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(Stock Exchange Code 4045)  
March 1, 2021

**To Shareholders with Voting Rights:**

Mikishi Takamura  
President and Representative Director  
Toagosei Co., Ltd.  
1-14-1 Nishi-Shimbashi, Minato-ku, Tokyo

**NOTICE OF  
THE 108TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

Notice is hereby given that the 108th Ordinary General Meeting of Shareholders of Toagosei Co., Ltd. (the “Company”) will be held for the purposes as described below.

In terms of preventing the spread of COVID-19, we kindly ask you to refrain from attending this year’s General Meeting of Shareholders as much as possible, and exercise your voting rights in written form or by electronic method (via the Internet, etc.) as described below. We request you to review the Reference Document for the General Meeting of Shareholders below and exercise your voting rights no later than 5:00 p.m. (Japan time) on Monday, March 29, 2021.

**[Exercise of your voting rights in written form]**

Please indicate your approval or disapproval of each of our proposals on the enclosed Voting Rights Exercise Form and return it to us by post so that it can reach us by the above exercise deadline.

**[Exercise of your voting rights by electronic method (via the Internet)]**

You can exercise your voting rights either by (1) scanning the QR code shown on the Voting Rights Exercise Form, or by (2) entering the “voting rights exercise code” and “password” shown on the Voting Rights Exercise Form on our website for exercising voting rights (<https://www.web54.net>), so please enter your approval or disapproval of each of our proposals by the above exercise deadline.

- 1. Date and Time:** Tuesday, March 30, 2021 at 10:00 a.m. (Japan time) (Reception opens at 9:00 a.m.)
- 2. Place:** 2F Large conference room at the Head Office of the Company located at 1-14-1 Nishi-Shimbashi, Minato-ku, Tokyo
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. Business Report, Consolidated Financial Statements for the Company’s 108th Fiscal Year (January 1, 2020 - December 31, 2020) and results of audits of the Consolidated Financial Statements by the Accounting Auditors and the Audit and Supervisory Committee
    2. Non-consolidated Financial Statements for the Company’s 108th Fiscal Year (January 1, 2020 - December 31, 2020)
  - Proposals to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Election of Nine (9) Directors (excluding Directors who act as Audit and Supervisory Committee Members)
    - Proposal 3:** Election of Two (2) Directors who act as Audit and Supervisory Committee Members

#### 4. Decisions upon Convocation

- (1) When you exercise your voting rights by a proxy, you must delegate your voting rights to another shareholder of the Company, who has voting rights. The delegation of your voting rights is limited to only one proxy.
- (2) If you exercise your voting rights more than once by an electronic method, the last exercise of your voting rights shall be treated as the valid vote.
- (3) If you exercise your voting rights both in written form and by an electronic method, your vote that we receive later shall be treated as the valid vote. In such case, if we receive your votes on the same day, your voting right exercised by an electronic method shall be treated as valid.

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Among the documents that we should provide together with this Notice, the following items are posted on the Company's website in accordance with applicable laws and regulations and the Articles of Incorporation of the Company. Therefore, we do not include such information in the attachments. The following documents posted on the Company's website are part of the documents audited by the Audit and Supervisory Committee in preparation of the Audit Report, and the Company's Accounting Auditors in preparation of the Accounting Auditor's Report.
  - 1) "System to Ensure the Appropriateness of Operations" in the Business Report
  - 2) "Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements
  - 3) "Non-consolidated Statement of Changes in Equity" and "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
- Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements be revised, the revised versions will be posted on the Company's website.  
The Company's website: <https://www.toagosei.co.jp/>

Measures to prevent the spread of COVID-19
<ul style="list-style-type: none"><li>• We kindly ask you to refrain from coming to the meeting venue on the day as much as possible, and exercise your voting rights in advance in written form or via the Internet, etc. For exercising your voting rights in advance, please refer to page 1 of this Notice.</li><li>• The General Meeting of Shareholders will be live-streamed on the Internet, so that you can view it from your home and other places. Please refer to the enclosed leaflet for how to view the live-streaming.</li><li>• Please wear a mask when you come to the meeting venue. We kindly ask for your cooperation in using hand sanitizers available at the venue and in having your temperature checked.</li><li>• We may not allow entry for those who refuse to cooperate in wearing masks and using hand sanitizers, and those who have a fever or are not feeling well.</li><li>• The number of available seats will be largely reduced compared to previous years, as seating will be widely spaced. For this reason, we may decline your entry even if you come to the venue on the day.</li><li>• Please note that we will not distribute commemorative goods (souvenirs) and drinks.</li><li>• In order to shorten the meeting, explanations on the matters to be reported and others may be brief.</li></ul>

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal 1:** Appropriation of Surplus

Regarding the appropriation of surplus of the Company, we hereby propose as follows:

#### ■ Year-end Dividend

The Company regards investment, financial soundness, capital efficiency, and shareholder returns for sustainable growth based on the Group's medium- to long-term perspective as important elements of its capital policy. The basic dividend policy for returns to our shareholders is to continue stable dividends with a consolidated dividend payout ratio targeted at 30% or more, and improve our consolidated total return ratio, including share buybacks, and that the shareholder return be decided through a comprehensive consideration of the strengthening of our management structure and enhancement of internal reserves, as well as future developments and the progress of business, etc.

Regarding the year-end dividend for the 108th fiscal year, we propose as follows:

(1) Type of dividend assets:

Cash

(2) Matters concerning the allotment of dividend assets and the amount thereof:

We propose paying a dividend of ¥15 per share of the Company's common stock. The total amount of the dividends will be ¥1,921,559,730.

We paid an interim dividend of ¥15 per share in the current fiscal year. Consequently, an annual dividend per share amounts to ¥30 per share and the consolidated dividend payout ratio amounts to 48.1%. The consolidated total return ratio including share buybacks amounts to 95.4%.

(3) Date when dividends of surplus become effective:

March 31, 2021

**Proposal 2:** Election of Nine (9) Directors (excluding Directors who act as Audit and Supervisory Committee Members)

The terms of office for all of the nine (9) incumbent Directors will expire at the conclusion of the meeting. Accordingly, the Company proposes the election of nine (9) Directors (excluding Directors who act as Audit and Supervisory Committee Members).

If this Proposal and Proposal 3 are approved as originally proposed, the Company's Board of Directors will comprise fourteen (14) members: seven (7) internal Directors and seven (7) Independent Outside Directors (thirteen (13) male and one (1) female).

The candidates are as follows:

No.	Name		Positions and Responsibilities at the Company	Attendance Rate at the Board of Directors meetings (for the current fiscal year)	Term of office (at the conclusion of this meeting)
1	Mikishi Takamura	[Reappointment]	President and Representative Director	13/13 (100%)	11 years
2	Nobuhiro Ishikawa	[Reappointment]	Vice President and Representative Director and General Manager, Corporate Strategy Division	12/13 (92%)	7 years
3	Yoshitaka Suzuki	[Reappointment]	Director, General Manager, Group Administrative Division and General Manager, Human Resource Development Department, Group Administrative Division	13/13 (100%)	4 years
4	Susumu Miho	[Reappointment]	Director, General Manager, Supply Chain Management Division and General Manager, Tokyo Sales Department	13/13 (100%)	3 years
5	Shinichi Sugiura	[Reappointment]	Director of the Company President and Representative Director, Aron Kasei Co., Ltd.	13/13 (100%)	8 years
6	Satoru Nakanishi	[Reappointment] [Outside] [Independent]	Director	13/13 (100%)	4 years
7	Yasuhiro Koike	[Reappointment] [Outside] [Independent]	Director	13/13 (100%)	3 years
8	Masahiro Kimura	[New appointment]	Executive Officer, General Manager, Technology & Production Administrative Division and General Manager, Research & Development Administrative Division	-	-
9	Yuichiro Mori	[New appointment] [Outside] [Independent]	-	-	-

No.	Name (Date of birth)	Summary of Career, Positions and Responsibilities at the Company (Important Concurrent Positions Held)	Number of shares of the Company held
1	Mikishi Takamura (March 28, 1956)  [Reappointment]	<p>April 1980      Joined the Company</p> <p>April 2002      General Manager, Finance Group, Administrative Department</p> <p>April 2005      General Manager, Human Resources &amp; General Affairs Group, Administrative Department</p> <p>April 2006      General Manager, Human Resources &amp; General Affairs Group and General Manager, Investor Relations &amp; Public Relations Section, Administrative Department</p> <p>April 2008      Deputy Plant Manager, Nagoya Plant</p> <p>March 2010      Director, General Manager, Administrative Department</p> <p>April 2012      Director, General Manager, Administrative Division</p> <p>March 2013      Director, General Manager, Corporate Strategy Department</p> <p>March 2015      Vice President and Representative Director and General Manager, Corporate Strategy Division</p> <p>November 2015    President and Representative Director (to present)</p> <p>[Reason for selecting him/her as a candidate for Director] The Company selected Mr. Mikishi Takamura as a candidate for Director because he has mainly been involved in the management of the corporate strategy division and the administrative division of the Company and is expected to enhance the decision-making function of the Board of Directors by overseeing the management of the Group based on his extensive experience and business track records.</p>	84,985
2	Nobuhiro Ishikawa (January 8, 1955)  [Reappointment]	<p>April 1977      Joined the Company</p> <p>April 2001      General Manager, Productive Technology Group, Manufacturing Department, Nagoya Plant</p> <p>April 2002      General Manager, Manufacturing Department II, Nagoya Plant</p> <p>April 2005      General Manager, Acrylic Products Group, Acrylic Products Department</p> <p>April 2007      General Manager, UV-curable Resins Group, Functional Materials Department</p> <p>March 2008      Executive Officer, General Manager, Acrylic Products Department</p> <p>March 2010      Executive Officer, Plant Manager, Nagoya Plant</p> <p>March 2014      Director, General Manager, Technology &amp; Production Administrative Division</p> <p>January 2016      Vice President and Representative Director and General Manager, Corporate Strategy Division (to present)</p> <p>[Reason for selecting him/her as a candidate for Director] The Company selected Mr. Nobuhiro Ishikawa as a candidate for Director because he has mainly been involved in the management of the technology and production division and the operating division of the Company and is expected to enhance the decision-making function of the Board of Directors by overseeing the management of the Group based on his extensive experience and business track records.</p>	57,020

No.	Name (Date of birth)	Summary of Career, Positions and Responsibilities at the Company (Important Concurrent Positions Held)	Number of shares of the Company held
3	Yoshitaka Suzuki (September 14, 1958)  [Reappointment]	<p>April 1982      Joined the Company</p> <p>April 2012      Deputy Plant Manager, Nagoya Plant</p> <p>April 2014      General Manager, General Affairs &amp; Legal Department, General Manager, Human Resources Department, and General Manager, Investor Relations &amp; Public Relations Section, Administrative Division</p> <p>September 2014      General Manager, General Affairs &amp; Legal Department and General Manager, Human Resources Department, Administrative Division</p> <p>March 2017      Director, General Manager, Administrative Division</p> <p>January 2019      Director, General Manager, Group Administrative Division</p> <p>January 2020      Director, General Manager, Group Administrative Division, General Manager, General Affairs &amp; Legal Department and General Manager, Human Resource Development Department, Group Administrative Division</p> <p>January 2021      Director, General Manager, Group Administrative Division and General Manager, Human Resource Development Department, Group Administrative Division (to present)</p> <p>[Reason for selecting him/her as a candidate for Director] The Company selected Mr. Yoshitaka Suzuki as a candidate for Director because he has mainly been involved in the management of the administrative division of the Company and is expected to fully perform his duty of business execution and enhance the decision-making function of the Board of Directors by reflecting his extensive experience and business track records on the management of the Company.</p>	26,397
4	Susumu Miho (November 12, 1959)  [Reappointment]	<p>April 1984      Joined the Company</p> <p>April 2006      Research Manager, Productive Technology Laboratory, Technology Administrative Department</p> <p>December 2006      Chief Executive Officer, TOA-DIC Zhangjiagang Chemical Co., Ltd.</p> <p>February 2012      Deputy Plant Manager, Nagoya Plant of the Company</p> <p>April 2013      General Manager, Monomer &amp; Oligomer Group, Acrylic Products Department</p> <p>March 2016      Executive Officer, General Manager, Acrylic Products Department</p> <p>January 2017      Executive Officer, General Manager, Polymer &amp; Oligomer Division and General Manager, New Product Development Department, Polymer &amp; Oligomer Division</p> <p>March 2018      Director, General Manager, Technology &amp; Production Administrative Division and General Manager, Research &amp; Development Administrative Division</p> <p>January 2021      Director, General Manager, Supply Chain Management Division and General Manager, Tokyo Sales Department (to present)</p> <p>[Reason for selecting him/her as a candidate for Director] The Company selected Mr. Susumu Miho as a candidate for Director because he has mainly been involved in the management of the technology and production division and the operating division of the Company and is expected to fully perform his duty of business execution and enhance the decision-making function of the Board of Directors by reflecting his extensive experience and business track records on the management of the Company.</p>	32,888

No.	Name (Date of birth)	Summary of Career, Positions and Responsibilities at the Company (Important Concurrent Positions Held)	Number of shares of the Company held
5	Shinichi Sugiura (August 4, 1955)  [Reappointment]	<p>April 1978      Joined the Company</p> <p>April 2005      General Manager, UV-curable Resins Group, Functional Materials Department</p> <p>April 2007      General Manager, Chlorine &amp; Alkali Products Group, Commodity Chemicals Department</p> <p>March 2008      Executive Officer, General Manager, Commodity Chemicals Department</p> <p>March 2013      Director, General Manager, Supply Chain Management Division</p> <p>March 2015      Director of the Company and President and Representative Director, Aron Kasei Co., Ltd. (to present)</p> <p>[Reason for selecting him/her as a candidate for Director] The Company selected Mr. Shinichi Sugiura as a candidate for Director because he has mainly been involved in the management of the operating division of the Company and the management of the Group companies and is expected to fully perform his duty of business execution and enhance the decision-making function of the Board of Directors by reflecting his extensive experience and business track records on the management of the Company.</p>	46,487
6	Satoru Nakanishi (August 31, 1953)  [Reappointment] [Outside] [Independent]	<p>April 1976      Joined Mitsui Bank</p> <p>April 2004      Executive Officer, Sumitomo Mitsui Banking Corporation</p> <p>April 2006      Managing Executive Officer, Sumitomo Mitsui Banking Corporation</p> <p>April 2009      Senior Managing Executive Officer, Sumitomo Mitsui Financial Group, Inc. Director and Senior Managing Executive Officer, Sumitomo Mitsui Banking Corporation</p> <p>June 2009      Director, Sumitomo Mitsui Financial Group, Inc.</p> <p>April 2011      Representative Director, Sumitomo Mitsui Financial Group, Inc. Representative Director and Deputy President, Sumitomo Mitsui Banking Corporation</p> <p>April 2013      Director, SMFG Card &amp; Credit, Inc.</p> <p>June 2013      President and Representative Director, Cedyne Financial Corporation Director, SMBC Finance Service Co., Ltd.</p> <p>March 2017      Director of the Company (to present)</p> <p>June 2019      Audit &amp; Supervisory Board Member, Sotetsu Holdings Co., Ltd. (to present)</p> <p>[Reason for selecting him/her as a candidate for Outside Director] The Company selected Mr. Satoru Nakanishi as a candidate for Outside Director because it is judged that he has broad insight that he has developed through his business background at the financial institutions and extensive experience as an officer and he can further enhance the management system of the Company by reflecting such insight on the management of the Company.</p>	1,658

No.	Name (Date of birth)	Summary of Career, Positions and Responsibilities at the Company (Important Concurrent Positions Held)	Number of shares of the Company held
7	Yasuhiro Koike (April 7, 1954) [Reappointment] [Outside] [Independent]	<p>April 1983      Research Associate, Faculty of Science and Technology, Keio University</p> <p>April 1992      Associate Professor, Faculty of Science and Technology, Keio University</p> <p>April 1997      Professor, Faculty of Science and Technology, Keio University</p> <p>April 2004      Director, Keio Leading-edge Laboratory of Science and Technology</p> <p>April 2010      Director, Keio Photonics Research Institute (to present)</p> <p>November 2010      Councillor, Keio University</p> <p>March 2018      Director of the Company (to present)</p> <p>April 2020      Professor, Keio University (to present)</p> <p>[Reason for selecting him/her as a candidate for Outside Director] The Company selected Mr. Yasuhiro Koike as a candidate for Outside Director because it is judged that he has expert knowledge and experience, etc. that he has acquired as a professor of the Faculty of Science and Technology and he can further enhance the management system of the Company by reflecting such expert knowledge and experience on the management of the Company.</p>	829
8	Masahiro Kimura (July 7, 1960) [New appointment]	<p>April 1986      Joined the Company</p> <p>April 2012      General Manager, Manufacturing Department II, Nagoya Plant</p> <p>April 2014      Deputy Plant Manager, Takaoka Plant</p> <p>June 2018      Plant Manager, Takaoka Plant</p> <p>March 2019      Executive Officer, Plant Manager, Takaoka Plant</p> <p>January 2021      Executive Officer, General Manager, Technology &amp; Production Administrative Division and General Manager, Research &amp; Development Administrative Division (to present)</p> <p>[Reason for selecting him/her as a candidate for Director] The Company selected Mr. Masahiro Kimura as a candidate for Director because he has mainly been involved in the management of the technology and production division of the Company and is expected to fully perform his duty of business execution and enhance the decision-making function of the Board of Directors by reflecting his extensive experience and business track records on the management of the Company.</p>	14,066

No.	Name (Date of birth)	Summary of Career, Positions and Responsibilities at the Company (Important Concurrent Positions Held)	Number of shares of the Company held
9	Yuichiro Mori (January 6, 1968) [New appointment] [Outside] [Independent]	<p>April 1993 Registered as a lawyer</p> <p>April 1993 Joined Nagashima &amp; Ohno (currently Nagashima Ohno &amp; Tsunematsu)</p> <p>June 2002 Joined Jones Day Showa (currently Jones Day) (to present)</p> <p>July 2012 Supervisory Director, DREAM Private REIT Inc. (to present)</p> <p>June 2018 Audit &amp; Supervisory Board Member, Keihin Corporation</p> <p>[Reason for selecting him/her as a candidate for Outside Director] The Company selected Mr. Yuichiro Mori as a candidate for Outside Director because it is judged that he has expert knowledge and experience, etc. as a lawyer and he can further enhance the management system of the Company by reflecting such expert knowledge and experience on the management of the Company.</p>	0

(Notes)

1. There are no special interests between each candidate for Director and the Company.
2. The number of shares of the Company held by each candidate includes the candidate's equity interest in the Officer Shareholders' Committee.
3. Messrs. Satoru Nakanishi and Yasuhiro Koike are candidates for Outside Directors, and the Company designates them as independent officers as stipulated under the regulations of Tokyo Stock Exchange and submitted a notification of the designation to the same Exchange.
4. Mr. Satoru Nakanishi is currently Outside Director of the Company. His term of office as Outside Director will have been four years at the conclusion of the meeting.
5. Mr. Satoru Nakanishi previously served as Representative Director and Deputy President of Sumitomo Mitsui Banking Corporation, which is the main bank of the Company. In April 2013, he retired from his position, after which seven years and 11 months will have passed at the conclusion of the meeting.
6. Mr. Yasuhiro Koike is currently Outside Director of the Company. His term of office as Outside Director will have been three years at the conclusion of the meeting.
7. Mr. Yuichiro Mori is a candidate for Outside Director. The Company will designate him as an independent officer as stipulated under the regulations of Tokyo Stock Exchange and submit a notification of the designation to the same Exchange.
8. The Company has provided in its Articles of Incorporation that it may enter into a liability limitation agreement with a Director (excluding executive directors, etc.), under the provisions of Article 427, Paragraph 1 of the Companies Act, to limit his/her liability under Article 423, Paragraph 1 of the Companies Act to the greater of ¥10 million or the amount specified by applicable laws and regulations. The Company has entered into the liability limitation agreements mentioned above with Messrs. Satoru Nakanishi and Yasuhiro Koike. If the election of Messrs. Satoru Nakanishi, Yasuhiro Koike, and Yuichiro Mori is approved at the meeting, the Company intends to enter into the liability limitation agreements with them.

**Proposal 3:** Election of Two (2) Directors who act as Audit and Supervisory Committee Members

Among the five (5) incumbent Directors who act as Audit and Supervisory Committee Members, the terms of office of Ms. Kiyoko Ishiguro and Mr. Masahiko Yasuda will expire at the conclusion of the meeting. Accordingly, the Company proposes the election of two (2) Directors who act as Audit and Supervisory Committee Members.

The Audit and Supervisory Committee has given its prior consent to this proposal.

The candidates are as follows:

No.	Name (Date of birth)	Summary of Career, Positions and Responsibilities at the Company (Important Concurrent Positions Held)	Number of shares of the Company held
1	<p>Kiyoko Ishiguro (February 21, 1960)</p> <p>[Reappointment] [Outside] [Independent]</p>	<p>April 1991 Registered as a lawyer</p> <p>April 1995 Partner, Noda, Aibara &amp; Ishiguro Law Office (currently Noda Memorial Law Office) (to present)</p> <p>April 2000 General Manager, Research Department, Tokyo Bar Association</p> <p>April 2006 Chairperson, Public Relations Committee, Tokyo Bar Association</p> <p>April 2010 Civil Defense Instructor, Legal Training and Research Institute, The Supreme Court</p> <p>June 2010 Director, SATO HOLDINGS CORPORATION</p> <p>September 2017 Audit &amp; Supervisory Board Member, TORAJI CORPORATION (to present)</p> <p>March 2019 Director (Audit and Supervisory Committee Member) of the Company (to present)</p> <p>[Reason for selecting him/her as a candidate for Outside Director who acts as Audit and Supervisory Committee Member]</p> <p>The Company selected Ms. Kiyoko Ishiguro as a candidate for Outside Director who acts as Audit and Supervisory Committee Member because it is judged that she has expert knowledge and experience, etc. as a lawyer and she can further enhance the audit and oversight functions of the Company by reflecting such expert knowledge and experience on the management of the Company.</p> <p>She has not been involved in corporate management other than her experience as an outside officer. However, the Company considers she will perform her duty properly as an Outside Director for the above reasons.</p>	1,766

No.	Name (Date of birth)	Summary of Career, Positions and Responsibilities at the Company (Important Concurrent Positions Held)	Number of shares of the Company held
2	Masahiko Yasuda (September 15, 1963)  [Reappointment] [Outside] [Independent]	<p>November 1988    Joined Aoyama Audit Corporation</p> <p>May 1993        Registered as a certified public accountant</p> <p>October 2006    Managing Director, PwC Advisory Co., Ltd.</p> <p>July 2008        Partner, PwC Advisory Co., Ltd. and Representative Partner, PwC Arata</p> <p>March 2012      President and Representative Director, Benedi Consulting Co., Ltd. (to present)</p> <p>August 2012     Chief, Yasuda Masahiko Certified Public Accountant Office (to present)</p> <p>March 2019      Director (Audit and Supervisory Committee Member) of the Company (to present)</p> <p>[Reason for selecting him/her as a candidate for Outside Director who acts as Audit and Supervisory Committee Member] The Company selected Mr. Masahiko Yasuda as a candidate for Outside Director who acts as Audit and Supervisory Committee Member because it is judged that he has expert knowledge and experience, etc. regarding accounting developed through his experience as a certified public accountant and he can further enhance the audit and oversight functions of the Company by reflecting such expert knowledge and experience on the management of the Company.</p>	1,766

(Notes)

1. There are no special interests between each candidate for Director and the Company.
2. The number of shares of the Company held by each candidate is the candidate's equity interest in the Officer Shareholders' Committee.
3. Ms. Kiyoko Ishiguro and Mr. Masahiko Yasuda are candidates for Outside Directors. The Company designates them as independent officers as stipulated under the regulations of Tokyo Stock Exchange and submitted a notification of the designation to the same Exchange.
4. Ms. Kiyoko Ishiguro is currently Outside Director who acts as Audit and Supervisory Committee Member of the Company. Her term of office in this position will have been two years at the conclusion of the meeting.
5. Mr. Masahiko Yasuda is currently Outside Director who acts as Audit and Supervisory Committee Member of the Company. His term of office in this position will have been two years at the conclusion of the meeting.
6. The Company has provided in its Articles of Incorporation that it may enter into a liability limitation agreement with a Director (excluding executive directors, etc.), under the provisions of Article 427, Paragraph 1 of the Companies Act, to limit his/her liability under Article 423, Paragraph 1 of the Companies Act to the greater of ¥10 million or the amount specified by applicable laws and regulations. The Company has entered into the liability limitation agreements mentioned above with Ms. Kiyoko Ishiguro and Mr. Masahiko Yasuda. If the election of Ms. Kiyoko Ishiguro and Mr. Masahiko Yasuda is approved at the meeting, the Company intends to enter into the liability limitation agreements with them.

(Reference)

●The Composition of the Board of Directors

If Proposal 2 and Proposal 3 are approved as originally proposed, the composition of the Company's Board of Directors will be as follows:

Name	Category	Attendance at the Board of Directors meetings in 2020 (times)	Areas of experience					Human Resources / Labor Management
			Corporate Management / Corporate Strategy	Marketing / Sales	R&D / Technology & Production	Finance / Accounting	Legal Affairs	
Mikishi Takamura		13/13	○			○		○
Nobuhiro Ishikawa		12/13	○	○	○			
Yoshitaka Suzuki		13/13				○	○	○
Susumu Miho		13/13		○	○			
Masahiro Kimura		-			○			
Shinichi Sugiura		13/13	○	○				○
Satoru Nakanishi	[Outside]	13/13	○			○		
Yasuhiro Koike	[Outside]	13/13			○			
Yuichiro Mori	[Outside]	-					○	
Katsuyuki Ito	Audit and Supervisory Committee Member	13/13	○			○		○
Nobuhiko Takano	Audit and Supervisory Committee Member [Outside]	13/13				○		
Kiyoko Ishiguro	Audit and Supervisory Committee Member [Outside]	13/13					○	
Masahiko Yasuda	Audit and Supervisory Committee Member [Outside]	13/13	○			○		
Koichi Danno	Audit and Supervisory Committee Member [Outside]	10/10*	○			○		

\*Number of times after assuming the office of Director in March 2020

- Independence Criteria for Independent Outside Directors

The Company has adopted the following independence criteria for Outside Directors. Candidates are considered insufficiently independent from the Company if any of the following applies.

1. (1) A person who currently executes business for the Company or a subsidiary of the Company (executive director, corporate officer, executive officer, or other employee in a senior management position) or has done so within the past 10 years
  - (2) A party for which the Company is a major client, or if the party is a company, a person who executes business for the company (executive director, corporate officer, executive officer, or other employee in a senior management position)
  - (3) A party that is a major client of the Company, or if the party is a company, a person who executes business for the company (executive director, corporate officer, executive officer, or other employee in a senior management position)
  - (4) A legal specialist such as a lawyer, or an accounting specialist such as a certified public accountant, or a consultant, etc., who has received a significant amount of money or other assets from the Company, other than executive remuneration (or if the recipient of the assets is a corporation, association, or some other organization, a member of such organization).
  - (5) A major shareholder of the Company, or if the shareholder is a company, a person who executes business for the company
  - (6) A recipient of a significant amount of donations from the Company (or if the recipient of the financial asset is a corporation, association, or other organization, a member of such organization)
  - (7) A spouse or a relative within the second degree of someone to whom any of the above (1) to (6) applies
  - (8) A person to whom any of the above (2) to (7) have applied within the past three years
2. A person who has been an Outside Director of the Company for more than eight years.