

(Stock code: 6289)  
November 9, 2023

To All Shareholders

Nunoshida 3948-1, Kochi-shi,  
Kochi Prefecture

**GIKEN LTD.**  
Representative Director and President  
Shinnosuke Moribe

## Notice of Convocation of the 42nd Ordinary General Meeting of Shareholders

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

You are cordially invited to attend the 42nd Ordinary General Meeting of Shareholders of Giken Ltd. (the “Company”). The meeting will be held for the purposes as described below.

Information in the Reference Documents for the General Meeting of Shareholders (items subject to electronic provision) is provided electronically and available on the websites. Please access the any of the following website to check.

### Company website

<https://www.giken.com/ja/ir/general-meeting-of-shareholders/>

(Access the above website.)



### Tokyo Stock Exchange website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show = Show>

(Access the above website and enter “Giken” in “Issue name (Company name)” or “6289” in “Code”. Click “Basic information” > “Documents for public inspection/PR information” and check “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” under “Filed information for public information”.)



### Website for materials of the General Meeting of Shareholders

<https://d.sokai.jp/6289/teiji/>



If you are unable to attend the meeting, you may exercise your voting rights in writing or via the internet. When exercising your voting rights in writing or via the internet, please review the attached Reference Documents for the General Meeting of Shareholders, refer to the Guide to Exercise of Voting Rights on the following page, and exercise your voting rights no later than 5:00 p.m. on Monday, November 27, 2023, Japan time.

<b>1 Date and Time</b>	10:00 a.m., Tuesday, November 28, 2023 (Reception opens at 9:00 a.m.)												
<b>2 Place</b>	155, Takasu-sunaji, Kochi-shi, Kochi Prefecture Rainbow Hall, third floor, Chres												
<b>3 Meeting Agenda</b>	<p><b>Matters to be reported</b></p> <ol style="list-style-type: none"> <li>1. The Business Report and Consolidated Financial Statements for the Company's 42nd Fiscal Year (September 1, 2022 – August 31, 2023) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors</li> <li>2. Non-consolidated Financial Statements for the Company's 42nd Fiscal Year (September 1, 2022 – August 31, 2023)</li> </ol> <p><b>Proposals to be resolved</b></p> <table> <tr> <td>Proposal 1</td> <td>Appropriation of Surplus</td> </tr> <tr> <td>Proposal 2</td> <td>Partial Amendment to the Articles of Incorporation</td> </tr> <tr> <td>Proposal 3</td> <td>Election of 7 Directors</td> </tr> <tr> <td>Proposal 4</td> <td>Election of 3 Corporate Auditors</td> </tr> <tr> <td>Proposal 5</td> <td>Revision of Total Remuneration of Directors</td> </tr> <tr> <td>Proposal 6</td> <td>Decision on Remuneration to Grant Restricted Stocks to Directors (excluding Outside Directors)</td> </tr> </table>	Proposal 1	Appropriation of Surplus	Proposal 2	Partial Amendment to the Articles of Incorporation	Proposal 3	Election of 7 Directors	Proposal 4	Election of 3 Corporate Auditors	Proposal 5	Revision of Total Remuneration of Directors	Proposal 6	Decision on Remuneration to Grant Restricted Stocks to Directors (excluding Outside Directors)
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Proposal 2	Partial Amendment to the Articles of Incorporation												
Proposal 3	Election of 7 Directors												
Proposal 4	Election of 3 Corporate Auditors												
Proposal 5	Revision of Total Remuneration of Directors												
Proposal 6	Decision on Remuneration to Grant Restricted Stocks to Directors (excluding Outside Directors)												
<b>4 Handling of Exercise of Voting Rights</b>	<ul style="list-style-type: none"> <li>- If you exercise the voting rights multiple times on the internet, etc., the last exercise of the voting rights will be deemed valid.</li> <li>- If you exercise your voting rights both on the internet, etc. and in writing (by post), the exercise of the voting rights on the internet, etc. will be deemed valid regardless of the date and time of arrival.</li> <li>- If you exercise the voting rights in writing (by post) and do not indicate approval or disapproval of the proposals on the Voting Rights Exercise Form, it will be deemed as indication of approval.</li> <li>- Please also see the Information on the Exercise of Voting Rights on the next page.</li> </ul>												

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- If there are changes to the items subject to electronic provision, items before and after the changes will be made available on each of the above websites.
- For the General Meeting of Shareholders, printed documents including the items subject to electronic provision will be provided regardless of request for provision of printed documents. However, the following items will be omitted in accordance with laws and regulations and provisions of Article 16 Paragraph 2 of the Company's Articles of Incorporation.
  - 1) "System for Ensuring Appropriateness of Operations" and "Overview of Operation of System for Ensuring Appropriateness of Operations" in the business report
  - 2) "Consolidated Statements of Changes in Net Assets" and "Notes to Consolidated Financial Statements" in the consolidated financial statements
  - 3) "Non-consolidated Statements of Changes in Net Assets" and "Notes to Non-consolidated Financial Statements" in the non-consolidated financial statements

The business report, consolidated financial statements, and non-consolidated financial statements are part of the documents audited by the Accounting Auditor when preparing the accounting audit report written in this notice and by the Corporate Auditors when preparing the audit report.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1

### Appropriation of Surplus

The Company proposes to appropriate surplus as described below.

Matters regarding year-end dividend

Regarding the year-end dividend for the 42nd term, the Company proposes to pay 20.00 yen per share taking into account the business results for the fiscal year and the future business development. This brings the annual dividend including the interim dividend to 40.00 yen per share.

- |  |   |
|--|---|
| (1) Type of dividend property  | Cash  |
| (2) Distribution of dividend property,<br>and the total amount thereof | 20.00 yen per share of the Company's common stock<br>The total amount of dividend is 544,352,200 yen. |
| (3) Effective date of distribution of surplus                          | Wednesday, November 29, 2023  |

**Proposal 2**

## **Partial Amendment to the Articles of Incorporation**

The Company proposes to amend part of the Articles of Incorporation as described below.

1. Reasons for the amendment

In order to maintain and improve independent and objective supervision of management by the Board of Directors, the Company proposes to amend Article 23 of the current Articles of Incorporation designating the President as the chair of the Board of Directors' meetings to enable other Directors to chair the Board of Directors' meetings.

2. Details of the amendment

Details of the amendment are as follows.

(The proposed amendment is underlined.)

<b>Current Articles of Incorporation</b>	<b>Proposed amendment</b>
(Person Authorized to Convene Board of Directors' Meetings and Chairperson) Article 23 The Board of Director's meetings shall be convened and chaired by <u>the President</u> unless otherwise stipulated by laws and regulations.  2. If <u>the President</u> is unable to serve, other Directors shall replace in the order resolved by the Board of Directors in advance.	(Person Authorized to Convene Board of Directors' Meetings and Chairperson) Article 23 The Board of Directors' meetings shall be convened and chaired by <u>the Director determined in advance by a resolution of the Board of Directors</u> , unless otherwise stipulated by laws and regulations.  2. If <u>the Director prescribed in the preceding paragraph</u> is unable to serve, other Directors shall replace in the order determined in advance by a resolution of the Board of Directors.

**Proposal 3****Election of 7 Directors**

The terms of office of all the present 14 Directors will expire at the closing of this Ordinary General Meeting of Shareholders. We propose to reduce the number of directors by 7 to enable strategic and flexible decision-making at the Board of Directors, and elect 7 Directors including 3 Outside Directors.

The candidates for Directors are as follows.

No.	Name	Current position and responsibilities at the Company				
<b>1</b>	<b>Shinnosuke Moribe</b>	Representative Director and President	-	Reappointment		
<b>2</b>	<b>Atsushi Ohira</b>	Executive Vice President	-	Reappointment		
<b>3</b>	<b>Mika Maeda</b>	Executive Director	Overseas Business	Reappointment		
<b>4</b>	<b>Yusei Morino</b>	Director	Administration Headquarters	Reappointment		
<b>5</b>	<b>Shoji Iwakuro</b>	Independent Outside Director	-	Reappointment	Outside	Independent
<b>6</b>	<b>Tomomi Hisamatsu</b>	Independent Outside Director	-	Reappointment	Outside	Independent
<b>7</b>	<b>Takaaki Iwaki</b>	Independent Outside Director	-	Reappointment	Outside	Independent

No. 1

## Shinnosuke Moribe

### Reappointment

**Date of birth**

October 2, 1951

**Number of the Company's  
shares held**

8,432

**Attendance at the Board of  
Directors' meetings**

13/13

**Career summary, positions and areas of responsibility at the Company, and important concurrent positions**

Mar. 2012	Left Kochi Prefectural Government Office
Jun. 2012	Joined the Company
Oct. 2012	Operating Officer, General Manager of Construction Solutions Department, Deputy General Manager of GTOSS Sales Department, and General Manager of JPA Support Department, the Company
Feb. 2013	Operating Officer and General Manager of Construction Solutions Department, the Company
Nov. 2013	Managing Director, the Company
Nov. 2015	Executive Director, the Company
Jun. 2016	Executive Vice President, the Company
Mar. 2020	Managing Director, Giken Europe B.V.
<b>Nov. 2020</b>	<b>Representative Director and President, the Company (current position)</b>

**<Reasons for nomination as a Director candidate>**

Mr. Shinnosuke Moribe has abundant experience and track record in public administration. Since 2013, he has been serving as a Director of the Company and fulfilling his role in corporate management with high levels of insight and skills. The Company therefore renominates him as a Director candidate.

No. 2

## Atsushi Ohira

### Reappointment

**Date of birth**

February 3, 1959

**Number of the Company's  
shares held**

6,712

**Attendance at the Board of  
Directors' meetings**

13/13

**Career summary, positions and areas of responsibility at the Company, and important concurrent positions**

Apr. 1981	Joined GIKEN SEKO CO., LTD.
Mar. 1999	General Manager of West Japan Operations Department, GIKEN SEKO CO., LTD.
Sep. 2003	Temporary transfer to Giken America Corporation
Feb. 2009	Temporary transfer to Operating Officer and General Manager of Construction Solutions Department, the Company
Jun. 2011	Operating Officer, General Manager of Construction Solutions Department, and General manager of JPA Support Department, the Company
Oct. 2012	Managing Operating Officer, GIKEN SEKO, CO., LTD.
Nov. 2013	Executive Director, GIKEN SEKO, CO., LTD.
Nov. 2014	Director, the Company
Nov. 2015	President, GIKEN SEKO CO., LTD.
Sep. 2020	Managing Director, Giken Seisakusho Asia Pte., Ltd.
<b>Mar. 2022</b>	<b>Executive Vice President, the Company (current position)</b>
	Managing Director, Giken Europe B.V.
<b>May 2022</b>	<b>Executive Chairman, GIKEN SEKO CO., LTD. (current position)</b>
<b>Apr. 2023</b>	<b>President, Giken America Corporation (current position)</b>

**Important concurrent position**

Executive Chairman, GIKEN SEKO CO., LTD.  
President, Giken America Corporation

**<Reasons for nomination as a Director candidate>**

Mr. Atsushi Ohira has abundant experience and track record in the construction and sales departments as President of GIKEN SEKO CO., LTD. Since 2014, he has been serving as a Director of the Company and fulfilling his role in corporate management with high levels of insight and skills. The Company therefore renominates him as a Director candidate.

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No. 3

## Mika Maeda

### Reappointment

**Date of birth**  
August 2, 1966

**Number of the Company's shares held**  
16,310

**Attendance at the Board of Directors' meetings**  
13/13

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No. 4

## Yusei Morino

### Reappointment

**Date of birth**  
June 1, 1977

**Number of the Company's shares held**  
2,400

**Attendance at the Board of Directors' meetings**  
13/13

### Career summary, positions and areas of responsibility at the Company, and important concurrent positions

Apr. 1989	Joined the Company
Feb. 2013	Department Leader, Planning Department, the Company
Sep. 2015	Department Leader, Management Strategy Department, the Company
Sep. 2016	Operating Officer in charge of the Press-in Products Business, the Company
Nov. 2016	Director, the Company
Nov. 2017	Managing Director, the Company
Jun. 2020	Managing Director, GIKEN SEKO, CO., LTD.
Nov. 2020	Executive Director, the Company
<b>Aug. 2022</b>	<b>Executive Director, GIKEN SEKO, CO., LTD. (current position)</b>
<b>Nov. 2022</b>	<b>Executive Director, Overseas Business, the Company (current position)</b>

### Important concurrent position

Executive Director, GIKEN SEKO, CO., LTD.

### <Reasons for nomination as a Director candidate>

Ms. Mika Maeda has abundant experience in the Company's administration department and main businesses. Since 2016, she has been serving as a Director of the Company and fulfilling her role with high levels of insight and skills. The Company therefore renominates her as a Director candidate.

### Career summary, positions and areas of responsibility at the Company, and important concurrent positions

Apr. 1996	Joined the Company
Sep. 2016	Department Leader, Production Management Department, the Company
Nov. 2017	Operating Officer in charge of the Press-in Products Business, the Company
Nov. 2021	Director, the Company
<b>Nov. 2022</b>	<b>Director in charge of Administration Headquarters, the Company</b>

### <Reasons for nomination as a Director candidate>

Mr. Yusei Morino has abundant experience and track record in the Company's Press-in Products Business and administration department. Since 2021, he has been serving as a Director of the Company and fulfilling his role in corporate management with high levels of insight and skills. The Company therefore renominates him as a Director candidate.

No. 5  
**Shoji  
Iwakuro**

Reappointment

Outside

Independent

**Date of birth**

July 11, 1952

**Number of the Company's  
shares held**

900

**Attendance at the Board of  
Directors' meetings**

13/13

No. 6  
**Tomomi  
Hisamatsu**

Reappointment

Outside

Independent

**Date of birth**

July 7, 1953

**Number of the Company's  
shares held**

1,400

**Attendance at the Board of  
Directors' meetings**

13/13

**Career summary, positions and areas of responsibility at the Company, and important concurrent positions**

Apr. 1970	Joined Komatsu Ltd.
Apr. 2006	President, Komatsu (Changzhou) Foundry Corporation
Apr. 2010	Executive Director and General Manager of Production Division, Komatsu Castex Ltd. (currently Komatsu Ltd.)
Jun. 2014	Standing Corporate Auditor, Komatsu Ltd.
Jul. 2017	Retired as Standing Corporate Auditor, Komatsu Ltd.
Nov. 2017	<b>Outside Director, the Company (current position)</b>

**Reasons for nomination as an Outside Director candidate and the role expected of the candidate**

Mr. Shoji Iwakuro has abundant experience and track record in the manufacturing industry in Japan and overseas. The Company renominates him as an Outside Director candidate on expectations that he would appropriately fulfill his duties as the Company's Outside Director, which include contributing to the Company's growth and improvement in its corporate values and supervising business execution.

**Career summary, positions and areas of responsibility at the Company, and important concurrent positions**

Apr. 1978	Joined Taiyo Tanko Co., Ltd. (currently Taiyo Co., Ltd.)
Aug. 1984	Director, Taiyo Tanko Co., Ltd.
Jul. 1986	Executive Vice President, Taiyo Tanko Co., Ltd.
Aug. 1986	<b>Director, Tosa Soko Co., Ltd. (current position)</b>
Aug. 1992	President, Taiyo Tanko Co., Ltd.
Jul. 1997	<b>President, Taiyo Co., Ltd. (current position)</b>
Aug. 2001	<b>Representative Director and President, NIHON BLADE co., ltd. (current position)</b>
Nov. 2020	<b>Outside Director, the Company (current position)</b>

**Important concurrent position**

President, Taiyo Co., Ltd.  
Representative Director and President, NIHON BLADE co., ltd.  
Director, Tosa Soko Co., Ltd.

**Reasons for nomination as an Outside Director candidate and the role expected of the candidate**

Mr. Tomomi Hisamatsu has abundant experience and track record as a corporate manager in Japan and overseas. The Company renominates him as an Outside Director candidate on expectations that he would, from a global and objective standpoint, appropriately fulfill his duties as the Company's Outside Director, which include contributing to the Company's growth and improvement in its corporate values and supervising business execution.



No. 7  
**Takaaki  
Iwaki**

Reappointment

Outside

Independent

**Date of birth**

November 30, 1952

**Number of the Company's  
shares held**

1,000

**Attendance at the Board of  
Directors' meetings**

12/13

**Career summary, positions and areas of responsibility at the Company, and important concurrent positions**

Aug. 1978	Joined Kochi Prefectural Government Office
Apr. 2009	General Manager of Industrial Promotion Department
Jan. 2012	Deputy Governor of Kochi Prefecture
Mar. 2021	Retired
Jun. 2021	<b>Representative Director and President, Kochi Airport Terminal Building Co., Ltd. (current position)</b>
	<b>Outside Director, Nippon Kodoshi Corporation (current position)</b>
Nov. 2021	<b>Outside Director, the Company (current position)</b>

**Important concurrent position**

Representative Director and President, Kochi Airport Terminal Building Co., Ltd.  
Outside Director, Nippon Kodoshi Corporation

**Reasons for nomination as an Outside Director candidate and the role expected of the candidate**

Mr. Takaaki Iwaki has a high level of insight cultivated through long and abundant experience in public administration. The Company renominates him as an Outside Director candidate on expectations that he would appropriately fulfill his duties as the Company's Outside Director, which include contributing to the Company's growth and improvement in its corporate values and supervising business execution.

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

2. Mr. Shoji Iwakuro, Mr. Tomomi Hisamatsu, and Mr. Takaaki Iwaki are candidates for Outside Directors.
3. Mr. Shoji Iwakuro, Mr. Tomomi Hisamatsu, and Mr. Takaaki Iwaki currently serve as Outside Directors of the Company. They will have been in office for six years, three years, and two years, respectively, at the closing of this Ordinary General Meeting of Shareholders.
4. The Company has entered into an agreement with Mr. Shoji Iwakuro, Mr. Tomomi Hisamatsu, and Mr. Takaaki Iwaki to limit their liability under Article 423, Paragraph 1 of the Companies Act of Japan. Based on the agreement, their liability is limited to the minimum liability amount stipulated by laws and regulations. If their reappointment is approved, the Company plans to renew the agreement.
5. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act of Japan to cover legal damages and litigation expenses to be borne by the insured including its Directors. The candidates will be included in the insured persons of the said insurance contract if they are elected and appointed as a Director. The Company plans to renew the said insurance contract at the next renewal with the same contents.
6. The Company has submitted an Independent Director/Auditor Notification to the Tokyo Stock Exchange to register Mr. Shoji Iwakuro, Mr. Tomomi Hisamatsu, and Mr. Takaaki Iwaki as Independent Directors. If their reappointment is approved, the Company plans to register them again as Independent Directors.

**Proposal 4****Election of 3 Corporate Auditors**

The terms of office of all the present 3 Corporate Auditors will expire at the closing of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes to elect 3 Corporate Auditors.

This proposal has been agreed upon by the Board of Corporate Auditors.

The candidates for Corporate Auditors are as follows:

No.	Name	Current position at the Company	
<b>1</b>	<b>Akihiko Yuno</b>	-	<b>New</b> <b>Outside</b>
<b>2</b>	<b>Sayuri Matsuoka</b>	Corporate Auditor	<b>Reappointment</b>
<b>3</b>	<b>Ichiro Nao</b>	-	<b>New</b> <b>Outside</b> <b>Independent</b>

No. 1  
**Akihiko  
Yuno**

New

Outside

**Date of birth**

May 7, 1977

**Number of the Company's  
shares held**

—

**Attendance at the Board of  
Directors' meetings**

—

**Attendance at the Board of  
Corporate Auditors' meetings**

—

No. 2  
**Sayuri  
Matsuoka**

Reappointment

**Date of birth**

September 17, 1955

**Number of the Company's  
shares held**

4,400

**Attendance at the Board of  
Directors' meetings**

13/13

**Attendance at the Board of  
Corporate Auditors' meetings**

12/12

**Career summary and position at the Company**

Apr. 2001	Joined The Shikoku Bank, Ltd.
Sep. 2016	Chief Manager, Human Resources Department, The Shikoku Bank, Ltd.
Sep. 2018	Deputy Branch Manager, Kamimachi Branch, The Shikoku Bank, Ltd.
Jun. 2020	<b>Branch Manager, Motoyama Branch, The Shikoku Bank, Ltd. (current position)</b>

**Reasons for nomination as an Outside Corporate Auditor**

The Company nominates Mr. Akihiko Yuno as an Outside Corporate Auditor on expectations that he would appropriately audit the Company's management and operations from an objective standpoint, leveraging his financial expertise and abundant experience. Mr. Yuno has never been directly involved in corporate management, but the Company judges that he can appropriately fulfill his duties as the Company's Outside Corporate Auditor for the above reasons.

**Career summary and position at the Company**

Mar. 2013	Left Kochi Prefectural Government Office
Apr. 2015	Joined the Company; Counselor, Administration Department
Jun. 2018	Left the Company
Jul. 2018	Legal Advisor, the Company
Nov. 2019	<b>Corporate Auditor, the Company (current position)</b>

**Reasons for nomination as a Corporate Auditor**

Ms. Sayuri Matsuoka has been appropriately auditing the Company's management and operations as the Company's Corporate Auditor since November 2019, leveraging her abundant experience and track record in public administration and involvement in the Company's legal affairs since 2015. Therefore, the Company renominates her as a Corporate Auditor.

# No. 3 Ichiro Nao

New

Outside

Independent

## Date of birth

January 2, 1957

## Number of the Company's shares held

—

## Attendance at the Board of Directors' meetings

—

## Attendance at the Board of Corporate Auditors' meetings

—

## Career summary and position at the Company

Apr. 1977	Police Officer, Kochi Prefectural Police
Feb. 2015	Chief, Criminal Investigation Department, Kochi Prefectural Police
Mar. 2017	Left Kochi Prefectural Police
Apr. 2017	Acting General Manager, General Affairs Department, Kochi Branch, Shikoku Electric Power Co., Inc.
May 2020	Member, Anti-Bullying Committee, Kochi City
Mar. 2022	Left Shikoku Electric Power Co., Inc.
<b>Apr. 2022</b>	<b>Conciliator, Kochi Family Court (current position)</b>
Dec. 2022	Left Anti-Bullying Committee, Kochi City

## Reasons for nomination as an Outside Corporate Auditor

Mr. Ichiro Nao has abundant experience and knowledge as a police officer, and the Company nominates him as an Outside Corporate Auditor on expectations that he would appropriately audit the Company's management and operations from an objective standpoint. Mr. Nao has never been directly involved in corporate management, but the Company judges that he can appropriately fulfill his duties as the Company's Outside Corporate Auditor for the above reasons.

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

2. Mr. Akihiko Yuno and Mr. Ichiro Nao are candidates for Outside Corporate Auditors.

3. If the election of Mr. Akihiko Yuno and Mr. Ichiro Nao is approved, the Company plans to enter into an agreement with them to limit their liability under Article 423, Paragraph 1 of the Companies Act of Japan. Based on the agreement, their liability is limited to the minimum liability amount stipulated by laws and regulations.

4. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act of Japan to cover legal damages and litigation expenses to be borne by the insured including its Corporate Auditors. The candidates will be included in the insured persons of the said insurance contract if they are elected and appointed as Corporate Auditors. The Company plans to renew the said insurance contract at the next renewal with the same contents.

5. Mr. Ichiro Nao meets the Tokyo Stock Exchange's requirements for Independent Directors/Auditors. If his election is approved, the Company plans to register him as an Independent Corporate Auditor.

## Reference

Expertise and experience of candidates for Directors and Corporate Auditors are as follows:

Name	Current position at the Company	Corporate management	Technology and R&D	Sales /marketing	Global affairs	Finances /accounting	General affairs/HR	Legal affairs /compliance
<b>Shinnosuke Moribe</b>	Representative Director and President	●		●				●
<b>Atsushi Ohira</b>	Executive Vice President	●		●	●			
<b>Mika Maeda</b>	Executive Director	●					●	●
<b>Yusei Morino</b>	Director	●	●				●	●
<b>Shoji Iwakuro</b>	Independent Outside Director	●	●		●			
<b>Tomomi Hisamatsu</b>	Independent Outside Director	●		●	●			●
<b>Takaaki Iwaki</b>	Independent Outside Director	●		●				●
<b>Akihiko Yuno</b>	-					●	●	
<b>Sayuri Matsuoka</b>	Corporate Auditor						●	●
<b>Ichiro Nao</b>	-						●	●

(Note) The above matrix shows areas of particular expertise based on each candidate's experience, etc. It does not indicate all knowledge they have.

## **Proposal 5** **Revision of Total Remuneration of Directors**

The total remuneration for the Company's Directors has been within 550 million yen per year (including 50 million yen for Outside Directors) as approved at the 36th Ordinary General Meeting of Shareholders held on November 28, 2017. Considering the reduced number of Directors, etc., the Company proposes to revise the total remuneration for the Directors to be within 350 million yen per year (including 50 million yen for Outside Directors). The total remuneration for Directors do not include the employee salaries of Directors who concurrently serve as employees.

This proposal has been deliberated at the Nomination and Remuneration Committee and decided at the Board of Directors, comprehensively taking into account the Company's business scale, officers' remuneration system and pay standards, current number of officers, future prospects, etc., and the Company judges it to be reasonable. The Company's policies for determining directors' remuneration and related matters, etc. is as described in "2 Present condition of the Company (3) Situation of the Company's officers, 2. Remuneration of Directors and Corporate Auditors of the Business Report". If Proposal 6 "Decision on Remuneration to Grant Restricted Stocks to Directors (excluding Outside Directors)" is approved as initially proposed, the policy will be changed to as described in "References" of the Proposal.

The current number of Directors is 14 (including 5 Outside Directors), but if Proposal 3 "Election of 7 Directors" is approved as initially proposed, the number of Directors will be 7 (including 3 Outside Directors).

**Proposal 6****Decision on Remuneration to Grant Restricted Stocks to Directors (excluding Outside Directors)**

As part of reviewing the executive remuneration plan, the Company proposes to newly provide compensation to grant restricted stocks to Directors of the Company (excluding Outside Directors; hereinafter “Eligible Directors”), separately from Proposal 5 “Revision of Total Remuneration of Directors,” for the purpose of furthering value sharing with shareholders, as well as further incentivizing the Eligible Directors to make continuous improvement of the Company’s corporate value.

Based on this proposal (hereinafter, “Proposal”), the remuneration to be provided to the Eligible Directors for the purpose of granting restricted stocks shall be monetary claims, which total amount shall be up to 50 million yen per year (provided, however, that it does not include the employee salaries of Directors who concurrently serve as employees). Specific timing and allocation of payment to each Eligible Director shall be determined by the Board of Directors.

Currently, the number of Directors (excluding Outside Directors) is 9. If, however, the Proposal 3 “Election of 7 Directors” is approved as proposed, the number of Directors (excluding Outside Directors) will be 4.

The Eligible Directors shall be issued or have shares of the Company’s common stocks disposed of by paying all of the monetary claims paid by the Company under the Proposal as a contribution-in-kind asset. The total number of shares of the Company’s common stocks to be issued or disposed of under the Proposal shall not exceed 50,000 shares per year (if, however, a stock split (including gratis allotment of the Company’s common stock) or a stock consolidation of the common stock of the Company or any other event that requires adjustment of the total number of common stock of the Company to be issued or disposed of as restricted stock occurs on and after the date of approval of the Proposal, such total number shall be adjusted to a reasonable extent. The amount to be paid per share shall be based on the closing price of the common stock of the Company in the Tokyo Stock Exchange on the business day immediately prior to the date of the corresponding resolution of the Board of Directors (if the Company’s stock was not traded that day, the closing price on the most recent preceding trading day) and determined by the Board of Directors to the extent that it is not particularly advantageous to the Eligible Directors who will receive the common stocks. In issuing or disposing of common stock of the Company or paying all of the monetary claims paid by the Company as a contribution-in-kind asset in accordance with the Proposal, the Company and the Eligible Directors shall enter into a restricted stock allotment agreement (hereinafter, “Allotment Agreement”) that includes the following terms. The Company considers that the upper limit of the remuneration amount, the number of the common stock of the Company to be issued or disposed of under the Proposal and the conditions to grant restricted stocks to the Eligible Directors based on the Proposal are reasonable in light of the said purposes of granting restricted stocks, the Company’s business performance and the Directors’ remuneration policy of the Company (if the Proposal is approved, the policy will be revised as described in the following “Reference” section in order to have it in compliance with the details of the approved Proposal).

If the Proposal is approved as proposed at the Ordinary General Meeting of Shareholders, the Company is planning to adopt a similar restricted stock remuneration plan for delegated Operating Officers and employee Operating Officers.

[Outline of the Allotment Agreement]

(1) Transfer restriction period

The Eligible Directors are prohibited to assign, create a security interest in or otherwise dispose of the common stocks allotted under the Allotment Agreement (hereinafter, “Allotted Stocks”) during the period (hereinafter, “Transfer Restriction Period”) from the date of the allotment under the Allotment Agreement to the point in time immediately after the Eligible Directors retires or resigns from the positions of the Company or its subsidiaries that are predefined by the Board of Directors (hereinafter, “Transfer Restriction”). If, however, the timing immediately after the retirement or resignation is before three months have passed after the end of the business year to which the date of delivery of the Allotted Stocks belongs, the end of the Transfer Restriction Period shall be adjusted to a reasonable extend.

(2) Handling in the event of retirement and resignation

If an Eligible Director retires or resigns from the position of the Company or its subsidiaries that is predefined by the Board of Directors before the expiration of the period predefined by the Board of Directors (hereinafter, “Service Period”), the Company, unless there is a reason that deems justifiable such as expiration of the term of office, death or any other reason, will naturally acquire the Allotted Stocks without consideration.

(3) Lifting of the Transfer Restriction

The Company shall lift the Transfer Restriction of all of the Allotted Stocks upon expiration of the Transfer Restriction Period, provided that the Eligible Director has continuously held the position of the Company or its subsidiaries that is predefined by the Board of Directors during the Service Period. However, if 1) the Eligible Director retires or resigns from the position of the Company or its subsidiaries that is predefined by the Board of Directors before the expiration of the Service Period for reasons that are deemed justifiable, or 2) the Eligible Director, even after the end expiration of the Service Period, retires or resigns from the position of the Company or its subsidiaries that is predefined by the Board of Directors before the expiration of the Transfer Restriction Period for reasons that are those other than justifiable, the number of the Allotted Stocks for which the Transfer Restriction is lifted and the timing of lifting the Transfer Restriction shall be reasonably adjusted as necessary. At the same time, the Company shall naturally acquire, without consideration, the Allotted Stocks for which the Transfer Restriction have not been lifted in accordance with the preceding paragraph at the point in time immediately after the Transfer Restriction is lifted.

(4) Handling in the event of reorganization

Regardless of (1) above, if, during the Transfer Restriction Period, a merger agreement under which the Company becomes a dissolving company, a share exchange agreement under which the Company becomes a wholly-owned subsidiary, a share transfer plan, or other matters relating to the reorganization are approved at the Company’s general meeting of shareholders (provided, however, that if approval by the Company’s general meeting of shareholders is not required for the reorganization, the Company’s Board of Directors shall approve the reorganization), the Transfer Restriction shall be lifted by resolution of the Board of Directors at a timing preceding the effective date of the reorganization for the number of the Allotted Stocks that are reasonably determined, considering the period from the commencement date of the Transfer Restriction Period to the approval date of the reorganization.



In the event above, the Company shall naturally acquire, without consideration, the Allotted Stocks for which the Transfer Restriction have not been lifted at the point in time immediately after the Transfer Restriction is lifted.

(5) Other matters

Any other matter regarding the Allotment Agreement shall be determined by the Board of Directors of the Company.

[Reference] Policies for Determining Directors' Remuneration and related matters

1. Basic Policy

The remuneration for Directors of the Company (excluding Outside Directors; hereinafter the same.) shall be structured to be linked with shareholder benefits to ensure that it sufficiently functions as an incentive to promote sustainable improvement of corporate value. In determining the remuneration for individual Directors, the Company's basic policy is to set the remuneration at an appropriate level taking into consideration their respective duties. Specifically, the remuneration for Directors consists of basic remuneration which is a fixed remuneration (monetary remuneration), performance-linked remuneration which is variable remuneration (monetary remuneration) and transfer restricted stock remuneration which is non-monetary remuneration. Outside Directors who is responsible for supervising functions shall be paid only basic remuneration in consideration of their duties.

2. Policy on determining the amount of individual remuneration for basic remuneration (monetary remuneration) (including policies on determining the timing and conditions where remuneration is granted)

The basic remuneration of Directors of the Company shall be a fixed monthly remuneration in accordance with their positions and duties, which is comprehensively determined also by taking into account levels of other companies, the Company's business performance and levels of employee salaries of the Company, and shall be paid monthly.

3. Policy on determining the amount of performance-linked remuneration (monetary remuneration) (including policies on determining the timing and conditions where remuneration is granted)

The performance-linked remuneration (monetary remuneration) shall be paid to Directors who has been in the position in each business year, and an amount calculated according to the degree of achievement of consolidated net sales and income against the target values in each business year shall be paid at a fixed time every year.

4. Policy on determining the amount of non-monetary remuneration (including policies on determining the timing and conditions where remuneration is granted)

The Company shall grant restricted stocks to Directors who has been in their positions each business year for the purpose of furthering value sharing with shareholders, as well as further incentivizing the Eligible Directors to make continuous improvement of the Company's corporate value. The specific number of stocks to be allotted shall be determined based on the position and, roles and responsibilities of each Director. Granting of restricted stocks to Directors shall be resolved at a Board of Directors meeting in November each year, and the stocks to be granted for the year will be granted in a lump sum in December. The restricted stocks shall include the following terms and conditions.

1) Transfer Restriction and Transfer Restriction Period

Directors are prohibited to assign, create a security interest in or otherwise dispose of the transfer restricted stocks during the period from the grant date of restricted stock to the date when the Directors retire from the director positions of the Company or any other position defined by the Board of Directors.

2) Clause for acquisition by the Company with no consideration

In the event of retirement of Directors in the middle of their terms due to reasons that are not justifiable, violation of laws and regulations or the Company internal regulations, and any other reason that falls under the reasons that the Board of Directors of the Company determined that acquisition with no consideration is reasonable, the Company shall acquire the restricted stocks granted to Directors with no consideration.

5. Matters regarding determining the details of remuneration for each individual Director

Regarding the amount of remuneration of individual Directors, the Representative Director and President shall develop an original proposal, comprehensively considering each Director's basic remuneration, performance-linked remuneration and non-monetary remuneration which is for the purpose of a medium- to long-term incentive and percentages thereof, within the maximum remuneration approved by the general meeting of shareholders. The draft shall be subject to consultation with the Nomination and Remuneration Committee, of which more than half of the members are Independent Outside Directors. Based on its recommendation, the draft will be resolved at the Board of Directors.

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