

Securities Code: 2445

June 8, 2021

To our shareholders:

Representative Director, President and Chairman
Kazumasa Takamiya
Takamiya Co., Ltd.
3-1 Ofuka-cho, Kita-ku, Osaka-shi, Osaka

Notice of the 53rd Ordinary General Meeting of Shareholders

We are pleased to announce that the 53rd Ordinary General Meeting of Shareholders of Takamiya Co., Ltd. (the “Company”) will be held as indicated below.

In order to prevent the spread of the novel coronavirus disease (COVID-19), please refrain from traveling to the venue on the day of the meeting. Instead of attending the meeting in person, you may exercise your voting rights by one of the following methods. After reviewing the attached Reference Documents for the General Meeting of Shareholders, please exercise your voting rights no later than 5:30 p.m. (end of office hours), Wednesday, June 23, 2021 (JST).

[Exercising voting rights via the Internet]

Please access the website designated by the Company (<https://evote.tr.mufg.jp>) and follow the instructions on the screen to indicate your approval or disapproval for each proposal.

[Exercising voting rights in writing]

Please indicate your approval or disapproval for each proposal on the enclosed voting form, and return it to the Company.

- 1. Date and Time:** Thursday, June 24, 2021, at 10:00 a.m. (JST) (Reception starts at 9:00 a.m.)
2. Venue: Head Office of the Company
Grand Front Osaka Tower-B Bldg. 27F, 3-1, Ofuka-cho, Kita-ku, Osaka-shi, Osaka

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 53rd fiscal year (from April 1, 2020 to March 31, 2021), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
2. The Non-consolidated Financial Statements for the 53rd fiscal year (from April 1, 2020 to March 31, 2021)

Matters to be resolved:

- Proposal No. 1** Election of Eight Directors
Proposal No. 2 Election of Two Corporate Auditors
Proposal No. 3 Determination of the Remuneration Amount and Details of Stock Options for Directors (Excluding Outside Directors)

- For those attending the meeting, please present the enclosed voting form at the reception desk on arrival at the meeting.
- Among the documents that should be attached to this notice, the Status of Share Acquisition Rights, Status of Accounting Auditor, System to Ensure Properness of Operations of the Company, Consolidated Statement of Changes in Net Assets, Notes to Consolidated Financial Statements, Non-consolidated Statement of Changes in Net Assets, and Notes to Non-consolidated Financial Statements are posted on the website of the Company in accordance with the law and the Articles of Incorporation. Accordingly, the attached documents to this notice constitute a part of the documents that were audited by the Corporate Auditors and the Accounting Auditor. In addition, any corrections in the attached documents to this notice and Reference Documents for the General Meeting of Shareholders will be reported on the Company’s website. (<https://www.takamiya.co/>)

Measures to Prevent Spread of the Novel Coronavirus Disease (COVID-19)

We would like to inform you about the measures to prevent spread of the novel coronavirus disease (COVID-19) at the 53rd Ordinary General Meeting of Shareholders, as follows. We apologize for any inconvenience in advance, and we kindly ask for your understanding.

- In response to the spread of COVID-19, and in order to secure a useable venue, we will hold the meeting at the Company. Please refer to the “General Meeting of Shareholders Venue Information Map” (Japanese only) on the back of this convocation notice.
Note that, as shareholders will be seated at a distance from each other, we will have a limited number of chairs. Therefore, please understand in advance that even if you do come to the venue on the day, there is a possibility that you will be refused entry to the meeting.
- There will be no gifts provided to attending shareholders.
- You can exercise your voting rights without traveling to the venue by the Internet or sending the enclosed voting form by post.
- For shareholders planning to attend the General Meeting of Shareholders in person, please check the details about prevention infection posted on the website of the Ministry of Health, Labor and Welfare of Japan in advance. Before traveling to the venue, please carefully take note of your own health condition on the day of the meeting.
- Executives and staff members will be wearing face masks when interacting with shareholders at the General Meeting of Shareholders. We may also ask for your cooperation in wearing a face mask, using alcohol disinfectant, and checking your temperature. Shareholders who arrive at the venue without a face mask will be given one if they express their will to wear one.
- Shareholders attending the meeting in person who feel unwell may be approached by staff members.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Election of Eight Directors

The terms of office of all eight Directors will expire at the conclusion of this meeting. Therefore, the Company proposes the election of eight Directors.

The candidates for Director are as follows:

Candidate No.	Name	Position and responsibility in the Company
1	<div>Reelection</div> Kazumasa Takamiya	Representative Director, President and Chairman Supervisor of Scaffolding Management Division, Overseas Business Division and Product Development Division
2	<div>Reelection</div> Akiyoshi Takamiya	Representative Director and Executive Vice President Supervisor of Scaffolding Management Division, Overseas Business Division and Product Development Division
3	<div>Reelection</div> Hideki Yasuda	Director and Managing Executive Officer Division General Manager of Corporate Strategy Division Supervisor of Business Management Division
4	<div>Reelection</div> Tsutomu Abe	Director and Executive Officer Division General Manager of Sales & Marketing Division
5	<div>Reelection</div> Yuki Mukaiyama	Director and Executive Officer Division General Manager of Manufacturing Division Supervisor of Global Procurement Division
6	<div>New election</div> Tomoya Tatsumi	Senior Executive Officer Division General Manager of Business Management Division
7	<div>Reelection</div> <div>Outside</div> <div>Independent</div> Kouji Shimokawa	Outside Director
8	<div>Reelection</div> <div>Outside</div> <div>Independent</div> Noboru Furuichi	Outside Director

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Kazumasa Takamiya (August 18, 1966) <u>Reelection</u>	<p>Mar. 1992 Joined the Company</p> <p>Nov. 1995 Director and General Manager of Build Techno Rental Department</p> <p>June 1997 Executive Director and Division General Manager of Build Techno Rental Division</p> <p>June 2000 Director and Executive Vice President</p> <p>Jan. 2001 Representative Director and Executive Vice President</p> <p>June 2002 President and Representative Director</p> <p>Oct. 2008 Director of AOMORI ATOM Co., Ltd. (current position)</p> <p>June 2017 Representative Director, President and Chairman of the Company (current position)</p> <p>June 2019 Supervisor of Scaffolding Management Division (current position)</p> <p>Apr. 2021 Supervisor of Overseas Business Division and Product Development Division (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p>	1,350,000 shares
<p>Reasons for nomination as a candidate for Director</p> <p>Kazumasa Takamiya has held important posts as stated above, has deep knowledge and strong leadership related to corporate management, and has been leading the Group. Accordingly, the Company has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Akiyoshi Takamiya (February 7, 1969) <u>Reelection</u>	<p>Mar. 1995 Joined the Company</p> <p>June 1997 Director and General Manager of Standby Multimedia Business Department and Retail Marketing Department</p> <p>Apr. 1998 Resigned from position of Director</p> <p>June 2000 Director and Senior General Manager of Management Division</p> <p>June 2001 Executive Director, General Manager of Finance Department and Supervisor of Management Division</p> <p>June 2005 Executive Vice President, Executive Officer and Supervisor of Administrative Division</p> <p>Apr. 2006 Representative Director and Executive Vice President</p> <p>Apr. 2012 Representative Director and President of Hory Corporation</p> <p>June 2012 Director and Executive Vice President of the Company</p> <p>June 2016 Representative Director and Executive Vice President (current position)</p> <p>Apr. 2019 Supervisor of Sales & Marketing Division Supervisor of Product Development Division (current position)</p> <p>May 2020 President and Representative Director of TOTAL TOSHISEIBI Co., Ltd.</p> <p>Apr. 2021 Supervisor of Scaffolding Management Division and Overseas Business Division of the Company (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p>	1,288,984 shares
<p>Reasons for nomination as a candidate for Director</p> <p>Akiyoshi Takamiya has held important posts as stated above, and is well versed in overall operations, with a focus in the sales & marketing division, and management. Accordingly, the Company has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Hideki Yasuda (August 2, 1967) <u>Reelection</u>	<p>Mar. 1990 Joined the Company</p> <p>Apr. 2008 Executive Officer and General Manager of Finance & Accounting Department</p> <p>Feb. 2010 Executive Officer and General Manager of Corporate Planning Department</p> <p>May 2011 Corporate Auditor of IWATA Co., Ltd. (current position)</p> <p>May 2011 Corporate Auditor of HIRAMATSU Co., Ltd. (current position)</p> <p>June 2011 Director of the Company (current position)</p> <p>Apr. 2014 Corporate Auditor of ASAHI KOUGYOU Co., Ltd. (currently NEXTECH Co., Ltd.) (current position)</p> <p>June 2015 Managing Executive Officer and General Manager of Corporate Planning Department of the Company</p> <p>Apr. 2017 Managing Executive Officer and Division General Manager of Business Management Division</p> <p>Apr. 2021 Managing Executive Officer, Division General Manager of Corporate Strategy Division and Supervisor of Business Management Division (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p>	92,400 shares
<p>Reasons for nomination as a candidate for Director</p> <p>Hideki Yasuda has held important posts as stated above, and has abundant experience and deep knowledge in the administrative division, with a focus in corporate planning, finance and accounting, as well as the ability to carry out planning. Accordingly, the Company has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Tsutomu Abe (September 27, 1966) <u>Reelection</u>	<p>Mar. 1991 Joined the Company</p> <p>June 2005 Executive Officer and General Manager of Sales & Marketing Department II, Sales & Marketing Division</p> <p>Oct. 2008 Representative Director and President of AOMORI ATOM Co., Ltd.</p> <p>Feb. 2010 Executive Officer and Division General Manager of Sales & Marketing Division of the Company (current position)</p> <p>June 2010 Director of the Company (current position)</p> <p>May 2013 Director of HIRAMATSU Co., Ltd. (current position)</p> <p>Apr. 2014 Director of ASAHI KOUGYOU Co., Ltd. (currently NEXTECH Co., Ltd.) (current position)</p> <p>Apr. 2016 Director of SN Builtech Co., Ltd. (currently TOTAL TOSHISEIBI Co., Ltd.) (current position)</p> <p>Feb. 2018 Director of Nakaya Kizai Co., Ltd. (current position)</p> <p>May 2021 Representative Director and Chairman of AOMORI ATOM Co., Ltd. (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative Director and Chairman of AOMORI ATOM Co., Ltd.</p>	154,940 shares
<p>Reasons for nomination as a candidate for Director</p> <p>Tsutomu Abe has held important posts as stated above, and has abundant experience in the construction temporary material industry and deep knowledge related to sales & marketing overall. Accordingly, the Company has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)		Number of the Company's shares owned
5	Yuki Mukaiyama (February 2, 1970) <u>Reelection</u>	Mar. 1993	Joined the Company	47,500 shares
		Apr. 2013	Executive Officer and General Manager of Business Development Department	
		Apr. 2014	Director of ASAHI KOUGYOU Co., Ltd. (currently NEXTECH Co., Ltd.) (current position)	
		Apr. 2015	Executive Officer and Division General Manager of Business Development Division of the Company	
		June 2015	Director of the Company (current position)	
		June 2016	Administrative Officer of Hory Korea Co., Ltd. (current position)	
		Jan. 2018	Representative Director and President of Cadian Co., Ltd.	
		Apr. 2019	Executive Officer and Division General Manager of Overseas Business Division of the Company	
			Supervisor of Business Development Division and Global Procurement Division	
		Apr. 2020	Executive Officer and Supervisor of Overseas Business Division and Business Development Division	
			Executive Officer and Supervisor of Global Procurement Division (current position)	
		Apr. 2021	Division General Manager of Manufacturing Division (current position)	
			(Significant concurrent positions outside the Company)	
		—		
<p>Reasons for nomination as a candidate for Director</p> <p>Yuki Mukaiyama has held important posts as stated above, has abundant overseas management experience due to him working as representative at an overseas subsidiary, and is well versed in new business development. Accordingly, the Company has nominated him as a candidate for Director.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)		Number of the Company's shares owned
6	Tomoya Tatsumi (November 3, 1971) <div>New election</div>	July 1995	Joined the Company	45,906 shares
		June 2013	General Manager of Finance & Accounting Department	
		Mar. 2016	Director of IWATA Co., Ltd. (current position)	
		Apr. 2017	Executive Officer of the Company	
		June 2017	Corporate Auditor of Hory Korea Co., Ltd (current position)	
		Jan. 2018	Corporate Auditor of Cadian Co., Ltd. (current position)	
		May 2018	Corporate Auditor of Nakaya Kizai Co., Ltd. (current position)	
		May 2019	Corporate Auditor of TOTAL TOSHISEIBI Co., Ltd. (current position)	
			Corporate Auditor of AOMORI ATOM Co., Ltd. (current position)	
		May 2020	Corporate Auditor of ECO-TRY Co., Ltd. (current position)	
Apr. 2021	Senior Executive Officer and Division General Manager of Business Management Division of the Company (current position)			
	(Significant concurrent positions outside the Company)			
	—			
Reasons for nomination as a candidate for Director Tomoya Tatsumi has held important posts as stated above, and has abundant experience in finance and accounting, auditing subsidiaries, etc. He possesses sufficient qualifications to further strengthen governance and realize the expansion of the functions of the administrative division going forward. Accordingly, the Company has nominated him as a candidate for Director.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
7	Kouji Shimokawa (March 29, 1962) <div> <div>Reelection</div> <div>Outside</div> <div>Independent</div> </div>	<p>Apr. 1985 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>Aug. 1996 Established Shimokawa Accounting Office (currently Shimokawa & Partners Accounting Corporation)</p> <p>Feb. 2002 Representative Director of Shimokawa Accounting Office (currently Shimokawa & Partners Accounting Corporation)</p> <p>June 2002 Corporate Auditor of the Company</p> <p>June 2005 Director of the Company (current position)</p> <p>Dec. 2005 President of GLOBAL CORPORATE CONSULTING, INC.</p> <p>Apr. 2007 President of GLOBAL HUMAN COMMUNICATIONS, INC.</p> <p>Apr. 2016 Representative Partner of Shimokawa & Partners Accounting Corporation (current position)</p> <p>Sep. 2017 Chairman of the Board of GLOBAL CORPORATE CONSULTING, INC. (current position)</p> <p>June 2018 Director of Mitsuboshi Co., Ltd. (current position)</p> <p>(Significant concurrent positions outside the Company) Representative Partner of Shimokawa & Partners Accounting Corporation</p>	125,560 shares
<p>Reasons for nomination as a candidate for outside Director</p> <p>Kouji Shimokawa is certified as a tax accountant, and the Company hopes to utilize his abundant experience and deep knowledge gained from engaging in business accounting operations over many years in the management of the Company. Accordingly, the Company has nominated him as a candidate for outside Director. In addition, if Mr. Shimokawa is elected, the Company plans for him to be involved in selecting candidates for the Company's officers and determining remuneration, etc. of officers from an objective and neutral standpoint as the chairperson of the Nomination and Compensation Committee.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
8	Noboru Furuichi (February 16, 1949) <div>Reelection Outside Independent</div>	<p>Apr. 1972 Joined New Japan Securities (currently Mizuho Securities Co., Ltd.)</p> <p>May 1997 General Manager of Corporate Planning Department</p> <p>Apr. 2000 Executive Officer and General Manager of Fukuoka Branch</p> <p>May 2002 Managing Executive Officer in charge of Investment Banking Department I, II</p> <p>Apr. 2005 Senior Managing Executive Officer, General Manager of Osaka Corporation Division and in charge of West Japan IB Sales Department</p> <p>May 2007 Representative Director and President of Shinko Investment Co., Ltd.</p> <p>Feb. 2008 Representative Director and President of Neostella Capital Co., Ltd.</p> <p>June 2009 Advisor of Shinko Securities Business Services Co., Ltd.</p> <p>June 2010 Audit & Supervisory Board Member of NICHIA STEEL WORKS, LTD.</p> <p>June 2017 Director of the Company (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p>	3,400 shares
<p>Reasons for nomination as a candidate for outside Director</p> <p>Noboru Furuichi has been in charge of a wide range of financial advisory operations over many years at securities companies, has a high level of ability in making management decisions, and the Company hopes to utilize his abundant experience and knowledge in the management of the Company. Accordingly, the Company has nominated him as a candidate for outside Director. In addition, if Mr. Furuichi is elected, the Company plans for him to be involved in selecting candidates for the Company's officers and determining remuneration, etc. of officers from an objective and neutral standpoint as a member of the Nomination and Compensation Committee.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Kouji Shimokawa and Noboru Furuichi have been appointed as independent officers as provided for by the aforementioned exchange. If their reelection is approved, the Company plans for their appointment as independent officers to continue.
 3. The term of office of Kouji Shimokawa will be 16 years at the conclusion of this meeting. Moreover, Mr. Shimokawa has served as Corporate Auditor of the Company in the past.
 4. The term of office of Noboru Furuichi will be four years at the conclusion of this meeting.
 5. The Company has entered into an agreement with Kouji Shimokawa and Noboru Furuichi to limit their liability under Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the same Act. The limit amount of the liability for compensation under said contract is determined to be the minimum liability amount stipulated in Article 425, paragraph (1), of the Companies Act. If Mr. Shimokawa and Mr. Furuichi are reelected, the Company intends to continue said contract with each of them.
 6. The Company has entered into a directors and officers liability insurance policy, which is regulated under Article 430-3, paragraph (1), of the Companies Act, with an insurance company. The scope of insureds under said insurance policy includes Directors and Corporate Auditors (including outside Corporate Auditors), and the insureds do not bear any of the premiums. The insurance policy covers an insured's losses and such costs as related litigation expenses incurred from claims for damages arising from unreasonable acts performed based on their position. However, as a measure to ensure that the proper execution of duties of officers, etc. is not impaired, losses such as those resulting from bribery and other criminal acts and those incurred by officers themselves who intentionally committed illegal acts are not covered.

Proposal No. 2 Election of Two Corporate Auditors

The terms of office of two Corporate Auditors will expire at the conclusion of this meeting. Therefore, the Company proposes the election of two Corporate Auditors. In addition, the consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidates for Corporate Auditor are as follows:

Candidate No.	Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Yoshihiro Sakatani (March 11, 1957) <div> <div>Reelection</div> <div>Outside</div> <div>Independent</div> </div>	<p>Oct. 1979 Joined Nisshin LLC (currently Ernst & Young ShinNihon LLC)</p> <p>June 2004 President and Representative Director of Japan Management Consulting K.K. (current position)</p> <p>July 2004 Auditor of Pressance Corporation Co., Ltd.</p> <p>June 2005 Corporate Auditor of the Company (current position)</p> <p>Feb. 2006 Auditor of KITAKEI CO., LTD. (current position)</p> <p>Nov. 2010 Corporate Auditor of Watts Co., Ltd.</p> <p>Mar. 2011 Corporate Auditor of SHO-BI Corporation</p> <p>June 2015 Director of Pressance Corporation Co., Ltd. (Audit Committee Member) (current position)</p> <p>Nov. 2015 Director of Watts Co., Ltd. (Audit Committee Member) (current position)</p> <p>Director of SHO-BI Corporation (Audit Committee Member) (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>President and Representative Director of Japan Management Consulting K.K.</p>	8,180 shares
<p>Reasons for nomination as a candidate for outside Corporate Auditor</p> <p>Yoshihiro Sakatani is a certified public accountant and is expected to conduct objective and neutral auditing engagements based on his abundant experience with accounting audits. Accordingly, the Company has nominated him as a candidate for outside Corporate Auditor.</p>			

Candidate No.	Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Teiji Joko (August 19, 1965) <div>Reelection</div> <div>Outside</div> <div>Independent</div>	<p>Apr. 1993 Registered as an attorney at law (Osaka Bar Association) Joined Yodoyabashi Godo Law Offices (currently Yodoyabashi & Yamagami Legal Professional Corporation) (current position)</p> <p>June 2001 Corporate Auditor of G-7 HOLDINGS INC. (current position)</p> <p>Mar. 2016 Corporate Auditor of Onamba Co., Ltd. (current position)</p> <p>Mar. 2017 Corporate Auditor of the Company (current position)</p> <p>Dec. 2019 Director of Himenogumi Co., Ltd. (current position)</p> <p>Nov. 2020 Corporate Auditor of AKITA FOODS CO., LTD. (current position)</p> <p>(Significant concurrent positions outside the Company) Representative Partner of Yodoyabashi & Yamagami Legal Professional Corporation</p>	0 shares
<p>Reasons for nomination as a candidate for outside Corporate Auditor</p> <p>Teiji Joko is a certified attorney at law who is expected to conduct objective and neutral auditing engagements based on his abundant experience with the practice of law. Accordingly, the Company has nominated him as a candidate for outside Corporate Auditor. In addition, although Mr. Joko has not been involved in corporate management other than as an outside officer, the Company has judged that he is capable of appropriately fulfilling his duties as an outside Corporate Auditor of the Company for the above-mentioned reasons.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Yoshihiro Sakatani and Teiji Joko have been appointed as independent officers as provided for by the aforementioned exchange. If their reelection is approved, the Company plans for their appointment as independent officers to continue.
 3. The term of office of Yoshihiro Sakatani will be 16 years at the conclusion of this meeting.
 4. The term of office of Teiji Joko will be four years at the conclusion of this meeting.
 5. The Company has entered into an agreement with Yoshihiro Sakatani and Teiji Joko to limit their liability under Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the same Act. The limit amount of the liability for compensation under said contract is determined to be the minimum liability amount stipulated in Article 425, paragraph (1), of the Companies Act. If Mr. Sakatani and Mr. Joko are reelected, the Company intends to continue said contract with each of them.
 6. The Company has entered into a directors and officers liability insurance policy, which is regulated under Article 430-3, paragraph (1), of the Companies Act, with an insurance company. The scope of insureds under said insurance policy includes Directors and Corporate Auditors (including outside Corporate Auditors), and the insureds do not bear any of the premiums. The insurance policy covers an insured's losses and such costs as related litigation expenses incurred from claims for damages arising from securities liabilities and unreasonable acts performed based on their position. However, as a measure to ensure that the proper execution of duties of officers, etc. is not impaired, losses such as those resulting from bribery and other criminal acts and those incurred by officers themselves who intentionally committed illegal acts are not covered.

Proposal No. 3 Determination of the Remuneration Amount and Details of Stock Options for Directors
(Excluding Outside Directors)

The amount of remuneration as stock options for Directors of the Company was approved at the 43rd Ordinary General Meeting of Shareholders held on June 29, 2011, for the issuance of share acquisition rights as stock options within the range of up to an annual amount of ¥150 million as remuneration for Directors of the Company (excluding outside Directors). However, the Company asks for shareholder approval for the issuance of share acquisition rights as stock options, which includes details to be newly resolved in accordance with the provisions of the amended Companies Act, within the range of up to an annual amount of ¥150 million as remuneration for Directors of the Company (excluding outside Directors), in a separate remuneration for the relevant Directors, which was approved at the 49th Ordinary General Meeting of Shareholders held on June 28, 2017, to be up to an annual amount of ¥500 million.

The amount of remuneration as stock options is the amount obtained by multiplying the fair value per share acquisition right calculated on the allotment date of share acquisition rights by the total number of share acquisition rights to be issued. The current number of Directors is eight (including two outside Directors. The same shall apply hereinafter.). However, if Proposal No. 1, “Election of Eight Directors,” is approved as proposed, the number of Directors will be eight.

The amount of remuneration for Directors shall not include the employee portion of salaries for Directors who also serve as employees, and the timing and distribution of remuneration to Directors shall be left to the discretion of the Board of Directors.

The reasons for issuing share acquisition rights as remuneration for Directors and the details of such share acquisition rights are as follows:

1. Reasons for issuing share acquisition rights to Directors

The Company issues share acquisition rights as stock options in remuneration for the performance of duties. In addition, the Company has determined that it is in line with the policy for determining the details of individual remuneration for Directors as stated in the Business Report (Japanese only), and that it is appropriate.

2. Details of share acquisition rights

(1) Maximum number of share acquisition rights

The maximum number of share acquisition rights to be issued within one year from the date of the Ordinary General Meeting of Shareholders for each fiscal year shall be 5,000. The Company shall make adjustments as deemed necessary if it is appropriate to change the number of shares granted due to a merger, corporate split, gratis allotment of shares, stock split or reverse stock split, etc.

(2) Class and number of shares subject to share acquisition rights

The class of shares subject to share acquisition rights shall be common stock of the Company, and the number of shares (hereinafter referred to as the “Number of Shares Granted”) subject to per share acquisition right shall be 100 shares. If the Company conducts a stock split, gratis allotment of shares, or reverse stock split of its common stock after the allotment, the Number of Granted Shares will be adjusted according to the following formula, and any fraction less than one share resulting from the adjustment shall be rounded down.

Number of Shares Granted after adjustment = Number of Shares Granted before adjustment × Ratio of stock split, gratis allotment of shares, or reverse stock split

The Number of Shares Granted after adjustment shall be applied on and after the day following the record date for the stock split or gratis allotment of shares in the case of a stock split or gratis allotment of shares, and on and after the effective date in the case of a reverse stock split. However, in the event that a stock split or gratis allotment of shares is carried out on the condition that a proposal to increase share capital or reserves by reducing the amount of surplus is approved at a General Meeting of Shareholders of the Company, and the record date for the stock split or gratis allotment of shares is a date prior to the conclusion

date of the General Meeting of Shareholders, the Number of Shares Granted after adjustment shall be applied on and after the conclusion date of the General Meeting of Shareholders.

In addition, in the event that the Company conducts an absorption-type merger or an incorporation-type merger and the share acquisition rights are succeeded to, or in the event that the Company conducts a stock exchange or a stock transfer in which the Company becomes a wholly owned subsidiary and the share acquisition rights are succeeded to, the Company may adjust the Number of Shares Granted as deemed necessary in accordance with the merger ratio, etc.

In case of adjustment of the Number of Shares Granted, the Company shall provide notice or public notice of the necessary matters to the holders of each share acquisition right (hereinafter referred to as the “Share Acquisition Rights Holder”) listed in the register of share acquisition rights by the day before the date of application of the Number of Shares Granted after adjustment. However, if it is not possible to provide notice or public notice by the day before the date of application, notice or public notice will be provided promptly thereafter.

(3) Amount to be paid for share acquisition rights

No payment of money shall be required in exchange for the share acquisition rights.

(4) Property to be contributed upon exercise of share acquisition rights

The share acquisition rights shall be issued as remuneration, etc., for Directors, and shall not require payment of money upon exercise of the share acquisition rights or provision of property as stipulated in Article 236, paragraph (1), item (iii) of the Companies Act.

(5) Period during which the share acquisition rights may be exercised

The period shall be determined by the Board of Directors of the Company within the scope of 30 years from the allotment date of the share acquisition rights.

(6) Restriction on transfer of share acquisition rights

Any acquisition of share acquisition rights by transfer shall require the approval of the Board of Directors of the Company.

(7) Acquisition clause of share acquisition rights

The Company may acquire the share acquisition rights without compensation on a date separately determined by the Board of Directors of the Company if any of the following proposals (i), (ii), (iii), (iv) or (v) is approved at a General Meeting of Shareholders of the Company. (If a resolution of the General Meeting of Shareholders is not required, a resolution of the Board of Directors of the Company shall be adopted.)

- (i) Proposal for approval of a merger agreement in which the Company will be the absorbed company
- (ii) Proposal for approval of a split agreement or an incorporation-type split plan in which the Company will be the split company
- (iii) Proposal for approval of a stock exchange agreement or a stock transfer plan in which the Company will become a wholly owned subsidiary
- (iv) Proposal for approval of an amendment to the Articles of Incorporation to establish a provision requiring the Company’s approval for the acquisition of such shares by transfer as the details of all shares issued by the Company
- (v) Proposal for approval of an amendment to the Articles of Incorporation to establish a provision that the acquisition of such shares by transfer as the details of shares subject to share acquisition rights requires the approval of the Company, or that the Company may acquire all the shares of the class by a resolution of the General Meeting of Shareholders

(8) Other exercise conditions of share acquisition rights

Persons other than Directors (including those who were Directors) who are stipulated in Article 361, paragraph (1), item (iv) of the Companies Act by a resolution of the General Meeting of Shareholders may not exercise the share acquisition rights.

(9) Fair value of share acquisition rights

The fair value of the share acquisition rights shall be calculated using the Black-Scholes Model based on various conditions such as the Company's stock prices and the exercise prices on the allotment date.

(10) Other details of share acquisition rights

Other matters concerning subscription requirements of share acquisition rights shall be determined at the Board of Directors of the Company, which shall decide the matters concerning subscription requirements of share acquisition rights.