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Securities Code: 6464  
March 2, 2021

To Shareholders with Voting Rights:

Koji Hirota  
Director and Representative  
Executive Officer  
TSUBAKI NAKASHIMA CO., LTD.  
19, Shakudo, Katsuragi, Nara, Japan

## NOTICE OF THE 15th ANNUAL SHAREHOLDERS' MEETING

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

This is to notify you that the 15th Annual Shareholders' Meeting (the "Meeting") of TSUBAKI NAKASHIMA CO., LTD. (the "Company") will be held for the purposes as described below.

**In order to control the spread of new coronavirus infection, however, we request that you refrain from visiting the venue on the day of the Meeting and instead exercise your voting rights in advance, either in writing or via the internet.**

If you exercise your voting rights in writing or via the Internet, please review the attached Reference Documents for the Shareholders' Meeting, and exercise your voting rights either by indicating your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and returning it by mail, or by accessing the voting website designated by the Company (<https://evote.tr.mufg.jp/>) (in Japanese) and entering your approval or disapproval of the proposals, no later than 6:00 p.m. on Tuesday, March 23, 2021, Japan time.

- 1. Date and Time:** Wednesday, March 24, 2021 at 10:00 a.m. Japan time (Reception begins at 9:00 a.m. Japan time)
- 2. Place:** Ball Room TSURU, 5th floor, Hotel Nikko Osaka located at 1-3-3, Nishi-Shinsaibashi, Chuo-ku, Osaka-shi, Osaka, Japan
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements for the Company's 15th Fiscal Year (January 1, 2020 - December 31, 2020) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
    2. Non-consolidated Financial Statements for the Company's 15th Fiscal Year (January 1, 2020 - December 31, 2020)
  - Proposals to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Partial Amendments to Articles of Incorporation
    - Proposal 3:** Election of Seven (7) Directors

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- When attending the Meeting, please submit the Voting Rights Exercise Form at the reception. Please also bring this Notice with you to save resources and a face mask to control spread of COVID-19.
  - Please note that no souvenirs will be distributed to the attendees of the shareholders' meeting. We appreciate your understanding.
  - If you attend the Meeting in person, please cooperate with us to implement our measures to control spread of the new coronavirus at the venue of the Meeting.

Information on online disclosure

- Among the documents that we should provide together with this Notice, Matters Regarding Outside Officers, Status of Accounting Auditor, Basic Policy For Creating Internal Control System and Overview of Its Operation, Consolidated Financial Statements, Notes to Consolidated Financial Statements, Non-consolidated Financial Statements, Notes to Non-consolidated Financial Statements, and Accounting Auditor's Audit Report on Non-consolidated Financial Statements are posted on the Company's website in accordance with relevant laws and regulations and with Article 15 of the Articles of Incorporation. They are not included in the attachments of this Notice.
- Should the Reference Documents for the Shareholders' Meeting, the Business Report and the Financial Statements require revisions, revised documents will be posted on the Company's website below:

[Company's website] <https://www.tsubaki-nakashima.com/>

## **Guidance for Exercise of Voting Rights**

Voting rights at shareholders' meetings are important rights of shareholders. Options for exercising your voting rights are outlined below. Please refer to the Reference Documents for the Shareholders' Meeting attached to this Notice and exercise your voting rights.

### **Exercise your voting rights in advance**

We recommend that you choose this option.
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#### **Exercise of voting rights by mail**

Please indicate your approval or disapproval of each of the proposals on the enclosed Voting Rights Exercise Form and return it by mail so that it will reach us no later than 6:00 p.m. on Tuesday, March 23, 2021, Japan time.

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

Please access the voting website and exercise your voting rights no later than 6:00 p.m. on Tuesday, March 23, 2021, Japan time. (Please see the next page for detailed guidance for exercise of voting rights via the Internet.)

### **If you attend the Meeting in person**

Please bring the enclosed Voting Rights Exercise Form to the venue and submit it at the reception. Also, please bring this Notice with you.

The Company participates in the electronic voting system platform for institutional investors, which is operated by ICJ, Inc.
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## Guidance for Exercise of Voting Rights via the Internet

Exercise of your voting rights via the Internet is only possible by using the voting website (<https://evote.tr.mufg.jp/>) (in Japanese) designated by the Company. (Please note that the website is not accessible from 2:00 a.m. to 5:00 a.m. every day. Also, you may not be able to access it depending on your Internet access environment.)

### How to use the voting website

Access the voting website (<https://evote.tr.mufg.jp/>).

- (i) Click “Go to next page.”

Log in

- (ii) Enter the “login ID” and “temporary password” indicated on the Voting Rights Exercise Form.
- (iii) Click “log in.”

Register your password

- (iv) Enter the temporary password in the “current password” entry field and your preferred password in the “new password” and “new password (for confirmation)” entry fields. Please make sure not to forget the new password.
- (v) Click “submit.”
  - Click “confirm” on the confirmation screen that shows up next.
  - Thereafter, indicate your approval or disapproval of the proposals, following the instructions on the screen.

You do not need to enter the “login ID” or “temporary password” to exercise your voting rights on your smartphone!

By scanning the “Login QR Code” printed on the attachment (the right side) of the enclosed Voting Rights Exercise Form.

\*You can exercise your voting rights only once using the above method.

\*The QR Code is the registered trademark of DENSO WAVE INCORPORATED.

(Notes)

- Please note that if you have exercised your voting rights both by mailing the Voting Rights Exercise Form and via the Internet, your voting via the Internet will be deemed valid. If you have exercised your voting rights multiple times via the Internet, the last vote will be deemed valid.
- Charges for using the voting website (Internet access fees, communication fees, etc.) shall be borne by shareholders.
- Voting via the Internet will be accepted by 6:00 p.m. on Tuesday, March 23, 2021 Japan time, but your earliest possible exercise would be appreciated. Please call the Help Desk if you have any questions.
- Handling of passwords
  1. A new login ID and a temporary password will be issued and provided to shareholders each time a shareholders’ meeting is convened.
  2. Your password is a means to prove that the person exercising the voting rights is the shareholder to whom the voting rights belong. We request you to handle it with care. We do not answer your inquiry about passwords by telephone, etc. We appreciate your understanding.

<p>For inquiries regarding the exercise of voting rights via the Internet (Help Desk) Securities Transfer Agency Division, Mitsubishi UFJ Trust and Banking Corporation Tel. 0120-173-027 (toll-free within Japan) Business hours: from 9:00 a.m. to 9:00 p.m.</p>
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# Reference Documents for the Shareholders' Meeting

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company considers distribution of profits to shareholders and sustainable business development as its top management priority and determines total shareholder payout ratio in view of the optimum balance between shareholder return, appropriate levels of leverage, and the securing of funds of growth. In line with this basic policy, the Company proposes an annual dividend for the fiscal year ended December 31, 2020 of ¥24 per share (including an interim dividend of ¥10 per share), with a year-end dividend as follows, in consideration of financial results for the fiscal year under review and the future business environment.

Matters regarding year-end dividends

1. Type of dividend  
Cash
2. Allocation of dividend and the total amount  
Dividend per share of common shares: ¥14  
Total amount of dividend: ¥563,010,014
3. Effective date for distribution of surplus  
March 25, 2021

**Proposal 2:** Partial Amendments to Articles of Incorporation

1. Reason for proposing

With a view to expanding its business to the medical device field, the Company proposes some necessary amendments to Article 2 (Purpose) of its Articles of Incorporation to make its purpose appropriately cover areas including medical equipment and hygiene equipment.

2. Content of proposal

The proposed amendments are as shown in the table below.

(Changes are underlined.)

Current Articles of Incorporation	Proposed changes
(Purpose) Article 2. The Company's purpose is to operate the following businesses. 1.-3. <div style="text-align: center;">&lt;Omitted&gt; (New)</div>  <div style="text-align: center;"><u>4.-9.</u> &lt;Omitted&gt;</div>	(Purpose) Article 2. The Company's purpose is to operate the following businesses. 1.-3. <div style="text-align: center;">&lt;Unchanged&gt;</div> <div style="text-align: center;"><u>4. Manufacture, sale, lease, repair, export and import of medical equipment, veterinary equipment, hygiene equipment, and related equipment, components, etc.</u></div> <div style="text-align: center;"><u>5.-10.</u> &lt;Unchanged&gt;</div>

**Proposal 3:** Election of Seven (7) Directors

As the terms of office of all seven (7) Directors will expire at the conclusion of this Meeting, the election of seven (7) Directors is proposed.

This proposal was determined by the Nominating Committee meeting held on February 12, 2021. The candidates are as follows:

No.	Name		Positions and responsibilities in the Company	Attendance at Board of Directors meetings (FY2020)	Years served as Director (at the conclusion of this Meeting)
1	Koji Hirota	Reappointment	Director and Representative Executive Officer, President, CEO General management Member of Nominating Committee Member of Compensation Committee	17/17 meetings (100%)	3 years
2	Tomofumi Gotsubo	Reappointment	Director and Representative Executive Officer, COO Supervision of Operations, and in charge of Japan, China & Global Ceramic Business and Linear & Blower Business	13/13 meetings (100%)	1 year
3	Shakil Ohara	Reappointment	Director and Executive Officer, Senior EVP, CFO, and in charge of IR and IS/IT	17/17 meetings (100%)	6 years
4	Ken Kono	Reappointment Outside Independent	Director Chairperson of Audit and Supervisory Committee	17/17 meetings (100%)	8 years and 9 months
5	Keizo Tannawa	Reappointment Outside Independent	Director Chairperson of Nominating Committee Member of Compensation Committee	17/17 meetings (100%)	5 years
6	Noboru Yamamoto	Reappointment Outside Independent	Director Chairperson of Compensation Committee Member of Audit and Supervisory Committee	17/17 meetings (100%)	3 years
7	Junichi Hashiguchi	Reappointment Outside Independent	Director Member of Nominating Committee Member of Audit and Supervisory Committee	17/17 meetings (100%)	2 years

Notes: Mr. Tomofumi Gotsubo's attendance at the Board of Directors meetings above covers those convened after he was appointed Director on March 24, 2020.

No.	Name (Date of birth)	Career summary	Number of shares of the Company held
1	Koji Hirota (October 27, 1951)  <u>Reappointment</u>	<p>Apr. 1976    Joined Nissan Motor Co., Ltd.</p> <p>Jul. 1996    General Manager of Nissan Europe S.A.S</p> <p>Apr. 2003    HR Director of Hashimoto Forming Industries Co., Ltd. (currently FALTEC Co., Ltd.)</p> <p>May 2008    Senior Vice President of Niles Co., Ltd. (currently Valeo Japan Co., Ltd.)</p> <p>Nov. 2014    Managing Executive Officer, CAO of the Company</p> <p>Jun. 2016    Director of TSUBAKI NAKASHIMA GLOBAL PTE. LTD. (currently TN ASIA PTE. LTD.)</p> <p>Aug. 2017    Director of NN International B.V. (currently TN EUROPE, B.V.)</p> <p>Sep. 2017    Director of NN Europe S.p.A. (currently TN ITALY, S.P.A.)</p> <p>Mar. 2018    Director and Representative Executive Officer, Senior EVP of the Company</p> <p>Apr. 2018    Director of TN GEORGIA, INC.</p> <p>Apr. 2018    Chairman of TN TAICANG CO., LTD.</p> <p>Mar. 2019    Director and Representative Executive Officer, President, COO of the Company</p> <p>Jan. 2020    Director and Representative Executive Officer, President, CEO of the Company</p> <p>Jul. 2020    Director of TN TENNESSEE, LLC.</p> <p>(Current positions and responsibilities in the Company)</p> <p>Director / Representative Executive Officer, President, CEO / general management / Member of Nominating Committee / Member of Compensation Committee</p> <p>[Significant concurrent positions]</p> <p>Chairman of TN TAICANG CO., LTD. / Director of TN ASIA PTE. LTD. / Director of TN GEORGIA, INC. / Director of TN TENNESSEE, LLC. / Director of TN EUROPE, B.V. / Director of TN ITALY, S.P.A.</p>	5,000
<p>[Reason for nomination as candidate for Director]</p> <p>The candidate has extensive experience and insight as well as discernment in global business mainly in areas of human resources, sustainability, compliance and sales at an automaker and auto component suppliers. He also played leading roles to get the Company listed on the stock exchange, acquire a division of an industry peer and steer the Company amid the COVID-19 pandemic. The Company believes the candidate is capable of further contributing to improving the Group's corporate value as Representative Executive Officer, President, CEO and therefore requests the candidate's re-election as a Director, as it believes he will be able to further contribute to improving the Group's corporate value as Representative Executive Officer, President, CEO.</p>			



No.	Name (Date of birth)	Career summary	Number of shares of the Company held
2	Tomofumi Gotsubo (April 26, 1954)  <u>Reappointment</u>	<p>Apr. 1980    Joined Nissan Motor Co., Ltd.</p> <p>Jan. 2001    Joined KONAMI CORPORATION (Currently KONAMI HOLDINGS CORPORATION)</p> <p>Aug. 2006    Director and Senior Vice President of Ten Art-ni Corporation (Currently SIOS Technology, Inc.)</p> <p>Sep. 2008    Director and Executive Vice President of SIOS Technology, Inc.</p> <p>Apr. 2013    Representative Director, CEO of NIDEC TECHNO MOTOR CORPORATION</p> <p>Feb. 2016    Vice President of NIDEC CORPORATION</p> <p>Oct. 2016    Executive Officer of the Company</p> <p>Jan. 2017    Director of Tsubaki-Hoover (Taicang) Co., Ltd. (currently TN TAICANG CO., LTD.) (to present)</p> <p>Mar. 2018    Senior Executive Officer of the Company</p> <p>Jan. 2020    Representative Executive Officer, COO of the Company (to present)</p> <p>March 2020    Director and Representative Executive Officer, COO of the Company</p> <p>(Current positions and responsibilities in the Company)</p> <p>Director / Representative Executive Officer, COO / Supervision of Operations, and in charge of Japan, China &amp; Global Ceramic Business and Linear &amp; Blower Business</p> <p>[Significant concurrent positions]</p> <p>Director of TN TAICANG CO., LTD.</p>	7,000
<p>[Reason for nomination as candidate for Director]</p> <p>The candidate has extensive experience, a successful track record and insight in the global industries through sales activities, overseas business and management at an automaker and IT companies. Starting with a key role in the Company's acquisition of a division of a competitor, he has a successful track record of supervision of Japan, China, Asia &amp; Global Ceramic Business and Linear &amp; Blower Business. This fiscal year, he was a driving force for the Company to achieve profitability amid the COVID-19 crisis. The Company believes the candidate is capable of contributing to further profitable growth with his experience, insight, and achievements, and therefore requests the candidate's re-election as a Director.</p>			
3	Shakil Ohara (July 1, 1958)  <u>Reappointment</u>	<p>Apr. 1994    North Pacific Regional Finance Director of Federal Express</p> <p>May 1999    CFO of Abbott Japan Ltd.</p> <p>Jan. 2004    VP/CEO of Asia Pacific, Hospira, Inc.</p> <p>Mar. 2008    Regional CFO/Business Strategy Director of Abbott International (Singapore) Pte. Ltd.</p> <p>Jun. 2014    Joined the Company</p> <p>Oct. 2014    Senior Executive Officer, CFO</p> <p>                Auditor of Tsubaki-Hoover (Taicang) Co., Ltd. (currently TN TAICANG CO., LTD.)</p> <p>                Corporate Auditor of HOOVER PRECISION PRODUCTS, INC. (currently TN GEORGIA, INC.)</p> <p>Mar. 2015    Director and Senior Executive Officer, CFO of the Company</p> <p>Jun. 2016    Director of TSUBAKI NAKASHIMA GLOBAL PTE. LTD. (currently TN ASIA PTE. LTD.)</p> <p>Mar. 2018    Director and Executive Officer, Senior EVP, CFO of the Company</p> <p>Jul. 2020    Corporate Auditor of TN TENNESSEE, LLC.</p> <p>(Current positions and responsibilities in the Company)</p> <p>Director / Executive Officer, Senior EVP, CFO / in charge of IR and IS/IT</p> <p>[Significant concurrent positions]</p> <p>Auditor of TN TAICANG CO., LTD. / Director of TN ASIA PTE. LTD. / Corporate Auditor of TN GEORGIA, INC. / Corporate Auditor of TN TENNESSEE, LLC.</p>	17,000
<p>[Reason for nomination as candidate for Director]</p> <p>The candidate has deep insight, experience, and achievements in financial and business strategies, including business acquisitions, at global corporations in the logistics and pharmaceuticals industries, and has made significant contributions to the Company's business strategies to get it listed on the stock exchange and acquire a division of a competitor. The Company requests the candidate's re-election as a Director, in order to achieve further profitable growth for the Company by drawing on the candidate's experience and insight.</p>			

No.	Name (Date of birth)	Career summary	Number of shares of the Company held
4	Ken Kono (October 9, 1971)  Reappointment Outside Independent	<p>Oct. 1996 Passed the essay tests of the CPA examination</p> <p>Sep. 1998 Joined Asahi Audit Corp. (currently KPMG AZSA LLC)</p> <p>Aug. 2002 Joined Takeda Pharmaceutical Company Limited</p> <p>Jul. 2004 Joined Tokyo Hokuto &amp; Co. (currently Gyosei &amp; Co.)</p> <p>Dec. 2006 Established Kono CPA Office, President</p> <p>Jun. 2012 Director of the Company</p> <p>Nov. 2013 Established Kono Accounting Office, Representative Director</p> <p>Jun. 2019 Director of AUTOWAVE Co., Ltd.</p> <p>Jun. 2020 Director of NK Medico Co., Ltd.</p> <p>(Current positions and responsibilities in the Company)</p> <p>Director / Chairperson of Audit and Supervisory Committee</p> <p>[Significant concurrent positions]</p> <p>President of Kono CPA Office / Representative Director of Kono Accounting Office / Director of AUTOWAVE Co., Ltd.</p>	0
<p>[Reason for nomination as candidate for Outside Director]</p> <p>The candidate has been providing timely and appropriate management supervision and advice for more than eight years from a fair and objective perspective mainly in terms of corporate governance and compliance at meetings of the Board of Directors, the Audit and Supervisory Committee and the Compensation Committee, based on his insight, experience and expertise as a certified public accountant and a certified public tax accountant, and as an outside officer of other companies. The Company therefore requests the candidate's re-election as an Outside Director.</p>			
5	Keizo Tannawa (September 19, 1952)  Reappointment Outside Independent	<p>Apr. 1978 Joined Nippon Kokan Ltd. (currently JFE Steel Corporation)</p> <p>Jul. 1987 Joined McKinsey &amp; Company Tokyo Office</p> <p>Jul. 1993 Partner</p> <p>Jul. 1997 Representative Director and President of Watson Wyatt K.K. (currently Willis Towers Watson)</p> <p>Feb. 2007 Director of KITO CORPORATION</p> <p>Jun. 2007 Audit &amp; Supervisory Board Member of Invast Securities Co., Ltd. (currently INV Inc.)</p> <p>Jun. 2010 Representative Director and President of Towers Watson K.K. (currently Willis Towers Watson)</p> <p>Audit &amp; Supervisory Board Member of Akebono Brake Industry Co., Ltd.</p> <p>Jul. 2013 Chairman of Towers Watson K.K. (currently Willis Towers Watson)</p> <p>Mar. 2014 Audit &amp; Supervisory Board Member of ZMP Inc.</p> <p>Jul. 2014 Senior Advisor of Towers Watson K.K. (currently Willis Towers Watson)</p> <p>Sep. 2014 Vice Chairman, Board Member of World Wide Fund Japan</p> <p>Jun. 2015 Director of Invast Securities Co., Ltd. (currently INV Inc.)</p> <p>Feb. 2016 Advisor of beBit, Inc.</p> <p>Mar. 2016 Director of the Company</p> <p>May 2016 Principal Advisor of The iYell Co., Ltd.</p> <p>Mar. 2017 Director of Livesense Inc.</p> <p>Jan. 2019 Director of COCON Inc.</p> <p>(Current positions and responsibilities in the Company)</p> <p>Director / Chairperson of Nominating Committee / Member of Compensation Committee</p> <p>[Significant concurrent positions]</p> <p>Director of INV Inc. / Audit &amp; Supervisory Board Member of ZMP Inc. / Director of Livesense Inc. / Director of COCON Inc.</p>	0
<p>[Reason for nomination as candidate for Outside Director]</p> <p>The candidate provides advanced and broad-ranging supervision and advice from a general management perspective, offering views on subjects including diversity, personnel development, risk management and ESG, at meetings of the Board of Directors, the Nominating Committee, the Compensation Committee and the Audit and Supervisory Committee, based on his extensive experience and broad expertise as a corporate manager and outside director of other companies. The Company believes the candidate will continue to contribute vigorously to the improvement of its corporate value, and therefore requests the candidate's re-election as an Outside Director.</p>			

No.	Name (Date of birth)	Career summary	Number of shares of the Company held
6	Noboru Yamamoto (November 21, 1962)  Reappointment Outside Independent	<p>Apr. 1986    Joined Mazda Motor Corporation</p> <p>May 1989    Joined Daiwa Securities Co. Ltd.</p> <p>Feb. 2002    Managing Director of PricewaterhouseCoopers Financial Advisory Services</p> <p>Apr. 2003    Managing Director of Lazard Frères K.K.</p> <p>Oct. 2006    Managing Director of Nikko Citigroup Limited (currently Citigroup Global Markets Japan Inc.)</p> <p>Oct. 2011    Co-head of the Investment Banking Division of BNP Paribas Securities Tokyo</p> <p>Jun. 2016    Director of Hitachi Koki Co., Ltd. (currently Koki Holdings Co., Ltd.)</p> <p>Sep. 2016    Representative Partner &amp; CEO of XIB Capital Partners, Inc.</p> <p>Mar. 2018    Director of the Company</p> <p>Corporate Auditor of Renesas Electronics Corporation</p> <p>(Current positions and responsibilities in the Company)</p> <p>Director / Chairperson of the Compensation Committee / Member of Audit and Supervisory Committee</p> <p>[Significant concurrent positions]</p> <p>Representative Partner &amp; CEO of XIB Capital Partners, Inc. / Director of Koki Holdings Co., Ltd. / Corporate Auditor of Renesas Electronics Corporation</p>	0
<p>[Reason for nomination as candidate for Outside Director]</p> <p>The candidate has advanced and wide-ranging experience, expert knowledge and vision gained from working at global corporations, and contributes from a broad perspective and with insight to discussions and debates of the Board of Directors, the Audit and Supervisory Committee and the Compensation Committee, based on his experience of having been engaging in a diverse array of businesses. The candidate has been appropriately supervising management from a multifaceted viewpoint based on global, market and ESG perspectives. The company therefore requests the candidate's re-election as an Outside Director.</p>			
7	Junichi Hashiguchi (September 9, 1947)  Reappointment Outside Independent	<p>Apr. 1970    Joined Nissan Motor Co., Ltd.</p> <p>May 2004    Vice President, General Manager of Sales Department of KIRIU CORPORATION</p> <p>Jun. 2006    Senior Vice President, General Manager of Sales Department and Purchase Department</p> <p>Jun. 2009    President and Representative Director</p> <p>Jun. 2014    Chairman and Representative Director</p> <p>Mar. 2016    Director of DAI-ICHI SEIKO CO., LTD. (currently I-PEX Inc.)</p> <p>Mar. 2019    Director of the Company</p> <p>(Current positions and responsibilities in the Company)</p> <p>Director / Member of Nominating Committee / Member of Audit and Supervisory Committee</p> <p>[Significant concurrent positions]</p> <p>Director of I-PEX Inc.</p>	1,000
<p>[Reason for nomination as candidate for Outside Director]</p> <p>The candidate has management experience and broad expertise at a global automaker and global auto component suppliers and has been providing fair and objective management supervision and advice in discussions and debates of the Board of Directors, the Nominating Committee and the Audit and Supervisory Committee, particularly from the perspectives of manufacturing, global sourcing and supplier development. The Company therefore requests the candidate's re-election as an Outside Director.</p>			

- Notes:
1. There are no special interests between any of the candidates for Directors and the Company.
  2. The Company has registered Messrs. Ken Kono, Keizo Tannawa, Noboru Yamamoto and Junichi Hashiguchi as independent directors stipulated by Tokyo Stock Exchange, Inc. If their elections are approved, they will continue to serve as independent directors.
  3. Messrs. Ken Kono, Keizo Tannawa, Noboru Yamamoto and Junichi Hashiguchi are currently serving as Outside Directors of the Company, and they will have served as Outside Director for eight (8) years and nine (9) months, five (5) years, three (3) years and two (2) years, respectively, at the conclusion of this Meeting.
  4. The Company's Articles of Incorporation permits the Company to conclude an agreement limiting the liability of Outside Directors to enable them to fully perform the roles expected of them. Accordingly, the Company has entered into liability limitation agreements with Messrs. Ken Kono, Keizo Tannawa, Noboru Yamamoto and Junichi Hashiguchi, and plans to retain the agreements if their elections are approved. The maximum amount of liability pursuant to the agreement is

the minimum amount stipulated by laws and regulations.

5. In order to secure talented individuals and prevent them from becoming excessively afraid of performing their duties, the Company has taken out a directors and officers liability insurance policy, details of which are described below. We plan to renew the policy in December 2021. The candidates for Director named in this proposal are already covered by the insurance policy. The coverage will continue if they are elected.

[Overview of insurance policy]

- (i) Effective rate of contribution to premiums by insured individuals:

The Company pays all premiums, including the portion for riders. Insured individuals effectively bare no cost of premiums.

- (ii) Overview of insured events:

The policy, including riders, covers the types of damage that may arise as a result of insured officers, etc. being held responsible for the performance of their duties or facing claims related to pursuit of such responsibility. The policy includes some exclusions, including acts committed with the knowledge that they are against law.

- (iii) Measures to ensure appropriateness of duties performed by officers, etc.

The policy sets a minimum amount of damages it covers. Any damages that do not exceed that amount are not covered.

6. The number of shares of the Company held by each candidate is the number held as of December 31, 2020.