

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 1828

June 7, 2023

To our shareholders:

Yoshio Watanuki
Representative Director and President
TANABE ENGINEERING CORPORATION
20 Fukuda, Joetsu City, Niigata Prefecture

Notice of the 55th Annual General Meeting of Shareholders

You are cordially notified of the 55th Annual General Meeting of Shareholders of TANABE ENGINEERING CORPORATION (the “Company”), which will be held as indicated below.

When convening the meeting, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company’s website. Please access the website by using the internet address shown below to review the information.

The Company’s website: <https://www.tanabe-ind.co.jp/> (in Japanese)

(From the above website, select “Investor Relations (I R 情報),” “IR Library (I R ライブラリ),” “Stock Information (株式について),” and then “General Meeting of Shareholders (株主総会).”)

In addition to the Company’s website mentioned above, matters subject to measures for electronic provision are also posted on the following website.

Website for posted informational materials for the general meeting of shareholders:
<https://d.sokai.jp/1828/teiji/> (in Japanese)

Instead of attending the meeting in person, you may exercise your voting rights in writing or via the internet. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:00 p.m. on Tuesday, June 27, 2023 (JST).

1. Date and Time: Wednesday, June 28, 2023 at 10:00 a.m. (JST). Reception opens at 9:30 a.m.

2. Venue: Hiten banquet room, 3rd floor of the Main Building, Hotel Century Ikaya
1-2-7, Chuo, Joetsu City, Niigata Prefecture

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Non-consolidated Financial Statements for the 55th fiscal year (from April 1, 2022 to March 31, 2023)
2. The Consolidated Financial Statements for the 55th fiscal year (from April 1, 2022 to March 31, 2023), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board

Matters to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Seven Directors |
| Proposal No. 3 | Election of Three Audit & Supervisory Board Members |
| Proposal No. 4 | Revision of Amount of Compensation for Directors |

4. How to Exercise Your Voting Rights

Please refer to “How to Exercise Your Voting Rights” (Japanese only).

- If you attend the meeting in person, please submit the enclosed voting form at the venue's reception.
- If you exercise your voting rights in writing (by post) and do not indicate approval or disapproval of a proposal, it will be treated as an indication of approval.
- If you exercise your voting rights more than once via the internet, only the last vote shall be deemed effective.
- Please note that should you exercise your voting rights both via the internet and in writing (by post), your online vote will prevail, regardless of when the votes are received.
- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company's aforementioned website and the website for posted informational materials for the general meeting of shareholders.
- For this general meeting of shareholders, we have delivered paper-based documents stating the matters subject to measures for electronic provision to all shareholders, regardless of whether or not they have requested them. Among the matters subject to measures for electronic provision, in accordance with laws and regulations and Article 14 of the Company's Articles of Incorporation, the following matters are not included in the paper-based documents delivered to shareholders.

1) Notes to Non-consolidated Financial Statements

2) Notes to Consolidated Financial Statements

Accordingly, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements included in the paper-based documents constitute a part of the documents audited by the Financial Auditor in preparing the financial audit report and the Audit & Supervisory Board Members (Audit and Supervisory Committee, Audit & Supervisory Board) in preparing the audit report.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company maintains a basic policy to return profits to its shareholders by paying stable dividends on a continual basis while striving to strengthen the corporate structure by enhancing internal reserves, and furthermore by distributing a special dividend considering matters including improvement of business performance.

Having given comprehensive consideration to such matters as business performance, the dividend payout ratio and financial condition, the Company proposes to pay a year-end dividend of ¥40 per share (¥7 higher than the previous year) for the 55th fiscal year.

Type of dividend property

Cash

Allotment of dividend property and their aggregate amount

¥40 per common share of the Company

Total dividends: ¥428,036,640

Effective date of dividends of surplus

June 29, 2023

Proposal No. 2 Election of Seven Directors

The terms of office of all six Directors will expire at the conclusion of this meeting. As such, the Company proposes increasing the number of Directors by one to strengthen the management structure and the election of seven Directors. The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility	Attributes
1	Yoshio Watanuki	Representative Director, President and Executive Officer	Reelection
2	Fumio Mizusawa	Executive Managing Director In charge of OSAKA Branch Office, NAGOYA Branch Office, HIMEJI Technology Center, Power Operation Department and TANABE (THAILAND) Co., Ltd.	Reelection
3	Hisayuki Yamaguchi	Executive Managing Director Branch Manager of OUMI Branch Office in charge of Quality and Safety Promotion Office, Engineering Department, HOKURIKU Branch Office and OMTA Branch Office	Reelection
4	Yuichi Gommori	Senior Executive Director General Manager of Corporate Administration Division	Reelection
5	Eiichi Aoki	Managing Executive Officer Branch Manager of CHIBA Branch Office, in charge of KASHIMA Branch Office and SAITAMA Technology Center	New election
6	Yuichi Yokota	Unaffiliated Director	Reelection Unaffiliated Independent
7	Naoki Nomoto	Unaffiliated Director	Reelection Unaffiliated Independent

Reelection Candidate for reelection as Director
 New election Candidate for new election as Director
 Unaffiliated Candidate for election as Unaffiliated Director
 Independent Independent Officer as provided for by stock exchanges, etc.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
1	<p data-bbox="352 365 523 427">Yoshio Watanuki (July 3, 1941)</p> <p data-bbox="288 432 587 551">Reelection Attendance record at meetings of the Board of Directors 17 out of 17</p>	<p data-bbox="612 264 975 293">Feb. 1969 Joined the Company</p> <p data-bbox="612 297 1155 360">Oct. 1981 Director and General Manager of Sales Department</p> <p data-bbox="612 365 1203 427">Apr. 1990 Managing Director and General Manager of Sales Division</p> <p data-bbox="612 432 1155 495">June 1990 Senior Managing Director and General Manager of Sales Division</p> <p data-bbox="612 499 1145 528">Oct. 1998 Representative Director and President</p> <p data-bbox="612 533 1150 595">June 2009 Representative Director, President and Executive Officer (current position)</p> <p data-bbox="612 600 1134 629">Significant concurrent positions outside the Company</p> <p data-bbox="612 633 624 663">-</p>	320,500 shares
<p data-bbox="277 667 756 696">Reasons for nomination as candidate for Director</p> <p data-bbox="277 701 1442 815">Yoshio Watanuki joined the Company in 1969, and was appointed Representative Director and President in 1998, after serving as Director and General Manager of Sales Department, Managing Director, and Senior Managing Director. He has extensive experience and knowledge on business management of the Company as a whole, and the Company deems that he will contribute to the sustainable growth of the Company and thereby requests his reelection as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
2	<p>Fumio Mizusawa (April 22, 1955) Reelection Attendance record at meetings of the Board of Directors 17 out of 17</p>	<p>Feb. 1983 Joined the Company Sept. 1998 Representative Director and President of TANABE (THAILAND) Co., Ltd. June 2003 Director and General Manager of Industrial Machinery Engineering Department of the Company June 2009 Retired from Director Senior Executive Officer and General Manager of Industrial Machinery Engineering Department in charge of Power Operation Department Apr. 2010 Senior Executive Officer and Head of SAITAMA Technology Center Apr. 2011 Senior Executive Officer and General Manager of Sales Department Apr. 2012 Senior Executive Officer and Branch Manager of HOKURIKU Branch Office June 2013 Senior Executive Director and Branch Manager of HOKURIKU Branch Office in charge of Power Operation Department June 2016 Executive Managing Director and Branch Manager of HOKURIKU Branch Office in charge of Power Operation Department Apr. 2018 Executive Managing Director, Branch Manager of OSAKA Branch Office in charge of NAGOYA Branch Office and HIMEJI Technology Center Apr. 2021 Executive Managing Director in charge of OSAKA Branch Office, NAGOYA Branch Office, HIMEJI Technology Center and TANABE (THAILAND) Co., Ltd. Apr. 2022 Executive Managing Director in charge of OSAKA Branch Office, NAGOYA Branch Office, HIMEJI Technology Center, Power Operation Department and TANABE (THAILAND) Co., Ltd. (current position) Significant concurrent positions outside the Company -</p>	55,700 shares
<p>Reasons for nomination as candidate for Director Fumio Mizusawa joined the Company in 1983 and has been mainly engaged in electric instrumentation business and power operation, and was appointed Director in June 2013 and has been in charge of management of the Company, after serving as Representative Director of TANABE (THAILAND) CO., LTD. He has extensive experience and knowledge of field activities, and the Company deems that he will contribute to the sustainable growth of the Company from a global perspective based on his wealth of experience and achievement overseas and thereby requests his reelection as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
3	Hisayuki Yamaguchi (June 15, 1956) Reelection Attendance record at meetings of the Board of Directors 17 out of 17	<p>Apr. 1979 Joined the Company</p> <p>June 2009 Executive Officer and Branch Manager of CHIBA Branch Office</p> <p>Apr. 2013 Executive Officer and Branch Manager of OUMI Branch Office</p> <p>June 2013 Senior Executive Officer and Branch Manager of OUMI Branch Office</p> <p>June 2014 Senior Executive Director and Branch Manager of OUMI Branch Office</p> <p>June 2016 Executive Managing Director and Branch Manager of OUMI Branch Office</p> <p>Apr. 2018 Executive Managing Director, Branch Manager of OUMI Branch Office in charge of Quality and Safety Promotion Office and HOKURIKU Branch Office</p> <p>June 2020 Executive Managing Director, Branch Manager of OUMI Branch Office in charge of Quality and Safety Promotion Office, HOKURIKU Branch Office and OMUTA Branch Office</p> <p>June 2022 Executive Managing Director, Branch Manager of OUMI Branch Office in charge of Quality and Safety Promotion Office, Engineering Department, HOKURIKU Branch Office and OMUTA Branch Office (current position)</p> <p>Significant concurrent positions outside the Company -</p>	29,800 shares
<p>Reasons for nomination as candidate for Director</p> <p>Hisayuki Yamaguchi joined the Company in 1979 and has been mainly engaged in the industrial plant facility construction business, and was appointed Director in June 2014 and has been in charge of management of the Company. He has extensive experience and knowledge of field activities, and the Company deems that he will contribute to the sustainable growth of the Company and thereby requests his reelection as Director.</p>			
4	Yuichi Gommori (February 18, 1957) Reelection Attendance record at meetings of the Board of Directors 17 out of 17	<p>Apr. 1979 Joined the Company</p> <p>Apr. 2013 General Manager of Administration Department</p> <p>June 2014 Executive Officer and General Manager of Administration Department</p> <p>June 2015 Senior Executive Officer and General Manager of Administration Department</p> <p>June 2016 Senior Executive Director and General Manager of Administration Department</p> <p>Apr. 2018 Senior Executive Director and General Manager of Corporate Administration Division (current position)</p> <p>Significant concurrent positions outside the Company -</p>	17,000 shares
<p>Reasons for nomination as candidate for Director</p> <p>Yuichi Gommori joined the Company in 1979 and has been mainly engaged in businesses such as accounting and finance, and was appointed Director in June 2016 and has been in charge of management of the Company. He has knowledge on management administration operations and business management, and thereby the Company requests his reelection as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
5	Eiichi Aoki (September 25, 1960) New election Attendance record at meetings of the Board of Directors -	Apr. 1985 Joined the Company Apr. 2013 Branch Manager of KASHIMA Branch Office June 2016 Executive Officer and Branch Manager of KASHIMA Branch Office Apr. 2018 Executive Officer and Branch Manager of CHIBA Branch Office in charge of KASHIMA Branch Office June 2019 Senior Executive Officer and Branch Manager of CHIBA Branch Office in charge of KASHIMA Branch Office June 2022 Executive Managing Officer, Branch Manager of CHIBA Branch Office, in charge of KASHIMA Branch Office and SAITAMA Technology Center (current position) Significant concurrent positions outside the Company -	12,000 shares
<p>Reasons for nomination as candidate for Director</p> <p>Eiichi Aoki joined the Company in 1985 and has been mainly engaged in the industrial plant facility construction business, and has been an Executive Managing Officer since June 2022. He has extensive experience and knowledge of on-site management, such as involvement in various major projects, and the Company deems that he will contribute to the sustainable growth of the Company and thereby requests his election as Director.</p>			
6	Yuichi Yokota (June 17, 1953) Reelection Unaffiliated Independent Attendance record at meetings of the Board of Directors 17 out of 17	Apr. 1972 Joined Mitsubishi Electric Corporation Apr. 2006 Branch Manager of Niigata Branch, Kanetsu Branch Office Apr. 2012 General Manager of Facility Sales Department, Kanetsu Branch Office of Mitsubishi Electric Building Techno-Service Co., Ltd. Apr. 2014 Advisor to Branch Manager of Kanetsu Branch Office and temporarily assigned to Niigata Branch Mar. 2016 Retired June 2016 Unaffiliated Director of the Company (current position) Significant concurrent positions outside the Company -	-
<p>Reasons for nomination as candidate for Unaffiliated Director and expected role</p> <p>Yuichi Yokota has never been directly involved in the management of a company. However, since he was appointed Unaffiliated Director of the Company in June 2016, he has utilized his extensive work experience and knowledge he had accumulated to the Company's management and has provided appropriate advice to its overall management from a broad perspective, and thereby the Company requests his reelection as Unaffiliated Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
7	Naoki Nomoto (December 24, 1958) Reelection Unaffiliated Independent Attendance record at meetings of the Board of Directors 16 out of 17	Oct. 1987 Joined Chuo Audit Corporation (became Chuo Shinko Audit Corporation as a result of a merger) July 1989 Retired from Chuo Shinko Audit Corporation July 1989 Joined Ota Showa Audit Corporation (now Ernst & Young ShinNihon LLC) Sept. 2010 Manager of Nagaoka Office June 2017 Retired from Ernst & Young ShinNihon LLC July 2017 Head of Naoki Nomoto Certified Public Accountant Office (current position) June 2018 Unaffiliated Director of the Company (current position) Significant concurrent positions outside the Company Head of Naoki Nomoto Certified Public Accountant Office	-
Reasons for nomination as candidate for Unaffiliated Director and expected role Naoki Nomoto has never been directly involved in the management of a company. However, he has cultivated specialist knowledge and experience as a certified public accountant, and the Company expects him to contribute to strengthening the corporate governance by utilizing such knowledge and experience and providing advice on its overall management, and thereby requests his reelection as Unaffiliated Director.			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. Candidates for Director Yuichi Yokota and Naoki Nomoto are candidates for Unaffiliated Director.
 3. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Yuichi Yokota and Naoki Nomoto have been designated as independent officers as provided for by the aforementioned exchange, and plans to designate them as independent officers again if their reelection is approved at this meeting.
 4. The Company has concluded agreements with Yuichi Yokota and Naoki Nomoto to limit their liability to compensate for damages prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the same Act. If their reelection is approved, the Company intends to extend this limited liability agreement. The maximum amount of the liability for damages based on said agreements shall be the minimum amount prescribed in Article 425, Paragraph 1 of the same Act. If their reelection is approved, the Company intends to extend these limited liability agreements.
 5. The Company has entered into a Directors & Officers Liability Insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. This agreement covers all directors, executive officers, and corporate auditors in the event that they are held liable for damages, etc. arising from their duties (does not apply to cases that are excluded within the insurance agreement). If the candidates are elected and assume office as directors, they will become insureds under this insurance agreement.
This insurance agreement comes up for renewal on June 30, 2023.
 6. Yuichi Yokota will have served as Unaffiliated Director for seven years at the conclusion of this meeting.
 7. Naoki Nomoto will have served as Unaffiliated Director for five years at the conclusion of this meeting.

Proposal No. 3 Election of Three Audit & Supervisory Board Members

The terms of office of all three Audit & Supervisory Board Members will expire at the conclusion of this meeting. As such, the Company proposes the election of three Audit & Supervisory Board Members.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

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

Candidate No.	Name	Current position	Attributes
1	Sunao Kosugi	Senior Audit & Supervisory Board Member	Reelection
2	Hideo Ito	Unaffiliated Audit & Supervisory Board Member	Reelection Unaffiliated Independent
3	Ryuichi Shimamune	Unaffiliated Audit & Supervisory Board Member	Reelection Unaffiliated Independent

Reelection

Candidate for reelection as Audit & Supervisory Board Member

Unaffiliated

Candidate for election as Unaffiliated Audit & Supervisory Board Member

Independent

Independent Officer as provided for by stock exchanges, etc.

Candidate No.	Name (Date of birth)	Career summary and position in the Company		Number of the Company's shares owned
1	Sunao Kosugi (November 11, 1950) Reelection Attendance record at meetings of the Audit & Supervisory Board 11 out of 11	Apr. 1974	Joined the Company	68,200 shares
		Apr. 1994	General Manager of Industrial Machinery Engineering Department	
		June 1995	Director and Branch Manager of OUMI Branch Office	
		June 2009	Executive Managing Director and Branch Manager of OUMI Branch Office in charge of Sales (Hokushinetsu)	
		Apr. 2013	Executive Managing Director and Branch Manager of CHIBA Branch Office in charge of KASHIMA Branch Office	
		June 2016	Senior Audit & Supervisory Board Member (current position)	
		Significant concurrent positions outside the Company		
		-		
Reasons for nomination as candidate for Audit & Supervisory Board Member Sunao Kosugi has served as Director and assumed other important positions of the Company for many years and has extensive experience and excellent insight on the Company in general. The Company deems that he will provide advice from an objective and neutral standpoint based on his experience and insight and is capable of performing his duties appropriately as Audit & Supervisory Board Member, and thereby requests his reelection as Audit & Supervisory Board Member.				
2	Hideo Ito (August 1, 1954) Reelection Unaffiliated Independent Attendance record at meetings of the Audit & Supervisory Board 11 out of 11	Apr. 1993	Registered as Attorney-at-Law	-
		Apr. 1997	Head of Ryokufu Law Office (current position)	
		Apr. 2007	Vice Chairman of Niigata Bar Association	
		June 2011	Unaffiliated Audit & Supervisory Board Member of the Company (current position)	
		Apr. 2012	Chairman of Niigata Bar Association	
		Significant concurrent positions outside the Company		
		Head of Ryokufu Law Office		
Reasons for nomination as candidate for Unaffiliated Audit & Supervisory Board Member Hideo Ito has never been directly involved in the management of a company. However, the Company expects that his advice based on the legal knowledge and experience he has cultivated as an attorney at law will contribute to its audit system, and thereby requests his reelection as Unaffiliated Audit & Supervisory Board Member.				

Candidate No.	Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
3	Ryuichi Shimamune (August 16, 1955) Reelection Unaffiliated Independent Attendance record at meetings of the Audit & Supervisory Board 11 out of 11	<p>Apr. 1978 Joined Kanto-Shinetsu Regional Taxation Bureau</p> <p>July 2009 District Director of Ojiya Tax Office</p> <p>July 2011 Director of Planning Division</p> <p>July 2012 Director of First Personnel Division</p> <p>July 2014 Deputy Assistant Regional Commissioner of Revenue Management and Collection Department</p> <p>July 2015 Assistant Regional Commissioner of Large Enterprise Examination and Criminal Investigation Department</p> <p>July 2016 Retired from Kanto-Shinetsu Regional Taxation Bureau</p> <p>Aug. 2016 Registered as tax accountant</p> <p>Oct. 2017 Head of Saito & Shimamune Tax Accountants Corporation Miyauchi Office (current position)</p> <p>June 2019 Outside Director (Audit and Supervisory Committee Member) of NIPPON SEIKI CO., LTD. (current position)</p> <p>June 2019 Unaffiliated Audit & Supervisory Board Member of the Company (current position)</p> <p>Significant concurrent positions outside the Company Head of Saito & Shimamune Tax Accountants Corporation Miyauchi Office Outside Director (Audit and Supervisory Committee Member) of NIPPON SEIKI CO., LTD.</p>	-
<p>Reasons for nomination as candidate for Unaffiliated Audit & Supervisory Board Member</p> <p>Ryuichi Shimamune has never been directly involved in the management of a company. However, he has cultivated advanced specialist knowledge as a tax accountant, and the Company expects him to perform accurate audits on its overall management from a broad perspective by reflecting such knowledge in its audit system, and thereby requests his election as Unaffiliated Audit & Supervisory Board Member.</p>			

- (Notes)
- There is no special interest between any of the candidates and the Company.
 - Hideo Ito and Ryuichi Shimamune are candidates for Unaffiliated Audit & Supervisory Board Member.
 - The Company has submitted notification to Tokyo Stock Exchange, Inc. that Hideo Ito and Ryuichi Shimamune have been designated as independent officers as provided for by the aforementioned exchange, and plans to designate them as independent officers again if their reelection is approved at this meeting.
 - The Company has concluded agreements with Hideo Ito and Ryuichi Shimamune to limit their liability to compensate for damages prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the same Act. If their reelection is approved, the Company intends to extend this limited liability agreement. The maximum amount of the liability for damages based on said agreements shall be the minimum amount prescribed in Article 425, Paragraph 1 of the same Act. If their reelection is approved, the Company intends to extend these limited liability agreements.
 - The Company has entered into a Directors & Officers Liability Insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. This agreement covers all directors, executive officers, and corporate auditors in the event that they are held liable for damages, etc. arising from their duties (does not apply to cases that are excluded within the insurance agreement). If the candidates are elected and assume office as Audit & Supervisory Board Members, they will become insureds under this insurance agreement.
This insurance agreement comes up for renewal on June 30, 2023.
 - Hideo Ito will have served as Unaffiliated Director for twelve years at the conclusion of this meeting.
 - Ryuichi Shimamune will have served as Unaffiliated Director for four years at the conclusion of this meeting.
 - Ryuichi Shimamune plans to retire as Outside Director (Audit & Supervisory Committee Member) of NIPPON SEIKI CO., LTD. on June 28, 2023.

Proposal No. 4 Revision of Amount of Compensation for Directors

The amount of compensation for Directors was resolved to be up to ¥170,000,000 per year in the 38th Annual General Meeting of Shareholders, held on June 29, 2006, and this has continued to date, but considering subsequent changes in economic conditions and the situation in general, and due to the increase in the number of Directors by one to further strengthen the management structure, the Company proposes to change the amount of compensation for Directors to up to ¥220,000,000 per year. As in the past, the amount of compensation for Directors will not include the employee wages of Directors who concurrently serve as employees.

This proposal is deemed to be reasonable given comprehensive consideration of factors such as the size of the Company's business, the officer compensation system and payment levels, the current number of Directors and future trends.

Furthermore, the policy on determination of the content of individual compensation, etc. of the Company's Directors is stated in the Business Report under 4. Matters concerning the Directors and Audit & Supervisory Board Members of the Company, (2) ii. Policy, etc. on determination of the content of compensation, etc. of the Directors and Audit & Supervisory Board Members (Japanese only).

There are currently six Directors (including two Unaffiliated Directors), but there will be seven Directors (including two Unaffiliated Directors) if Proposal No. 2 is approved as proposed.