

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. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Security Code 7987
June 7, 2021

To shareholders with Voting Right

Hideaki Yumoto
President,
Nakabayashi Corporation
1-20 Kitahama-Higashi, Chuo-ku, Osaka

Notice of the 71th Annual General Meeting of Shareholders

Now, we will convene our 71th Ordinary General Meeting of Shareholders as follows.

Recently, it has become strongly required to refrain from going out to prevent the spread of COVID-19 infections. Following careful consideration of this situation, we decided to convene the General Meeting of Shareholders after taking appropriate measures to prevent infections.

In view of the spread of infections, shareholders are encouraged to refrain from visiting the General Meeting of Shareholders on the day of the General Meeting of Shareholders and to exercise their voting rights in writing or via the Internet in order to prevent spread of infections.

Please review the reference documents for the general meeting of shareholders described below and request that you exercise your voting rights by 5:30 p.m. (our closing time) on June 24, 2021 (Thursday), according to the information described below.

Notes

- 1. Date and Time:** June 25, 2021 (Friday) 10:00 a.m. (scheduled to commence at 9:30 a.m.)
- 2. Place:** Our Osaka Head office 9th floor hall, 1-20 Kitahama-Higashi, Chuo-ku, Osaka

This year, the number of seats available will be significantly less than the usual year, as the space between seats will be increased to prevent spread of infections. Therefore, even if you come to the venue, you may be refused entry. Thank you very much for your understanding in advance. In addition, from the perspective of reducing the risk of spread of infectious diseases and ensuring the continuity of the Company's business, it is possible that some of our executives will attend the meeting and attend the meeting online, regardless of their health status on the day of the General Meeting of Shareholders.

3. Meeting Agenda

- Matters to be reported**
1. Contents of the 71th (April 1, 2020 to March 31, 2021) Business Report, Contents of the consolidated calculation documents, and Report on the results of the audit of the consolidated calculation documents of the accounting auditor and the audit committee
 2. Report on the contents of financial statements for the 71th fiscal term (from April 1, 2020 to March 31, 2021)

Proposals to be Resolved

- Proposal No.1** Appropriation of Surplus
Proposal No.2 Election of Six(6) Directors(excluding Directors who are Audit and Supervisory Committee Members)
Proposal No.3 Election of Three(3) Directors who are Audit and Supervisory Committee Members
Proposal No.4 Election of one director who is a substitute Audit and Supervisory Committee member

4. Information on the exercise of voting right

- (1) In the case of the exercise of voting rights in writing

Please indicate your approval or disapproval on the enclosed voting forms and return them to us by 5:30 p.m. (our business closing time) on June 24, 2021.

(2) In the case of the exercise of voting rights over the Internet

When exercising voting rights over the Internet, refer to the "Guidance for Exercise of Voting Rights via the Internet" on page 4 of the attached document, and then exercise the voting rights on Thursday, June 24, 2021, by 5:30 p.m. (our business closing time).

(3) In the event that voting rights are exercised in duplicate over the Internet with a written document, such voting rights over the Internet will be treated as a valid voting right exercise. In addition, in the event the voting rights are exercised more than once over the Internet or in duplicate over a personal computer or smartphone, the last exercise of voting rights shall be treated as a valid exercise of voting rights.

5. Other matters concerning the convocation of the general meeting of shareholders

Pursuant to laws and regulations and Article 14 of our Articles of Incorporation, the following matters are posted on our website (<https://www.nakabayashi.co.jp/>) in lieu of the information contained in the Reference Documents for Shareholders' Meetings, Business Reports, Financial Statements, and Consolidated Financial Statements. Therefore, the accompanying documents of this Convocation Notice are part of the audit conducted by the Audit Committee and the Independent Auditor when preparing the Audit Report.

(1) Matters related to business reports: "System to ensure that the execution of duties by directors conforms to laws and ordinances and the articles of incorporation, and System to ensure the appropriateness of other business operations", "Operational status of system to ensure the appropriateness of business operations"

(2) Matters concerning Consolidated Financial Statements:

"Consolidated Statements of Changes in Shareholders", "Equity and Consolidated Notes"

(3) Matters related to financial statements: "Statement of Changes in Shareholders", "Equity and Individual Notes"

~~~~~  
◎ When attending the meeting on the day, please submit the enclosed voting right exercise form to the venue reception desk without charge. The application will commence at 9:30 a.m.

◎ Revisions to the Reference Documents for Shareholders' Meetings, as well as the business report, financial statements, and consolidated financial statements will be posted on our website (<https://www.nakabayashi.co.jp/>) online.

◎ [Held at Cool Biz] On the day of the event, we will deal with it in light clothing (Cool Biz). Shareholders are requested to attend the meeting in a lenient manner.

<Requests for Shareholders>

- The above measures may be changed depending on the spread of infections by the day of the General Meeting of Shareholders or the content announced by the Government. Please check your outgoing information from our website (<https://www.nakabayashi.co.jp/>) on the internet.
- If you exercise your voting rights through the exercise of your voting rights, our staff will face the risk of infections in the process of returning your voting rights and in the aggregation process. Therefore, when exercising voting rights in advance, we ask that you exercise the voting rights via the Internet as much as possible.
- Shareholders on the spot are requested to bring and wear masks. In addition, our general assembly operators will check their physical condition, including temperature checks, and apply them by wearing masks.
- At this general meeting, the items to be reported (including audit reports) and detailed explanations of the agenda will be omitted from the viewpoint of shortening the holding time to prevent the spread of pandemic COVID-19 infections. Shareholders are requested to notify the meeting of shareholders in advance.

## **Guidance for Exercise of Voting Rights via the Internet**

Please acknowledge the following matters in advance when exercising voting rights over the Internet.

### **1. Voting website**

The exercise of voting rights via the Internet is possible only by using the following website designated by us.  
the website for exercising voting rights : <https://www.web54.net>

### **2. Method of Exercising Voting Rights**

#### **(1) For users of PC**

Please access the above address, use the "Voting Code" and "Password" on the enclosed voting form, and enter your approval or disapproval according to the page instructions.

#### **(2) Smartphone users**

By reading the "Smartphone Voting Rights Exercise website Login QR Code" on the enclosed voting form, the voting rights can be exercised through the Smartphone Voting Rights Exercise website where the "Voting Rights Exercise Code" and "Password" are not required to be entered.

If the content of the exercise is changed after exercising the voting rights once, it is necessary to read the QR code again and enter the Voting Right Exercise Code and Password on the Voting Right Exercise Form.

### **3. Treatment of Exercise of Voting Rights**

(1) The exercise period of voting rights is until 5:30 p.m. on June 24, 2021. Please exercise the voting rights immediately.

(2) When voting rights are exercised in duplicate in writing and over the Internet, the Company will treat those exercising voting rights over the Internet as valid voting rights. In addition, in the event the voting rights are exercised more than once over the Internet or in duplicate over a personal computer or smartphone, the last exercise of voting rights shall be treated as a valid exercise of voting rights.

(3) The fees (such as interconnection fees) for providers and telecommunications carriers when using the voting website will be borne by shareholders.

(4) The Voting Rights Exercise website may not be available depending on the Internet usage environment of PC.

### **4. Password and Exercise Code Handling**

(1) Passwords are important information to confirm that the voters are the shareholders themselves. Please handle it with care, like a seal impression or personal identification number.

(2) If you make a mistake more than a certain number of times, you will not be able to use the password. If you wish to reissue your passwords, follow the instructions on the page.

(3) The Exercise Code on the Exercise Form is valid only for this General Meeting.

### **5. Contact information about operating procedures for PCs, etc.**

(1) If you have any questions regarding the use of a computer on this site regarding the exercise of voting rights, please contact the following.

[Dial dedicated to Web Support for the Sumitomo Mitsui Trust Bank, Limited](#)  
[\[Telephone\] 0120\(652\) 031 \(reception time: 9:00 to 21:00\)](#)

(2) For other inquiries, please contact the following address.

#### **A. Shareholder who has an account with a securities company**

For shareholders who have an account with a securities company, please contact your securities company.

#### **B. Shareholders who do not have an account with a securities company (shareholders of a special account)**

[Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited](#)  
[\[Telephone\] 0120\(782\)031 \(reception time : 9:00 to 17:00 except for holidays\)](#)

# Reference Documents for the Annual General Meetings of Shareholders

## Proposals and Reference Documents

### Proposal No. 1 Appropriation of Surplus

Our basic policy on dividends is to maintain stable dividends in order to further improve profits, and to increase internal reserves while taking into account the strengthening of our management base and future business development, thereby ensuring a balance between the two.

In addition, we have decided to maintain a consolidated dividend payout ratio of 30% to 40% in the medium-term management plan formulated on May 14, 2021.

With regard to the year-end dividends for the current period, in light of the 71th Performance, I hope that they will be as follows. As a result, the consolidated dividend payout ratio will be 36.5%.

(1) Type of dividend property  
Cash

(2) Matters related to the allocation of the property for distribution to the shareholders, and the aggregate amount of the dividend  
12 yen per share of our common stock  
Total dividend :309,606,084 yen

(3) Effective date of the dividends of surplus  
June 28, 2021

**Proposal No. 2 Election of Six(6) Directors (excluding Directors who are Audit and Supervisory Committee Members)**

At the conclusion of this general meeting, 6 directors (excluding those who are Audit Committee Members) will expire their term of office. We would like to request the appointment of six directors (excluding those who are Audit Committee Members). This proposal aims to continue to increase the flexibility of the Board of Directors in the fiscal year under review in order to respond to changing economic and social conditions, and to enhance the transparency and supervisory functions of the Board of Directors accordingly. To this end, the Company will maintain a composition of at least one-third of outside directors.

In addition, after consulting with the Nomination and Compensation Committee, the Audit Committee reviewed the proposal and received an opinion that it was appropriate.

The following are candidates for the board (excluding those who are members of the audit, etc.)

| Candidate No. | Name                         |                                   | Present position in us or in any other company                                                                                                     |
|---------------|------------------------------|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| 1             | <b>Hajime Tsujimura</b>      | Reappointment                     | Chairman of the Board and Representative Director<br>Representative Director of Matsue Biomass Power Co., Ltd.                                     |
| 2             | <b>Hideaki Yumoto</b>        | Reappointment                     | President and Representative Director<br>Executive Manager of Sales Administration Division                                                        |
| 3             | <b>Kazuyoshi Nakabayashi</b> | Reappointment                     | Senior Managing Director and Vice Director<br>President of NB Nakabayashi Co., Ltd.<br>Representative Director of Teranishi Chemical Co., Ltd.     |
| 4             | <b>Kozo Nakanosho</b>        | Reappointment                     | Senior Managing Director and Vice Director<br>Representative Director of Kokusai Chart Co., Ltd.<br>Representative Director of Hakkosha Co., Ltd.  |
| 5             | <b>Yoji Maeda</b>            | Reappointment                     | Director and Managing Executive Officer<br>Deputy General Manager, Affiliated Companies<br>Representative Director of Fuji Kogei Insatsu Co., Ltd. |
| 6             | <b>Nobuyoshi Yamaguchi</b>   | Reappointment<br>Outside Director | Outside Director<br>Outside Director of Sakai Holdings Co., Ltd.                                                                                   |

Candidate No. 1

Reappointment



**Hajime Tsujimura**

(November 4, 1953)

- Number of our shares owned; 55,607 shares
- Years served as director: 16 years

Brief biographical outline, position, responsibilities, and other important concurrent posts

Apr. 1976 Joined our company  
Jun. 2005 Directors  
Apr. 2007 Managing Director  
Apr. 2008 Senior Executive Managing Director  
Apr. 2009 President and Representative director  
Apr. 2009 General manager of business division  
May.2013 President and Representative Director, Matsue Biomass Power Co., Ltd.  
Jun. 2018 Chairman and Representative Director of the Company (to present)  
Dec.2019 President and Representative Director, Matsue Biomass Power Co., Ltd.  
(to present)

Significant Concurrent Positions

Representative Director, Matsue Biomass Power Co., Ltd.

<Reason for appointment>

As our Representative Director, President and Chairman, He has been responsible for the management of the Group and has been promoting new business development with leadership, and his extensive experience in his duties. We have determined that his strong knowledge of all aspects of management, which is based on this experience, contributes to the sustained improvement of our corporate value, which is essential to our management, and that we will continue to be qualified as a director.

Candidate No. 2

Reappointment



**Hideaki Yumoto**

(March 1, 1959)

- Number of our shares owned; 27,705 shares
- Years served as director: 9 years

Brief biographical outline, position, responsibilities, and other important concurrent posts

Dec.1984 Joined our company  
Jan. 2001 Director of Sendai business office  
Apr.2009 Deputy General Manager of Manufacturing and Sales Company,  
General Manager of Manufacturing and Sales Department.  
Apr.2010 Executive Officer  
Jun.2012 Director and General Manager of Loans Sales Department  
Jun.2013 General Manager of Related Sales Dept.  
Apr.2016 President of Manufacturing and Sales Company  
Jun.2016 Managing Executive Officer  
Jan.2017 President and Representative Director of Franklin Planner Japan Co., Ltd.  
Jun.2017 Managing Directors of the Company  
Jun.2018 President and Representative Director ( to present )  
General manager of business division ( to present )  
Jun.2020 Representative Director, President and Chief Executive Officer  
(to present)

<Reason for appointment>

Based on his track record as a planning and sales representative and in charge of various sales channels ranging from regional to nationwide, his wealth of experience centered on products and sales channels, his track record in subsidiary management, and his track record in promoting and supervising all aspects of internal and external operations as managing directors and representative directors, we have decided to continue to be qualified as a director.

Candidate No. 3

**Reappointment**



**Kazuyoshi Nakabayashi**

(February 16, 1975)

- Number of our shares owned; 49,387 shares
- Years served as director: 11 years

Brief biographical outline, position, responsibilities, and other important concurrent posts

Apr.1997 Joined our company  
Apr.2008 Head of Manufacturing and Sales Company and General Manager of Planning Department  
Apr.2009 Executive Officer  
Deputy General Manager and Sales Division (to present )  
Jun.2010 Director  
Jun.2011 Managing Executive Officer  
Jun.2012 Managing Director  
Jun.2016 Senior Managing Director (to present)  
Dec.2017 President of NB Nakabayashi Co., Ltd. (to present)  
Jan.2019 Executive Vice President of Teranishi Chemical Industry Co., Ltd.  
Jun.2019 Representative Director of Teranishi Chemical Industry Co., Ltd. (to present)  
Jun.2020 Director, Senior Managing Executive Officer of the Company (to present)

**Significant Concurrent Positions**

President of NB Nakabayashi Co., Ltd.  
Representative Director of Teranishi Chemical Industry Co., Ltd. (to present)

<Reason for appointment>

As our senior managing director, he has been promoting the development of new businesses by taking advantage of his work experience in product sales, product planning, public relations, and overseas subsidiary management, and has been in charge of the management of the Group. Based on the fact that he has a high level of knowledge based on his wide range of experience, we have decided to continue to be qualified as a director.

Candidate No. 4

**Reappointment**



**Koza Nakanosho**

(December 2, 1956)

- Number of our shares owned; 31,295 shares
- Years served as director: 11 years

Brief biographical outline, position, responsibilities, and other important concurrent posts

Apr. 1979 Joined our company  
Apr. 2007 General Manager of DF Company  
Apr. 2009 Executive Officer  
Deputy General Manager, Sales Division(to present )  
Head of DF/commercial seal company  
Apr. 2010 President, Printing and Binding Company  
Jun. 2010 Director  
Jun. 2011 Representative Director, Hyogo Nakabayashi Co., Ltd.  
Jun. 2012 Managing Executive Officer  
Jun. 2014 Managing Director  
Jun. 2016 Senior Managing Director  
General manager of the Related Company  
Sep.2016 President and Representative Director of Hakkosha Co., Ltd. (to present)  
Mar.2018 President and Representative Director of Kokusai Chart Co., Ltd. (to present)  
Jun.2020 Senior Managing Executive Officer of the Company (to present)

**Significant Concurrent Positions**

Representative Director of Kokusai Chart Co., Ltd.  
Representative Director of Hakkosha Co., Ltd.

<Reason for appointment>

As our senior managing director, He has been in charge of the management of our group, and in the order-received manufacturing and sales division, He has a high level of knowledge based on a wide range of experience in dealing with various customers, in charge of purchasing division, and in the management of manufacturing subsidiaries. In light of the fact that he is promoting synergies among group companies, we have decided to continue to be qualified as a director.

Candidate No. 5  
**Reappointment**



**Yoji Maeda**

(October 29, 1961)

- Number of our shares owned; 14,757 shares
- Number of years served as director: 7 years

Brief biographical outline, position, responsibilities, and other important concurrent posts

Apr.1980 Joined our company  
Apr.2011 General Manager, Product Management Department, Manufacturing and Sales Company  
Apr.2012 Executive Officer  
Jun.2012 Deputy General Manager of Related Companies Headquarters  
General Manager of Shimane Regional H.Q.  
President and Representative Director of Shimane Nakabayashi Co., Ltd.  
Jun.2014 Director  
Jun.2017 Managing Executive Officer  
Jun.2018 Managing Director  
Apr.2020 President and Representative Director of Fuji Kogei Insatau Co., Ltd.  
(to present)  
Jun.2020 Director and Managing Executive Officer(to present)

**Significant Concurrent Positions**

Representative Director of Fuji Kogei Insatsu Co., Ltd.

**<Reason for appointment>**

He has been in charge of the distribution and manufacturing divisions, etc. and has a track record of innovation in the distribution divisions and abundant experience mainly in the manufacturing divisions. He has improved the performance of the manufacturing subsidiaries, and based on his track record in reforming the production system and improving the efficiency of facility upgrades, as well as a track record in developing new businesses, he has continued to be judged to be qualified as a director.

Candidate No. 6  
**Reappointment**  
**Outside Director**



**Nobuyoshi Yamaguchi**

(January 20, 1955)

- Number of shares in our possession; 0 shares
- Number of years served as director: 7 years

Brief biographical outline, position, responsibilities, and other important concurrent posts

Apr.1977 Joined The Kyowa Bank, Ltd. (currently Resona Bank, Limited)  
Jun. 2003 Executive Officer of Resona Bank, Ltd.  
Jun. 2010 Director and Senior Managing Executive Officer  
Apr. 2013 President of Resona Card Co., Ltd.  
Jun. 2014 Outside Director of the Company (to present)  
Apr. 2015 Senior Managing Director of Tokyo Kantei Co., Ltd.  
Dec.2015 Outside Director of SKI Co., Ltd. (currently SAKAI HOLDINGS CORPORATION) (to present)  
Jun.2016 Outside Director, Audit and Supervisory Committee Member of Ushio Electric Co., Ltd.

**<Reason for appointment>**

Based on his wealth of experience as a corporate manager over many years, as an outside director, we have received useful opinions and suggestions for the management of the Company. In order to further strengthen the functions of the Board of Directors, we have decided to be qualified as a director.

- (NOTE) 1. There is no special interest between the candidate and us.  
2. Mr. Yamaguchi is a candidate for outside director.  
3. Mr.Nobuyoshi Yamaguchi has extensive experience as a corporate manager for many years and is expected to fulfill his supervisory function from this perspective, and is requested to appoint him as an outside director.  
4. When this General Meeting of Shareholders is closed, Yamaguchi's term of office as an external director is seven years.  
5. We have entered into an agreement with Mr. Yamaguchi to limit liability for damages pursuant to Article 427, Paragraph 1 of the Companies Act and Article 33, Paragraph 2 of our Articles of Incorporation, and the maximum amount of liability for damages under such agreement shall be the minimum amount stipulated by law.  
6. We have concluded an officer's liability insurance contract as set forth in Article 430-3, Paragraph 1 of the Companies Act with the insurance company and will cover the legal damages and litigation expenses incurred by the insured under the



relevant insurance contract. If each person is reappointed, he or she will be included in the insured of the relevant insurance contract. In addition, it is scheduled to be updated at the time of the next update.

7. Mr. Nobuyoshi Yamaguchi meets the requirements for Independent Directors and Audit & Supervisory Board Members stipulated by the Tokyo Stock Exchange, and we have notified him as an Independent Director.
8. The number of Shares held by each Candidate includes the Shares held by the Directors Shareholding Association. (Rounded down to less than one share)

### Proposal No. 3 Election of Three(3) Directors who are Audit and Supervisory Committee members

At the conclusion of this general meeting, all three directors who are Audit and Supervisory Committee members will expire. We would like to ask you to appoint three directors who are Audit and Supervisory Committee members. We have obtained the consent of the Audit Committee on this matter. The candidates for directors serving on the Audit and Supervisory Committee are as follows.

|                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Candidate No. 1<br/><b>Reappointment</b></p>  <p><b>Shigeyuki Sugihara</b><br/>( January 28, 1957)</p> <ul style="list-style-type: none"><li>■ Number of our shares owned; 19,585 shares</li><li>■ Years served as director: 4 years</li></ul>                                            | <p>Brief biographical outline, position, responsibilities, and other important concurrent posts</p> <p>Apr.1980 Joined our company<br/>Apr.2004 Manager, Accounting Section, Finance &amp; Accounting Division, Administration Division<br/>Jun.2012 Audit Office Manager<br/>Apr.2015 Head of the Internal Audit Office<br/>Jun.2017 Director, Full-time Audit and Supervisory Committee Member (to present)</p> <p>&lt;Reason for appointment&gt;<br/>He has extensive experience and knowledge in finance and accounting as our accounting officer, has gained experience in the internal audit department, and has deepened his knowledge of our operations. He has contributed to further improving the quality of the corporate governance of our Board of Directors through cooperation with the Audit and Supervisory Committee Members of the Outside Directors, and continues to be qualified to serve as a Director and Audit and Supervisory Committee Member.</p>                                                                                                                                                                                                                                                                                    |
| <p>Candidate No. 2<br/><b>Reappointment</b></p>  <p><b>Naoko Nakatsukasa</b><br/>(April 8, 1965)</p> <ul style="list-style-type: none"><li>■ Number of our shares owned; 0 shares</li><li>■ Years served as director: 9 years<br/>(Total years since assuming office of auditor)</li></ul> | <p>Brief biographical outline, position, responsibilities, and other important concurrent posts</p> <p>Apr.1994 Completion of the Supreme Court Legal Training and Research Institute Registered as an Osaka Bar Association (Admitted to Chuo Sogo Law Office,P.C)<br/>Jun. 2002 Outside Corporate Auditor, SPK Co., Ltd.<br/>Apr.2006 Registered as a New York attorney<br/>Apr.2008 Part-time lecturer at Kyoto University Law School,<br/>Jun.2012 Our outside auditor<br/>Jun.2015 Our Outside Director, Member of the Audit and Supervisory Committee (to present)<br/>Jun.2020 Outside Director and Audit and Supervisory Committee Member, SPK Co., Ltd.(to present)<br/>Jun.2021 Outside Director and Audit &amp; Supervisory Committee Member of Yamazen Co., Ltd. (to present)</p> <p>&lt;Reason for appointment&gt;<br/>Based on our expertise, insight and experience as an attorney, we receive appropriate recommendations from the perspective of appropriateness and appropriateness in decision-making regarding our business operations. We continued to deem him qualified to serve as a director and Audit &amp; Supervisory Committee member in order to further improve the quality of corporate governance of our Board of Directors.</p> |

|                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Candidate No. 3<br/> <b>Reappointment</b></p>  <p><b>Masahiro Hachimonji</b><br/> (July 16, 1969)</p> <ul style="list-style-type: none"> <li>■ Number of our shares owned; 5,000 shares</li> <li>■ Years served as director: 2 years</li> </ul> | <p>Brief biographical outline, position, responsibilities, and other important concurrent posts</p> <p>Apr.1992 Admitted to Hachimonji Accounting Office<br/> Jan.2000 Registered as a certified public tax accountant (No. 89579)<br/> Jun.2003~May2008<br/> Audit and Supervisory Board Member, Daiei Taigen Co., Ltd.<br/> (currently Shokureu Co., Ltd.)<br/> Jan.2009 Head of the Internal Audit Office<br/> Feb.2012 Representative Director of Hachimonji Consulting Co., Ltd.<br/> (current position)<br/> Jun.2019 Our Outside Director, Member of the Audit and Supervisory Committee(to present)</p> <p>&lt;Reason for appointment&gt;<br/> Based on his wealth of experience and broad insight as a manager of an accounting firm, he provides appropriate recommendations from the perspective of appropriateness and appropriateness in making decisions regarding the execution of our business. We continued to deem him qualified to serve as a director and Audit and Supervisory Committee member in order to further improve the quality of corporate governance of our Board of Directors.</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- (NOTE) 1. There is no special interest between the candidate and us.
2. Ms.Naoko Nakatsukasa and Mr.Masahiro Hachimomji are candidates for outside directors.
3. The term of office of Ms. Nakatsukasa as an outside director shall be six years as of the conclusion of the Ordinary General Meeting of Shareholders. Mr. Masahiro Hachimonji will serve as an external director for two years at the end of the general meeting of the General Shareholders' Representative.
4. Ms.Naoko Nakatsukasa is requested to appoint an outside director based on her expertise, insight and experience as an attorney at law, in expectation that she will make appropriate recommendations from the standpoint of appropriateness and appropriateness in decision-making regarding the execution of our business.
- Mr. Masahiro Hachimonji is asked to be appointed as an outside director, based on his abundant experience and broad insight as a manager of an accounting firm, with the expectation that he will provide appropriate recommendations from the viewpoint of appropriateness and appropriateness in making decisions on the execution of our business.
5. We have entered into an agreement with Ms. Naoko Nakatsukasa and Mr. Masahiro Hachimonji to limit their liability for damages under Paragraph 1 of Article 423 of the Companies Act in accordance with Paragraph 1 of Article 427 of the Companies Act. The outline of the contract is that in the event an outside director causes damage to us due to a failure to perform his or her duties, if the outside director is without knowledge and is not grossly negligent in performing his or her duties, he or she shall be liable for such damage up to the minimum liability limit set forth in Paragraph 1 of Article 425 of the Companies Act.
6. We have concluded an officer's liability insurance contract as set forth in Article 430-3, Paragraph 1 of the Companies Act with the insurance company and will cover the legal damages and litigation expenses incurred by the insured under the relevant insurance contract. If each person is reappointed, he or she will be included in the insured of the relevant insurance contract. In addition, it is scheduled to be updated at the time of the next update.
7. Ms. Naoko Nakatsukasa and Mr. Masahiro Hachimonji satisfy the requirements for independent directors and auditors stipulated by the Tokyo Stock Exchange, and we have filed a notification with both of them as independent directors and auditors.

**Proposal No. 4 Election of one director who is an Audit and Supervisory Committee member filling a vacancy**

In order to prepare for the case where the number of Directors who are Audit and Supervisory Committee Members becomes less than the number stipulated by laws and regulations, the appointment of one Director who is a substitute Audit and Supervisory Committee Member is required in advance. We have obtained the consent of the Audit Committee on this matter.

Candidates for directors who are substitute Audit and Supervisory Committee members are as follows.

| Name<br>(Date of Birth)<br>Number of Shares of the Company Owned                                                                                                                                                                                        | Brief biographical outline, position, responsibilities,<br>and other important concurrent posts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p data-bbox="159 510 359 544"><b>Outside Director</b></p> <p data-bbox="220 669 488 703"><b>Akihiro Kobayashi</b></p> <p data-bbox="274 710 462 736">(December 19, 1970)</p> <p data-bbox="156 739 596 766">■ Number of our shares owned; 0 shares</p> | <p data-bbox="624 512 1473 607">Apr. 1999 Completion of the Supreme Court Legal Training and Research Institute<br/>Registered as an Osaka Bar Association (Admitted to Chuo Sogo Law Office,P.C)</p> <p data-bbox="624 609 1473 703">Nov. 2009 Change of registration to the Kyoto Bar Association<br/>Appointed representative of Kyoto Office, Chuo Sogo Law Office,P.C)(to present)</p> <p data-bbox="624 705 1323 736">Apr.2010 Part-time lecturer, Kyoto University Law School</p> <p data-bbox="624 739 1473 770">Mar.2013 Outside Audit &amp; Supervisory Board Member, Funai Consulting Inc.</p> <p data-bbox="624 772 1473 831">Mar.2016 Outside Director and Audit and Supervisory Committee Member of Funai Soken Holdings, Inc. (to present)</p> <p data-bbox="624 833 1473 898">Apr.2017 Special Professor, Graduate School of Law, Kyoto University (to present)</p> <p data-bbox="624 900 1243 931">Sep.2019 Registration of Certified Public Inspectors</p> |

- (NOTE)
1. There is no special interest between the candidate and us.
  2. Mr. Akihiro Kobayashi is a candidate for Substitute Outside Director.
  3. Mr. Akihiro Kobayashi, based on his expertise, insight and experience as an attorney at law, is expected to make appropriate recommendations from the standpoint of appropriateness and appropriateness in decision-making regarding the execution of our business, and is requested to appoint him as a director who is a substitute Audit and Supervisory Committee member.
  4. In the event that Mr. Akihiro Kobayashi assumes the post of director who is an Audit and Supervisory Committee member, we will enter into an agreement with Mr. Kobayashi to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the same Act, provided that this proposal is approved as proposed. The outline of the contract is that in the event an outside director causes damage to us due to a failure to perform his or her duties, if the outside director is without knowledge and is not grossly negligent in performing his or her duties, he or she shall be liable for such damage up to the minimum liability limit set forth in Paragraph 1 of Article 425 of the Companies Act.
  5. Mr. Akihiro Kobayashi meets the requirements for independent directors and Audit & Supervisory Board members stipulated by the Tokyo Stock Exchange.
  6. The preliminary election of directors who are substitute Audit and Supervisory Committee members shall be effective until the commencement of the ordinary general meeting of shareholders two years after the general meeting of shareholders elected pursuant to the provisions of Article 20 of our Articles of Incorporation.

## Reference [Skill Matrix]

| Name                  | Overall management    | Sale by order | Product sales | Sales strategy                 | Technological development                                               | Diversity                                       | Financial accounting | Crisis Legal Affairs                |
|-----------------------|-----------------------|---------------|---------------|--------------------------------|-------------------------------------------------------------------------|-------------------------------------------------|----------------------|-------------------------------------|
| Hajime Tsujimura      | ◎                     | ○             | ○             |                                | ○                                                                       |                                                 |                      |                                     |
| Hideaki Yumoto        | ○                     |               | ○             | ○                              | ○                                                                       |                                                 |                      |                                     |
| Kazuyoshi Nakabayashi | ○                     |               | ○             | ○                              | ○                                                                       | ○                                               |                      |                                     |
| Kozo Nakanosho        | ◎                     | ○             |               |                                |                                                                         |                                                 |                      |                                     |
| Yoji Maeda            | ○                     | ○             |               | ○                              | ○                                                                       |                                                 |                      |                                     |
| Nobuyoshi Yamaguchi   | ◎                     |               |               |                                |                                                                         |                                                 | ○                    |                                     |
| Shigeyuki Sugihara    |                       |               |               |                                |                                                                         |                                                 | ○                    |                                     |
| Naoko Nakatsukasa     |                       |               |               |                                |                                                                         | ○                                               |                      | ○                                   |
| Masahiro Hachimonji   | ○                     |               |               |                                |                                                                         |                                                 | ○                    |                                     |
| Note                  | Management experience |               |               | Include planning and logistics | Including manufacturing (plant)technology development and IT technology | Including gender and international perspectives |                      | Crisis management and legal affairs |