100 million yen or less, and the total number of the Company's common stock to be issued or disposed of under this system shall be not more than 40,000 shares per year; however, after the date of approval of this proposal, a stock split of the Company's common stock (including gratis allotment of the Company's common stock), or in the event of a share consolidation or other events that require adjustment of the total number of the Company's common stock to be issued or disposed of as transfer restriction shares, such total number shall be adjusted within a reasonable range. In addition, the specific allocation to each Eligible Director shall be determined by the Board of Directors.

The Company currently has 6 Eligible Directors, but if Proposal 2: "Election of 8 Directors" is approved as originally proposed, the number of Eligible Directors will be 5.

Based on the resolution of the Board of Directors of the Company, the Eligible Directors shall pay in all of the monetary remuneration claims arising from this proposal as properties contributed in kind, and receive the issuance or disposal of common stock of the Company. Based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the date of the resolution of the Board of Directors (if no trading occurred on the same day, the closing price on the most recent trading day prior to that), it shall be determined by the Board of Directors to the extent that it is not particularly favorable to the Eligible Directors. In addition, when issuing or disposing of the Company's common stock as its result, the Company and the Eligible Directors shall enter into a transfer restriction shares allotment agreement (hereinafter referred to as the "Allotment Agreement") that includes, as an overview, the following contents.

[Overview of the Allotment Agreement]

(1) Transfer restriction period

The Eligible Directors shall be entitled to the shares of the Company allotted under the Allotment Agreement for the period from the date of delivery of the transfer restriction shares until the date on which they lose their position as a Director of the Company or other positions determined by the Board of Directors of the Company (hereinafter referred to as the "Transfer Restriction Period"). Common stock of the Company (hereinafter referred to as the "Allotted Shares") shall not be transferred, secured or otherwise disposed of (hereinafter referred to as "Transfer Restriction").

(2) Gratis acquisition of the Allotted Shares

- (i) In the event that the Eligible Director loses any of the positions as stated in (1) above before the expiration of the period separately determined by the Board of Directors of the Company (hereinafter referred to as the "Service Provision Period"), the Company naturally acquires the Allotted Shares without consideration, unless there is a reason that the Board of Directors of the Company will recognize it as justifiable.
- (ii) When the Transfer Restriction Period expires, the Company naturally acquires without consideration the Allotted Shares for which the Transfer Restriction has not been lifted based on the provision of (3) below.
- (iii) Even immediately after the Transfer Restriction has been lifted based on the provision of (4) below, the Company naturally acquires without consideration the Allotted Shares for which the Transfer Restriction has not yet been lifted.

(3) Lifting of Transfer Restriction

The Company shall lift the Transfer Restriction of all of the Allotted Shares upon expiration of the Transfer Restriction Period, provided that the Eligible Director has continuously served as a Director of the Company or in any other positions determined by the Board of Directors of the Company for the duration of the Service Provision Period. However, if the Eligible Director loses any of the positions

stipulated in (1) above before the Service Provision Period expires due to the reasons recognized as justifiable by the Board of Directors of the Company as stipulated in (2) above, the number of the Allotted Shares for which the Transfer Restriction is to be lifted and the timing of lifting of Transfer Restriction shall be reasonably adjusted as necessary.

(4) Handling in reorganization

During the Transfer Restriction Period, if a merger agreement under which the Company is to be dissolved, a share exchange agreement or share transfer plan under which the Company is to become a wholly owned subsidiary, or any other matters relating to organizational restructuring, etc. are approved at the General Meeting of Shareholders of the Company (however, if approval by the General Meeting of Shareholders of the Company is not required for such organizational restructuring, etc., the Board of Directors of the Company), the Company shall, by a resolution of the Board of Directors of the Company, lift the Transfer Restriction with respect to a reasonably specified number of the Allotted Shares prior to the effective date of such organizational restructuring, etc.

(5) Other matters

The method of manifestation of intention and notification in the Allotment Agreement, the method of revising the Allotment Agreement, and other matters to be determined by the Board of Directors shall be set forth in the Allotment Agreement.

At the meeting of the Board of Directors held on February 8, 2021, the Company has established a policy for determining the details of remuneration for Directors, etc. Subject to the approval of this proposal, the Company plans to change the contents of such policy in line with this proposal (please refer to the Business Report (page 37) for details of the policy after the change). In addition, as stated above, the amount to be paid for the Allotted Shares is within a range that is not particularly favorable to the Eligible Directors, and the dilution ratio is minimal, the Company believes that the contents of this proposal is reasonable.

(Reference)

Subject to the approval of this proposal, the Company intends to grant the same transfer restriction shares as described above to the Executive Officers who do not concurrently serve as Directors of the Company.