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Securities Code: 4921

June 8, 2021

To Those Shareholders with Voting Rights

Kazuyuki Shimada
President & CEO, Representative
Director
FANCL CORPORATION
89-1, Yamashita-cho, Naka-ku
Yokohama, Japan

NOTICE OF THE 41st ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are hereby notified that the 41st Ordinary General Meeting of Shareholders (the “Shareholders’ Meeting”) will be held as described below.

In lieu of attending the Shareholders’ Meeting, you can exercise your voting rights either via Postal Mail or via the Internet. Please review the appended Reference Documents for the Ordinary General Meeting of Shareholders, and exercise your voting rights no later than 5:30 p.m. on Friday, June 25, 2021.

1. **Date and Time:** Saturday, June 26, 2021, at 1:00 p.m. (Reception starts at 12:00 p.m.)
2. **Place:** Yokohama Arena
3-10, Shin-Yokohama, Kohoku-ku, Yokohama
3. **Agenda of the Meeting:**
Matters to be reported:
 - (1) The Business Report, Consolidated Financial Statements for the 41st Fiscal Term (from April 1, 2020, to March 31, 2021) and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 - (2) Financial Statements for the 41st Fiscal Term (from April 1, 2020, to March 31, 2021)

Proposal to be resolved:

- Proposal 1:** Election of Nine (9) Directors
- Proposal 2:** Election of Three (3) Audit & Supervisory Board Members
- Proposal 3:** Introduction of a Performance-linked Stock-based Compensation Plan for Directors

<Matters to be disclosed via the Internet >

- (1) The materials listed below are not attached to this NOTICE because they are posted on the Company's website, in accordance with the relevant laws and regulations and Article 14 of the Company's Articles of Incorporation.
 - 1) Systems to Ensure the Properness of Operations and the Operating Status of the Systems
 - 2) Consolidated Statement of Changes in Net Assets
 - 3) Statement of Changes in Net Assets
 - 4) Notes to the Consolidated Financial Statements
 - 5) Notes to the Financial Statements
- (2) If there are any amendments to the Reference Documents for the Ordinary General Meeting of Shareholders, Business Report, the Consolidated Financial Statements or the Financial Statements, the amended materials will be posted on our website.

The Company's website: <https://www.fancl.jp/soukai/>

Reference Documents for the Ordinary General Meeting of Shareholders

Proposal 1: Election of Nine (9) Directors

The terms of office of all Directors will expire at the conclusion of the Shareholders' Meeting. Accordingly, we propose to elect nine (9) Directors.

The candidates for Director are as follows:

Candidate number	Name	Current Position	Attendance at the Board of Directors' meetings (% of attendance)
1	Kazuyuki Shimada	Reappointed	16/16 (100%)
2	Tomochika Yamaguchi	Reappointed	16/16 (100%)
3	Akihiro Yanagisawa	Reappointed	12/12 (100%)
4	Yasushi Sumida	Reappointed	12/12 (100%)
5	Shinro Fujita	Reappointed	12/12 (100%)
6	Mitsuaki Nakakubo	Reappointed Outside Director Independent Officer	15/16 (94%)
7	Keiichiro Hashimoto	Reappointed Outside Director Independent Officer	12/12 (100%)
8	Akira Matsumoto	Reappointed Outside Director Independent Officer	12/12 (100%)
9	Junko Tsuboi	Reappointed Outside Director	11/12 (92%)

- Notes:
- Messrs. Mitsuaki Nakakubo, Keiichiro Hashimoto, Akira Matsumoto and Ms. Junko Tsuboi are candidates for Outside Director. Messrs. Mitsuaki Nakakubo, Keiichiro Hashimoto and Akira Matsumoto have been notified with the Tokyo Stock Exchange as Independent Officers as set forth in the rules of the Tokyo Stock Exchange.
 - Since Messrs. Akihiro Yanagisawa, Yasushi Sumida, Shinro Fujita, Keiichiro Hashimoto and Akira Matsumoto and Ms. Junko Tsuboi were newly appointed at the 40th Ordinary General Meeting of Shareholders held on June 20, 2020, their attendance at the Board of Directors meetings is with respect to those that were held after their assumption of office.

Candidate number	Name (Date of birth)	Career summary, positions and assignments in the Company and important positions concurrently held at other corporations	Number of the Company's shares held
1	<p data-bbox="279 667 438 846">Kazuyuki Shimada (December 20, 1955) Reappointed</p> <p data-bbox="279 898 438 1043">Attendance at the Board of Directors' meetings 16/16 (100%)</p>	<p data-bbox="462 331 1294 1025"> July 2003 Entered the Company February 2004 Division Manager of New Business Dept. of Management Strategy Div. of the Company April 2006 Division Manager of Corporate Planning Dept. and New Business Dept. of Management Strategy Div. of the Company April 2007 Executive Officer, General Manager of Management Strategy Div. and Division Manager of Corporate Planning Dept. of the Company June 2007 Executive Director, General Manager of Management Strategy Div. and Division Manager of Corporate Planning Dept. of the Company May 2010 Executive Director, General Manager of Administration Dept. of the Company June 2011 Executive Managing Director, General Manager of Administration Dept. of the Company June 2015 Senior Managing Director, General Manager of Group Support Center of the Company April 2017 President & CEO, Representative Director and General Manager of Marketing Div. of the Company March 2020 President & CEO, Representative Director of the Company (Current position) </p> <p data-bbox="462 1037 1294 1377"> [Reason for nomination as a candidate for Director] Kazuyuki Shimada has long had overall control of the management of the Group businesses, mainly corporate planning including risk management, accumulating considerable experience and expertise. He is currently responsible for executing business operations as President & CEO, Representative Director of the Company. With great trust from the officers and employees, he has played a leading role in the management of the Company toward the achievement of Group strategies. He is aware of overall matters on the management of the Company and fully understands the Group's Founding Philosophy—Eliminate the “Negatives” with a Sense of Justice—and Corporate Philosophy—“Can Achieve More” and has fulfilled his roles of making decisions on important managerial matters and overseeing the execution of business operations. Therefore, he is again nominated for Director. </p>	14,700

Candidate number	Name (Date of birth)	Career summary, positions and assignments in the Company and important positions concurrently held at other corporations	Number of the Company's shares held
2	Tomochika Yamaguchi (March 5, 1958) Reappointed Attendance at the Board of Directors' meetings 16/16 (100%)	<p>October 2003 Entered the Company</p> <p>March 2005 Executive Officer, General Manager of Direct Sales Headquarter and Division Manager of Internet Promotion Div.</p> <p>January 2008 Director of Attenir CORPORATION</p> <p>March 2013 Executive Officer, General Manager of Store Channel Unit of the Company</p> <p>June 2014 Executive Director, General Manager of Store Channel Unit of the Company</p> <p>June 2016 Executive Managing Director, in charge of Stores & Wholesale, and General Manager of Store Sales Division of the Company</p> <p>June 2017 Senior Managing Director, in charge of Stores & Wholesale, General Manager of Store Sales Division and Department Manager of Store Sales Promotion Department of the Company</p> <p>January 2020 Representative Director, Senior Managing Director, in charge of Stores & Wholesale and General Manager of Store Sales Division of the Company</p> <p>June 2020 Representative Director, Senior Managing Director, in charge of Domestic Sales and General Manager of Store Sales Division of the Company (Current position)</p> <p>[Reason for nomination as a candidate for Director]</p> <p>Tomochika Yamaguchi has long engaged in the store and mail-order sales businesses of the Company. Currently, he supervises the domestic sales business as Representative Director, Senior Managing Director, thereby accumulating ample experience and knowledge. In addition, he fully understands the Group's Founding Philosophy—Eliminate the “Negatives” with a Sense of Justice—and Corporate Philosophy—“Can Achieve More” and has fulfilled his roles of making decisions on important managerial matters and overseeing the execution of business operations. Therefore, he is again nominated for Director.</p>	3,900

Candidate number	Name (Date of birth)	Career summary, positions and assignments in the Company and important positions concurrently held at other corporations	Number of the Company's shares held
3	Akihiro Yanagisawa (April 16, 1958) Reappointed Attendance at the Board of Directors' meetings 12/12 (100%)	<p>September 1993 Entered the Company</p> <p>February 2000 General Manager of Chiba Factory, Cosmetics Control Dept. of the Company</p> <p>September 2001 Department Manager of Cosmetics Dept. of the Company</p> <p>April 2003 Department Manager of Quality Assurance Dept. of Administration Dept. of the Company</p> <p>February 2004 General Manager of Control Dept., FANCL B&H CORPORATION</p> <p>July 2004 General Manager of Shiga Factory, Control Dept. of FANCL B&H CORPORATION</p> <p>April 2007 President and Representative Director of FANCL B&H CORPORATION (Current position)</p> <p>June 2010 Director of the Company</p> <p>June 2019 Senior Executive Officer of the Company</p> <p>June 2020 Executive Managing Director of the Company (Current position)</p> <hr/> <p>[Reason for nomination as a candidate for Director]</p> <p>Akihiro Yanagisawa has long engaged in the production related businesses of cosmetics and nutritional supplements, thereby accumulating ample experience and knowledge. Currently, he aims to manufacture safe and reliable products and improve productivity as President and Representative Director of FANCL B&H CORPORATION, a subsidiary of the Company responsible for manufacturing functions. In addition, he fully understands the Group's Founding Philosophy—Eliminate the “Negatives” with a Sense of Justice—and Corporate Philosophy—“Can Achieve More”—and has fulfilled his roles of making decisions on important managerial matters and overseeing the execution of business operations. Therefore, he is again nominated for Director.</p>	16,348

Candidate number	Name (Date of birth)	Career summary, positions and assignments in the Company and important positions concurrently held at other corporations	Number of the Company's shares held
4	<p data-bbox="279 495 438 667">Yasushi Sumida (December 17, 1963) Reappointed</p> <p data-bbox="279 719 438 869">Attendance at the Board of Directors' meetings 12/12 (100%)</p>	<p data-bbox="470 331 1294 725"> May 2005 Entered the Company July 2005 Department Manager of Cosmetics Development Dept. of Central Research Institute of the Company June 2008 Executive Officer, General Manager of FANCL Research Institute and General Manager of Cosmetics Research Institute of the Company June 2013 Executive Director, General Manager of FANCL Research Institute of the Company June 2019 Senior Executive Officer, General Manager of FANCL Research Institute of the Company June 2020 Executive Managing Director, General Manager of FANCL Research Institute of the Company (Current position) </p> <p data-bbox="470 741 1294 1025"> [Reason for nomination as a candidate for Director] Yasushi Sumida has long engaged in the research and development related businesses in a variety of fields, from basic research to product development of cosmetics. Currently, he supervises the research and development related businesses of the entire Group as the General Manager of FANCL Research Institute, thereby accumulating ample experience and knowledge. In addition, he fully understands the Group's Founding Philosophy—Eliminate the “Negatives” with a Sense of Justice—and Corporate Philosophy—“Can Achieve More”—and has fulfilled his roles of making decisions on important managerial matters and overseeing the execution of business operations. Therefore, he is again nominated for Director. </p>	9,200

Candidate number	Name (Date of birth)	Career summary, positions and assignments in the Company and important positions concurrently held at other corporations	Number of the Company's shares held
5	Shinro Fujita (October 14, 1964) Reappointed Attendance at the Board of Directors' meetings 12/12 (100%)	<p>April 1988 Entered Kirin Brewery Company, Limited (currently Kirin Holdings Company, Limited)</p> <p>September 2002 Lion Nathan Limited (currently Lion Pty Ltd)</p> <p>March 2014 Brasil Kirin Holding S.A.</p> <p>June 2017 General Manager of Corporate Planning Dept. of Kirin Company, Limited and Director of Group Corporate Strategy of Kirin Holdings Company, Limited</p> <p>April 2019 Executive Officer, General Manager of Corporate Planning Dept. of Kirin Holdings Company, Limited</p> <p>November 2019 Entered the Company</p> <p>November 2019 Senior Executive Officer, in charge of Synergy Development, assistant to President of the Company</p> <p>June 2020 Executive Director, General Manager of Synergy Strategy Div. of the Company (Current position)</p> <hr/> <p>[Reason for nomination as a candidate for Director]</p> <p>Shinro Fujita has mainly engaged in the overseas and corporate planning related businesses, thereby accumulating ample experience and knowledge. Currently, through a capital and business alliance with Kirin Holdings Company, Limited, he is promoting a synergy strategy aiming to maximize synergy effect by utilizing the management resources of both companies. In addition, he fully understands the Group's Founding Philosophy—Eliminate the “Negatives” with a Sense of Justice—and Corporate Philosophy—“Can Achieve More”— and has fulfilled his roles of making decisions on important managerial matters and overseeing the execution of business operations. Therefore, he is again nominated for Director.</p>	300

Candidate number	Name (Date of birth)	Career summary, positions and assignments in the Company and important positions concurrently held at other corporations	Number of the Company's shares held
6	Mitsuaki Nakakubo (November 24, 1966) Reappointed Outside Director Independent Officer Attendance at the Board of Directors' meetings 15/16 (94%)	<p>April 1995 Registered as an attorney (under Daini Tokyo Bar Association) (Current registration)</p> <p>April 2001 Partner of Asahi Law Offices (Current position)</p> <p>April 2008 Member, Regular Meeting, Daini Tokyo Bar Association</p> <p>June 2017 Outside Company Auditor of Nippon Kodo Holdings Corporation (Current position)</p> <p>June 2019 Outside Director of the Company (Current position)</p> <p>March 2021 Outside Director of Nikkiso Co., Ltd. (Current position)</p> <p>[Reason for nomination as a candidate for Outside Director and expected roles]</p> <p>Mitsuaki Nakakubo has a wealth of experience and broad knowledge as an attorney specialized in corporate legal affairs. In the deliberations at the Board of Directors' meetings, based on his experience and knowledge, he has been actively providing advice and proposals. He has been also serving as chairman of the Nomination and Remuneration Committee, an advisory body to President & CEO, Representative Director from June 2020. For these reasons, in the expectation that he will contribute to the achievement of the Company's management plan and to the enhanced effectiveness of the Board of Directors, he is again nominated for Outside Director. Although he has not been involved in corporate management, the Company has judged that he will properly perform his duties as an Outside Director of the Company for the reasons mentioned above.</p>	600

Candidate number	Name (Date of birth)	Career summary, positions and assignments in the Company and important positions concurrently held at other corporations	Number of the Company's shares held
7	Keiichiro Hashimoto (October 20, 1951) Reappointed Outside Director Independent Officer Attendance at the Board of Directors' meetings 12/12 (100%)	<p>April 1974 Entered The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>June 2001 General Manager of Global Business Division of The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)</p> <p>June 2003 Representative Member of the Board, Vice President and CFO of MITSUBISHI MOTORS CORPORATION</p> <p>June 2005 Senior Executive Vice President of SEGA SAMMY HOLDINGS INC.</p> <p>June 2010 Chairman and President of Metropolitan Expressway Company Limited</p> <p>May 2014 Vice President and COO of Shioya Tochi Co., Ltd.</p> <p>June 2015 Audit & Supervisory Board Member of HIGASHI-NIPPON BANK, Ltd.</p> <p>April 2016 Outside Audit & Supervisory Board Member of Concordia Financial Group, Ltd. (Current position)</p> <p>April 2019 Vice Chairman & President of Japan Association of Corporate Executives</p> <p>June 2020 Outside Director of the Company (Current position)</p> <p>June 2020 Outside Audit & Supervisory Board Member of Maeda Road Construction Co., Ltd. (Current position)</p> <p>April 2021 Representative Director of General Incorporated Association T Art Life Village (Current position)</p> <p>[Reason for nomination as a candidate for Outside Director and expected roles]</p> <p>Keiichiro Hashimoto possesses a wealth of experience as an executive of financial institutions and a corporate manager of companies operating globally. In addition, he has broad knowledge regarding IT and social and economic field. In the deliberations at the Board of Directors' meetings, based on his experience and knowledge, he has been actively providing advice and proposals. For these reasons, in the expectation that he will contribute to the achievement of the Company's management plan and to the enhanced effectiveness of the Board of Directors, he is again nominated for Outside Director.</p>	300

Candidate number	Name (Date of birth)	Career summary, positions and assignments in the Company and important positions concurrently held at other corporations	Number of the Company's shares held												
8	Akira Matsumoto (April 21, 1971) Reappointed Outside Director Independent Officer Attendance at the Board of Directors' meetings 12/12 (100%)	<table border="0" style="width: 100%;"> <tr> <td style="width: 15%; vertical-align: top;">April 1994</td> <td>Entered Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation)</td> </tr> <tr> <td style="vertical-align: top;">October 1999</td> <td>Entered KPMG Century Audit Corporation (currently KPMG AZSA LLC.)</td> </tr> <tr> <td style="vertical-align: top;">April 2003</td> <td>President and Representative Director of MIT Corporate Advisory Services CO., LTD. (Current position)</td> </tr> <tr> <td style="vertical-align: top;">May 2003</td> <td>Registered as a certified public accountant</td> </tr> <tr> <td style="vertical-align: top;">June 2020</td> <td>Outside Auditor of DESCENTE LTD. (Current position)</td> </tr> <tr> <td style="vertical-align: top;">June 2020</td> <td>Outside Director of the Company (Current position)</td> </tr> </table> [Reason for nomination as a candidate for Outside Director and expected roles] Akira Matsumoto possesses expertise in finance and accounting as a certified public accountant and a wealth of experience and broad knowledge regarding management accumulated through his involvement in consulting business as a corporate manager. In the deliberations at the Board of Directors' meetings, based on his experience and knowledge, he has been actively providing advice and proposals. For these reasons, in the expectation that he will contribute to the achievement of the Company's management plan and to the enhanced effectiveness of the Board of Directors, he is again nominated for Outside Director	April 1994	Entered Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation)	October 1999	Entered KPMG Century Audit Corporation (currently KPMG AZSA LLC.)	April 2003	President and Representative Director of MIT Corporate Advisory Services CO., LTD. (Current position)	May 2003	Registered as a certified public accountant	June 2020	Outside Auditor of DESCENTE LTD. (Current position)	June 2020	Outside Director of the Company (Current position)	-
April 1994	Entered Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation)														
October 1999	Entered KPMG Century Audit Corporation (currently KPMG AZSA LLC.)														
April 2003	President and Representative Director of MIT Corporate Advisory Services CO., LTD. (Current position)														
May 2003	Registered as a certified public accountant														
June 2020	Outside Auditor of DESCENTE LTD. (Current position)														
June 2020	Outside Director of the Company (Current position)														

Candidate number	Name (Date of birth)	Career summary, positions and assignments in the Company and important positions concurrently held at other corporations	Number of the Company's shares held
9	Junko Tsuboi (August 8, 1962) Reappointed Outside Director Attendance at the Board of Directors' meetings 11/12 (92%)	<p>April 1985 Entered Kirin Brewery Company, Limited (currently Kirin Holdings Company, Limited)</p> <p>March 2005 General Manager of Corporate Communications Dept. of Kirin Beverage Company, Limited</p> <p>March 2010 President and Representative Director of YOKOHAMA RED BRICK WAREHOUSE Co., Ltd.</p> <p>March 2012 General Manager of CSR Management Dept. and General Manager of Corporate Communications Dept. of Kirin Holdings Company, Limited</p> <p>January 2013 General Manager of Corporate Brand Management Dept. of CSV Div. of Kirin Company, Limited</p> <p>March 2014 Executive Officer, General Manager of Corporate Brand Management Dept. of CSV Div. of Kirin Company, Limited</p> <p>April 2016 Executive Officer, General Manager of Corporate Brand Management Dept. of Kirin Company, Limited</p> <p>March 2019 Senior Executive Officer and General Manager of Corporate Brand Management Dept. of Kirin Holdings Company, Limited (Current position)</p> <p>June 2020 Outside Director of the Company (Current position)</p> <p>[Reason for nomination as a candidate for Outside Director and expected roles]</p> <p>Junko Tsuboi has long engaged in the marketing, brand strategy and corporate communications related businesses at Kirin Group thereby accumulating a high level of expertise, especially in marketing, and contributing to the business expansion. In the deliberations at the Board of Directors' meetings, based on her experience and knowledge, she has been actively providing advice and proposals. For these reasons, in the expectation that she will contribute to the achievement of the Company's management plan and to the enhanced effectiveness of the Board of Directors, she is again nominated for Outside Director.</p>	–

- Notes:
1. No conflict of interest exists between the Company and each candidate.
 2. The Company has entered into a Directors and Officers liability insurance contract with an insurance company to include all of its Directors as insureds. The insurance covers any damages that may result from the insureds being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. If the candidates assume the office of Director, they will be insured under the insurance contract. At the next renewal of the insurance contract, the Company plans to renew the contract with the same contents.
 3. The points to note regarding the candidates for Outside Director are as follows.
 - (1) Independent Officers
Messrs. Mitsuaki Nakakubo, Keiichiro Hashimoto and Akira Matsumoto have been notified with the Tokyo Stock Exchange as Independent Officers as set forth in the rules of the Tokyo Stock Exchange. If they are reappointed at the Shareholders' Meeting, the Company intends to designate them again as Independent Officers.
 - (2) Period of service as Outside Officer
 - i. Mr. Mitsuaki Nakakubo is currently an Outside Director of the Company and will have served for two years at the conclusion of the Shareholders' Meeting.
 - ii. Messrs. Keiichiro Hashimoto and Akira Matsumoto and Ms. Junko Tsuboi are currently Outside Directors of the Company and will have served for one year at the conclusion of the Shareholders' Meeting.
 - (3) Liability limitation agreements
The Company holds with each of Messrs. Mitsuaki Nakakubo, Keiichiro Hashimoto and Akira Matsumoto and Ms. Junko Tsuboi a liability limitation agreement stipulating that the limit of their liabilities for damages shall be one (1) million yen or an amount set by law, whichever is the greater, with respect to the liabilities stipulated in Article 423, Paragraph 1 of the Companies Act. If they are reappointed at Shareholders' Meeting, the Company plans to continue this agreement.

Proposal 2: Election of Three (3) Audit & Supervisory Board Members

The terms of office of the Audit & Supervisory Board Members Messrs. Toshio Takano, Tsuneyoshi Seki and Hideki Minamikawa will expire at the conclusion of the Shareholders' Meeting. Accordingly, we propose to elect three (3) Audit & Supervisory Board Members.

This Proposal has received the consent of the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Member are as follows:

Candidate number	Name (Date of birth)	Career summary and positions in the Company and important positions concurrently held at other corporations	Number of the Company's shares held
1	Tsuneyoshi Seki (January 3, 1958) Reappointed Outside Audit & Supervisory Board Member Independent Officer Attendance at the Board of Directors' meetings 16/16 (100%) Attendance at the Audit & Supervisory Board meetings 11/11 (100%)	<p>September 1983 Entered Aoyama Audit Corporation (currently PricewaterhouseCoopers Aarata LLC)</p> <p>March 1991 Registered as a certified public accountant</p> <p>August 1995 Entered Tohmatsu Audit Corporation (currently Deloitte Touche Tohmatsu LLC)</p> <p>June 1996 Partner, Tohmatsu Audit Corporation (currently Deloitte Touche Tohmatsu LLC)</p> <p>June 1997 Managing Director of Sanseki Co., Ltd.</p> <p>June 2003 Partner, Tohmatsu Audit Corporation (currently Deloitte Touche Tohmatsu LLC)</p> <p>July 2014 Representative of Tsuneyoshi Seki CPA Office (Current position)</p> <p>August 2014 President and Representative Director of K&S Consulting Co., Ltd. (Current position)</p> <p>March 2016 Outside Director of Nippon Concept Corporation (Current position)</p> <p>June 2016 Outside Audit & Supervisory Board Member of the Company (Current position)</p> <p>March 2021 Partner, Accounting Corporation TENYU (Current position)</p> <p>[Reason for nomination as a candidate for Outside Audit & Supervisory Board Member]</p> <p>Tsuneyoshi Seki is qualified as a certified public accountant and has a wealth of experience and broad knowledge regarding the accounting field which he accumulated through his many years of engagement in audit operations at audit corporations. He is judged to be able to continue performing his duties as an Outside Audit & Supervisory Board Member properly based on these experiences and knowledge. Therefore, he is again nominated for Outside Audit & Supervisory Board Member.</p>	300

Candidate number	Name (Date of birth)	Career summary and positions in the Company and important positions concurrently held at other corporations	Number of the Company's shares held
2	Hideki Minamikawa (December 27, 1949) Reappointed Outside Audit & Supervisory Board Member Independent Officer Attendance at the Board of Directors' meetings 16/16 (100%) Attendance at the Audit & Supervisory Board meetings 11/11 (100%)	<p>April 1974 Entered Environment Agency</p> <p>January 2001 General Affairs Division Manager, Minister's Secretariat, Ministry of the Environment</p> <p>July 2005 Director General, Nature Conservation Bureau, Ministry of the Environment</p> <p>September 2006 Director General, Global Environment Bureau, Ministry of the Environment</p> <p>July 2008 Minister's Secretariat, Ministry of the Environment</p> <p>August 2010 Vice-Minister for Global Environmental Affairs, Ministry of the Environment</p> <p>January 2011 Vice-Minister of the Environment, Ministry of the Environment</p> <p>July 2013 Adviser, Ministry of the Environment</p> <p>June 2014 President of Japan Environmental Sanitation Center (Current position)</p> <p>June 2017 Outside Audit & Supervisory Board Member of the Company (Current position)</p> <p>August 2018 External Director of RENOVA, Inc. (Current position)</p> <p>[Reason for nomination as a candidate for Outside Audit & Supervisory Board Member]</p> <p>Hideki Minamikawa has abundant experience at public organizations, etc., in addition to a wealth of experience and broad knowledge regarding the environmental field. Although he has not been involved in corporate management, he is judged to be able to continue performing his duties as an Outside Audit & Supervisory Board Member properly for the reasons mentioned above. Therefore, he is again nominated for Outside Audit & Supervisory Board Member.</p>	800

Candidate number	Name (Date of birth)	Career summary and positions in the Company and important positions concurrently held at other corporations	Number of the Company's shares held
3	Miyuki Nakagawa (November 22, 1964) Newly appointed Outside Audit & Supervisory Board Member Independent Officer	<p>April 1990 Public Prosecutor at Tokyo District Public Prosecutors Office</p> <p>April 2008 Counsellor, Judicial System Department of Minister's Secretariat, Ministry of Justice</p> <p>January 2011 Counsellor, Cabinet Secretariat, Assistant Chief Cabinet Secretary Office</p> <p>April 2013 Public Prosecutor, Tokyo High Public Prosecutors Office</p> <p>August 2013 Director General, General Affairs Department, Saitama District Public Prosecutors Office</p> <p>April 2015 Specially Appointed Professor at Chuo Law School, Chuo University (Appointed Public Prosecutor)</p> <p>March 2019 Retired as Public Prosecutor</p> <p>April 2019 Professor at Law at Chuo Law School, Chuo University (Current position)</p> <p>April 2019 Registered as an attorney</p> <p>May 2019 Representative of Kosui Law Office (Current position)</p> <p>June 2019 Outside Director of NITTO KOGYO CORPORATION (Current position)</p> <p>June 2021 Outside Director, Nissan Chemical Corporation (Scheduled to be appointed)</p>	-
		<p>[Reason for nomination as a candidate for Outside Audit & Supervisory Board Member]</p> <p>Miyuki Nakagawa has a wealth of experience and broad knowledge regarding the legal field as a prosecutor and attorney. Although she has not been involved in corporate management, she is judged to be able to perform her duties as an Outside Audit & Supervisory Board Member properly for the reasons mentioned above. Therefore, she is nominated for Outside Audit & Supervisory Board Member.</p>	

- Notes:
1. No conflict of interest exists between the Company and each candidate.
 2. The Company has entered into a Directors and Officers liability insurance contract with an insurance company to include all of its Audit & Supervisory Board Members as insureds. The insurance covers any damages that may result from the insureds being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. If the candidates assume the office of Audit & Supervisory Board Member, they will be insured under the insurance contract. At the next renewal of the insurance contract, the Company plans to renew the contract with the same contents.
 3. The points to note regarding the candidates for Outside Audit & Supervisory Board Member are as follows.
 - (1) Independent Officers

Messrs. Tsuneyoshi Seki and Hideki Minamikawa have been notified with the Tokyo Stock Exchange as Independent Officers as set forth in the rules of the Tokyo Stock Exchange. If they are reappointed at the Shareholders' Meeting, the Company intends to designate them again as Independent Officers. In the event that the election of Ms. Miyuki Nakagawa is approved, the Company plans to designate her as an Independent Officer.
 - (2) Period of service as Outside Officer
 - i. Mr. Tsuneyoshi Seki is currently an Outside Audit & Supervisory Board Member of the Company and will have served for five years at the conclusion of the Shareholders' Meeting.
 - ii. Mr. Hideki Minamikawa is currently an Outside Audit & Supervisory Board Member of the Company and will have served for four years at the conclusion of the Shareholders' Meeting.
 - (3) Liability limitation agreements

The Company holds with each of Messrs. Tsuneyoshi Seki and Hideki Minamikawa a liability limitation agreement stipulating that the limit of their liabilities for damages shall be one (1) million yen or an amount set by law, whichever is the greater, with respect to the liabilities stipulated in Article 423, Paragraph 1 of the Companies Act. If they are reappointed at Shareholders' Meeting, the Company plans

to continue this agreement. In the event that the election of Ms. Miyuki Nakagawa is approved, the Company plans to conclude a liability limitation agreement that has the same contents mentioned above with her.

(Reference)

Structure of the Audit & Supervisory Board after the appointment (Scheduled)

Candidate number	Name		Attendance at the Board of Directors' meetings (% of attendance)	Attendance at the Audit & Supervisory Board meetings (% of attendance)
1	Reappointed Tsuneyoshi Seki	Outside Audit & Supervisory Board Member Independent Officer	16/16 (100%)	11/11 (100%)
2	Reappointed Hideki Minamikawa	Outside Audit & Supervisory Board Member Independent Officer	16/16 (100%)	11/11 (100%)
3	Newly appointed Miyuki Nakagawa	Outside Audit & Supervisory Board Member Independent Officer	-	-
-	Seiichiro Takahashi	Incumbent	15/16 (94%)	11/11 (100%)
-	Naoya Maruo	Incumbent	12/12 (100%)	7/7 (100%)

Proposal 3: Introduction of a Performance-linked Stock-based Compensation Plan for Directors

1. Reasons for proposal and reasons of appropriateness of the said compensation

Compensation for Directors of the Company (excluding Outside Directors and non-residents in Japan; hereinafter the same shall apply) consists of “monthly remuneration,” “stock compensation-type stock options as long-term incentives” and “Performance-linked compensation plan in conjunction with the Company’s stock price as mid-term incentives (hereinafter, “Phantom stock”)”. The Company proposes to abolish the Stock compensation-type stock options and Phantom stock, and newly introduce a performance-linked stock-based compensation plan for Directors, whereby the Company’s shares are delivered in accordance with job titles and the level of achievement of performance targets (hereinafter, the “Plan”).

The Plan to be introduced shall be positioned as a long-term incentive and mid-term incentive toward achieving the mid-term management plan and enhancing corporate value, with the purpose of clarifying further the link between remuneration of Directors to business performance of the Company and shareholder value, and raising their motivation toward contributing to the improvement in business performance in the medium and long term and to an increase in shareholder value. Therefore, the Company believes that the introduction is appropriate.

This proposal is intended to request approval for payment of stock-based compensation to Directors separately from the maximum amount of annual remuneration for Directors (within 830 million yen per year) approved at the 38th Ordinary General Meeting of Shareholders held on June 23, 2018. Subject to the approval of this proposal as originally proposed, no new allotment under the Stock compensation-type stock options plan, which was approved at the 26th Ordinary General Meeting of Shareholders held on June 17, 2006, will be made.

If Proposal 1. “Election of Nine (9) Directors” is approved as originally proposed, the number of Directors eligible for the Plan will be five. The Company plans to introduce a performance-linked stock-based compensation plan similar to the Plan for Executive Officers of the Company as well as Directors, etc. of subsidiaries of the Company.

2. Amount and details of remuneration, etc. under the Plan

(1) Outline of the Plan

The Plan is a stock-based compensation plan under which the Company’s shares are acquired through a trust using money contributed by the Company as the source funds and the Directors are provided with the delivery and transfer (hereinafter, “delivery and transfer”) of the Company’s shares and cash equivalent to the market value of the Company’s shares (the “Company Shares, etc.”) (see (2) and below for details).

(i) Persons eligible for transfer and delivery of the Company Shares, etc. under this Proposal	Directors of the Company (excluding Outside Directors and non-residents in Japan)
(ii) Impact of the Company shares covered under this Proposal on the total number of outstanding shares	
Maximum amount of money contributed by the Company	<ul style="list-style-type: none"> • An amount obtained by multiplying 248 million yen by the years of covered period • The upper limit for the three fiscal years of the first Covered Period shall be 744 million yen
Maximum number of the Company Shares, etc., to be transferred and delivered to Directors	<ul style="list-style-type: none"> • Number of shares to be obtained by multiplying 59,000 shares by the years of covered period • The upper limit of the number of the Company Shares, etc. to be delivered and transferred to Directors in the three fiscal years of the first covered period shall be 177,000 shares <p><Reference></p> <p>The ratio of the number of shares to be delivered and transferred to Directors per fiscal year (59,000 shares) to the total number of outstanding shares of the Company (as of March 31, 2021; after deducting treasury stock) is approximately 0.04%.</p>
Method to acquire the Company shares under the Plan	<ul style="list-style-type: none"> • The Company shares will be acquired from the stock market or from the Company (through the disposal of treasury stock)
Detailed conditions for achieving performance targets	<ul style="list-style-type: none"> • Fluctuation in the range of 0.0 to 2.0 according to the achievement level of the performance target of the medium-term management plan • Indexes to evaluate the achievement level of the performance target are “consolidated net sales, consolidated operating profit and ROE” and “non-financial indexes” related to ESG
Timing of transfer and delivery to Directors of the Company Shares, etc.	<ul style="list-style-type: none"> • “Performance-linked portion” = Transfer and delivery shall be made in principle after the expiration of the covered period of the Plan • “Fixed portion” = Transfer and delivery shall be made in principle upon the retirement of Directors

(2) Maximum amount of money to be contributed by the Company

This Plan covers the three consecutive fiscal years (the initial period shall be the three fiscal years from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024; in the case of extension of the trust period, a fiscal year-period corresponding to a period of the medium-term management plan) (hereinafter, the period subject to the Plan is referred to as the “Covered Period”).

The Company will contribute up to an amount obtained by multiplying 248 million yen by the years of Covered Period (a total of 744 million yen for the three fiscal years, which is the first Covered Period) as compensation to Directors for each Covered Period to establish a trust (hereinafter, the “Trust”) with a trust period corresponding to the Covered Period, the beneficiaries of which are Directors who meet the beneficiary requirements.

The Trust will acquire the Company shares from the stock market or from the Company (through the disposal of treasury stock), using the entrusted money as a source of funds, in accordance with the instructions made by the trust administrator. During the trust period, the Company will grant points (as described in (3) below) to Directors, and the Trust will transfer and deliver the Company Shares, etc., to Directors.

Upon the expiry of the Covered Period of the Trust, the Company may continue the Trust, in lieu of setting up a new Trust, by amending the trust agreement and making an additional trust. In this case, the number of years corresponding to the medium-term management plan at that time shall be a new Covered Period, and the trust period of the Trust shall be also extended for the same period to correspond to the new Covered Period. The Company shall make an additional contribution within the amount obtained by multiplying 248 million yen by the number of years of the new Covered Period for each extended trust period and continue to grant points to Directors during such extended trust period, and transfer and deliver the Company Shares etc., to Directors during such extended trust period.

However, in the case where such additional contribution is made, if the Company shares and money remain in the trust property, at the end of the trust period before such extension (excluding the Company Shares, etc., that correspond to the points granted but have not been transferred and delivered to Directors) (hereinafter such remaining shares and money referred to as “Remaining Shares, etc.”), the total amount of such Remaining Shares, etc., and the trust money to be additionally contributed by the Company shall be within the range of the amount obtained by multiplying 248 million yen by the number of years of the new Covered Period.

Furthermore, in the case of terminating the Trust, if Directors who may meet the beneficiary requirements remain in office upon the expiry of the trust period, the Trust shall not be terminated immediately, but its trust period may be extended until the retirement of the Directors and the completion of the transfer and delivery of the Company Shares, etc., to the Directors. In this case, however, no points will be newly granted to the Directors.

(3) Calculation method and upper limit of the number of the Company Shares, etc., to be delivered and transferred to Directors

The Plan consists of the “Performance-linked portion” and “Fixed portion.”

The number of the Company Shares, etc., to be delivered and transferred to Directors shall be determined based on the number of points to be calculated according to the following formulas for each of “Performance-linked portion” and “Fixed portion.”

One point shall be equivalent to one share of the Company’s common shares; provided, however, that, if the Company shares held in the Trust increase or decrease during the trust period due to a stock split or a consolidation of shares, etc., the Company will adjust the number of Company shares to be transferred and delivered per point according to the rate of such increase or decrease.

(i) Performance-linked portion

Base points shall be granted at a certain time every year during the trust period. Upon expiry of the Covered Period, “Performance-linked points” according to the achievement level of performance targets under the medium-term management plan, which are calculated based on the following formula, shall be granted.

[Calculation formula for Performance-linked points]

Accumulated number of base points (Base amounts of Performance-linked points based on job titles \div Stock price *1) \times Performance-linked coefficient *2

(ii) Fixed portion

“Fixed points” based on job titles of Directors, which are calculated based on the following formula, shall be granted at a certain time every year during the trust period.

[Calculation formula for Fixed points]

Base amounts of Fixed points based on job titles \div Stock price *1

*1. For the first Covered Period, average closing price on the Tokyo Stock Exchange in a month of March in the year preceding the fiscal year in which the Covered Period started

*2. It shall fluctuate in the range of 0.0 to 2.0 according to the achievement level of the performance target in the final year of the medium-term management plan.

However, the total number of points to be granted to Directors per Covered Period shall be up to the number of points to be obtained by multiplying 59,000 points by the years of Covered Period. The total number of the Company Shares, etc. to be transferred and delivered to Directors during the Covered Period shall be up to the number of shares corresponding to the aforementioned number of points (hereinafter, "Maximum Number of Shares for Delivery"). The Maximum Number of Shares for Delivery that corresponds to the three fiscal years of the first Covered Period shall be 177,000 shares.

The Maximum Number of Shares for Delivery has been set with reference to the past stock prices and based on the upper limit of the trust money set forth in (2) above, and are deemed to be appropriate in light of the current compensation level of the Company's Directors, the number of Directors in office and future prospect thereof, and the Company's stock price level, among others.

(4) Timing of transfer and delivery of the Company shares, etc., to Directors

(i) Performance-linked portion

The transfer and delivery of the Company shares, etc., related to the performance-linked portion shall be, in principle, made after the expiry of the Covered Period.

Those Directors who meet the beneficiary requirements shall receive the transfer and delivery of the Company Shares, etc. that are equivalent to the Performance-linked points calculated based on (3) above after the expiry of the Covered Period, in principle. Upon receiving, for the purpose of securing funds for tax payment, the Directors shall receive the delivery of the Company Shares equivalent to a certain portion of Performance-linked points (shares less than one unit shall be rounded up), and for the number of shares equivalent to the remaining Performance-linked points, receive the money equivalent to the amount gained from the sale of such shares after those shares are sold by the Trust.

(ii) Fixed portion

The transfer and delivery of the Company shares, etc., related to the fixed portion shall be made upon the retirement of Directors, in principle.

Those Directors who meet the beneficiary requirements shall receive, upon the retirement in principle, the transfer and delivery of the Company Shares, etc. equivalent to the Fixed points calculated based on (3) above. Upon receiving, for the purpose of securing funds for tax payment, the Directors shall receive the delivery of the Company Shares equivalent to a certain portion of Fixed points (shares less than one unit shall be rounded up), and for the number of shares equivalent to the remaining Fixed points, receive the money equivalent to the amount gained from the sale of such shares after those shares are sold by the Trust.

(5) Clawback system, etc.

In the event that there has been a serious fraud or violation committed by an eligible Director, the Company may request the forfeiture of the right to receive the shares that were scheduled to be delivered under the Plan (malus) or the refund of money equivalent to the shares that have already been delivered (clawback) to the Director.

(6) Voting rights for the Company's shares

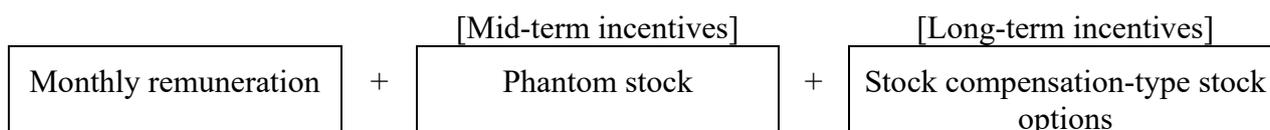
For the purpose of ensuring neutrality in management, no voting rights shall be exercised for the Company's shares held in the Trust during the trust period.

(7) Other details of the Plan

Other details concerning the Plan shall be determined at the Board of Directors' meetings.

● Reference:

【Before the introduction of Performance-linked Stock-based Compensation Plan】



【After the introduction of Performance-linked Stock-based Compensation Plan】

