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Securities Code: 6463

June 8, 2021

To our shareholders:

Hiroshi Suehiro  
Representative Director, Chairman & CEO  
**TPR Co., Ltd.**  
1-6-2, Marunouchi, Chiyoda-ku, Tokyo

## Notice of the 88th Annual General Meeting of Shareholders

We are pleased to announce the 88th Annual General Meeting of Shareholders (the “Meeting”) of TPR Co., Ltd. (the “Company”), which will be held as indicated below.

**This year, to prevent the spread of the novel coronavirus disease (COVID-19) and with the safety and security of shareholders as our top priority, the Company recommends that you refrain from attending the Meeting in person, if at all possible, and exercise your voting rights by postal mail or via the internet. Please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights no later than 5:00 p.m. Monday, June 28, 2021 (Japan Standard Time).**

- 1. Date and Time:** Tuesday, June 29, 2021, at 10:00 a.m. (JST) (Reception will open at 9:00 a.m.)
- 2. Venue:** Conference room of the Company’s headquarters, shin-Marunouchi Center Building 10F  
1-6-2, Marunouchi, Chiyoda-ku, Tokyo

### 3. Purpose of the Meeting

#### Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 88th fiscal year (from April 1, 2020 to March 31, 2021), and the results of audits of the Consolidated Financial Statements by the financial auditor and the Audit & Supervisory Board
2. The Non-Consolidated Financial Statements for the 88th fiscal year (from April 1, 2020 to March 31, 2021)

#### Matters to be resolved:

- |                       |   |
|-----------------------|---|
| <b>Proposal No. 1</b> | Election of Nine Directors  |
| <b>Proposal No. 2</b> | Payment of Retirement Benefits for Retiring Directors   |
| <b>Proposal No. 3</b> | Final Payment of Retirement Benefits in Conjunction with Abolition of Retirement Benefit Plan for Directors |
| <b>Proposal No. 4</b> | Revision to Share-based Remuneration for Directors  |

- When you attend the Meeting in person, you are kindly requested to present the enclosed voting form at the reception.
- Any amendment to the Company’s Reference Documents for General Meeting of Shareholders, the Business Report, and the Non-Consolidated and Consolidated Financial Statements will be published on the Company’s website (Japanese only).

The Company’s website (<https://www.tpr.co.jp>)

## Reference Documents for General Meeting of Shareholders

### Proposal No. 1 Election of Nine Directors

At the conclusion of the Meeting, the terms of office of all nine Directors will expire. Therefore, the Company proposes the election of nine Directors.

The candidates for Director are as follows:

Candidate No.	Name	Position in the Company	Responsibility in the Company, and significant concurrent positions outside the Company	
1	Hiroshi Suehiro	Representative Director, Chairman & CEO	Board of Director of FALTEC Co., Ltd.	Reelection
2	Kazumi Yano	Representative Director, President & COO	—	Reelection
3	Masanobu Kishi	Representative Director,	Chairman of the Board of FALTEC Co., Ltd.	Reelection
4	Takehiko Karasawa	Director Senior Managing Executive Officer	In charge of Overseas Operations	Reelection
5	Akihiko Ii	Director Senior Managing Executive Officer	In charge of Sales	Reelection
6	Sumio Kobayashi	Managing Executive Officer	In charge of Administration (other than safety and environments)	New election
7	Masataka Honke	Director	—	Reelection Outside Independent
8	Toshihisa Kato	Director	—	Reelection Outside Independent
9	Kanako Osawa		Attorney at law Outside Director (Audit & Supervisory Committee Member) of LINTEC Corporation	New election Outside Independent

Candidate No.	Name	Career summary, position and responsibility in the Company	
1	<p data-bbox="405 421 609 450"><b>Hiroshi Suehiro</b></p> <p data-bbox="453 479 561 508"><u>Reelection</u></p> <p data-bbox="408 539 606 593"><b>Date of birth:</b> September 11, 1958</p> <p data-bbox="381 622 633 701"><b>Number of shares of the Company held:</b> 1,800</p> <p data-bbox="370 730 644 786"><b>Number of years in office:</b> 3 years</p> <p data-bbox="386 815 628 893"><b>Attendance at Board of Directors meetings:</b> 18/18</p>	Apr. 1981	Joined The Fuji Bank, Limited (Currently Mizuho Bank, Ltd.)
		May 2003	General Manager of Mito Branch of Mizuho Bank, Ltd.
		Sept. 2004	General Manager of Europe Corporate Banking Division No. 1 of Mizuho Corporate Bank, Ltd.
		Apr. 2006	General Manager of Europe Division
		Apr. 2008	Executive Officer, General Manager of Corporate Banking Division No. 7
		Apr. 2011	Managing Executive Officer, Head of Asia & Oceania
		Apr. 2014	Managing Executive Officer, Head of the Americas, Mizuho Bank, Ltd.
		Apr. 2015	Senior Managing Executive Officer, Head of the Americas
		Apr. 2017	Deputy President & Executive Officer, Head of the Americas
		May 2018	Vice President and Executive Officer of the Company
		June 2018	Director, Vice President and Executive Officer
		June 2019	Chairman of the Board of FALTEC Co., Ltd.
		<b>June 2019</b>	<b>Representative Director, Chairman &amp; CEO of the Company (current position)</b>
		<b>Apr. 2021</b>	<b>Board of Director of FALTEC Co., Ltd. (current position)</b>
<b>Significant concurrent positions outside the Company</b>		Board of Director of FALTEC Co., Ltd.	
<b>Reasons for nomination as candidate for Director</b>		Hiroshi Suehiro has abundant management experience and broad knowledge in various areas such as banking and finance due to having served as Vice President, then Representative Director, Chairman & CEO of the Company after holding the executive positions in other companies over the long term. Accordingly, the Company proposes to nominate him as a candidate to continue serving as Director.	

Candidate No.	Name	Career summary, position and responsibility in the Company	
2	<p style="text-align: center;"><b>Kazumi Yano</b></p> <p style="text-align: center;">[Reelection]</p> <p><b>Date of birth:</b> February 8, 1957</p> <p><b>Number of shares of the Company held:</b> 7,700</p> <p><b>Number of years in office:</b> 4 years</p> <p><b>Attendance at Board of Directors meetings:</b> 18/18</p>	<p>Aug. 1982</p> <p>June 2006</p> <p>June 2009</p> <p>June 2011</p> <p>June 2012</p> <p>Dec. 2013</p> <p>June 2017</p> <p>June 2019</p> <p><b>Apr. 2021</b></p>	<p>Joined the Company</p> <p>General Manager of Production Engineering Department of Nagano Plant</p> <p>General Manager of Engineering Development Department</p> <p>General Manager of Production Engineering Department of Nagano Plant</p> <p>Executive Officer, Plant Manager of Nagano Plant, and General Manager of Production Planning Department</p> <p>Executive Officer, Plant Manager of Nagano Plant</p> <p>Director, Managing Executive Officer of the Company Representative Director and President of TPR INDUSTRY CO., LTD.</p> <p>Director, Senior Managing Executive Officer</p> <p><b>Representative Director, President &amp; COO (current position)</b></p>
	<p><b>Significant concurrent positions outside the Company</b></p> <p>—</p>		
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Kazumi Yano has broad experience and knowledge in the products and business of the TPR Group, having held important positions in the Company's production departments over many years, and has been serving as Representative Director, President &amp; COO since April of this year. Accordingly, the Company proposes to nominate him as a candidate to continue serving as Director.</p>			

Candidate No.	Name	Career summary, position and responsibility in the Company	
3	<p data-bbox="400 443 612 472"><b>Masanobu Kishi</b></p> <p data-bbox="453 501 560 530">Reelection</p> <p data-bbox="437 560 576 613"><b>Date of birth:</b> March 1, 1953</p> <p data-bbox="384 642 628 719"><b>Number of shares of the Company held:</b> 34,300</p> <p data-bbox="373 748 639 801"><b>Number of years in office:</b> 10 years</p> <p data-bbox="389 831 624 907"><b>Attendance at Board of Directors meetings:</b> 18/18</p>	Apr. 1976	Joined the Company
		June 2000	General Manager of Quality Engineering Department
		Oct. 2001	General Manager of Production Engineering Department
		Oct. 2004	General Manager of Engineering Development Department
		June 2006	General Manager of Technical Planning Department
		June 2007	Managing Executive Officer, General Manager of Technical Planning Department
		Aug. 2009	Managing Executive Officer, General Manager of Technical Planning Department, and General Manager of Product Development Department
		June 2011	Director, Managing Executive Officer, and General Manager of Technical Planning Department
		June 2012	Director, Managing Executive Officer, and General Manager of Sintered Metal Engineering Department
		June 2014	Director, Senior Managing Executive Officer
		June 2016	Director, Senior Managing Executive Officer, and General Manager of Corporate Planning Department
		June 2017	Representative Director, President & COO
		June 2018	Board of Director of FALTEC Co., Ltd.
		Apr. 2021	<b>Representative Director of the Company (current position)</b>
Apr. 2021	<b>Chairman of the Board of FALTEC Co., Ltd. (current position)</b>		
<p data-bbox="336 1106 890 1135"><b>Significant concurrent positions outside the Company</b></p> <p data-bbox="336 1140 772 1169">Chairman of the Board of FALTEC Co., Ltd.</p>			
<p data-bbox="336 1178 847 1207"><b>Reasons for nomination as candidate for Director</b></p> <p data-bbox="336 1211 1396 1323">Masanobu Kishi has broad experience and knowledge in the products and business of the TPR Group, serving as Representative Director, President &amp; COO after holding important positions in the Company's technology departments over many years. Accordingly, the Company proposes to nominate him as a candidate to continue serving as Director.</p>			

Candidate No.	Name	Career summary, position and responsibility in the Company	
4	<p style="text-align: center;"><b>Takehiko Karasawa</b></p> <p style="text-align: center;">[Reelection]</p> <p><b>Date of birth:</b> April 15, 1959</p> <p><b>Number of shares of the Company held:</b> 3,600</p> <p><b>Number of years in office:</b> 4 years</p> <p><b>Attendance at Board of Directors meetings:</b> 18/18</p>	Apr. 1983	Joined The Fuji Bank, Limited (Currently Mizuho Bank, Ltd.)
		July 2007	General Manager of Tianjin Branch of Mizuho Corporate Bank (China), Ltd.
		July 2010	Seconded to the Company (Assigned to Senior Manager of General Affairs Department)
		Sept. 2011	Assigned to Senior Manager of Overseas Operations Department
	Seconded to TP ARN INTERNATIONAL TRADING (SHANGHAI) CO., LTD. (General Manager)	July 2012	Assigned to Senior Manager of Overseas Operations Department
	Seconded to TPR (Tianjin) Co., Ltd. (General Manager)	June 2014	Executive Officer, General Manager of Overseas Operations Department No. 2
June 2017	Director, Executive Officer	June 2018	Director, Managing Executive Officer of the Company
Apr. 2021	<p><b>Director, Senior Managing Executive Officer (current position)</b></p> <p><b>In charge of Overseas Operations</b></p>	<p><b>Significant concurrent positions outside the Company</b></p> <p>—</p>	
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Takehiko Karasawa has abundant experience and broad knowledge mainly in banking, finance, and overseas business management, having held important positions in overseas operations departments, including for other companies. Accordingly, the Company proposes to nominate him as a candidate to continue serving as Director.</p>			
5	<p style="text-align: center;"><b>Akihiko Ii</b></p> <p style="text-align: center;">[Reelection]</p> <p><b>Date of birth:</b> September 11, 1960</p> <p><b>Number of shares of the Company held:</b> 4,600</p> <p><b>Number of years in office:</b> 2 years</p> <p><b>Attendance at Board of Directors meetings:</b> 18/18</p>	Nov. 1990	Joined the Company
		June 2009	General Manager of Nagoya Sales Office
		June 2014	General Manager of Marketing & Business Planning Department
		June 2015	Executive Officer in charge of Sales for Japanese firms
Sept. 2017	Executive Officer in charge of Sales for Japanese firms	Apr. 2018	Executive Officer in charge of Sales for Japanese firms
	General Manager of Marketing & Business Planning Department	June 2019	Director, Managing Executive Officer of the Company
Apr. 2021	<p><b>Director, Senior Managing Executive Officer (current position)</b></p> <p><b>In charge of Sales</b></p>	<p><b>Significant concurrent positions outside the Company</b></p> <p>—</p>	
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Akihiko Ii has broad experience and knowledge in the products and business of the TPR Group, having held important positions in the Company's sales departments over many years. Accordingly, the Company proposes to nominate him as a candidate to continue serving as Director.</p>			

Candidate No.	Name	Career summary, position and responsibility in the Company	
6	<p style="text-align: center;"><b>Sumio Kobayashi</b></p> <p style="text-align: center;">New election</p> <p><b>Date of birth:</b> February 20, 1954</p> <p><b>Number of shares of the Company held:</b> 1,600</p> <p><b>Number of years in office:</b> —</p> <p><b>Attendance at Board of Directors meetings:</b> —</p>	<p>Apr. 1977</p> <p>Apr. 2001</p> <p>Jan. 2004</p> <p>Apr. 2005</p> <p>Apr. 2009</p> <p>Apr. 2010</p> <p>Apr. 2012</p> <p>June 2014</p> <p>June 2018</p> <p><b>June 2019</b></p>	<p>Joined The Yasuda Mutual Life Insurance Company</p> <p>General Manager of Systems Department (in charge of planning and infrastructure)</p> <p>Councilor of System Development of Information Systems Department of Meiji Yasuda Life Insurance Company</p> <p>General Manager of System Risk Management Department</p> <p>Assigned to Relevant Business Department Seconded to MYJ, Inc. (Manager of MAP Planning Office)</p> <p>Assigned to Relevant Business Department Seconded to MYJ, Inc. (Director)</p> <p>Assigned to Relevant Business Department Seconded to MYJ, Inc. (Managing Director)</p> <p>Full-Time Audit &amp; Supervisory Board Member of the Company</p> <p>Executive Officer, General Manager of Group Governance Administration Office</p> <p><b>Managing Executive Officer (current position)</b></p> <p><b>In charge of Administration (other than safety and environments)</b></p>
		<p><b>Significant concurrent positions outside the Company</b></p> <p>—</p>	
		<p><b>Reasons for nomination as candidate for Director</b></p> <p>Sumio Kobayashi has broad experience and knowledge in a wide range of areas including system-related matters and risk management, having served as an Audit &amp; Supervisory Board Member and then as an Executive Officer at the Company after holding important positions and serving as a director at other companies. Accordingly, the Company proposes to nominate him as a candidate to serve as Director.</p>	
		7	<p style="text-align: center;"><b>Masataka Honke</b></p> <p style="text-align: center;">Reelection Outside Independent</p> <p><b>Date of birth:</b> June 9, 1945</p> <p><b>Number of shares of the Company held:</b> 1,200</p> <p><b>Number of years in office:</b> 5 years</p> <p><b>Attendance at Board of Directors meetings:</b> 18/18</p>
<p><b>Significant concurrent positions outside the Company</b></p> <p>—</p>			
<p><b>Reasons for nomination as candidate for outside Director and outline of expected roles</b></p> <p>Masataka Honke has experience carrying out important positions in the Bank of Japan and the financial industry, and has experience as a corporate manager, and therefore the Company has deemed that he will appropriately execute his duties as outside Director of the Company. Accordingly, the Company proposes to nominate him to continue as a candidate for Director. If he is elected, he will be involved in matters related to the nomination and remuneration of the Company's Directors, etc. as a member of the Nominating and Remuneration Committee from an objective and neutral standpoint.</p>			

Candidate No.	Name	Career summary, position and responsibility in the Company
8	<p style="text-align: center;"><b>Toshihisa Kato</b></p> <p style="text-align: center;">Reelection Outside Independent</p> <p><b>Date of birth:</b> November 25, 1953</p> <p><b>Number of shares of the Company held:</b> 700</p> <p><b>Number of years in office:</b> 2 years</p> <p><b>Attendance at Board of Directors meetings:</b> 18/18</p>	<p>Apr. 1978      Joined Ajinomoto Co., Inc.</p> <p>July 1996      Associate General Manager of Central Research Laboratories</p> <p>July 1998      Associate General Manager of Research and Development Department</p> <p>July 2000      General Manager of Production Division No. 1 of Tokai Plant</p> <p>Apr. 2005      General Manager of Fine Chemical &amp; Pharmaceutical Industrialization Center</p> <p>July 2006      General Manager of Tokai Plant</p> <p>July 2007      Corporate Executive Officer, General Manager of Tokai Plant</p> <p>July 2009      Corporate Executive Officer, General Manager of AOC Department, Bioscience Products &amp; Fine Chemicals Division</p> <p>Oct. 2010      Corporate Executive Officer, General Manager of Material Development &amp; Application Labs. Bioscience Products &amp; Fine Chemicals Division</p> <p>July 2011      Corporate Vice President, Deputy Chief Technology Officer In charge of Open Innovation Affairs and Intellectual Property Affairs</p> <p>July 2013      Corporate Vice President, General Manager of Institute For Innovation</p> <p>July 2017      Advisor</p> <p><b>June 2019      Director of the Company (current position)</b></p>
		<p><b>Significant concurrent positions outside the Company</b></p> <p>—</p>
		<p><b>Reasons for nomination as candidate for outside Director and outline of expected roles</b></p> <p>Toshihisa Kato has experience of having held important positions in operating companies over many years, and has experience in corporate management, and the Company has therefore deemed that he will appropriately execute his duties as outside Director of the Company. Accordingly, the Company proposes to nominate him as a candidate to continue serving as Director. If he is elected, he will be involved in matters related to the nomination and remuneration of the Company's Directors, etc. as a member of the Nominating and Remuneration Committee from an objective and neutral standpoint.</p>

Candidate No.	Name	Career summary, position and responsibility in the Company	
9	<p style="text-align: center;"><b>Kanako Osawa</b></p> <p style="text-align: center;">New election Outside Independent</p> <p><b>Date of birth:</b> December 22, 1970</p> <p><b>Number of shares of the Company held:</b> 0</p> <p><b>Number of years in office:</b> —</p> <p><b>Attendance at Board of Directors meetings:</b> —</p>	<p>Mar. 1998</p> <p>Apr. 1998</p> <p><b>Apr. 1998</b></p> <p>Oct. 2005</p> <p><b>June 2015</b></p>	<p>Graduated from Legal Training and Research Institute of Japan (the 50th Class), Supreme Court of Japan</p> <p>Registered as an attorney at law</p> <p><b>Joined Kajitani Law Offices (current position)</b></p> <p>Admitted to the bar of the State of New York, USA</p> <p><b>Outside Director (Audit &amp; Supervisory Committee Member) of LINTEC Corporation (current position)</b></p>
	<p><b>Significant concurrent positions outside the Company</b></p> <p>Attorney at law</p> <p>Outside Director (Audit &amp; Supervisory Committee Member) of LINTEC Corporation</p>		
	<p><b>Reasons for nomination as candidate for outside Director and outline of expected roles</b></p> <p>Kanako Osawa has been active in a wide range of fields as an attorney at law and has cultivated expert knowledge and experience. The Company has therefore deemed that she will appropriately execute her duties as outside Director of the Company. Accordingly, the Company proposes to nominate her as a candidate to serve as Director. If she is elected, she will be involved in matters related to the nomination and remuneration of the Company's Directors, etc. as a member of the Nominating and Remuneration Committee from an objective and neutral standpoint.</p>		

- Notes:
1. There is no special interest between any of the candidates and the Company.
  2. Masataka Honke, Toshihisa Kato, and Kanako Osawa are candidates for outside Director. The Company has provided notice of the statuses of Masataka Honke and Toshihisa Kato as independent officers to the Tokyo Stock Exchange. If Kanako Osawa is elected, the Company plans to provide notice of her status as an independent officer to the Tokyo Stock Exchange.
  3. The Company has entered into limited liability agreements of damages with Masataka Honke and Toshihisa Kato in order to enable them to adequately perform the expected role as outside Director, and plans to continue this agreement with them if their election is approved. If Kanako Osawa is elected, the Company plans to newly enter into an agreement with her. The outline of the agreement is as follows:
    - If the Company incurs damage as a result of the failure of the outside Director to perform his/her duties, as long as the outside Director performed his/her duties in good faith and without gross negligence, the liability for damage that the outside Director shall owe to the Company shall be limited to the minimum amount of liability specified in Article 425, paragraph (1) of the Companies Act.
  4. The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act, and a summary of the contents of the agreement is described in the Business Report (Japanese only). If the election of the candidates for Director is approved, they will continue to be included as an insured person under this insurance policy.
- In addition, the Company plans to renew the insurance policy with the same contents at the next renewal.

**(Reference) Management structure after the Proposal No. 1 is approved (planned)**

Name	Position in the Company	Fields of expertise						Nominating and Remuneration Committee	
		Corporate Management	Finance	Production, Engineering and/or IT	Sales	Global	Legal Affairs and/or Risk Management		
Hiroshi Suehiro	Representative Director, Chairman & CEO	●	●			●		●	Reelection
Kazumi Yano	Representative Director, President & COO	●		●					Reelection
Masanobu Kishi	Representative Director, Chairman of the Board of Directors	●		●	●				Reelection
Takehiko Karasawa	Director Senior Managing Executive Officer	●	●			●			Reelection
Akihiko Ii	Director Senior Managing Executive Officer				●	●			Reelection
Sumio Kobayashi	Director Managing Executive Officer		●	●			●		New election
Masataka Honke	Director	●	●				●	●	Reelection Outside Independent
Toshihisa Kato	Director			●		●	●	●	Reelection Outside Independent
Kanako Osawa	Director		●			●	●	●	New election Outside Independent
Hiroshi Kato	Full-Time Audit & Supervisory Board Member		●			●	●		
Yutaka Sukegawa	Full-Time Audit & Supervisory Board Member		●	●			●		Outside Independent
Yoshikazu Aruga	Full-Time Audit & Supervisory Board Member				●	●	●		
Kinya Ninagawa	Audit & Supervisory Board Member	●	●				●		Outside Independent
Takashi Yonekawa	Audit & Supervisory Board Member		●		●		●		Outside Independent

**Proposal No. 2 Payment of Retirement Benefits for Retiring Directors**

In order to reward Kenichi Tomita, who will retire as a Director, for his services during his terms up to the conclusion of the Meeting, we would like to pay him a reasonable amount of retirement benefits in accordance with the Company’s certain standards.

The Company proposes that the determination of the specific amount, timing, and method, etc., for payment of the retirement benefits be entrusted to the Board of Directors, which shall make such determination after giving consideration to the report submitted by the Nominating and Remuneration Committee, in which independent outside Directors make up a majority of the members.

The decision to submit this proposal was resolved by the Board of Directors after having the matter deliberated by the Nominating and Remuneration Committee, in line with the determination policy for content for remuneration etc. for individual Directors and internal rules, which have been determined for the Company beforehand by the Board of Directors, and it is deemed to be appropriate.

The determination policy for content for remuneration etc. for individual Directors of the Company is described in the Business Report (Japanese only).

The career summary of the retiring Director is as follows:

Name	Career summary	
Kenichi Tomita	June 2011	Director, Vice President and Executive Officer of the Company
	June 2015	Representative Director, Chairman & CEO
	June 2018	Representative Director, Chairman of the Board of Directors
		To the present

### Proposal No. 3 Final Payment of Retirement Benefits in Conjunction with Abolition of Retirement Benefit Plan for Directors

The Company resolved at the meeting of the Board of Directors held on May 25, 2021 to abolish the retirement benefit plan for Directors and Executive Officers as part of a revision of the officers' remuneration system upon the conclusion of the Meeting. Following on from this, on the condition that Proposal No. 1 is approved and adopted in its original form, it is proposed that for Directors scheduled to be reappointed, Hiroshi Suehiro, Kazumi Yano, Masanobu Kishi, Takehiko Karasawa and Akihiko Ii, final payments of the retirement benefits corresponding to their terms of office until the conclusion of the Meeting, in accordance with the Company's prescribed standards, should be paid within the suitable amount, with the award being made at the time of their respective retirements from office. In addition, the Company proposes that the determination of the specific amount, method, etc., for payment of the retirement benefits be entrusted to the Board of Directors, which shall make such determination after giving consideration to the report submitted by the Nominating and Remuneration Committee, in which independent outside Directors make up a majority of the members.

The decision to submit this proposal was resolved by the Board of Directors after having the matter deliberated by the Nominating and Remuneration Committee, in line with the determination policy for content for remuneration etc. for individual Directors and internal rules, which have been determined for the Company beforehand by the Board of Directors, and it is deemed to be appropriate.

The determination policy for content for remuneration etc. for individual Directors of the Company is described in the Business Report (Japanese only).

The career summaries of Directors subject to payment of final retirement benefits are as follows.

Name	Career summary	
Hiroshi Suehiro	June 2018	Director, Vice President and Executive Officer of the Company
	June 2019	Representative Director, Chairman & CEO To the present
Kazumi Yano	June 2017	Director, Managing Executive Officer of the Company
	June 2019	Director, Senior Managing Executive Officer
	Apr. 2021	Representative Director & COO To the present
Masanobu Kishi	June 2011	Director, Managing Executive Officer of the Company
	June 2014	Director, Senior Managing Executive Officer
	June 2017	Representative Director, President & COO
	Apr. 2021	Representative Director To the present
Takehiko Karasawa	June 2017	Director, Executive Officer of the Company
	June 2018	Director, Managing Executive Officer
	Apr. 2021	Director, Senior Managing Executive Officer To the present
Akihiko Ii	June 2019	Director, Managing Executive Officer of the Company
	Apr. 2021	Director, Senior Managing Executive Officer To the present

Note: At the 86th Annual General Meeting of Shareholders held on June 27, 2019, the Company resolved to make final payment of retirement benefits in conjunction with the abolition of the retirement benefit plan to outside Directors.

## **Proposal No. 4 Revision to Share-based Remuneration Plan for Directors**

### **1. Reasons for submitting this proposal and why the remuneration is reasonable**

As part of the revision of the officers' remuneration system, the Company will abolish the retirement benefits for Directors (excluding outside Directors which has already been abolished) and Executive Officers at the conclusion of the Meeting. Therefore, the Company requests the approval of this proposal for partial revisions to the share-based remuneration plan, Board Benefit Trust (BBT; hereinafter the "Plan"), approved as a resolution (hereinafter the "Original Resolution") at the 84th Annual General Meeting of Shareholders held on June 29, 2017. The Nominating and Remuneration Committee, in which independent outside Directors make up a majority of the members and the Board of Directors feel this proposal is appropriate for the purpose of enhancing the link between the remuneration of Directors and the Company share value and for heightening the motivation of Directors to contribute to greater medium- to long-term corporate value by increasing the proportion of share-based remuneration in the total remuneration for Directors according to the Plan.

Assuming that this proposal is approved, the Board of Directors plans to approve the partial revision of the policy for determining the content of remuneration for each Director of the Company after the conclusion of the Meeting (proposed policy of this proposal if approved is included at the end of this document for reference).

The Company also requests the details related to the Plan after revision by this proposal be left up to the Board of Directors within the framework as described in 3. below, after giving consideration to the report submitted by the Nominating and Remuneration Committee. In addition, Executive Officers not concurrently serving as Directors will be eligible for the Plan, and therefore the same revisions would apply to Executive Officers as well.

If Proposal 1, Election of Nine Directors, and this proposal are approved as proposed, nine directors (three of whom are outside Directors) will be eligible for the Plan.

### **2. Details of the plan revisions**

#### **(1) Expansion of eligibility of the Plan**

In the past, only Directors concurrently serving as Executive Officers were eligible for the Plan, but the Company proposes expanding the scope of eligibility to include Directors not concurrently serving as Executive Officers. The Company expects Directors not serving as Executive Officers to act as a supervisory function from the stance of shareholders to ensure that the Company executes management in line with the common interests of its shareholders, and it believes including share-based remuneration in their remuneration will raise greater awareness about fulfilling that function. It should be noted that Audit & Supervisory Board members are still not eligible for the Plan.

#### **(2) Revision to the total maximum number of points granted each fiscal year**

The Company expects abolishing the retirement allowance to Director and increasing the proportion of share-based remuneration in the total remuneration according to the Plan will not only share the same benefits of rising stock prices but also the risks of falling stock prices with the shareholders, which should incentivize Directors to contribute to increasing medium- and long-term corporate value. The Company proposes the maximum number of points granted to each Director based on the Plan be revised from 12,500 points (only for Directors concurrently serving as Executive Officers) to 35,000 points (of which 5,000 points shall be for outside Directors). These revisions have been determined by taking into full consideration such factors as the payment level for Director remuneration and the proportion of share-based remuneration included therein as well as the trends for the number of Directors and future forecasts, and it is deemed to be appropriate. It should be noted that the monetary conversion for a maximum of 35,000 points granted to Directors assuming a closing stock price of ¥1,542 on May 24, 2021 would be approximately ¥54 million.

#### **(3) Revision to the method for provision of shares, etc.**

To increase flexibility of the plan related to payments for Directors who have retired, the Company proposes a change to a monetary payment instead of a provision of Company shares equivalent to the Company shares calculated at market value for a certain proportion of the points granted to Directors if the requirements defined separately in the Officer Stock Benefit Rules are satisfied.

As one measure to enhance corporate governance, it shall be clarified in the rules that any Director who engages in certain illegal or inappropriate acts shall lose their rights to receive a provision of Company shares and monetary payment equivalent to a certain portion of the Company shares calculated at market value (hereinafter the "Company shares, etc.").

#### **(4) Relationship with the total amount of Director remuneration, etc. already approved by the Board of Directors**

In the Original Resolution, the 78th Annual General Meeting of Shareholders on June 29, 2011 and the 86th Annual General Meeting of Shareholders on June 27, 2019 has approved, for the Plan, a total amount of remuneration, etc. for Directors within given limits (up to ¥400 million of which up to ¥70 million shall be for outside Directors, but not including employee salary). However, the Company proposes a change to handle Director remuneration separately considering factors such as the impact of share price fluctuations on Director remuneration, an increase in the number of Directors, and potential position changes.

### **3. Details after the Plan revisions**

#### **(1) Summary**

The Plan consists of a share-based remuneration plan whereby the Company contributes money as financial funds to a trust (hereinafter the "Trust" refers to the trust established under the Plan) for the acquisition of Company shares, etc. to be issued to Directors through the Trust in accordance with the Officer Stock Benefit Rules. In addition, Directors shall receive provision of Company shares, etc. upon their retirement as a general rule.

(2) Persons eligible in the Plan

Directors (Audit & Supervisory Board members are not eligible under the Plan)

(Note) In addition to the above, Executive Officers not concurrently serving as Directors will be eligible under the Plan.

(3) Trust amount

The Company contributed money and established the Trust for the initial period ended March 31, 2021 when the Plan was adopted in accordance with the Original Resolution, and the Trust acquired Company stock using the money contributed by the Company as the financial funds.

On condition that the revisions to the Plan in this proposal are approved, the Company shall contribute the additional necessary financial funds to the Trust for three consecutive fiscal years (hereinafter the “Initial Applicable Period”) starting with the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024. The maximum number of points granted to Directors under the Plan will be a total of 35,000 points per fiscal year as described in (5) below. Therefore, the Company shall contribute the financial funds for a reasonable estimation of the total amount of money necessary to acquire a maximum of 105,000 shares considering the closing price of common share of the Company to the Trust immediately before the Initial Applicable Period. It should be noted that, assuming a closing stock price of ¥1,542 on May 24, 2021, the necessary financial funds above would be approximately ¥162 million.

Even after the Initial Applicable Period has past, until the termination of the Plan, the Company shall contribute the additional financial funds deemed necessary to the Trust every three fiscal years according to a reasonable estimation of the amount for the Trust to acquire the necessary number of shares for payment to Directors under the Plan for a period of three consecutive fiscal years (hereinafter the “Applicable Period”) as general rule.

However, when such additional contributions are made, if shares of the Company (excluding shares of the Company corresponding to the number of points granted to Directors but not yet provided to Directors) and money remain in the trust assets (hereinafter “Outstanding Shares, etc.”), the Outstanding Shares, etc. shall be applied to the financial funds for payments under the Plan for the next Applicable Period, and the additional contributions of the Company for that subsequent Applicable Period shall be calculated after taking into account the Outstanding Shares, etc. It should be noted that the Company will disclose the additional contributions when decided in a timely and appropriate manner.

(Note 2) The money actually contributed by the Company to the Trust shall be the amount for the necessary financial funds to issue Company shares, etc. to Executive Officers not concurrently serving as Directors in addition to the necessary financial funds to issue Company shares, etc. to Directors above.

(Note 3) The maximum number of Company shares above is the maximum number of Company shares to acquire using the financial funds necessary to issue Company shares, etc. to Directors. The number of Company shares that are actually acquired by the Trust is the number of shares acquired using the necessary financial funds contributed by the Company to provide Company shares, etc. to Executive Officers not concurrently serving as Directors as mentioned in (Note 2) above.

(4) Acquisition method and number of Company shares to acquire

The acquisition of Company shares through the Trust shall use the contributions described in (3) above as the financial funds to acquire Company shares by either acquiring Company shares through the stock market or disposing of treasury stock of the Company.

In the Initial Applicable Period, the maximum 105,000 shares shall be immediately acquired as shares to issue to Directors after the Company provides additional contribution related to this Initial Applicable Period. The Trust will disclose the acquisition method of Company shares and other details in a timely and appropriate manner.

(5) Specific calculation method for the number of Company shares, etc. to provide to Directors

The Company grants the number of points determined according to the Officer Stock Benefit Rules for each fiscal year to Directors. The total number of points granted to Directors each fiscal year shall not exceed 35,000 points (of which 5,000 points are for outside Directors). These points have been determined by taking into full consideration such factors as the payment level for Director remuneration and the proportion of share-based remuneration included therein as well as the trends for the number of Directors and future forecasts, and it is deemed to be appropriate.

In addition, the points granted to Directors are calculated as one common share of the Company for each point when providing the Company shares, etc. as described in (6) below (however, in the event of a share split, an allotment of shares without contribution, or a reverse share split, etc. after the approval of this proposal, Company shares shall be reasonably adjusted through either the maximum number of points, the number of points already granted, or a conversion rate in proportion to the share split ratio).

The number of points of a Director, which is the criteria for providing Company shares, etc. described in (6) below, is the number of points granted to said Director up until their retirement (hereinafter the points calculated in this way are referred to as the “Defined Number of Points”) as a general rule.

(6) Provision of Company shares, etc. and the specific calculation method for the amount of remuneration, etc.

Directors of the Company who retire and fulfill the beneficiary requirements defined in the Officer Stock Benefit Rules, receive a number of the Company shares proportional to the Defined Number of Points granted in accordance with the stipulations in (5) above as a general rule by completing the designated beneficiary confirmation procedures from the Trust. However, Directors who satisfy requirements defined separately from the Officer Stock Benefit Rules may receive a monetary payment instead of a provision of Company shares equivalent to the Company shares calculated at market value on the vesting date for a certain proportion of the points granted to said Director. The Trust may sell Company shares to make these monetary provisions.

In addition, any person eligible under the Plan who is removed from their post by a resolution at the Annual General Meeting of Shareholders, who resigns as a result of certain illegal activities during their tenure or who has taken inappropriate actions which have caused harm to the Company during their tenure shall lose all rights to the provision of Company shares, etc. The amount of remuneration, etc. that Directors receive shall be based on the monetary value corresponding to the book value of each share of Company shares owned by the Trust multiplied by the total number of points granted to the Director (however, it shall be reasonably adjusted if any stock split, allotment of shares without contribution, or a reverse stock split, etc. of Company shares are made). On the rare occasion a monetary payment is provided in accordance with the Officer Stock Benefit Rules and deemed appropriate, the said amount will be added.

(7) Exercise of voting rights

The voting rights related to the Company shares held within the Trust account shall not be exercised in accordance with instructions of the trust administrator. The applied method is designed to ensure the neutrality of corporate management pertaining to the exercise of voting rights related to the Company shares held in the Trust account.

(8) Handling of dividends

The dividends related to the Company shares held within the Trust account shall be received by the Trust and used for money to acquire Company shares or the trust remuneration, etc. of trust administrators involved in the Trust. When the Trust is terminated, any outstanding dividends, etc. in the Trust shall either be donated to an organization with no interest in the Company or its officers or be paid proportionally to Directors serving at that time based on the number of points granted to each Director up to that point based on the Officer Stock Benefit Rules.

(9) Handing of Trust on termination

The Trust shall be terminated upon delisting of the Company shares, abolishment, etc. of the Officer Stock Benefit Rules or other such reasons.

The Company plans to acquire without contribution all Company shares among the residual assets of the Trust assets when the Trust is terminated, to extinguish by resolution of the Board of Directors. Any money among the residual assets of the Trust assets when the Trust is terminated shall either be donated to the organization with no interest in the Company or its officers mentioned in (8) above, or the money remaining after excluding that paid to Directors shall be provided to the Company.

(Reference)

If the Proposal is approved, the Board of Directors plans to approve a resolution regarding the following policy (planned) right after the Annual General Meeting of Shareholders.

Policy for determining the content of remunerations, etc. for each Director (planned)

I. Basic policy

As a basic policy, the Company's Director remuneration shall ensure a sufficient link between corporate performance and medium- to long-term corporate value as an incentive to sustainability enhance corporate value, and it shall set the proper level when determining remuneration for each Director considering the duty and performance of each Director. More specifically, the remuneration of Executive Directors shall consist of ordinary remuneration, fluctuating emoluments and share-based remuneration through Board Benefit Trust (non-monetary remuneration) as an incentive to better raise awareness about enhancing corporate value. However, non-executive directors shall not receive fluctuating emoluments.

II. Policy for determining the amount of ordinary remunerations (monetary remuneration) for each Director

Ordinary remuneration for Directors of the Company is a fixed monthly salary determined through comprehensive consideration of position, the level of compensation at other organizations for said duties, performance at the Company and the level of employee salaries.

III. Policy for determining the content, amount and the method for calculating the figure of fluctuating emoluments (monetary remuneration)

(Including the policy for determining the period and conditions for providing remuneration)

Fluctuating emoluments are calculated and paid with the ordinary remuneration by dividing the amount calculated with consideration of the management environment, the corporate performance in the previous fiscal year and the contributions to the performance by each executive Director by 12 to boost motivation to achieve higher business performance each fiscal year. The target corporate business performance and indicators are set when formulating plans based on the management environment such as the consolidated ordinary income laid out in the Mid-term Management Plan and proper indicators according to the duties of each executive Director, and are appropriately revised based on the findings of the Nominating and Remuneration Committee, which a majority is made up of independent outside Directors, according to changes in the business environment.

IV. Policy for determining the content, amount and the method for calculating the figure of non-monetary remuneration (Including the policy for determining the period and conditions for providing remuneration)

Non-monetary remuneration is share-based remuneration provided through Board Benefit Trust in accordance with the Officer Stock Benefit Rules to offer a remuneration plan ensuring a link to the enhancement of medium- to long-term corporate value. More specifically, non-monetary remuneration shall be a point system based on position wherein points are assigned according to a table for a certain period every year. Furthermore, the specific timing to provide non-monetary remuneration shall be upon

retirement by converting each point granted during the Director's tenure to one share. In addition, any Director who engages in certain illegal or inappropriate acts shall lose their rights to receive provision of Company shares, etc.

V. Policy for determining the ratio of the amount of monetary remuneration, etc. or the amount of non-monetary remuneration, etc. to the amount of remuneration, etc. for each Director

The Nominating and Remuneration Committee considers the ratio of each type of Director remuneration based on a standard level of remuneration referring to corporate groups with approximately the same business scale in the same type and category of business, and it structures remuneration in a composition enhancing the link with Company business performance and corporate value more and more as position becomes higher. The Board of Directors shall determine the ratio of each type of remuneration respecting the content of reports from the Nominating and Remuneration Committee

VI. Policy content of remunerations for each Director

The specific details about the amount of remuneration for each Director shall be delegated to the Representative Director, Chairman & CEO by resolution of the Board of Directors, and their authority shall be to decide the amount of ordinary remuneration of each Director and the amount of fluctuating emoluments based on the evaluation of the business performance of each Director. The Board of Directors shall consult with the Nominating and Remuneration Committee on original proposals prepared by the Representative Director, Chairman & CEO to ensure the Representative Director, Chairman & CEO is appropriately exercising this authority, and the Representative Director, Chairman & CEO shall make a decision in accordance with content of that report.