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Securities code 6324  
June 8, 2021

Dear Shareholders:

Mitsumasa Ito  
Chairperson and Representative Director  
Harmonic Drive Systems Inc.  
6-25-3 Minami-Oi, Shinagawa-ku, Tokyo, Japan

## CONVOCATION NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS FOR FISCAL 2020

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

We hereby notify you of the Ordinary General Meeting of Shareholders for fiscal 2020 of Harmonic Drive Systems Inc. (the “Company”). The meeting will be held for the purposes as described below.

In addition to attending the meeting in person, you can exercise your voting rights in writing or via the Internet, so **please consider exercising your voting rights in advance as much as possible to prevent the spread of novel coronavirus (COVID-19)**. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:30 p.m. (the close of the Company’s business hours) on Tuesday, June 22, 2021, Japan Time.

[Exercising Voting Rights by Mail]

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

[Exercising Voting Rights by Electromagnetic Means (the Internet)]

Please check the “Guide to Exercising Voting Rights by Electromagnetic Means (the Internet)” on page 3, and exercise your voting rights by the above deadline for exercise.

- 1. Date and Time:** Wednesday, June 23, 2021 at 10:00 a.m. Japan time  
(Reception opens at 9:00 a.m.)
- 2. Venue:** Prince Room, B1, Grand Prince Hotel Takanawa located at  
3-13-1 Takanawa, Minato-ku, Tokyo, Japan  
(Please refer to the attached “Guide to the Location of the General Meeting of Shareholders” in Japanese)

From the standpoint of preventing the spread of COVID-19, the corporate briefing for shareholders, which is usually held after the conclusion of the General Meeting of Shareholders each year, shall be cancelled. Also, please note that we will not be giving out souvenirs, etc. or providing drinks to shareholders. We appreciate your understanding. There are important matters to be noted in the holding of the General Meeting of Shareholders in light of the effects of COVID-19, and they have been published on the Company’s website.

### 3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for Fiscal 2020 (April 1, 2020 - March 31, 2021) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
  2. Non-consolidated Financial Statements for Fiscal 2020 (April 1, 2020 - March 31, 2021)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of nine (9) Directors  
**Proposal 3:** Election of one (1) Corporate Auditor  
**Proposal 4:** Granting of Retirement Benefits to Retiring Directors and Retiring Corporate Auditors  
**Proposal 5:** Payment of Directors' Bonuses

### 4. Matters Determined in Regard to the Convocation:

Treatment of duplicate exercise of voting rights

- (1) If voting rights are exercised by a shareholder multiple times both in writing and via the Internet, the vote exercised via the Internet shall be considered as valid.
- (2) If voting rights are exercised by a shareholder multiple times via the Internet, the final vote exercised shall be considered as valid.

End

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- 1) When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  - 2) If exercising voting rights by proxy, please submit a proxy statement or other written document proving the authority to represent at the reception desk, together with the Voting Rights Exercise Form of the proxy. (In regard to the qualifications for a proxy, proxies shall be limited to one (1) other shareholder with voting rights at this General Meeting of Shareholders, in accordance with the provisions of the Articles of Incorporation.)
  - 3) In the event of revisions to the Reference Documents for the General Meeting of Shareholders and the Appendix, they shall be posted on the Company's website (<https://www.hds.co.jp/>).
  - 4) Of the documents to be provided with this Notice, the Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements are posted on the Company's website described above in accordance with the provisions of laws and regulations as well as Article 15 of the Company's Articles of Incorporation and therefore are not provided in this Notice. Furthermore, the Consolidated Financial Statements and Non-consolidated Financial Statements provided in the Appendix of this Notice are parts of the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Accounting Auditor and Corporate Auditors when preparing the Accounting Audit Report and the Audit Report.

## **Guide to Exercising Voting Rights**

Shareholders' voting rights are an important right of shareholders. Please review the "Reference Documents for the General Meeting of Shareholders" and exercise your voting rights.

Voting rights may be exercised with the three methods below.

### **Attending the General Meeting of Shareholders**

Please submit the enclosed Voting Rights Exercise Form at the reception desk. In addition, please bring this Notice.

### **Date and time of the General Meeting of Shareholders 10:00 a.m. on Wednesday, June 23, 2021 (Japan time)**

### **By Mail**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form, and return it so that it arrives by the deadline for exercise.

#### **Deadline for exercise**

**5:30 p.m. on Tuesday, June 22, 2021 (Japan time)**

### **Via the Internet**

Please access the designated Voting Rights Exercise Website (<https://soukai.mizuho-tb.co.jp/>), and indicate your vote for or against the proposals by the deadline for exercise.

#### **Deadline for exercise**

**5:30 p.m. on Tuesday, June 22, 2021 (Japan time)**

## **Guide to Exercising Voting Rights by Electromagnetic Means (the Internet)**

### **1. Via "Smart Exercise"**

- (1) Please read the QR code printed on the lower right of the enclosed Voting Rights Exercise Form using your smartphone to access "Smart Exercise," then follow the instructions on the screen to input your vote. (You do not need to enter an ID/Password.)
- (2) **You may only exercise your voting rights once via "Smart Exercise."**

### **2. Via ID and Password**

- (1) Please access the "Voting Rights Exercise Website" (URL below), log in to the system using the Voting Rights Exercise Code and Password printed on the enclosed Voting Rights Exercise Form, and follow the instructions on the screen to input your vote. In order to maintain security, users will be prompted to change the Password when logging in to the system for the first time.

<https://soukai.mizuho-tb.co.jp/>

- (2) The Password (including the Password you changed) is valid only for this General Meeting of Shareholders. A new Password will be issued at the time of the next general meeting of shareholders.
- (3) The Password is the method to identify the voting person. The Company will never ask shareholders to provide their Passwords.
- (4) The Password will be locked and suspended when entered incorrectly more than a certain number of times. Please follow the instruction on the screen when the Password is locked.

#### Notes:

- (1) You will need to exercise your voting rights by completing the process by 5:30 p.m., on Tuesday, June 22, 2021 (Japan time). Your early exercise is recommended.
- (2) To change your vote after exercising your voting rights via "Smart Exercise," please follow the exercise instructions in 2. above to change your vote.
- (3) If you exercise your voting rights both by the Voting Rights Exercise Form by mail and via the Internet, the exercise through the Internet shall be deemed effective. If you exercise your voting rights multiple times via the Internet, the last vote shall be deemed effective.
- (4) Fees for connecting to the Internet would be shareholders' own expense.

- (5) Although the Voting Rights Exercise Website has been tested of operation with general Internet connecting devices, the system may not be available depending on the device you use and its condition.

### **3. Inquiries**

If you have any questions, please contact the **Stock Transfer Agency Department at Mizuho Trust & Banking**, the shareholder register administrator.

[For inquiries concerning how to use “Smart Exercise” and the “Voting Rights Exercise Website,” etc.]

Toll free in Japan: **0120-768-524 (9:00 a.m. – 9:00 p.m. weekdays, Japan time)**

Note: “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

#### **The Electronic Voting Platform for Foreign and Institutional Investors**

Other than the method described above, institutional investors may use the Electronic Voting Platform for Foreign and Institutional Investors operated by ICJ, Inc., subject to prior application for the use of the platform.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

In regard to the appropriation of surplus, taking into consideration the return of profits to shareholders, strengthening the business operation, and future business development, the Company proposes to pay a year-end dividend from surplus for the fiscal year under review as follows.

#### Items Related to the Year-end Dividend

- (1) Type of dividend property  
Cash
- (2) Items related to the allocation of dividend property and its total amount  
10 yen per share of common stock at a total of 962,631,000 yen  
Furthermore, as the Company paid an interim dividend of 10 yen per share on December 7, 2020, the annual dividend will be 20 yen per share.
- (3) Date the appropriation of surplus comes into effect  
June 24, 2021

## Proposal 2: Election of nine (9) Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this General Meeting of Shareholders, and therefore the Company proposes the election of nine (9) Directors.

The candidates for Directors are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at Board of Directors meetings	Attributes	Years in office
1	Mitsumasa Ito	Chairperson and Representative Director	(100%) 19 / 19	Reappointment Executive	42 years
2	Akira Nagai	President and Representative Director, Chief Executive Officer	(100%) 19 / 19	Reappointment Executive	8 years
3	Akira Maruyama	Director and Executive Officer General Manager of Corporate Planning Division	(100%) 19 / 19	Reappointment Executive	5 years
4	Kazutoshi Kamijoh	Director and Executive Officer General Manager of Finance Accounting, Finance and Tax Division	(100%) 15 / 15	Reappointment Executive	1 year
5	Yoshihiro Tanioka	Executive Officer General Manager of Development and Engineering Division	—	New appointment Executive	—
6	Haruhiko Yoshida	Outside Director	(100%) 19 / 19	Reappointment Outside Independent	18 years
7	Shinji Sakai	Outside Director	(100%) 19 / 19	Reappointment Outside Independent	17 years
8	Masanobu Nakamura	Outside Director	(100%) 19 / 19	Reappointment Outside Independent	8 years
9	Yoshio Fukuda	Outside Director	(100%) 19 / 19	Reappointment Outside Independent	1 year

Notes:

- Mr. Kazutoshi Kamijoh was newly elected at the Ordinary General Meeting of Shareholders for fiscal 2019 held on June 24, 2020 and subsequently took office, and the status of his attendance at meetings of the Board of Directors held on or after that date is presented.
- Mr. Yoshio Fukuda attended, as a Corporate Auditor, all four meetings of the Board of Directors that were held until he retired from his position on June 24, 2020.

Reappointment Candidate for reappointment as Director

New appointment Candidate for new appointment as Director

Outside Candidate for Outside Director

Executive Candidate for Executive Director

Independent Independent Director registered at the Tokyo Stock Exchange

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p>Mitsumasa Ito (January 2, 1939)</p> <p><u>Reappointment</u></p> <p><u>Executive</u></p>	<p>May 1976 Representative Director, Harmonic Drive System GmbH  Aug 1979 Director, the Company  Jun 1991 Managing Director and General Manager of Corporate Planning  Office, the Company  Apr 1992 Managing Director and General Manager of General Affairs  Division, the Company  Jul 1994 President and Representative Director, the Company  Jun 2003 Chairperson and Representative Director, the Company  Jun 2005 Chairperson and Representative Director and Chief Executive  Officer, the Company  Jun 2007 Chairperson and Representative Director and Executive Chairperson  and Chief Executive Officer, the Company  Apr 2009 President, Research Institute for Oceanochimistry Foundation  Jun 2010 Chairperson and Representative Director and Executive Chairperson  and CEO, the Company  Jun 2011 Chairperson and Representative Director , the Company  (incumbent)  Apr 2012 Councilor, Research Institute for Oceanochimistry Foundation  (General)  Jul 2016 Chairperson, Harmonic Ito Foundation (General)  Sep 2016 Councilor, Research Institute for Oceanochimistry Foundation  (Public Interest)  Mar 2017 Deputy Chairman of the Supervisory Board, Harmonic Drive AG  Mar 2018 Chairperson, Harmonic Ito Foundation (Public Interest) (incumbent)  Jun 2019 Director, KODEN Holdings Co., Ltd. (incumbent)  Jan 2020 Member of Supervisory Board, Harmonic Drive SE (incumbent)</p> <p>(Significant concurrent positions)  Member of Supervisory Board, Harmonic Drive SE  Chairperson, Harmonic Ito Foundation (Public Interest)  Director, KODEN Holdings Co., Ltd.</p> <p>(Reason for nomination as candidate)  Mr. Mitsumasa Ito has served as President and Representative Director, and  Chairperson over many years, and has achieved considerable results, from  formulating and promoting Group management policies and strategies, to  developing and expanding the business foundation, and cultivating a corporate  culture. In addition, he possesses business experience in Europe covering more than  20 years, has led the internationalization of the Group, and has served as a driving  force for the Group’s operations. Based on the above, the Company has judged that  he is an essential person to serve as a leader for the Group and further develop the  Group, cultivate its corporate culture, and sustainably enhance its corporate value,  and therefore proposes his continued election as Director.</p>	1,067,800

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	<p data-bbox="207 862 391 929">Akira Nagai (March 26, 1948)</p> <p data-bbox="215 952 383 985"><u>Reappointment</u></p> <p data-bbox="239 1008 359 1041"><u>Executive</u></p>	<p data-bbox="422 268 1284 1120"> Apr 1972    Joined Mitsui &amp; Co., Ltd.  Apr 2002    Joined the Company  Apr 2002    General Manager of Overseas Division, the Company  Jun 2002    Chairperson and Director, HD Systems, Inc.  Jun 2003    Executive Officer (Marketing and Sales), General Manager of Overseas Division, General Manager of Corporate Planning and IT Office, the Company  Dec 2005    President and CEO, HD Systems, Inc. (incumbent)  Jun 2007    Managing Executive Officer (Corporate Planning and IT), the Company  Apr 2009    Managing Executive Officer (Corporate Planning and Finance) , the Company  Jan 2011    Corporate Auditor, Harmonic Drive Systems (Shanghai) Co., Ltd.  Jun 2013    President and Representative Director, Executive President, the Company  May 2015    Director, Harmonic AD, Inc. (incumbent)  Jun 2016    President and Representative Director, Chief Executive Officer, In charge of Marketing and Sales, the Company  Dec 2016    Manager, GK HD Management (incumbent)  Mar 2017    Chairman of the Supervisory Board, Harmonic Drive AG  Jun 2017    President and Representative Director, Chief Executive Officer, In charge of Marketing and Sales and Quality, the Company  Jun 2019    President and Representative Director, Chief Executive Officer , In charge of Quality, the Company  Jan 2020    Deputy Chairman of the Supervisory Board, Harmonic Drive SE (incumbent)  Jun 2020    President and Representative Director, Chief Executive Officer, the Company (incumbent) </p> <p data-bbox="422 1153 1284 1310"> (Significant concurrent positions)  President and CEO, HD Systems, Inc.  Director, Harmonic AD, Inc.  Manager, GK HD Management  Deputy Chairman of the Supervisory Board, Harmonic Drive SE </p> <p data-bbox="422 1344 1284 1635"> (Reason for nomination as candidate)  Mr. Akira Nagai has served as President and Representative Director since June 2013, and has demonstrated his capabilities in strengthening the management foundation, enhancing corporate value, and other areas. In addition, he has utilized his abundant experience overseas to build good relationships with customers and partners around the world, and has appropriately directed and supervised Group companies developing business in the U.S., Germany, China, and South Korea. Based on the above, the Company has judged that he is an essential person to sustainably enhance Group corporate value, and therefore proposes his continued election as Director. </p>	40,498

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Akira Maruyama (January 8, 1962)  <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>  <div style="border: 1px solid black; padding: 2px; display: inline-block;">Executive</div>	<p>Apr 1985    Joined the Company</p> <p>Apr 2007    General Manager of Marketing and Sales Division, the Company</p> <p>Apr 2009    General Manager of Marketing and Sales Division and General Manager of Sales Planning Department, the Company</p> <p>Sep 2009    General Manager of Engineering Department, Precision Equipment Division, the Company</p> <p>Sep 2012    General Manager of Engineering Division, the Company</p> <p>Jun 2014    Executive Officer (Engineering), the Company</p> <p>May 2015    Director, HD Logistics, Inc.</p> <p>Jun 2016    Director and Executive Officer (Development Engineering), the Company</p> <p>Jun 2018    Director and Executive Officer (Corporate Planning and IT), the Company</p> <p>Jun 2019    Corporate Auditor, Winbel Co., Ltd. (incumbent)</p> <p>Jun 2019    Director and Executive Officer, General Manager of Corporate Planning Division, the Company (incumbent)</p> <p>(Significant concurrent positions) Corporate Auditor, Winbel Co., Ltd.</p> <p>(Reason for nomination as candidate) Mr. Akira Maruyama has participated in the development of speed reducers over many years, and possesses broad and deep insight in HarmonicDrive® in particular. In addition, he has utilized his insight and demonstrated his abilities as manager not only of the development division but also the sales and technology divisions, and is currently making a significant contribution to the development of the Group as manager of the corporate planning and IT divisions and fulfilling his responsibilities as a Director. Based on the above, the Company has judged that he is an essential person to sustainably enhance Group corporate value, which centers on technology and technical skill, and therefore proposes his continued election as Director.</p>	1,300

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Kazutoshi Kamijoh (June 9, 1968)  <input type="checkbox"/> Reappointment  <input type="checkbox"/> Executive	<p>Apr 1992    Joined the Company</p> <p>Jul 2003    Corporate Planning Manager of Corporate Planning and IT Office, and Administrative Manager, the Company</p> <p>Jul 2007    General Manager of Corporate Planning Department, Corporate Planning and IT Office, and General Manager of Administration Department, the Company</p> <p>May 2012    Corporate Auditor, Ome Iron Casting Co., Ltd. (incumbent)</p> <p>May 2013    Corporate Auditor, Harmonic Drive Systems (Shanghai) Co., Ltd.</p> <p>Jul 2014    Executive Officer, In charge of Corporate Planning and Finance, the Company</p> <p>Jun 2016    Executive Officer, In charge of Corporate Planning, Finance and Accounting, the Company</p> <p>Mar 2017    Manager, GK HD Management (incumbent)</p> <p>Jun 2019    Executive Officer, General Manager of Finance Accounting, Finance and Tax Division, the Company</p> <p>Jun 2020    Director and Executive Officer, General Manager of Finance Accounting, Finance and Tax Division, the Company (incumbent)</p> <p>(Significant concurrent positions) Corporate Auditor, Ome Iron Casting Co., Ltd. Manager, GK HD Management</p>	6,387
		<p>(Reason for nomination as candidate)</p> <p>Mr. Kazutoshi Kamijoh has been engaged in corporate planning, finance, investor relations, information disclosure and other responsibilities over many years, and possesses abundant experience, deep insight, and a high level of expertise in finance and accounting, which he has cultivated through formulating corporate plans and capital policies, building relationships with investors, implementing corporate actions, and others. Currently, as the manager in charge of accounting, finance, and tax affairs of the Company, he is demonstrating leadership in order to further strengthen the financial base of the Group while also being actively involved in IR activities, contributing to the enhancement of the Group's value. Based on the above, the Company has judged that he is an essential person to sustainably enhance Group corporate value, and therefore proposes his continued election as Director.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Yoshihiro Tanioka (September 21, 1958)  <div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div>  <div style="border: 1px solid black; padding: 2px; display: inline-block;">Executive</div>	<p>Apr 1982      Joined the Company</p> <p>May 2003      Manager of No.1 Development Department, Mechatronics Division, the Company</p> <p>Mar 2006      General Manager of Engineering Department, Mechatronics Division, the Company</p> <p>May 2007      Director, Winbel Co., Ltd.</p> <p>Jul 2007      General Manager of Mechatronics Division, the Company</p> <p>Oct 2009      General Manager of Development Division, the Company</p> <p>Jun 2010      Executive Officer and General Manager of Development Division, the Company</p> <p>Sep 2011      Executive Officer (Engineering), the Company</p> <p>Sep 2012      Executive Officer and General Manager of Overseas Business Division, the Company</p> <p>Apr 2015      Executive Officer and General Manager of Sales Strategy Division, the Company</p> <p>May 2015      Representative Director and President, Harmonic AD, Inc.</p> <p>May 2015      Director of SAMICK ADM Co., Ltd. (incumbent)</p> <p>May 2017      Executive Officer in charge of Harmonic Planetary Development, the Company</p> <p>May 2018      Director, Harmonic AD, Inc. (incumbent)</p> <p>Jun 2018      Executive Officer (Development Engineering), the Company</p> <p>Jun 2019      Executive Officer, General Manager of Development and Engineering Division, the Company (incumbent)</p> <p>(Significant concurrent positions)            Director, SAMICK ADM Co., Ltd.            Director, Harmonic AD, Inc.</p> <p>(Reason for nomination as candidate)            For many years since he joined the Company, he has been involved with development and engineering, and has demonstrated particularly outstanding abilities in the development of mechatronics products and the business management, which are used for total motion control, the domain of the Company. Furthermore, having served in such roles as manager of the sales strategy and overseas business divisions and Representative Director and President of Harmonic AD, Inc., he possesses expertise not only in development, but also in a wide range of other fields such as international marketing and corporate management. At present, as general manager of the development and engineering division, he is demonstrating strong leadership by, for example, resolving customers' technical issues and developing new products, and is thus contributing to the enhancement of the Group's value. Based on the above, the Company has judged that he is an essential person to enhance Group corporate value, and therefore newly proposes his election as Director.</p>	2,734

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Haruhiko Yoshida (September 2, 1943)  <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 5px;">Reappointment</div>  <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 5px;">Outside</div>  <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 5px;">Independent</div>	Apr 1966    Joined Mitsui & Co., Ltd. Feb 1996    Senior Executive Vice President, Mitsui & Co. (U.S.A.), Inc. Apr 1998    General Manager of Communications, Transportation & Industrial Project Unit, Mitsui & Co., Ltd. Jun 1998    Director and General Manager of Communications, Transportation & Industrial Project Unit, Mitsui & Co., Ltd. Jun 2001    Representative Director, Executive Managing Director, and General Manager of Communications, Transportation & Industrial Project Unit, Mitsui & Co., Ltd. Apr 2002    Executive Managing Officer and General Manager of Communications, Transportation & Industrial Project Unit, Mitsui & Co., Ltd. Jul 2002    Executive Managing Officer and Assistant to President of Machinery and Information Group, Mitsui & Co., Ltd. Jun 2003    Outside Director, Nagano Keiki Co., Ltd. Jun 2003    Outside Director, the Company (incumbent) Jun 2006    Corporate Auditor, Hakudo Co., Ltd. Jun 2007    Outside Director, Hakudo Co., Ltd.	18,360
		(Reason for nomination as candidate for Outside Director and expected role) Mr. Haruhiko Yoshida has served in prominent positions at Mitsui & Co., Ltd., and possesses abundant experience and superior insight in regard to corporate management, in addition to extensive international experience. Thus far, he has utilized this ability and experience to appropriately advise and supervise the management of the Company in general, and can be expected to continue to do so. The Company therefore proposes his continued election as Outside Director. In addition, as Mr. Haruhiko Yoshida possesses strong independence and there is no risk of a conflict of interest with general shareholders, the Company has judged that its corporate governance structure will also be strengthened. Mr. Haruhiko Yoshida was appointed Outside Director of the Company in June 2003, and his term of office will be 18 years as of the conclusion of this General Meeting of Shareholders.	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Shinji Sakai (May 12, 1937)  <input type="checkbox"/> Reappointment  <input type="checkbox"/> Outside  <input type="checkbox"/> Independent	Mar 1961    Joined Toyota Motor Sales Co., Ltd. (present Toyota Motor Corporation) Sep 1988    Director, Toyota Motor Sales Co., Ltd. (present Toyota Motor Corporation) May 1992    President and CEO, Toyota Motor Sales, U.S.A., Inc. Jun 1996    Senior Managing Director responsible for Overseas Operations Group, Toyota Motor Corporation Jun 1998    Senior Executive Vice President and Representative Director, Teleway Japan Corporation Dec 1998    Senior Executive Vice President and Representative Director, KDDI Corporation (as a result of merger) Oct 2000    Senior Executive Vice President and Representative Director, KDDI Corporation (as a result of merger) Jun 2003    Full-time Corporate Auditor, Toyota Auto Body Co., Ltd. Jun 2003    Advisor to the Board of Directors, the Company Jun 2004    Outside Director, the Company (incumbent) Jun 2005    Corporate Auditor, Toyota Auto Body Co., Ltd. Sep 2013    Councilor, National Congress of Industrial Heritage (incumbent)	5,068
		(Reason for nomination as candidate for Outside Director and expected role) Mr. Shinji Sakai has served in prominent positions at the Toyota Group, and possesses abundant experience and superior insight in regard to corporate management, in addition to extensive international experience. Thus far, he has utilized this ability and experience to appropriately advise and supervise the management of the Company in general, and can be expected to continue to do so. The Company therefore proposes his continued election as Outside Director. In addition, as Mr. Shinji Sakai possesses strong independence and there is no risk of a conflict of interest with general shareholders, the Company has judged that its corporate governance structure will also be strengthened. Mr. Shinji Sakai was appointed Outside Director of the Company in June 2004, and his term of office will be 17 years as of the conclusion of this General Meeting of Shareholders.	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	Masanobu Nakamura (August 23, 1946)  <u>Reappointment</u>  <u>Outside</u>  <u>Independent</u>	<p>May 1970    Joined The Sanwa Bank, Ltd. (present MUFG Bank, Ltd.)</p> <p>Jun 1999    Executive Officer and Nihonbashi Branch Manager, The Sanwa Bank, Ltd. (present MUFG Bank, Ltd.)</p> <p>Apr 2001    Executive Officer and New York Branch Manager, The Sanwa Bank, Ltd. (present MUFG Bank, Ltd.)</p> <p>Jan 2002    Managing Executive Officer and New York Branch Manager, UFJ Bank Ltd. (present MUFG Bank, Ltd.)</p> <p>May 2002    Executive Operating Officer, Corporate Banking Company Director, UFJ Bank Ltd. (present MUFG Bank, Ltd.)</p> <p>May 2004    Representative Director, Executive Operating Officer (Strategic Support Group), Company Director, UFJ Bank Ltd. (present MUFG Bank, Ltd.)</p> <p>Jun 2005    Special Advisor, Sanshin Co., Ltd.</p> <p>Oct 2005    President and Representative Director, BNP Paribas (Japan)</p> <p>Nov 2005    Director, Tokyo Branch, BNP Paribas Securities (Japan) Ltd.</p> <p>Jun 2007    Board of Directors Advisory Committee, the Company</p> <p>May 2011    Chairperson, BNP Paribas Securities (Japan) Ltd.</p> <p>Sep 2011    Special Advisor, BNP Paribas Securities (Japan) Ltd.</p> <p>Jun 2013    Outside Director, the Company (incumbent)</p> <p>(Reason for nomination as candidate for Outside Director and expected role)</p> <p>Mr. Masanobu Nakamura has served in prominent positions in major banks and securities companies, and possesses abundant experience and superior insight in regard to corporate management, in addition to extensive international experience. Thus far, he has utilized this ability and experience to appropriately advise and supervise the management of the Company in general, and can be expected to continue to do so. The Company therefore proposes his continued election as Outside Director.</p> <p>In addition, as Mr. Masanobu Nakamura possesses strong independence and there is no risk of a conflict of interest with general shareholders, the Company has judged that its corporate governance structure will also be strengthened.</p> <p>Mr. Masanobu Nakamura was appointed Outside Director of the Company in June 2013, and his term of office will be 8 years as of the conclusion of this General Meeting of Shareholders.</p>	11,907

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	Yoshio Fukuda (March 1, 1953)  <u>Reappointment</u>  <u>Outside</u>  <u>Independent</u>	<p>Apr 1976    Joined Teijin Limited Jul 2006    Corporate Officer, Teijin Group Member of the Board and General Manager of Raw Materials &amp; Polymers Division, Teijin Fibers Ltd. May 2007    President, P.T. Teijin Indonesia Fiber Corporation Tbk Jun 2010    Member of the Board, General Manager of Corporate Planning Division, Teijin Limited Jun 2012    Executive Officer and Member of the Board, General Manager of Electronics Materials and Performance Polymer Products Business Group, and General Manager of Resin and Plastic Processing Business Unit, Teijin Limited President, Teijin Chemicals Ltd. Chairperson, Global Policy Board, Teijin DuPont Films Global Joint Venture Jun 2013    Senior Executive Officer and Member of the Board, General Manager of Electronics Materials and Performance Polymer Products Business Group, Teijin Limited Chairperson, Global Policy Board, Teijin DuPont Films Global Joint Venture Apr 2015    Senior Executive Officer, Member of the Board, Teijin Limited Jun 2015    Advisor, Teijin Limited Jun 2016    Outside Director, Toyo Construction Co., Ltd. (incumbent) Jun 2017    Outside Corporate Auditor, the Company Jun 2017    Auditor, Japan Indonesia Association, Inc. (incumbent) Jun 2020    Outside Director, the Company (incumbent) Jun 2020    Director, Harmonic AD, Inc. (incumbent)</p> <p>(Significant concurrent positions) Outside Director, Toyo Construction Co., Ltd. Auditor, Japan Indonesia Association, Inc. Director, Harmonic AD, Inc.</p> <p>(Reason for nomination as candidate for Outside Director and expected role) Mr. Yoshio Fukuda has served in prominent positions at Teijin Limited and Teijin Group and possesses abundant experience and superior insight in regard to corporate management, in addition to extensive international experience. In addition, he has a high level of knowledge of strategic planning, establishment of joint ventures, M&amp;As, etc. Based on the above, the Company has judged that he has been appropriately advising and supervising the overall management of the Group, which is developing its business internationally, from an independent standpoint, and can be expected to continue to do so. The Company therefore proposes his election as Outside Director. In addition, as Mr. Yoshio Fukuda possesses strong independence and there is no risk of a conflict of interest with general shareholders, the Company has judged that its corporate governance structure will also be strengthened. Mr. Yoshio Fukuda was appointed Outside Director of the Company in June 2020, and his term of office will be 1 year as of the conclusion of this General Meeting of Shareholders.</p>	606

- Notes:
1. Candidates' histories at the Company are carried over from the former Harmonic Drive Systems Inc.
  2. There are no special interests between any of the candidates and the Company.
  3. Mr. Haruhiko Yoshida, Mr. Shinji Sakai, Mr. Masanobu Nakamura, and Mr. Yoshio Fukuda are candidates for Outside Directors.
  4. Mr. Haruhiko Yoshida, Mr. Shinji Sakai, Mr. Masanobu Nakamura, and Mr. Yoshio Fukuda are candidates for Independent Directors with no risk of conflict of interest with general shareholders, for which appointment is required by the Tokyo Stock Exchange.
  5. The number of shares of the Company held includes the portion held by the Officers' Shareholding Association.
  6. Liability limitation agreement with Outside Directors  
In order to create an environment where the Company can invite capable personnel to serve as Directors, and to enable them to sufficiently perform the duties expected of them, the Company stipulates in its Articles of

Incorporation that it may enter into an agreement with Directors (excluding persons who are Executive Directors, etc.) to limit their liability to the Company to a certain range. Among candidates for Director, Mr. Haruhiko Yoshida, Mr. Shinji Sakai, Mr. Masanobu Nakamura, and Mr. Yoshio Fukuda are currently Outside Directors, and the Company has thus entered into liability limitation agreements with each of these candidates.

An overview of the content of the liability limitation agreements that the Company has entered into with incumbent Outside Directors is as follows.

- If a Director (excluding persons who are Executive Directors, etc.) causes damages to the Company owing to the neglect of his or her duties, his or her liability shall be limited to the minimum amount for liability set forth in Article 425, Paragraph 1 of the Companies Act, provided that he or she has performed his or her duties in good faith and without gross negligence.

7. Directors and officers liability insurance contracts

The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3 of the Companies Act with an insurance company, and the said insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insureds. Note that the Company bears the full cost of the insurance premiums. If each of the candidates for Director is elected and assumes office, the Company plans to make all of them insured persons under the aforementioned directors and officers insurance agreement.



#### **Proposal 4:** Granting of Retirement Benefits to Retiring Directors and Retiring Corporate Auditors

At the conclusion of this General Meeting of Shareholders, Mr. Yoshinori Ito will retire from his position as Director, while Mr. Hideo Yasue will retire from his position as a Corporate Auditor. To repay them for their service rendered during their terms in office, the Company proposes to grant them retirement benefits, within the scope of a reasonable amount in accordance with the standards prescribed by the Company.

We judge the amount to be granted is reasonable because the grants is calculated based on the standard stipulated in the regulations for directors and corporate auditors. We propose that consultations concerning the timing of the grants, methods of payment, etc. be entrusted to the Board of Directors in the case of the outgoing Director and the Corporate Auditors in the case of the outgoing Corporate Auditor.

The past experiences of the retiring Director and retiring Corporate Auditor are as follows.

Name	Past experience	
Yoshinori Ito	Jun 2018	Director, the Company (incumbent)
Hideo Yasue	Jun 2020	Full-time Corporate Auditor, the Company (incumbent)

#### **Proposal 5:** Payment of Directors' Bonuses

Taking into consideration the Company's performance during the fiscal year under review, the Company proposes to pay directors' bonuses totaling 74 million yen (66 million yen to Directors and 8 million yen to Outside Directors) to nine Directors (of whom four are Outside Directors) who were in their posts as of the end of the fiscal year under review.

The directors' bonuses are paid as performance-linked compensation, and we judge them reasonable because the total amount is calculated to be approximately 4% of non-consolidated profit for fiscal 2020 as described in the "(1) Total Amounts of Remuneration, etc., for Directors and Corporate Auditors (Note 3)" on page 34 of the Business Report and "II. Policy for Determining Details and Calculation Method of Performance-linked Remuneration" on page 35 of the Business Report. The aforementioned directors' bonuses will be calculated based on the decision made by the Board of Directors.