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(Stock Exchange Code: 4634)
March 2, 2021

To Shareholders with Voting Rights:

Satoru Takashima
President, Representative Director
TOYO INK SC HOLDINGS CO., LTD.
2-2-1 Kyobashi, Chuo-ku, Tokyo

NOTICE OF THE 183RD ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

Please be informed that the 183rd Annual General Meeting of Shareholders of TOYO INK SC HOLDINGS CO., LTD. (the “Company”) will be held as follows.

We have decided to hold this year’s Annual General Meeting of Shareholders while taking appropriate measures to prevent the spread of the COVID-19.

In order to prevent the spread of the infection, shareholders are requested to refrain from attending the General Meeting of Shareholders as much as possible and exercise their voting rights in advance in writing or via the Internet, etc.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by following the instructions below by 5:00 p.m. on Tuesday, March 23, 2021, Japan time.

[Exercise of Voting Rights in Writing]

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it by the above deadline.

[Exercise of Voting Rights via electromagnetic means (the Internet)]

Upon reviewing the “Instructions for Exercise of Voting Rights” (Japanese version only), please access the “Smart Exercise” website for smartphones or the voting rights exercise website (<https://www.web54.net>) designated by the Company and vote for or against the proposals by the above deadline.

- 1. Date and Time:** Wednesday, March 24, 2021 at 10:00 a.m. Japan time
2. Place: Conference room on the 29th floor of the Company located at
2-2-1 Kyobashi, Chuo-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 183rd Fiscal Year (January 1, 2020 - December 31, 2020) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 183rd Fiscal Year (January 1, 2020 - December 31, 2020)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of 10 Directors
Proposal 3: Election of 2 Audit & Supervisory Board Members
Proposal 4: Determination of Compensation for Granting Restricted Stock to Directors (Excluding Outside Directors) and Revision of Amount of Compensation for Directors

1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
2. If you exercise your voting rights both by mailing the Voting Rights Exercise Form and via the Internet, only the vote placed via the Internet is deemed valid.
3. Of the documents required to be presented along with this notice of convocation, “Notes to Consolidated Financial Statements” and “Notes to Non-Consolidated Financial Statements” are, in accordance with laws and regulations, and Article 16 of the Articles of Incorporation of the Company, posted on the Company’s website (<https://schd.toyoinkgroup.com/ja/ir/archives/mtg.html>) and are therefore not included in the documents attached to this notice of convocation. Accordingly, the documents attached to this notice of convocation are part of the documents audited by Accounting Auditor and the Audit & Supervisory Board in preparing the Accounting Auditor’s audit report and Audit & Supervisory Board’s audit report, respectively.
4. Should the Reference Documents for the General Meeting of Shareholders, Business Report, Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website (<https://schd.toyoinkgroup.com/ja/ir/archives/mtg.html>).

<Requests to Shareholders> - Measures to Prevent the Spread of COVID-19 -

- The number of available seats will be limited as we plan to offer more space between seats compared with previous years to reduce the risk of infection. Please be advised that you may not be able to enter the venue depending on the circumstances of the day. We appreciate your understanding.
- Shareholders attending the meeting are asked to bring and wear a mask.
- We will provide alcohol-based hand sanitizers near the reception desk. Please disinfect your hands and fingers before entering the venue.
- All attendees are asked to check their body temperature at the entrance of the venue. We may ask those who have a fever or appear to be in poor health to refrain from entering the venue.
- The Company’s officers attending the meeting and operation staff of the meeting will wear a mask.
- If there is a major change in the operation of the meeting due to the status of the spread of infection or announcements by the government or other institutions up to the day of the meeting, the Company will post a notification on its website.
- We will not prepare souvenirs. We appreciate your understanding.

<Video Streaming of the Annual General Meeting of Shareholders>

The video of the meeting will be available on the Newsroom section of the Company’s website at a later date.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company's basic policy for distribution of surplus is to put priority on maintaining stable dividend, while also taking into account ensuring the business foundation necessary for sustainable growth over the long term.

Based on the above basic policy, the year-end dividend for the fiscal year is proposed as following by considering the business results for the fiscal year, enhancement of financial structure and future business development.

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property and the total amount thereof
¥45 per share of common stock of the Company
Total amount: ¥2,629,179,900
- (3) Effective date of distribution of surplus
March 25, 2021

Proposal 2: Election of 10 Directors

The terms of office of all 11 Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of 10 Directors, reducing one Director to speed up management decision-making and adding one Outside Director to strengthen the supervisory function.

The candidates are as follows:

No.	Name	Term of office	Current positions at the Company	Attendance at meetings of the Board of Directors
1	Katsumi Kitagawa <u>Reappointment</u>	15 years and 9 months	Chairman, Representative Director	100% (17/17 meetings)
2	Satoru Takashima <u>Reappointment</u>	7 years and 9 months	President, Representative Director	100% (17/17 meetings)
3	Hiroya Aoyama <u>Reappointment</u>	11 years and 9 months	Senior Managing Director	100% (17/17 meetings)
4	Hiroyuki Hamada <u>Reappointment</u>	4 years and 9 months	Managing Director	100% (17/17 meetings)
5	Kazuhito Nakano <u>Reappointment</u>	4 years and 9 months	Managing Director	100% (17/17 meetings)
6	Kimito Amari <u>Reappointment</u> <u>Outside Director</u> <u>Independent</u>	5 years and 9 months	Director	100% (17/17 meetings)
7	Keiko Kimura <u>Reappointment</u> <u>Outside Director</u> <u>Independent</u>	4 years and 9 months	Director	100% (17/17 meetings)
8	Shingo Kaneko <u>Reappointment</u> <u>Outside Director</u>	1 year	Director	77% (10/13 meetings)
9	Chise Onodera <u>New appointment</u> <u>Outside Director</u> <u>Independent</u>	-	Audit & Supervisory Board Member	100% (17/17 meetings)
10	Yutaka Yokoi <u>New appointment</u> <u>Outside Director</u> <u>Independent</u>	-	-	-

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
1	<p>Katsumi Kitagawa (September 26, 1953)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p><u>Reappointment</u></p>	<p>April 1977 May 2000</p> <p>March 2002</p> <p>June 2004 June 2005 June 2008 April 2009 June 2009</p> <p>April 2011 April 2014 March 2020</p>	<p>Joined the Company General Manager of Corporate Planning Division of the Company</p> <p>Factory Manager of Kawagoe Factory, Polymer Business Administration Department, Chemical Business HQ of the Company</p> <p>Operating Officer of the Company Director of the Company Executive Operating Officer of the Company Vice President, Director of the Company Vice President, Representative Director of the Company</p> <p>President, Representative Director of the Company Group CEO of the Company (to present) Chairman, Representative Director of the Company (to present)</p>	40,000
<p>Reasons for nomination as a candidate for Director:</p> <p>Since assuming the office of President, Representative Director of the Company in 2011, Mr. Katsumi Kitagawa has demonstrated strong leadership and has been undertaking the business execution and supervising function on the Company's overall management. In addition, he has been undertaking the business execution and supervising function on the Group's overall management as Group CEO from 2014. The Company requests his continuous election as Director with the expectation that he will fulfill his duties as Director of the Company and undertake the supervising function on the Company's overall management, while taking initiative in enhancing the corporate value of the Group.</p>				
2	<p>Satoru Takashima (April 18, 1960)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p><u>Reappointment</u></p>	<p>April 1984 December 2004</p> <p>April 2011</p> <p>June 2012 June 2013 April 2014</p> <p>June 2016 March 2019 March 2020 March 2020</p>	<p>Joined the Company President & Representative Director of Toyo Ink (Thailand) Co., Ltd.</p> <p>General Manager of Corporate Planning Division of the Company</p> <p>Operating Officer of the Company Director of the Company President & Representative Director of TOYOCEM CO., LTD.</p> <p>Managing Director of the Company Senior Managing Director of the Company President, Representative Director of the Company (to present) Group COO of the Company (to present)</p>	16,166
<p>Reasons for nomination as a candidate for Director:</p> <p>After assuming key positions mainly in the corporate planning division and at major domestic and overseas affiliate companies, Mr. Satoru Takashima assumed the office of President, Representative Director and Group COO of the Company in 2020. Since then, he has demonstrated strong leadership and has been undertaking the business execution and supervising function on the Company's overall management as well as the Group's overall management. The Company requests his continuous election as Director with the expectation that he will fulfill his duties as Director of the Company and undertake the supervising function on the Company's overall management, while taking initiative in enhancing the corporate value of the Group.</p>				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
3	Hiroya Aoyama (April 2, 1956)	April 1979 February 2001	Joined the Company General Manager of Human Resources Department of the Company	18,300
	Attendance at meetings of the Board of Directors 100% (17/17 meetings)	June 2007 June 2009 July 2011	Operating Officer of the Company Director of the Company Supervisor of Human Resources Department, Finance & Accounting Department, General Affairs Department, Corporate Communication Department and Internal Audit Department of the Company (to present)	
		<u>Reappointment</u>	June 2013 June 2015	
Reasons for nomination as a candidate for Director: After assuming key positions mainly in the human resources division, Mr. Hiroya Aoyama assumed office of Director of the Company in 2009. Since then, he has been executing business with his high capabilities and expertise regarding human resource strategy and financial strategy, while supervising the Company’s management. The Company requests his continuous election as Director with the expectation that he will appropriately fulfill his duties as Director of the Company and utilize his knowledge in such fields for supervising the Company’s management.				
4	Hiroyuki Hamada (July 19, 1958)	April 1981 September 2005	Joined the Company General Manager of Corporate Administration Department of the Company	5,423
	Attendance at meetings of the Board of Directors 100% (17/17 meetings)	July 2012 June 2013 June 2015 June 2016 June 2016	President, Representative Director of TOYO INK EUROPE S.A.S. Operating Officer of the Company Executive Operating Officer of the Company Director of the Company General Manager of Corporate Planning Division of the Company (to present)	
		<u>Reappointment</u>	March 2019	
Reasons for nomination as a candidate for Director: After assuming key positions mainly in the corporate administration division and overseas affiliate company, Mr. Hiroyuki Hamada assumed the office of Director of the Company in 2016. Since then, he has been executing business with his high capabilities and expertise in the management strategy, while supervising the Company’s management. The Company requests his continuous election as Director with the expectation that he will appropriately fulfill his duties as Director of the Company and utilize his knowledge in such fields for supervising the Company’s management.				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	<p>Kazuhito Nakano (February 22, 1957)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p><u>Reappointment</u></p>	<p>April 1980 Joined the Company</p> <p>April 2009 President, Director of LioChem, INC.</p> <p>September 2013 Factory Manager of Kawagoe Factory, TOYOCEM CO., LTD.</p> <p>June 2014 Operating Officer of the Company</p> <p>June 2016 Director of the Company</p> <p>June 2017 Supervisor of Information System of the Company; President & Representative Director of Toyo Management Service Co., Ltd.</p> <p>March 2019 Managing Director of the Company (to present)</p> <p>March 2019 Supervisor of Quality Assurance, Production, Environment, Information System and CSR of the Company (to present)</p> <p>March 2019 Senior General Manager of Production-Logistics Center of the Company</p> <p>January 2021 Division Director of Production-Logistics HQ of the Company (to present)</p>	6,641
<p>Reasons for nomination as a candidate for Director:</p> <p>After assuming key positions mainly at overseas affiliate companies and production control division, Mr. Kazuhito Nakano assumed the office of Director of the Company in 2016. Since then, he has been executing business with his high capabilities and expertise in the field of production control, while supervising the Company's management. The Company requests his continuous election as Director with the expectation that he will appropriately fulfill his duties as Director of the Company and utilize his knowledge in such fields for supervising the Company's management.</p>			
6	<p>Kimito Amari (August 25, 1953)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p><u>Reappointment</u></p> <p><u>Outside Director</u></p> <p><u>Independent</u></p>	<p>April 1992 Professor, Faculty of Law, Kumamoto University</p> <p>April 1997 Professor, Faculty of Law, Sophia University</p> <p>April 2013 Registered with TOKYO BAR ASSOCIATION (to present)</p> <p>June 2013 Outside Audit & Supervisory Board Member of the Company</p> <p>June 2015 Outside Director of the Company (to present)</p> <p>October 2019 Joined Kashiwagi & Amano Law Office (to present)</p> <p>April 2020 Emeritus Professor of Sophia University (to present)</p> <p>Significant concurrent positions:</p> <p>Emeritus Professor of Sophia University</p> <p>Lawyer, Kashiwagi & Amano Law Office</p>	3,100
<p>Reasons for nomination as a candidate for Outside Director:</p> <p>Although Mr. Kimito Amari has no direct experience in corporate management other than as outside director or outside auditor, he possesses highly professional knowledge in the Insurance Act and the Companies Act along with distinguished insight as a jurist qualified as a lawyer. By drawing on his experience as Outside Audit & Supervisory Board Member of the Company in the past, he has been fulfilling the role of supervising its management from a fair standpoint since assuming the office of Director of the Company in 2015. The Company requests his continuous election as Outside Director with the expectation that he will appropriately fulfill his duties as Outside Director of the Company.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
7	<p>Keiko Kimura (October 13, 1959)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p><u>Reappointment</u> <u>Outside Director</u> <u>Independent</u></p>	<p>April 1980 Joined ITOCHU Corporation</p> <p>October 1989 Joined Citibank, N. A.</p> <p>October 2002 Registered with Dai-Ichi Tokyo Bar Association (to present)</p> <p>October 2002 Joined Anzai & Sotoi Law Office (current Anzai Law Office) (to present)</p> <p>June 2016 Outside Director of the Company (to present)</p> <p>June 2017 Outside Director (Audit and Supervisory Committee Member) of Yashima & Co., Ltd. (to present)</p> <p>Significant concurrent positions: Lawyer, Anzai Law Office Outside Director (Audit and Supervisory Committee Member) of Yashima & Co., Ltd.</p>		1,000
	<p>Reasons for nomination as a candidate for Outside Director: Although Ms. Keiko Kimura has no direct experience in corporate management other than as outside director, with the certification as lawyer, she possesses highly professional knowledge of and broad insight especially into Labor Act and human resource and labor related affairs. Since she assumed the office of Director of the Company in 2016, she has been fulfilling the role of supervising its management from a fair standpoint. The Company requests her continuous election as Outside Director with the expectation that she will appropriately fulfill her duties as Outside Director of the Company.</p>			
8	<p>Shingo Kaneko (November 25, 1950)</p> <p>Attendance at meetings of the Board of Directors 77% (10/13 meetings)</p> <p><u>Reappointment</u> <u>Outside Director</u></p>	<p>April 1973 Joined TOPPAN PRINTING CO., LTD.</p> <p>June 2003 Director of TOPPAN PRINTING CO., LTD.</p> <p>June 2006 Managing Director of TOPPAN PRINTING CO., LTD.</p> <p>June 2008 Senior Managing Director of TOPPAN PRINTING CO., LTD.</p> <p>June 2009 Vice President & Representative Director of TOPPAN PRINTING CO., LTD.</p> <p>June 2010 President & Representative Director of TOPPAN PRINTING CO., LTD.</p> <p>June 2019 Chairman & Representative Director of TOPPAN PRINTING CO., LTD. (to present)</p> <p>March 2020 Outside Director of the Company (to present)</p> <p>Significant concurrent positions: Chairman & Representative Director of TOPPAN PRINTING CO., LTD.</p>		800
	<p>Reasons for nomination as a candidate for Outside Director: Mr. Shingo Kaneko has served as Director of TOPPAN PRINTING CO., LTD. for many years and assumed the office of President & Representative Director of the company in June 2010, thereby possessing a wealth of experience in and broad insight into such field as corporate management. Although he does not satisfy the criteria of independence for outside officers set forth by the Company, he has provided advice and instruction since assuming the office of Director of the Company in 2020 from an objective perspective for its overall management as a management professional well-versed in the industry, in consideration of the business environment surrounding the Group. The Company requests his continuous election as Outside Director with the expectation that he will appropriately fulfill his duties as Outside Director of the Company.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	<p>Chise Onodera (January 2, 1966)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p>New appointment Outside Director Independent</p>	<p>April 1997 Assistant Professor, Faculty of Management Policy, J.F. Oberlin University</p> <p>April 2005 Professor, School of Law, Tokai University</p> <p>April 2018 Professor, College of Law, Nihon University (to present)</p> <p>March 2019 Outside Audit & Supervisory Board Member of the Company (to present)</p> <p>Significant concurrent positions: Professor, College of Law, Nihon University</p>	900
<p>Reasons for nomination as a candidate for Outside Director:</p> <p>Although Ms. Chise Onodera has no direct experience in corporate management other than as outside auditor, she possesses highly professional knowledge in relation to the Insurance Act and the Companies Act along with distinguished insight as a jurist. She also possesses experience as Audit & Supervisory Board Member of the Company. Therefore, the Company requests her election as a new Outside Director with the expectation that she will fulfill the role of supervising its management from a fair standpoint.</p>			
10	<p>Yutaka Yokoi (January 10, 1955)</p> <p>New appointment Outside Director Independent</p>	<p>April 1979 Joined the Ministry of Foreign Affairs of Japan</p> <p>September 2006 Minister, Embassy of Japan in the United States of America</p> <p>July 2008 Consul-General of Japan in Shanghai</p> <p>August 2010 Envoy Extraordinary and Minister Plenipotentiary of Japan to the People's Republic of China</p> <p>August 2013 Ambassador Extraordinary and Plenipotentiary of Japan to Turkey</p> <p>March 2016 Ambassador Extraordinary and Plenipotentiary of Japan to the People's Republic of China</p> <p>December 2020 Resigned from the Ministry of Foreign Affairs of Japan</p>	0
<p>Reasons for nomination as a candidate for Outside Director:</p> <p>Although Mr. Yutaka Yokoi has no direct experience in corporate management, he has long served in key positions at the Ministry of Foreign Affairs of Japan, and possesses international sensibility and wide-ranging insight on global affairs cultivated through his career in diplomacy. The Company requests his election as a new Outside Director with the expectation that he will provide advice to management based on his career and knowledge, and appropriately supervise business execution from an objective and neutral perspective.</p>			

- (Notes)1. The Candidate for Director, Mr. Shingo Kaneko concurrently serves as Representative Director of TOPPAN PRINTING CO., LTD. Although there are no special interests between TOPPAN PRINTING CO., LTD. and the Company, there are sales transactions of merchandise and products between TOPPAN PRINTING CO., LTD. group and the Group.
2. There are no special interests between other candidates and the Company and between other candidates and the subsidiaries of the Company.
 3. Mr. Kimito Amari, Ms. Keiko Kimura, Mr. Shingo Kaneko, Ms. Chise Onodera and Mr. Yutaka Yokoi are candidates for Outside Director.
 4. Mr. Kimito Amari will have served as Outside Director of the Company for five years and nine months at the conclusion of this year's Annual General Meeting of Shareholders. Ms. Keiko Kimura will have served as Outside Director of the Company for four years and nine months at the conclusion of this year's Annual General Meeting of Shareholders. Mr. Shingo Kaneko will have served as Outside Director of the Company for one year at the conclusion of this year's Annual General Meeting of Shareholders.
 5. The Company has entered into an agreement with each of Mr. Kimito Amari, Ms. Keiko Kimura, Mr. Shingo Kaneko and Ms. Chise Onodera to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. Subject to the approval of the reappointment of Mr. Kimito Amari, Ms. Keiko Kimura and Mr. Shingo Kaneko as well as the appointment of Ms. Chise Onodera, the Company intends to continue the above-mentioned agreement with each of them. The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by laws and regulations.
 6. Subject to the approval of the appointment of Mr. Yutaka Yokoi, the Company intends to enter into an agreement with him to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by laws and regulations.
 7. As of February 12, 2021, the Company has a directors and officers liability insurance policy under which the Company's Directors are the insured parties with Mitsui Sumitomo Insurance Company, Limited. The insurance covers damages caused by shareholder derivative lawsuits, company lawsuits and third party lawsuits. If Proposal 2 is approved, each candidate for Director will be compensated as an insured person of the said insurance.
 8. The Company has registered Mr. Kimito Amari and Ms. Keiko Kimura as independent officers with Tokyo Stock Exchange pursuant to the stipulations of the Exchange. They also satisfy the criteria for independence for outside officers set forth by the Company. Subject to the approval of their reappointment, they will continue to serve as independent officers.
 9. Ms. Chise Onodera is currently an Outside Audit & Supervisory Board Member of the Company, and her term of office will be 2 years at the conclusion of this year's General Meeting of Shareholders. The Company has registered Ms. Chise Onodera as an independent officer with Tokyo Stock Exchange pursuant to the stipulations of the Exchange. Subject to the approval of her appointment, she will continue to serve as an independent officer.
 10. Mr. Yutaka Yokoi satisfies the independence requirements set forth by Tokyo Stock Exchange and the criteria for independence for outside officers set forth by the Company. Subject to the approval of his appointment, he will serve as an independent officer.
 11. Ms. Chise Onodera's name under the family register is Chise Sakai.

Proposal 3: Election of 2 Audit & Supervisory Board Members

The term of office of full-time Audit & Supervisory Board Member Mr. Takashi Ishikawa will expire and Audit & Supervisory Board Member Ms. Chise Onodera will resign at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of 2 Audit & Supervisory Board Members.

This proposal has obtained the approval of the Audit & Supervisory Board.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Company held
1	<p>Toshiaki Hirakawa (September 13, 1958)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p><u>New appointment</u></p>	<p>April 1982 Joined the Company</p> <p>September 2005 General Manager of Finance & Accounting Department of the Company</p> <p>June 2010 Operating Officer of the Company</p> <p>April 2011 General Manager of Finance & Accounting Department of the Company</p> <p>June 2013 Director of the Company (to present)</p> <p>March 2020 Supervisor of Finance of the Company (to present)</p>	11,100
	<p>Reasons for nomination as a candidate for Audit & Supervisory Board Member:</p> <p>Mr. Toshiaki Hirakawa has long been engaged in finance and accounting operations, and subsequently served as Director and General Manager of Finance & Accounting Department, etc. Accordingly, he possesses considerable knowledge of finance and accounting. Since assuming the office of Director of the Company in 2013, he has been executing business with his high capabilities and expertise in the fields of finance and accounting, while supervising the Company's management. Going forward, with the expectation that he will utilize such knowledge in these fields for appropriately auditing the business execution of the Company, the Company requests his election as a new Audit & Supervisory Board Member.</p>		
2	<p>Minoru Matsumoto (February 16, 1957)</p> <p><u>New appointment</u></p> <p><u>Outside Audit & Supervisory Board Member</u></p> <p><u>Independent</u></p>	<p>October 1983 Joined Tohmatsu Awoki & Co. (current Deloitte Touche Tohmatsu LLC)</p> <p>March 1987 Registered as a certified public accountant</p> <p>September 2012 Resigned from Deloitte Touche Tohmatsu LLC</p> <p>October 2013 Established Minoru Matsumoto CPA Office (to present)</p> <p>June 2014 External Audit & Supervisory Board Member of Sanshin Electronics Co., Ltd.</p> <p>June 2015 Outside Director of Foster Electric Company, Limited (to present)</p> <p>February 2016 Outside Director (Audit & Supervisory Committee Member) of JASTEC Co., Ltd. (to present)</p> <p>Significant concurrent positions:</p> <p>Head of Office of Minoru Matsumoto CPA Office</p> <p>Outside Director of Foster Electric Company, Limited</p> <p>Outside Director (Audit & Supervisory Committee Member) of JASTEC Co., Ltd.</p>	0
	<p>Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member:</p> <p>Although Mr. Minoru Matsumoto has no direct experience in corporate management other than as outside auditor or outside director, he possesses a wealth of experience in accounting audit along with considerable knowledge of finance and accounting as a certified public accountant. The Company requests his election as a new Outside Audit & Supervisory Board Member with the expectation that he will fulfill the role of supervising its management from a fair standpoint based on his experience and knowledge.</p>		

- Notes:
1. There are no special interests between each candidate for Audit & Supervisory Board Member and the Company and between each candidate and the subsidiaries of the Company.
 2. Mr. Minoru Matsumoto is a candidate for Outside Audit & Supervisory Board Member.
 3. Subject to the approval of the appointment of Mr. Minoru Matsumoto, the Company intends to enter into an agreement

with him to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by laws and regulations.

4. As of February 12, 2021, the Company has a directors and officers liability insurance policy under which the Company's Audit & Supervisory Board Members are the insured parties with Mitsui Sumitomo Insurance Company, Limited. The insurance covers damages caused by shareholder derivative lawsuits, company lawsuits and third party lawsuits. If Proposal 3 is approved, each candidate for Audit & Supervisory Board Member will be compensated as an insured person of the said insurance.
5. Mr. Minoru Matsumoto satisfies the independence requirements set forth by Tokyo Stock Exchange and the criteria for independence for outside officers set forth by the Company. Subject to the approval of his appointment, he will serve as an independent officer.

(Reference)

Criteria of Independence for Outside Officers

The Board of Directors of the Company does not certify Outside Directors and Outside Audit & Supervisory Board Members (hereinafter collectively “outside officers”) as independent officers if they fall under any of the following categories.

- (1) A business executive¹ of the Company or its affiliated company (hereinafter collectively “the Group”)
- (2) A major business partner of the Group² or a business executive of such business partner
- (3) A major client of the Group³ or a business executive of such client
- (4) A major shareholder of the Company⁴ or a business executive of a major subsidiary⁵ of such shareholder
- (5) An entity or a business executive of such entity that receives a large amount of donations⁶ from the Group
- (6) A consultant, accountant, or legal specialist who receives a large amount of monetary or other assets from the Group aside from executive compensation⁷ (in case of corporation, association or other organization, an individual who belongs to such organization)
- (7) A certified public accountant, an employee, partner or staff of an audit firm that provides accounting audit of the Group
- (8) In case of a law firm, audit firm, tax accounting firm or consulting firm, or other professional advisory firm that do not fall under above (6) or (7), an employee, partner, associate or staff of a firm whose major client is the Group⁸
- (9) A business executive of a company whereat a business executive of the Group is an outside officer
- (10) A business executive of a company whose major shareholder is the Company
- (11) An individual who has fallen under criteria (1) above in the past ten years prior to his/her assumption of office (in case of an individual who was a non-executive Director or an Audit & Supervisory Board Member of the Company in the past ten years prior to his/her assumption of office, another ten years prior to such assumption)
- (12) An individual who has fallen under criteria (2) or (3) in the past three business years
- (13) An individual who has fallen under criteria (4) through (8) in the past three years (with regard to (7), this shall apply only to an individual who was actually in charge of handling the audit (excluding ancillary duty) of the Group (including an individual who is retired or resigned at present))
- (14) A close relative⁹ to an individual that would fall under the following
 - a. An important business executive¹⁰ of the Group
 - b. An individual who has fallen under above a. in the past five years
 - c. An individual defined as above (2) through (10) (with regard to “a business executive” in (2) through (5), and (9) and (10), an important business executive, with regard to “an individual who belongs to such organization” in (6), an important business executive and, in case of an audit firm or a law firm, etc., an individual who possesses professional qualification, and with regard to “an employee, partner or staff of an audit firm” in (7), an important business executive and certified public accountant and other professional experts)
 - d. An individual who has fallen under above c. in the past three years

Notes: 1. “A business executive” is defined as executive director, executive officer or employee.

2. “A major business partner of the Group” is defined as any of the following:

- 1) The business partner group that provides products or service to the Group (an individual who belongs to a consolidated group to which the direct business partner belongs; the same applies hereafter), a business partner group whose transactions with the Group exceeds 2% of the consolidated net sales or total income of the business partner group for the most recent fiscal year
- 2) The counterparty group to which the Group is indebted and the aggregate amount of indebtedness of the Group exceeds 2% of consolidated total assets of the counterparty at the end of the most recent fiscal year

3. “A major client of the Group” is defined as any of the following:

- 1) The business partner group to which the Group provides products or service and the transactions with the business partner group exceeds 2% of the consolidated net sales of the Group for the most recent fiscal year

- 2) The counterparty group that is indebted to the Group and the aggregate amount of indebtedness of the counterparty group exceeds 2% of the consolidated total assets of the Group at the end of the most recent fiscal year
- 3) The financial institution group from which the Group is borrowing (defined as an individual who belongs to a consolidated group to which the financial institution from which the Group is directly borrowing belongs) and the aggregate borrowing amount of the Group from the financial institution group exceeds 2% of the consolidated total assets of the Group at the end of the most recent fiscal year.
4. “Major shareholder” is defined as a shareholder who owns 10% or more of the total voting rights either directly or indirectly.
5. “Major subsidiary” is defined as a subsidiary that is presented as a major subsidiary in the “Status of the parent company or major subsidiaries” (Article 120, Paragraph 1, Item 7 of the Ordinance for Enforcement of the Companies Act) in the Business Report of the Company pertaining to the most recent fiscal year, or in other disclosure documents made public by the Company.
6. “Entity that receives a large amount of donations” is defined as an entity who received from the Group a donation amounting to 10 million yen or more, a year taken in average of the three most recent fiscal years, or an amount equivalent to 30% or more of the average total annual cost of such entity, whichever is higher.
7. “A consultant, accountant, or legal specialist who receives a large amount of monetary or other assets from the Group aside from executive compensation” is defined as an individual who receives from the Group, a financial benefit of 10 million yen or more a year taken in average of the three most recent fiscal years aside from executive compensation.
8. “A firm whose major client is the Group” is defined as a firm that received a payment from the Group in an amount equivalent to 2% or more of the consolidated net sales of the firm taken in average of the three most recent fiscal years.
9. “A close relative” is defined as a spouse or relative within the second degree, or a relative living together.
10. Of business executives, “an important business executive” is defined as an individual who executes significant business operations, including executive director, executive officer or general manager.

Proposal 4: Determination of Compensation for Granting Restricted Stock to Directors (Excluding Outside Directors) and Revision of Amount of Compensation for Directors

The amount of compensation for the Company's Directors was approved to be not more than 600 million yen per year at the 168th Annual General Meeting of Shareholders of the Company held on June 29, 2006, while the amount of compensation concerning stock acquisition rights granted as stock options to the Company's Directors (excluding Outside Directors) was approved to be not more than 60 million yen per year within the above compensation amount at the 177th Annual General Meeting of Shareholders of the Company held on June 26, 2015.

In order for the Company's Directors (excluding Outside Directors) to share the benefits and risks of stock price fluctuations with shareholders and further increase their motivation to contribute to higher share price and greater corporate value, the Company proposes to allot shares of common stock of the Company subject to the provision of a certain transfer restriction period and the conditions for gratis acquisition by the Company (hereinafter "Restricted Stock") to the Company's Directors (excluding Outside Directors) as follows.

Based on a comprehensive consideration of various matters such as the level of contribution by Directors, the Company proposes to reduce the said amount of compensation for Directors to 500 million yen or less per year, and limit the total amount of monetary compensation claims to be paid as compensation for granting Restricted Stock to the Company's Directors (excluding Outside Directors), separate from the said compensation for Directors, to 100 million yen or less per year.

The allotment of Restricted Stock is determined based on a comprehensive consideration of various matters such as the level of contribution by Directors, and the Company believes the details are appropriate.

If this proposal is approved, the Company will abolish the above provision on the amount of compensation concerning stock acquisition rights granted as stock options to Directors (excluding Outside Directors), and no new stock acquisition rights will be issued as stock options based on the said provision on the amount of compensation.

The Company currently has 11 Directors (including 4 Outside Directors), and if Proposal 2 is approved, the number of Directors will be 10 (including 5 Outside Directors).

Description

Details and Maximum Number of Restricted Stock Granted to the Company's Directors (Excluding Outside Directors)

1. Allotment of and Payment for Restricted Stock

Based on the resolution of the Board of Directors of the Company, the Company shall pay monetary compensation claims to the Company's Directors (excluding Outside Directors) as compensation for granting Restricted Stock within the said annual amount, and each Director shall be granted Restricted Stock by making in-kind contributions of all such monetary compensation claims.

Furthermore, the amount to be paid for Restricted Stock shall be determined by the Board of Directors of the Company within a range that is not particularly advantageous to the Directors receiving such Restricted Stock, based on the closing price of the Company's common stock on Tokyo Stock Exchange on the business day prior to the date of the resolution of the Board of Directors of the Company pertaining to the issuance or disposal of the Restricted Stock (if no transaction is made on that day, the closing price on the most recent transaction day prior thereto).

In addition, the said monetary compensation claims shall be paid on the conditions that the Company's Directors (excluding Outside Directors) have consented to the above in-kind contribution and have entered into a Restricted Stock Allotment Agreement that includes the terms set forth in 3. below.

2. Total Number of Restricted Stock

The maximum number of Restricted Stock to be allotted to the Company's Directors (excluding Outside Directors) in each fiscal year shall be 100,000.

However, in the event of a stock split (including gratis allotment of shares of common stock of the Company) or reverse stock split of the Company's common stock on or after the resolution date of this proposal, or in other cases similar thereto that necessitate an adjustment of the total number of Restricted Stock to be allotted, the total number of Restricted Stock may be adjusted to a reasonable extent.

3. Details of Restricted Stock Allotment Agreement

When granting Restricted Stock, the Company and the Directors receiving the allotment of Restricted Stock shall, pursuant to the resolution of the Board of Directors of the Company, enter into a Restricted Stock Allotment Agreement that includes following details.

(1) Details of Transfer Restriction

A Director who has received an allotment of Restricted Stock may not transfer, pledge, mortgage, make a gift during lifetime, bequeath or otherwise dispose the allotted Restricted Stock (hereinafter "Allotted Shares") to a third party during the period (hereinafter "Transfer Restriction Period") from the date of delivery of the Restricted Stock to the date on which the Director resigns from all positions of director, executive officer and advisor (including positions with a different name equivalent to advisor, such as counselor) of the Company or its subsidiaries (hereinafter "Transfer Restriction").

(2) Gratis Acquisition of Restricted Stock

If a Director who has received an allotment of Restricted Stock resigns from all positions of director, executive officer and advisor (including positions with a different name equivalent to advisor, such as counselor) of the Company or its subsidiaries, the Company shall acquire the Allotted Shares without consideration as a matter of course, unless there are reasons deemed justifiable by the Board of Directors of the Company.

In addition, if there are Allotted Shares for which the Transfer Restriction have not been removed at the expiration of the Transfer Restriction Period stipulated in (1) above in accordance with the provisions for removal of the Transfer Restriction stipulated in (3) below, the Company shall acquire such Allotted Shares without consideration as a matter of course.

(3) Removal of Transfer Restriction

The Company shall remove Transfer Restriction on all of the Allotted Shares at the time of expiration of the Transfer Restriction Period, on the condition that the Director who has received the allotment of Restricted Stock has continuously been in a position of director, executive officer or advisor (including positions with a different name equivalent to advisor, such as counselor) of the Company or its subsidiaries from the commencement date of the Transfer Restriction Period to the date of the first subsequent Annual General Meeting of Shareholders of the Company.

However, if the Director resigns from all positions of director, executive officer and advisor (including positions with a different name equivalent to advisor, such as counselor) of the Company or its subsidiaries after the commencement date of the Transfer Restriction Period and before the date of the first subsequent Annual General Meeting of Shareholders of the Company for reasons deemed justifiable by the Board of Directors of the Company, the number of Allotted Shares for which the Transfer Restriction is to be removed and the timing thereof shall be adjusted reasonably as necessary.

(4) Treatment in the Event of Organizational Restructuring, etc.

If, during the Transfer Restriction Period, a proposal for a merger agreement in which the Company will be the disappearing company, a share exchange agreement or share transfer plan in which the Company will be a wholly-owned subsidiary of another company, or any other organizational restructuring, etc. is approved at the General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors of the Company if approval at the General Meeting of Shareholders of the Company is not required for the said organizational restructuring, etc.), and a Director who has received an allotment of Restricted Stock as a result of the said organizational restructuring, etc. resigns from all positions of director, executive officer and advisor (including positions with a different name equivalent to advisor, such as counselor) of the Company or its subsidiaries, the Company shall, by a resolution of the Board of Directors of the Company, remove the Transfer Restriction on a reasonably determined number of the Allotted Shares based on the period from the commencement date of the Transfer Restriction Period to the approval date of the organizational restructuring, etc. prior to the effective date of the said organizational restructuring, etc.

In this case, the Company shall acquire the Allotted Shares for which the Transfer Restriction has not been removed immediately after the removal of the Transfer Restriction (or at a time prior to the effective date of the organizational restructuring, etc. reasonably determined by the Board of Directors of the Company, if the removal of the Transfer Restriction based on the above provisions does not occur) in accordance with the above provisions without consideration as a matter of course.

(Reference) After the conclusion of this year's Annual General Meeting of Shareholders, the Company plans to allot Restricted Stock similar to the Restricted Stock noted above to Operating Officers of the Company as well as Advisors of the Company who concurrently serve as Directors of its subsidiaries.