

[Translation]: This represents an excerpted translation, for reference and convenience only, of the original notice issued in Japanese. In the event of any discrepancies between the Japanese and English versions, the former shall prevail.

(Securities Code: 5970)

June 3, 2021

To our shareholders

Naohiro Takao
President, Chief Executive Officer
G-TEKT CORPORATION

1-11-20, Sakuragi-cho, Omiya-ku, Saitama-shi, Saitama

NOTICE OF CONVOCATION OF THE 10TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We express our deep appreciation to each of the shareholders for their extraordinary support.

Now, the 10th Ordinary General Meeting of Shareholders of G-TEKT CORPORATION (the “Company” or “G-TEKT”) is to be held as stated below.

Instead of attending the meeting in person, you may also review the enclosed “Reference Documents for the Ordinary General Meeting of Shareholders” and exercise your voting rights by the methods such as the writing or Internet mentioned on pages 3 and 4.

1. Date and Time: 10:00 a.m., Friday, June 18, 2021 (Reception begins at 9:30 a.m.)

2. Place of the Meeting: Hall 22A, TKP Garden City PREMIUM Kyobashi
22F, Kyobashi Edogrand, 2-2-1, Kyobashi, Chuo-ku, Tokyo

3. Meeting Agenda:

- Items for reporting:**
1. The Business Report, Consolidated Financial Statements for the Company’s 10th Fiscal Year (April 1, 2020 – March 31, 2021) and results of audits by the Auditor and the Audit & Supervisory Board
 2. Non-Consolidated Financial Statements for the Company’s 10th Fiscal Year (April 1, 2020 – March 31, 2021)

Proposals to be resolved:

Proposal No. 1 Appropriation of Surplus

Proposal No. 2 Election of Six Board Members

- Upon attending the meeting, please present the enclosed Voting Rights Exercise Form to the receptionist at the place of the meeting.
- Of the documents to be provided upon Notice of Convocation, the following documents have been posted on our website on the Internet (<https://www.g-tekt.jp/ir/shareholder/meeting.html>) in accordance with laws and regulations and Article 14 of the Company's Articles of Incorporation, and therefore have not been included in this Notice of Convocation: "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".
"Consolidated Financial Statements" and the "Non-Consolidated Financial Statements" that were audited on the occasion of preparation of the audit report by Audit & Supervisory Board Members and the accounting audit report by the Auditor include matters that should be shown as the "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" in addition to those described in the present documents provided.
- Any changes in the matters described in Reference Documents for the Ordinary General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements will be posted on our website on the Internet (<https://www.g-tekt.jp/ir/shareholder/meeting.html>).

Guidelines of the Exercise of Voting Rights

For those attending the General Meeting of Shareholders

Date and time of the meeting: 10:00 a.m., Friday, June 18, 2021

Please bring and present the enclosed the Voting Rights Exercise Form at the reception desk of the meeting place.

For those not attending the General Meeting of Shareholders

Via mail

Exercise deadline: Arrival by 6:00 p.m., Thursday, June 17, 2021

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

Via the Internet

Exercise deadline: 6:00 p.m., Thursday, June 17, 2021

Please indicate whether you approve or disapprove of each proposal on the Exercise of Voting Rights Website that is designated by the Company:

<https://evote.tr.mufg.jp/>

Please see the following page for details.

If you exercise your voting rights both by Voting Rights Exercise Form and via the Internet, rights exercised via the Internet will be treated as effective.

If you exercise your voting rights multiple times via the Internet, the latest exercised voting rights will be treated as effective.

Guidelines Regarding the Exercise of a Voting Right via the Internet

(1) Access the website for exercising votes using QR code:

- (i) If you scan the QR code shown on the voting form, you can log in to the website for exercising votes without the log-in ID and temporary password shown on the form.

*The “QR code” is registered trademarks of DENSO WAVE INCORPORATED

- (ii) Please indicate whether you approve or disapprove the items on the agenda by following the instructions on the display screen.

* Log-in using the QR code is available once only. If you are to re-exercise, please exercise in the method below.

(2) Access the website for exercising votes using the log-in ID and temporary password:

- (i) Please access the website using the following URL.

<https://evote.tr.mufg.jp/>

- (ii) Log in using the log-in ID and temporary password which are shown on the voting form and press the login button.

- (iii) Please confirm new password and press the send button.

- (iv) Please indicate whether you approve or disapprove the items on the agenda by following the instructions on the display screen.

Depending on the Internet connection of your computer, smart phone or mobile phone, the website for exercising votes may not be available.

(3) Inquiries regarding the exercise of a voting right via the Internet:

Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Service Support: 0120 (173) 027

* Business Hours: from 9:00 a.m. to 9:00 p.m. (toll free; within Japan only)

* The service is available in Japanese only.

About Our Response to the Novel Coronavirus Pandemic

We would like to ask for your understanding and cooperation as we take the following actions in order to prevent the spread of the novel coronavirus.

<About our response>

- ◎ Our operating staff will attend after having undergone a check of their physical condition, including the taking of their temperature, etc. In addition, they plan to wear masks and gloves.
- ◎ Some Board Members and Audit & Supervisory Board Members may participate in the event remotely.
- ◎ For the safety of our shareholders, we will have hand sanitizer available at the venue entrance, and will arrange seating to facilitate social distancing.
- ◎ The shareholder get-together has been canceled again for this fiscal year. It should be noted that souvenirs shall not be given on this occasion.

<Request to shareholders>

- ◎ In order to avoid the risk of infection, we recommend that you refrain from attending the General Meeting of Shareholders, and exercise your voting rights beforehand in writing or via the internet. Please refer to page 3 or page 4 for information on how to exercise voting rights.
- ◎ We ask shareholders who are elderly or have an underlying medical condition that makes them susceptible to considerable harm from infection, as well as shareholders who are pregnant, to exercise particularly careful judgment.
- ◎ The meeting will be streamed online and we will accept questions in advance for shareholders who will not attend the meeting at the venue. Please visit our website (<https://www.g-tekt.jp/ir/shareholder/meeting.html>) for more details.

<Requests to shareholders who plan to attend>

- ◎ Shareholders who attend the meeting, after checking their physical condition including their temperature, will be asked to wear a mask. In order to ensure the safety of other shareholders, shareholders who are not in good physical condition, such as those with a fever, will be asked to refrain from entering the venue. We ask for your understanding.
- ◎ At reception and when entering the venue, we ask that you maintain social distancing and quietly enter in accordance with the guidance from our staff. Hand sanitizer will be available, so please be sure to disinfect your hands. It should be noted that the operation of this General Meeting of Shareholders is subject to change in accordance with the situation of the spread of the novel coronavirus in the period through to the day of the General Meeting of Shareholders, and such changes will be published on our website (<https://www.g-tekt.jp/ir/shareholder/meeting.html>).

Reference Documents for the Ordinary General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of surplus

G-TEKT's basic policy is to maintain a level of shareholders' equity that ensures investment for growth and tolerance for risk, and to return profits to shareholders in a stable and consistent way, with the aims of achieving sustainable growth and of enhancing corporate value over the medium to long term.

In accordance with the above-stated policy, the 10th year-end dividend is as follows.

Details of the year-end dividend

(i) Type of dividend property	Cash
(ii) Matters concerning the allotment of dividend property to shareholders and the total amount thereof:	¥25 per share of common stock of the Company Total cash dividends of ¥1,084,654,350
(iii) Effective date of dividend of surplus	June 21, 2021

The annual dividend including interim dividend of ¥25 per share will be ¥50 per share.

Proposal 2: Election of six Board Members

The terms of office of six Board Members, Naohiro Takao, Mitsuo Ishikawa, Isao Yoshizawa, Hiroshi Seko, Makoto Ogo, and Rieko Inaba will expire upon the conclusion of this General Meeting of Shareholders.

Therefore, we propose the election of six Board Members, including one new Board Member.

It should be noted that the candidates for Board Member were selected in accordance with our “Selection Criteria and Procedures for Candidates for Board Member” described below. In addition, two of the six candidates for Board Member are candidates for outside Board Member, both of whom meet our “Independence Standards for Outside Board Members and Outside Audit & Supervisory Board Members” described below.

[Selection criteria and procedures for candidates for Board Member]

- The basic policy is to have a Board of Directors that consists of a small number of people in order to speed up the making of management decisions.
- The candidates for Board Member were proposed by the Company President in consideration of diversity, and based on the experience, knowledge, and abilities required for the medium- to long-term creation of corporate value, and were determined by the Board of Directors following deliberations at the voluntary Nomination Advisory Committee.
- The ratio of independent outside Board Members at the Board of Directors has been set at one-third or more, and internationality is also sufficiently considered for Board Members, such as their experiences working or engaging in academic research overseas.
- We recognize that the background of each individual, including their gender and nationality, is a source of diverse perspectives in itself, and we promote the hiring as officers of a diverse range of human resources.

[Independence standards for outside Board Members / Outside Audit & Supervisory Board Members]

In the event of determining that an outside Board Member or outside Audit & Supervisory Board Member meets the requirements set forth below, we will judge that such a person has sufficient independence from the Company.

1. The individual has never worked at the Group.
2. The individual has never worked at an organization that is a major shareholder of the Company.
3. The individual has never worked at a major trading partner (Note) 1 of the Company.
4. The individual has never worked at a major lender (Note) 2 of the Company.
5. The individual has never worked at the lead managing underwriter of the Company.
6. The individual has never worked at the audit firm of the Company.
7. There is currently no major trading relationship (Note) 3 between the Company and the individual, such as in the form of a consulting or advisory agreement, and there has been no such relationship in the past five years.
8. The individual has never worked at an organization in which the Company had decided to invest under policy holding purposes
9. No relatives (Note) 4 of the individual work for the Company
10. The tenure of the individual as outside Board Member or outside Audit & Supervisory Board Member officer at the Company is less than ten years in total

(Note) 1. “Major trading partner” refers to a party for which the sales, etc., through the transactions with said trading partner occupy a

considerable portion of the sales, etc., of the Company, or to a party that provides a considerable amount of business property, such as important equipment and materials that are indispensable to the Company for their business activities.

2. “Major lender” refers to our so-called main banks and quasi-main banks.
3. “Major trading relationship” refers to cases where the payments received from the Company exceed ¥10 million per year.
4. “Relative” refers to the spouse of the individual or to a relative within the fourth degree of kinship.

Please refer to “Expertise and Experience of Candidates for Board Member and Audit & Supervisory Board Member (Skill Matrix)” on page 17 for the expertise and experience of the candidates for Board Member and the committee members to be appointed.

■Candidates for Board Member

No.	Name		Current positions and responsibilities		Attendance at the Board meetings
			Position	Responsibilities	
1	Naohiro Takao	Reappointment	President, Chief Executive Officer		12/12
2	Isao Yoshizawa	Reappointment	Member of the Board, Senior Managing Officer of the Company	In charge of Corporate Management, Compliance Officer and Corporate Management Division General Manager	12/12
3	Hiroshi Seko	Reappointment	Member of the Board, Managing Officer of the Company	Engineering Operations Director	11/11
4	Fumihiko Hirotaki	New Candidate	Managing Officer of the Company	Sales Operations Director	-
5	Makoto Ogo	Reappointment Outside Independent	Member of the Board		12/12
6	Rieko Inaba	Reappointment Outside Independent	Member of the Board		12/12

Outside : A candidate for outside Board Member

Independent : An independent Board Member registered with the Tokyo Stock Exchange

- (Note) 1. The number of meetings of the Board meetings that Mr. Hiroshi Seko attended is for meetings that were held after his election as Board Member on June 19, 2020 (JST)
2. Please refer to "Expertise and Experience of Candidates for Board Member and Audit & Supervisory Board Member (Skill Matrix)" on page 17 for the expertise and experience of the candidates for Board Member and the committee members to be appointed.

No.	Name (Date of birth)	Brief personal history, positions and responsibilities in the Company and significant positions concurrently Held
1	<p>Naohiro Takao (August 27, 1960)</p> <p>Number of shares held: 1,360,709 (including 74,133 shares to be issued based on performance-based remuneration)</p> <p>Reappointment</p>	<p>April 1983 Joined Honda Motor Co., Ltd.</p> <p>April 1986 Joined TAKAO KINZOKU KOGYO CO., LTD.</p> <p>June 1990 Business Division General Manager of the Company</p> <p>March 1993 Member of the Board of the Company</p> <p>August 1993 Research & Development and Planning Division General Manager of the Company</p> <p>June 1994 Sales Operations Director of the Company</p> <p>June 1995 President of Takao (Thailand) Co., Ltd. (currently G-TEKT (Thailand) Co., Ltd.)</p> <p>May 1996 President of Takao Eastern Co., Ltd. (currently G-TEKT Eastern Co., Ltd.)</p> <p>March 1997 Member of the Board, Managing Director of the Company</p> <p>March 1999 President of Takao America Corporation (currently G-TEKT America Corporation)</p> <p>September 1999 Sales Operations Director and Overseas Operations Director of the Company</p> <p>May 2004 Member of the Board of Thai G&B Manufacturing Ltd.</p> <p>April 2006 Manufacturing Operations Director of the Company</p> <p>April 2011 Member of the Board, Senior Managing Director, Overseas Operations Director of the Company Member of the Board of G-TEKT Europe Manufacturing Ltd. Member of the Board of Auto Parts Alliance (China) Ltd. Member of the Board of Wuhan Auto Parts Alliance Co., Ltd. Member of the Board of Conghua K&S Auto Parts Co., Ltd.</p> <p>November 2011 Member of the Board of G-TEKT India Private Ltd.</p> <p>February 2012 Member of the Board of PT.G-TEKT Indonesia Manufacturing</p> <p>April 2014 Vice President and Member of the Board of the Company</p> <p>April 2015 Vice President and Managing Officer of the Company Komisaris of PT.G-TEKT Indonesia Manufacturing</p> <p>June 2015 Member of the Board of G-TEKT North America Corporation</p> <p>April 2016 President, Chief Executive Officer of the Company (incumbent)</p>
	<p>Reasons for nomination as candidate for Board Member</p>	<p>Mr. Naohiro Takao, since joining the Company, has gained extensive business experience and deep insight into group management through his involvement in manufacturing, sales, and overseas business, etc.</p> <p>Since being appointed President in April 2016, he has led business strategies for the entire group, including the establishment of the G-TEKT TOKYO LAB, which is a key base for technological developments in anticipation of the spread of EVs, as well as overseas expansion.</p> <p>In addition, he has strongly driven the business of the Company as the top manager, including promptly responding to changes in circumstances that were caused by the spread of the novel coronavirus in 2020.</p> <p>Based on the above, we have determined that he has the knowledge required for the management of the Company, is suitable for supervising the Company in general, and therefore we have again nominated him as candidate for Board Member.</p>

No.	Name (Date of birth)	Brief personal history, positions and responsibilities in the Company and significant positions concurrently held	
2	<p>Isao Yoshizawa (April 27, 1957)</p> <p>Number of shares held: 30,228 (including 19,928 shares to be issued based on performance-based remuneration)</p> <p style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</p>	<p>April 1981</p> <p>April 2003</p> <p>April 2008</p> <p>April 2011</p> <p>April 2013</p> <p>April 2014</p> <p>June 2014</p> <p>April 2015</p> <p>April 2021</p>	<p>Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</p> <p>Deputy Manager of Settlement & Clearing Service Department Manager Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>Joined KIKUCHI CO., LTD. Advisor of Corporate Management Operations</p> <p>Legal Division General Manager, Corporate Management Operations of the Company (currently Corporate Management Division General Manager *incumbent)</p> <p>Officer of the Company, Corporate Management Operations Deputy Director of the Company</p> <p>Senior Officer of the Company</p> <p>Member of the Board, In charge of Corporate Management of the Company (incumbent) Compliance Officer of the Company (incumbent)</p> <p>Member of the Board, Managing Officer of the Company</p> <p>Member of the Board, Senior Managing Officer of the Company (incumbent)</p>
	<p>Reasons for nomination as candidate for Board Member</p>	<p>Mr. Isao Yoshizawa, since joining the Company in April 2008 after having worked at financial institutions, has used his many years of experience in investment banking globally to perform in legal and financial field, and has deepened his experience and knowledge of group management at the Company.</p> <p>Since being appointed as Board Member in 2014, he has engaged in human resource development measures and efforts to improve capital policy and corporate governance, and has contributed to the reforming of our management structure.</p> <p>Based on the above, we have determined that he has the experience and knowledge required for the management of business at the Company, is suitable for supervising the Company in general, and we have therefore again nominated him as candidate for Board Member.</p>	

No.	Name (Date of birth)	Brief personal history, positions and responsibilities in the Company and significant positions concurrently held	
3	<p>Hiroshi Seko (June 6, 1961)</p> <p>Number of Shares Held: 16,685 (including 11,485 shares to be issued based on performance-based remuneration)</p> <p style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</p>	<p>March 1984</p> <p>April 2008</p> <p>April 2011</p> <p>August 2011</p> <p>April 2013</p> <p>April 2014</p> <p>April 2019</p> <p>April 2020</p> <p>June 2020</p>	<p>Joined TAKAO KINZOKU KOGYO CO., LTD.</p> <p>Engineering Division General Manager</p> <p>Stamping Engineering Division II General Manager</p> <p>Stationed to G-TEKT Europe Manufacturing Ltd.</p> <p>Chief Operating Officer for Regional Operations (Europe) and Managing Director of G-TEM, U.K.</p> <p>Officer of the Company</p> <p>Engineering Operations Director (incumbent)</p> <p>Managing Officer of the Company</p> <p>Member of the Board, Managing Officer of the Company (incumbent)</p>
	<p>Reasons for nomination as candidate for Board Member</p>	<p>Mr. Hiroshi Seko, since joining the Company, has gained extensive business experience and deep insight into group management through his involvement in technology and overseas business, etc.</p> <p>Since being appointed as Board Member in 2020, he has played a leading role in improving technological development and profitability based on trends in state-of-the-art technology in the European automobile market.</p> <p>Based on the above, we have determined that he is suitable for leading the Company's sustainable growth as well as carrying out supervision as he has the experience and knowledge required for the management of business at the Company, in the technology field in particular, and we have therefore again nominated him as candidate for Board Member.</p>	

No.	Name (Date of birth)	Brief personal history, positions and responsibilities in the Company and significant positions concurrently held	
4	<p>Fumihiko Hirotaki (November 23, 1964)</p> <p>Number of shares held: 13,262 (including 9,662 shares to be issued based on performance-based remuneration)</p> <div data-bbox="161 801 331 842" style="border: 1px solid black; padding: 2px; width: fit-content;">New Candidate</div>	<p>August 1987</p> <p>February 2008</p> <p>April 2011</p> <p>April 2015</p> <p>April 2019</p> <p>April 2021</p>	<p>Joined TAKAO KINZOKU KOGYO CO., LTD.</p> <p>President of Takao (Thailand) Co., Ltd. (currently G-TEKT (Thailand) Co., Ltd.)</p> <p>Sales Operations Sales Division I General Manager</p> <p>Officer of the Company, Sales Operations Deputy Director</p> <p>Sales Operations Director (incumbent)</p> <p>Managing Officer of the Company, Sales Operations Director (incumbent)</p>
	<p>Reasons for nomination as candidate for Board Member</p>	<p>Mr. Fumihiko Hirotaki, since joining the Company, has gained extensive business experience and deep insight into group management through his involvement in sales and overseas business, etc.</p> <p>Through his service as Sales Operations Deputy Director from 2015 and as Sales Operations Director since 2019, he has endeavored to maintain and expand relationships with existing trading partners as well as to achieve new orders from a plurality of trading partners both inside and outside of Japan, and has contributed to a significant expansion in sales.</p> <p>Based on the above, we have determined that he is suitable for leading the Company's sustainable growth as well as carrying out supervision as he has the experience and knowledge required for the management of business at the Company, in the sales field in particular, and we have therefore nominated him as candidate for Board Member.</p>	

No.	Name (Date of birth)	Brief personal history, positions and responsibilities in the Company and significant positions concurrently held	
5	<p>Makoto Ogo (April 6, 1958)</p> <p>Number of shares held: -</p> <p>Reappointment</p> <p>Outside</p> <p>Independent</p>	<p>April 1986</p> <p>October 2000</p> <p>June 2002</p> <p>April 2011</p> <p>June 2013</p> <p>March 2015</p> <p>June 2015</p> <p>April 2016</p> <p>March 2021</p>	<p>Registered as an attorney at law Yanagida Nomura Law Offices (currently Yanagida Kokusai Law Offices) (incumbent)</p> <p>Leaving for Daiwa Securities Group Inc. Corporate Planning Department and Legal Management Division</p> <p>Outside Audit & Supervisory Board Member of NIF Ventures Co., Ltd. (currently Daiwa Corporate Investment Co., Ltd.)</p> <p>Outside Audit & Supervisory Board Member of Maruzen CHI Holdings Co., Ltd.</p> <p>Independent Outside Member of the Board of the Company (incumbent)</p> <p>Outside Audit & Supervisory Board Member of Lilycolor Co., Ltd.</p> <p>Outside Board Member of Nihon Kasei CO., LTD</p> <p>Outside Board Member of Maruzen CHI Holdings Co., Ltd. (Audit & Supervisory Committee Member) (incumbent)</p> <p>Outside Board Member of Lilycolor Co., Ltd. (Audit & Supervisory Committee Member) (incumbent)</p>
	<p>Reasons for nomination as candidate for outside Board Member and overview of expected roles</p>	<p>Mr. Makoto Ogo has accumulated many years of experience through his involvement in a broad range of cases, also including international cases, as an attorney at law, and also has experience serving as an outside Audit & Supervisory Board Member, thereby gaining significant knowledge and abilities in corporate legal affairs.</p> <p>From this background, and based also on the management environment of the Company, which is actively developing overseas, we expect that he will contribute to the monitoring of the Company in general, including the presentation of specialist opinions from an objective perspective that are useful for highly transparent management, and we have therefore nominated him as a candidate for outside Board Member.</p>	

No.	Name (Date of birth)	Brief personal history, positions and responsibilities in the Company and significant positions concurrently held	
6	<p>Rieko Inaba (October 23, 1975)</p> <p>Number of Shares Held: -</p> <p>Reappointment</p> <p>Outside</p> <p>Independent</p>	<p>April 2003</p> <p>September 2004</p> <p>March 2005</p> <p>April 2006</p> <p>November 2009</p> <p>April 2013</p> <p>April 2018</p> <p>June 2019</p>	<p>Inter-University Research Institute Corporation (currently National Institute of Multimedia Education)</p> <p>Assistant of Research and Development Department</p> <p>Visiting Research Fellow of Massachusetts Institute of Technology</p> <p>Visiting Research Fellow of Katholieke Universiteit Leuven</p> <p>Special researcher of National Institute of Information and Communications Technology, Knowledge Creating Communication Research Center</p> <p>Specific Instructor of Graduate School of Informatics, Kyoto University</p> <p>Specially Appointed Associate Professor, Department of Computer Science, Tsuda University</p> <p>Associate Professor of Department of Computer Science, Tsuda University (incumbent)</p> <p>Independent Outside Member of the Board of the Company (incumbent)</p>
	<p>Reasons for nomination as candidate for outside Board Member and overview of expected roles</p>	<p>Ms. Rieko Inaba has been engaged in research centered on information technology, language, and communication as a researcher at a higher education institution, and has engaged in a broad range of research activities, including the writing of academic papers and books.</p> <p>She has further been involved in educational activities including taking charge of training in her field and college lectures, and has gained advanced knowledge as a researcher and educator.</p> <p>Based on such a background, we expect that she will give useful opinions and advice, etc., on management-related matters of the Company from an objective perspective, and will contribute to the monitoring of the Company in general, and therefore we have nominated her as a candidate for outside Board Member.</p>	

- (Note)
1. The Company has no special interest with each candidate.
 2. The Company has entered into a liability agreement with Mr. Makoto Ogo and Ms. Rieko Inaba, which their liability shall be limited to the minimum liability amount stipulated by laws and regulations under Article 423, Paragraph 1 of the Companies Act. If their reelection is approved, the Company intends to extend the agreement with them.
 3. Mr. Makoto Ogo is a candidate for outside Board Member of the Company, who satisfies the “Independence Standards for Outside Board Members and Outside Audit & Supervisory Board Members” of the Company and the requirements of Independent Board Member as stipulated by the Tokyo Stock Exchange. The Company has registered him as Independent Board Member as stipulated by the said Exchange.
 4. Ms. Rieko Inaba is a candidate for outside Board Member of the Company, who satisfies “the Independence Standards for Outside Board Members and Outside Audit & Supervisory Board Members” of the Company and the requirements of Independent Board Member as stipulated by the Tokyo Stock Exchange. The Company has registered her as Independent Board Member as stipulated by the said Exchange.
 5. Mr. Makoto Ogo’s term of office as outside Board Member of the Company will be 8 years at the conclusion of this meeting.
 6. Ms. Rieko Inaba’s term of office as outside Board Member of the Company will be 2 years at the conclusion of this meeting.

7. The Company has entered into a directors and officers liability insurance policy, the content of which has been summarized below, and plans to renew this policy in April 2022. The six candidates Board Member are already covered under this insurance policy, and will continue to be covered under this policy after their appointment.

[Overview of the insurance policy]

(i) Actual portion of insurance premiums borne by the insureds

10% of the insurance premiums will be borne by the insured, including Board Members, Audit & Supervisory Board Members, and Executive Officers.

(ii) Overview of insurance incidents subject to compensation

The policy will compensate the insured for damage incurred through claims for damages, etc., that are filed during the insurance term in relation to the execution of the duties of the insured.

(Reference)

Expertise and Experience of Candidates for Board Member and Audit & Supervisory Board Member (Skill Matrix)

The holding of lively discussion from different perspectives between diverse persons of varying specialties will result in management that enables the realization of our corporate philosophy through improvement in corporate value in the medium to long term.

Name and affiliation	Board of Directors					
	Naohiro Takao August 27, 1960	Isao Yoshizawa April 27, 1957	Hiroshi Seko June 6, 1961	Fumihiko Hirotaki November 23, 1964 New candidate	Makoto Ogo April 6, 1958 Independent Outside	Rieko Inaba October 23, 1975 Independent Outside
Committee member planned to be appointed, etc.	President, Chief Executive Officer	Member of the Board, Senior Managing Officer	Member of the Board, Managing Officer	Member of the Board, Managing Officer	Member of the Board	Member of the Board
	Nomination Advisory Committee Member	Nomination Advisory Committee Member			Chairperson, Nomination Advisory Committee	Nomination Advisory Committee Member
	Remuneration Advisory Committee Member	Remuneration Advisory Committee Member			Chairperson, Remuneration Advisory Committee	Remuneration Advisory Committee Member
	Chairperson of the Board of Directors					
Length of service	28 years	7 years	1 year	New candidate	8 years	2 years
Business administration	●	●	●	●		
Technology/R&D	●		●	●		
Sales	●		●	●		
Manufacturing/Quality Management	●		●	●		
Finance	●	●				
Legal affairs and risk management	●	●			●	●
ESG (Environment, society, governance)	●	●			●	●

[Tenure as Board member]

0 to 5 years		3 people
5 to 15 years		2 people
15 years or more		1 person

Name and affiliation	Audit and Supervisory Board			
	Takahiro Nakanishi March 17, 1957	Kesao Tamura June 2, 1961	Yasunori Niizawa December 6, 1954 Independent Outside	Yasuo Kitamura March 8, 1965 Independent Outside
Committee member planned to be appointed, etc.	Audit and Supervisory Board Member (full-time)	Audit and Supervisory Board Member (full-time)	Audit and Supervisory Board Member	Audit and Supervisory Board Member
Length of service	2 years	6 years	2 years	2 years
Business administration	●	●		
Technology/R&D	●			
Sales	●			
Manufacturing/Quality Management	●	●		
Finance		●	●	
Legal affairs and risk management				●
ESG (Environment, society, governance)	●	●	●	●

Business Report
(From April 1, 2020 to March 31, 2021)

1. Status of the Corporate Group

(1) Overview of business this consolidated fiscal year

(i) Progress and results of operations

The economic situation during this consolidated fiscal year saw economic activities stagnate as restrictions were placed on movement around the world due to the global spread of the novel coronavirus. Large sums of fiscal stimulus and monetary easing in each country helped recover from the bottom in the first quarter, however, the pandemic expanded again in Europe and the United States in particular in the third and fourth quarters, resulting in tighter restrictions on activities and a slowed recovery to employment. An economic recovery is expected to occur through the spread of vaccination.

The automobile industry suffered a significant shock due to the suspension of production activities and the contraction of sales in the first quarter; however, since the resumption of production, China has continued to have good production status, and we have also seen a recovery in the United States and Europe. Emerging economies are on a recovery trend, although the resumption of production has come later than in other regions. On the other hand, there are still significant uncertainties ahead of us, including the suspension of production due to a shortage of semiconductors and raw materials in the fourth quarter.

In such an environment, the Group has been working on the four priority items described below in order to survive this period of great reform in the automobile industry, based on the needs of customers as suppliers and changes in the market, etc.

- (1) Improvement of corporate structure: Improvement of productivity and reliability of quality through the use of automation and digital technology
- (2) Acceleration of growth, expansion of sales and profit: Acceleration of the development of single vehicles and the further evolution of existing production technology
- (3) Human resource development: Development of the next generation of managers, development of middle management, securing of specialized human resources in growth fields
- (4) Social contribution: Contribution to climate change and SDGs

The global spread of the novel coronavirus is changing people's values and behaviors. While the Company has not made any major revisions to the priority items described above, we are responding to the pressing issue of climate change, and are engaging in efforts to enhance our digital platform, to promote DX in order to innovate our value chain, and to strengthen our EV-related business, including battery housing and electric powertrain-related parts that can be customized in accordance with the needs of the customer, etc.

In regard to performance this fiscal year, we witnessed a recovery trend from the second quarter onward in China, production volumes have increased as a result of a favorable market environment, and production has also recovered in other regions. However, due to the suspension of production because of the spread of the novel coronavirus in the first quarter and the shortage of semiconductors in some regions in the fourth quarter, our mass-production sales decreased, with net sales at a level of ¥209,420 million (a year-on-year fall of 8.3%). Regarding profit, the impact of the fall in revenue in regions other than China and Europe, which saw increased profit, resulted in an operating profit of ¥8,050 million (a year-on-year fall of 7.2%). Ordinary profit was ¥8,653 million (a year-on-year decrease of 1.0%) and net income attributable to owners of parent was ¥6,532 million (a year-on-year increase of 15.9%).

◆Sales by region

Region	The 9th year (Year ended March 31, 2020)		The 10th year (Year ended March 31, 2021)		Year-on-year change (%)
	Amount (Billions of yen)	Composition ratio (%)	Amount (Billions of yen)	Composition ratio (%)	
Japan	518	21.6	497	22.4	(4.0)
North America	806	33.6	700	31.5	(13.1)
Europe	207	8.6	177	8.0	(14.5)
Asia	347	14.4	236	10.6	(32.1)
China	443	18.4	562	25.2	26.9
South America	81	3.4	51	2.3	(36.7)
Consolidation adjustment	(119)	-	(129)	-	-
Total	2,283	100.0	2,094	100.0	(8.3)

◆Operation profit or loss by region

Region	The 9th year (Year ended March 31, 2020)	The 10th year (Year ended March 31, 2021)	Year-on-year change (%)
	Amount (Billions of yen)	Amount (Billions of yen)	
Japan	1	(5)	-
North America	(15)	(1)	-
Europe	26	28	6.8
Asia	26	(5)	-
China	47	63	34.1
South America	2	(2)	-
Consolidation adjustment	-	3	-
Total	87	81	(7.2)

◆Sales by business segment

Business segment	The 9th year (Year ended March 31, 2020)		The 10th year (Year ended March 31, 2021)		Year-on-year change (%)
	Amount (Billions of yen)	Composition ratio (%)	Amount (Billions of yen)	Composition ratio (%)	
Auto body components	1,954	85.6	1,732	82.7	(11.4)
New vehicle model development	236	10.3	274	13.1	16.4
Transmission parts	84	3.7	72	3.5	(13.9)
Other	9	0.4	16	0.7	78.8
Total	2,283	100.0	2,094	100.0	(8.3)

(Note) The above figures are rounded off to the nearest million yen. Profit margin and increase or decrease rate are calculated in units of million yen.

(ii) Capital expenditures

This period, model investment in conjunction with the launch of new models was ¥8.5 billion (a year-on-year fall of 36.5%). On the other hand, as a result of the investment in expansion of plant buildings, expansion of press capacity, and welding line, etc., fundamental investment was ¥13.1 billion (a year-on-year decrease of 22.0%), and total investment was ¥21.6 billion (a year-on-year decrease of 28.4%).

(iii) Financing

We expanded bank borrowing from the beginning of the term in order to secure cash on hand in response to suspended factory operations and production cuts due to the effects of COVID-19. Due to the recovery of cash flows from operating activities due to the early resumption of production, a portion of short-term loans were repaid and liquidity on hand normalized as of the end of the fiscal year.

(iv) Transfers of business, split-offs or spin-offs

This item is not applicable.

(v) Acquisition of business from other companies

This item is not applicable.

(vi) Succession to the rights and responsibilities of other companies through mergers and acquisitions

This item is not applicable.

(vii) Acquisition or disposal of shares or other equities or warrants of other companies

This item is not applicable.

(2) Status of assets and profit and loss

(Billions of yen)

	The 7th year (FY 2017)	The 8th year (FY 2018)	The 9th year (FY 2019)	The 10th year (FY 2020)	Year-on-year	
					Amount	Ratio (%)
Net sales	2,198	2,556	2,283	2,094	(189)	(8.3)
Operating profit	143	168	87	81	(6)	(7.2)
Ordinary profit	146	174	87	87	0	(1.0)
Profit attributable to owners of parent	115	105	56	65	9	15.9
Earnings per share (yen)	264.28	243.11	131.35	152.15	20.80	15.8
Total assets	2,249	2,253	2,322	2,380	58	2.5
Net assets	1,305	1,335	1,316	1,451	135	10.2
Net assets per share (yen)	2,708.64	2,838.35	2,803.15	3,117.66	314.51	11.2
Return on equity (%)	10.2	8.7	4.7	5.1	—	—
Return on asset (%)	6.7	7.7	3.8	3.7	—	—
Operating profit margin (%)	6.5	6.6	3.8	3.8	—	—

(Note) The above figures are rounded off to the nearest million yen. Profit margin and increase or decrease rate are calculated in units of million yen.

(3) Capital policy

The Company, with the objective of sustainable growth and the improvement of corporate value in the medium to long term, has set a basic policy of maintaining shareholders' equity at a level that can tolerate growth investment and risk, while implementing stable and ongoing returns to shareholders. In the future as well, we will meet the expectations of long-term investors by continuing this basic policy.

The year-end dividend for this consolidated fiscal year, in accordance with the policy described above, and in comprehensive consideration of performance this period, liquidity on hand, and our financial base, etc., is planned to be set at ¥25 per share, as was planned at the start of the period.

Including the interim dividend of ¥25 per share, the annual dividend will be ¥50 per share, a year-on-year increase of ¥2 per share. For the fiscal year ending March 31, 2022, we will be paying a dividend to commemorate the 10th anniversary of the establishment of G-TEKT. We plan to pay an annual dividend of ¥56 per share, an increase of ¥6 from the previous fiscal year, with an interim and year-end dividend of ¥3 per share each as commemorative dividends.

Based on the policy above, going forward we will continue to increase dividends after considering as a whole the Group's business performance, earnings and financial base, and business environment, etc., maintaining liquidity on hand and securing dividend funds.

(4) Status of major parent company and subsidiaries

(i) Relationship with parent company

This item is not applicable.

(ii) Status of major subsidiaries

Name of Company	Amount of Capital	Voting Rights Ratio	Major Lines of Business
Jefferson Industries Corporation	US\$40 million	62.6%	Manufacturing of auto body components
Jefferson Southern Corporation	US\$23 million	100.0% (91.3)	Same as above
Austin Tri-Hawk Automotive, Inc.	US\$18 million	93.6%	Same as above
G-TEKT America Corporation	US\$14million	85.0%	Same as above
Jefferson Elora Corporation	C\$24 million	100.0% (88.8)	Same as above
G-TEKT North America Corporation	US\$22 million	100.0%	Development and sales of auto body components, sales of manufacturing equipment
G-TEKT MEXICO CORP. S.A. DE C.V.	US\$20 million	100.0%	Manufacturing of auto body components and transmission parts
G-TEKT Europe Manufacturing Ltd.	£12 million	100.0%	Manufacturing of auto body components
G-TEKT Slovakia, s.r.o.	€28 million	100.0% (20.0)	Same as above
G-TEKT (Deutschland) GmbH.	€55 thousand	100.0%	Research and sales
G-TEKT (Thailand) Co., Ltd.	THB140 million	52.3%	Manufacturing of auto body components
G-TEKT Eastern Co., Ltd.	THB507 million	100.0%	Same as above
Thai G&B Manufacturing Ltd.	THB74 million	100.0%	Same as above
G-TEKT India Private Ltd.	INR650 million	100.0%	Same as above
PT.G-TEKT Indonesia Manufacturing	US\$61 million	100.0%	Manufacturing of auto body components and transmission parts
Auto Parts Alliance (China) Ltd.	US\$34 million	100.0%	Same as above
Wuhan Auto Parts Alliance Co.,Ltd.	US\$15 million	100.0%	Manufacturing of auto body components
Conghua K&S Auto Parts Co.,Ltd.	US\$4 million	100.0%	Same as above
G-KT do Brasil Ltda.	BRL52 million	100.0%	Same as above

(Note) 1. Jefferson Southern Corporation and Jefferson Elora Corporation are subsidiaries of Jefferson Industries Corporation.

2. The figures stated in brackets in the column of “Voting Rights Ratio” represent the indirect ownership ration.

3. Global Auto-Parts Alliance India Private Ltd. is in liquidation.

(iii) Status of specified wholly owned subsidiaries as of the end of the fiscal year

This item is not applicable.

(iv) Other important status of business combination

Name of Company	Amount of Capital	Voting Rights Ratio	Major Lines of Business
G-ONE AUTO PARTS DE MEXICO, S.A. DE C.V.	US\$60 million	50%	Manufacturing of auto body components

(5) Issues that should be addressed

The automobile industry, to which the Group is affiliated, is entering a major turning point due to rapid technological innovation in electrification and autonomous driving, the entry of various industries, and further due to catering to environmental standards relating to global warming and climate change that have been established by governments around the world.

In this business environment, we have stated our vision as “Shape a better future for people and automobiles through the fusion of passion and innovation,” and are accelerating the following initiatives with the objective of being a manufacturer specializing in car bodies that handles everything from development to mass production, and that leads the manufacture of cars in terms of the environment and safety.

(i) Acceleration of growth, expansion of sales and profit

In response to climate change issues, each OEM is reviewing its strategy and accelerating the shift to EVs. The Company will establish EV-related business in order to lead to business growth from the increase in EV demand going forward.

In the form of the creation of a new business, we aim to enter into the development of a platform dedicated to electric vehicles based on the body in white analysis technology that we have been working on.

In addition, in order to expand our lineup of EV-related products, we are also working on efforts to create businesses in the areas of battery housing and electric powertrain-related parts that can be customized in accordance with the needs of the customer.

(ii) Corporate transformation

We will launch the new DX (Digital Transformation) project and will promote innovation throughout our entire value chain through the use of digital technology.

In the quality assurance area, which is the basis for the trust of our customers, we will aim to conduct predictive and preventive management by visualizing and globally monitoring quality information of the Group.

(iii) Development and securing of human resources

With the objective of being an organization at which a diverse range of employees have mutual respect for each other, demonstrate their abilities and individuality, and feel a sense of motivation and growth through their work, we are working on efforts to improve management skills and to shift from “management” to management that brings light to people and organizations.

In addition, we provide each employee with fair and ongoing educational opportunities, and take developmental measures that allow each individual to recognize their strengths and to fully enhance and demonstrate their abilities.

We are further endeavoring to develop and secure a diverse range of human resources, including in terms of gender, nationality, work history, and age, under fair recruitment selection, with an equal promotion system and job-based benefits.

(iv) Contribution to society

For the sustainable growth of the company, we will tackle sustainability issues through appropriate collaboration with all stakeholders, including awareness of global environmental issues such as climate change, respect for human rights, consideration of the health and working conditions of employees, fair and appropriate treatment, fair and proper transactions with trading partners, and crisis management for natural disasters, etc.

In terms of our response to global environmental issues, which are major issues, we have declared that we will be carbon neutral by 2050. In response to this, we will launch the GX (Green Transformation) project, and will accelerate our activities towards the achievement of zero emissions.

(6) Major businesses (as of March 31, 2021)

The Group (the Company and its affiliates) is comprised of the Company, 20 consolidated subsidiaries, and one affiliate accounted for by the equity method, and our main business is the manufacture and sale of automobile parts in Japan, North America, Europe, Asia, China, and South America.

The Company manufactures and sells auto parts to domestic customers, and manufacturing and sales to overseas customers are carried out by local subsidiaries and affiliates in North America, Europe, Asia, China, and South America with technical assistance from the Company. Production equipment such as dies, jigs and tools is mainly supplied by the Company, G-TEKT (Thailand) Co., Ltd. and Auto Parts Alliance (China) Ltd. within the group.

(7) Major offices and plants (as of March 31, 2021)

(i) the Company

Head Office	Saitama-shi, Saitama
Saitama Plant	Fukaya-shi, Saitama
Hamura Plant	Hamura-shi, Tokyo
Shiga Plant	Koka-chi, Shiga
Tochigi Plant	Sakura-shi, Tochigi
Gunma Plant	Ota-shi, Gunma
Hamura Office	Hamura-shi, Tokyo
C&C Tochigi	Takanezawa-machi, Shioya-gun, Tochigi
G-TEKT TOKYO LAB	Hamura-shi, Tokyo
G-TEKT Shanghai Representative Office	Shanghai, China

(ii) Subsidiaries

Jefferson Industries Corporation	Ohio, U.S.
Jefferson Southern Corporation	Georgia, U.S.
Austin Tri-Hawk Automotive, Inc.	Indiana, U.S.
G-TEKT America Corporation	Michigan, U.S.
Jefferson Elora Corporation	Ontario, Canada
G-TEKT North America Corporation	Ohio, U.S.
G-TEKT MEXICO CORP. S.A. DE C.V.	Guanajuato, Mexico
G-TEKT Europe Manufacturing Ltd.	Gloucester, U.K.
G-TEKT Slovakia, s.r.o.	Nitra, Slovakia
G-TEKT (Deutschland) GmbH.	Bavaria, Germany
G-TEKT (Thailand) Co., Ltd.	Ayutthaya, Thailand
G-TEKT Eastern Co., Ltd.	Rayong, Thailand
Thai G&B Manufacturing Ltd.	Rayong, Thailand
G-TEKT India Private Ltd.	Rajasthan, India
PT.G-TEKT Indonesia Manufacturing	West Java, Indonesia
Auto Parts Alliance (China) Ltd.	Guangzhou, Guangdong Province, China
Wuhan Auto Parts Alliance Co.,Ltd.	Wuhan, Hubei Province, China
Conghua K&S Auto Parts Co.,Ltd.	Guangzhou, Guangdong Province, China
G-KT do Brasil Ltda.	Sao Paulo, Brazil

(Note) Global Auto-Parts Alliance India Private Ltd. is liquidation.

(8) Employees (as of March 31, 2021)

(i) Employees of the G-TEKT Group

Number of employees	Change in the number since the previous fiscal year end
8,172 [1,767]	(504) [(267)]

(Note) Number of employees means the number of full-time employees (including employees temporarily transferred to the Company), and the number of temporary employees on the annual average is stated in brackets. In addition, the number of full-time and temporary employees in overseas subsidiaries of the previous fiscal year end is calculated based on the number as the end of February, 2020

(ii) Employees of the Company

Number of employees	Change in the number since the previous fiscal year end	Average age	Average service years
1,169 (Men: 1,060 Women:109)	7	39 years and 10 months	16 years and 1 month

(Note) Number of employees means the number of full-time employees (including employees temporarily transferred to the Company), the following number of employees does not include: 406 temporary employees, 6 employees transferred to other companies and 108 employees transferred to overseas subsidiaries.

(9) Main loan lenders (as of March 31, 2021)

(Millions of yen)

Name of loan lender	Amount of loan
MUFG Bank, Ltd.	13,063
Sumitomo Mitsui Banking Corporation	10,535
Mizuho Bank, Ltd.	7,545
Sumitomo Mitsui Trust Bank, Limited	4,014
Nippon Life Insurance Company	2,932
Saitama Resona Bank, Limited	2,887

(10) Other important matters concerning the present state of the G-TEKT Group

This item is not applicable.

2. Company Shares (as of March 31, 2021)

(1) Total number of authorized shares: 100,000,000 shares

(2) Total number of issued shares: 43,931,260 shares (including the Company's treasury stock 545,086 shares)

(3) Number of shareholders: 11,512

(4) Principal shareholders

Shareholders	Number of shares held (shares)	Shareholding ratio (%)
Honda Motor Co., Ltd.	13,035,098	30.04
BBH FOR FIDELITY PURITAN TR : FIDELITY SR INTRINSIC OPPORTUNITIES FUND	2,918,382	6.73
Toshitsugu Kikuchi	2,225,901	5.13
KP K.K.	2,200,800	5.07
Custody Bank of Japan, Ltd. (Trust Account)	2,194,515	5.06
TK Holdings Inc.	2,194,344	5.06
The Master Trust Bank of Japan, Ltd (Trust Account)	1,729,800	3.99
Naohiro Takao	1,286,576	2.97
SSBTC CLIENT OMNIBUS ACCOUNT	825,729	1.90
RE FUND 107-CLIENT AC	682,400	1.57

(Note) 1. The Shareholding Ratio is calculated after deducting 545,086 treasury shares.

2. The treasury stock does not include 455,115 shares for performance-based remuneration owned by Custody Bank of Japan, Ltd. (Trust Account)

3. Status of Stock Acquisition Rights of the Company

(1) Stock acquisition rights issued to/held by executives of the Company as compensation for the execution of their duties as of the fiscal year end

This item is not applicable.

(2) Stock acquisition rights to/held by employees of the Company as compensation for the execution of their duties in the fiscal year.

This item is not applicable.

(3) Other important matters concerning stock acquisition rights

This item is not applicable.

<Matters relating to shares held by the Company>

(1) Policy on cross-shareholdings of the Company

The Company, upon comprehensive decision-making on the maintenance and strengthening of business relationships, the necessity for business operations, as well as economic rationality, etc., holds listed shares, annual reviews of which are conducted by the Board of Directors, and stocks with little meaning to hold are sold as appropriate.

(2) Standards for the exercising of voting rights of the Company

The exercising of voting rights in relation to held shares is performed appropriately upon examining the possibility of the content of each proposal causing damage to the corporate value of the Company, whether or not such content will be useful for the sound operation of the issuing company, and whether or not it can be expected to improve corporate value.

(3) Stock investments for purposes other than net investment

Brand	Number of shares (shares)	Amount stated on balance sheet (Millions of yen)	Purpose of holding
Mitsubishi UFJ Financial Group, Inc.	447,170	264	Maintenance and enhancement of long-term trading relationship
SUBARU CORPORATION	42,069	92	Maintenance and enhancement of long-term trading relationship
HANWA Co., Ltd.	32,186	109	Maintenance and enhancement of long-term trading relationship
AIDA ENGINEERING, LTD.	14,674	14	Maintenance and enhancement of long-term trading relationship
Nissan Motor Co., Ltd.	10,000	6	Maintenance and enhancement of long-term trading relationship

4. Particulars Regarding the Company's Officers

(1) Names etc. of Board Members and Audit & Supervisory Board Members (as of March 31, 2021)

Position	Name	Responsibilities in the company and significant positions concurrently held
President, Chief Executive Officer of the Company	Naohiro Takao	
Member of the Board, Senior Managing Officer of the Company	Mitsuo Ishikawa	Overseas Operations Director

Position	Name	Responsibilities in the company and significant positions concurrently held
Member of the Board, Managing Officer of the Company	Isao Yoshizawa	In charge of Corporate Management, Compliance Officer and Corporate Management Division General Manager
Member of the Board, Managing Officer of the Company	Hiroshi Seko	Engineering Operations Director
Independent Outside Member of the Board of the Company	Makoto Ogo	Attorney at law Outside Board Member of Maruzen CHI Holdings Co., Ltd. (Audit and Advisory Committee Member) Outside Board Member of Lilycolor Co., Ltd. Audit and Advisory Committee Member)
Independent Outside Member of the Board of the Company	Rieko Inaba	Associate Professor of Department of Computer Science, Tsuda University
Audit & Supervisory Board Member	Takahiro Nakanishi	
Audit & Supervisory Board Member	Kesao Tamura	
Independent Outside Audit & Supervisory Board Member	Yasunori Niizawa	Tax accountant Outside Audit & Supervisory Board Member of Kanto Kensetsu Kogyo K.K.
Independent Outside Audit & Supervisory Board Member	Yasuo Kitamura	Attorney at law Outside Board Member of LITALICO Inc. (Audit & Advisory Committee Member) Outside Audit & Supervisory Board Member of AIMECHATEC, Ltd.

(Note) 1. Board Members Makoto Ogo and Rieko Inaba are outside Board Members.

2. Board Member Makoto Ogo is a qualified attorney at law, and has broad insight and extensive experience.
3. Board Member Rieko Inaba has broad insight and extensive experience as a researcher at a higher education institution.
4. Audit & Supervisory Board Members Yasunori Niizawa and Yasuo Kitamura are outside Audit & Supervisory Board Members.
5. Audit & Supervisory Board Member Yasunori Niizawa is a qualified tax accountant, and has considerable knowledge in taxation.
6. Audit & Supervisory Board Member Yasuo Kitamura is a qualified attorney at law, and has broad insight and extensive experience.
7. Board Members Makoto Ogo and Rieko Inaba, and Audit & Supervisory Board Members Yasunori Niizawa and Yasuo Kitamura have been registered as independent officers with the Tokyo Stock Exchange.

(2) Summary of details of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy with an insurance company as prescribed in Article 430-3 Paragraph 1 of the Companies Act, and a summary of the insured and the contents of said insurance policy are provided below.

- Insured: Board Members, Audit & Supervisory Board Members, Executive Officers, management personnel, officers and employees who are dispatched as officers to a non-subsiary external corporate entity
- Summary of the contents
 - Ratio to be borne by the insured..... Board Members, Audit & Supervisory Board Members, and Executive Officers are to bear approximately 10% of the insurance premiums.
 - Insurance incidents subject to compensation... Damage incurred by the insured through claims for damages, etc., that are filed during the insurance term in relation to the execution of the duties of the insured.

(3) Amount of remuneration for Board Members and Audit & Supervisory Board Members

Classification	Total amount of remuneration, etc. (Millions of yen)	Amount of remuneration, etc., by type (Millions of yen)			Number of people
		Basic remuneration	Performance-based remuneration (bonus)	Non-monetary remuneration (share-based remuneration)	
Board Members [of which outside Board Members]	214 [10]	165 [10]	- [-]	49 [-]	6 [2]
Audit & Supervisory Board Members [of which outside Audit & Supervisory Board Members]	49 [9]	49 [9]	- [-]	- [-]	4 [2]
Total	264	215	-	49	10

- (Note) 1. The maximum remuneration for Board Members was set at ¥500 million per year at the extraordinary general meeting of shareholders held on February 25, 2011. There were six Board Members as of the conclusion of said annual general meeting of shareholders.
2. The amount of monetary remuneration for Audit & Supervisory Board Members was set at up to ¥60 million per year at the annual general meeting of shareholders held on December 22, 1993. There were two Audit & Supervisory Board Members as of the conclusion of said annual general meeting of shareholders.
3. Bonuses are performance-based remuneration aimed at increasing the motivation to contribute while taking appropriate risks for improving business performance, and operating profit, etc. is used as a performance indicator. The amount of bonus is determined by multiplying operating profit for the current fiscal year under review as the standard by a coefficient determined according to the growth rate of operating profit. Bonuses for the current fiscal year under review have not been distributed because operating profit did not reach the prescribed level.
4. Issuance of share-based remuneration to Board Members in the form of non-monetary remuneration, etc. The Company has introduced a share-based remuneration system using a trust, points are granted for each fiscal year, and shares are delivered according to the total number of points when each officer retires. It consists of a non-performance-based component to increase motivation to contribute to medium- to long-term improvement of the stock price, and a performance-based component to increase motivation to contribute to short-term improvement of business performance using operating profit as a performance indicator.

The amount of performance-based remuneration is determined by multiplying the standard amount for each position by a coefficient according to the performance of operating profit, and points equivalent to ¥20 million were granted in the current fiscal year under review. The trend of operating profit including the current fiscal year under review is as described in “Status of assets and profit and loss.”

(4) Remuneration, etc. for Board Members

(i) Matters relating to the decision-making policy for the content of individual remuneration, etc. for Board Member

■ Summary

The Company has prescribed a decision-making policy for the content of individual remuneration, etc. for Board Member (“Decision Making Policy”), and the content of individual remuneration, etc. for Board Member, is determined based on this Decision Making Policy, with the objectives of raising the motivation of officers to contribute towards enabling sustainable growth and the improvement of corporate value, as well as towards improving short- and medium-term performance.

<<Composition of remuneration>>

The remuneration system comprises three elements, namely “basic remuneration,” which is a fixed and monthly salary; “bonuses,” which are linked to short-term performance; and “share-based remuneration,” which is linked to stock price and performance. The distribution of remuneration (the ratio of remuneration by type) is based on a ratio of “basic remuneration : bonuses : share-based remuneration = 7:1:2.” Bonuses and share-based remuneration are not paid to non-executive Board Members, including outside Board Members.

<<Basic remuneration>>

For President and Executive Officers and below, remuneration is set as a fixed monthly salary, in accordance with the position, in consideration also of the individual’s responsibilities, length of service, as well as standards and employee salary levels at other companies.

<<Bonuses>>

In regard to bonuses, in the case of operating profit for the period having increased year-on-year, a performance coefficient is determined in consideration of various circumstances, such as operating profit margin, year on year growth rate of operating profit, EPS growth rate, and contribution to ESG (Environment, i.e., climate change, Social contribution activities and Governance), etc., based on operating profit this period, and the aggregate amount is determined accordingly.

Individual remuneration is calculated by multiplying the standard amount determined in accordance with position by the coefficient in accordance with the level of contribution, and is paid at the defined time each year.

<<Share-based remuneration>>

We have introduced a share-based remuneration system that uses a trust, in which we grant points each fiscal year and issue shares in accordance with the total number of points at the time the officer leaves their position. This comprises a non-performance based part for the medium- to long-term improvement of the stock price, as well as a short-term performance-based part, and the specific allocation of points is determined by the Board of Directors and operated based on the Share Issuance Rules.

<<Method for determining remuneration>>

Basic remuneration, bonuses, and share-based remuneration, including the content of individual remuneration, etc., are discussed at the voluntary Remuneration Advisory Committee, which is chaired by the lead independent outside Board Member. The final decision is made by the Board of Directors and entrusted to the President, based on the results of deliberation by the voluntary Remuneration Advisory Committee.

■ Decision-making policy determination method

The decision-making policy was resolved at the meeting of the Board of Directors held on February 26, 2021, in order to establish remuneration that is targeted at the realization of the management policy, and based on the content of deliberations on the proposals deliberated by the Advisory Committee.

■ Reasons for the determination by the Board of Directors that the amount of individual remuneration is in line with the decision-making policy

At the time of the determination of the content of individual remuneration, etc. for Board Member, as a voluntary Remuneration Advisory Committee chaired by an independent outside Board Member conducted a verification of the proposal in light of the decision-making policy, the Board of Directors has determined that the content of the deliberations was in line with the basic policy.

(ii) Matters relating to the entrustment of decisions on the content of individual remuneration, etc. for Board Member

The content of individual remuneration for Board Member in this fiscal year was determined by President Naohiro Takao, based on the resolution of delegation of the Board of Directors.

The content of the authority is the amount of basic remuneration, the amount of bonuses, and the number of shares in share-based remuneration for each Board Member, as well as the distribution of basic remuneration, bonuses, and share-based remuneration. The reason for the delegation of such authority is because the President is a suitable person for evaluating the duties and achievements of each Board Member, in consideration of business performance in light of the business environment surrounding the Company, as well as based on the function of each department as an organization. It should be noted that in order to ensure that the delegated authority is exercised appropriately, the remuneration of each Board Member is deliberated by the voluntary Remuneration Advisory Committee established by the Board of Directors, after which said advisory committee presents a report.

(5) Matters concerning outside Board Members and outside Audit & Supervisory Board Members

(i) Status of important concurrent positions with other corporate entities, etc. (in the case of being a business executor of another corporate entity, etc.), and the relationship between the Company and such other corporate entities, etc.

This item is not applicable.

(ii) Status of important concurrent positions of outside Board Members or outside Audit & Supervisory Board Members with other corporate entities, etc., and the relationship between the Company and such other corporate entities, etc.

- Board Member Makoto Ogo is an outside Board Member (Audit & Supervisory Committee Member) of Maruzen CHI Holdings Co., Ltd. and an outside Board Member (Audit & Supervisory Committee Member) of Lilycolor CO., LTD. In addition, he served

as outside Audit & Supervisory Board Member of Lilycolor CO., LTD., and retired from this position on March 30, 2021. It should be noted that there are no major transactions or other special relationships between the Company and said other corporate entities, etc.

- Audit & Supervisory Board Member Yasuo Kitamura is an outside Board Member (Audit & Supervisory Committee Member) of LITALICO Inc., an outside Audit & Supervisory Board Member of AIMECHATEC, Ltd. In addition, he served as outside Board Member of Toagosei Co., Ltd., however retired from this position on March 30, 2021. It should be noted that there are no major transactions or other special relationships between the Company and said other corporate entities, etc.
- Audit & Supervisory Board Member Yasunori Niizawa is an outside Audit & Supervisory Board Member of Kanto Construction Co., Ltd. It should be noted that there are no major transactions or other special relationships between the Company and said other corporate entities, etc.

(iii) Status of major activities this fiscal year

- Status of attendance at Board of Directors meetings and Audit & Supervisory Board meetings

	Board of Directors meetings (12 held)		Audit & Supervisory Board meetings (13 held)	
	Number attended (meetings)	Attendance ratio (%)	Number attended (meetings)	Attendance ratio (%)
Board Member Makoto Ogo	12	100.0	-	-
Board Member Rieko Inaba	12	100.0	-	-
Audit & Supervisory Board Member Yasunori Niizawa	12	100.0	13	100.0
Audit & Supervisory Board Member Yasuo Kitamura	12	100.0	13	100.0

- Remarks at meetings of the Board of Directors

Board Members Makoto Ogo and Rieko Inaba have both made remarks from an objective perspective towards improving the transparency of corporate management. Audit & Supervisory Board Members Yasunori Niizawa and Yasuo Kitamura have both made remarks towards ensuring the appropriateness of the decision- making by the Board of Directors.

- Remarks at meetings of the Audit & Supervisory Board

Audit & Supervisory Board Members Yasunori Niizawa and Yasuo Kitamura have both made remarks from an objective perspective and specialist position as necessary in their role as outside Audit & Supervisory Board Members.

- Status of activities at the Nomination Advisory Committee and Remuneration Advisory Committee

At the voluntary Nomination and Remuneration Advisory Committee, Committee Chairperson Makoto Ogo, Board Member, and Ms. Rieko Inaba, as a Committee member, make statements from an objective perspective regarding the appointment and remuneration of officers of the Company.

- Overview of duties performed in relation to roles expected to be fulfilled by outside Board Members

■ Outside Board Member Makoto Ogo

Based on his wide range of insights and extensive experience as an attorney involved in international matters and as an outside Audit & Supervisory Board Member / outside Board Member at other companies, he provides opinions from an objective perspective on the Articles of Incorporation, internal regulations, contracts, etc., and he provides useful advice on improving management of the organization and raising the efficiency of business. At the Board of Directors, he has exerted a supervisory function over management in general.

■ Outside Board Member Rieko Inaba

She has gained insight in a wide range of fields, including education and cross-cultural communication through the use of information processing technology, as a researcher at a higher education institution, and has demonstrated a supervisory function for management in general at the Board of Directors by providing logical and objective advice for the handling of business plans and issues, upon having gained an understanding of the corporate activities of the Company from a new perspective.

(iv) Summary of details of limited liability agreement

The Company has entered into an agreement that limits liability as prescribed in Article 423 Paragraph 1 of the Companies Act, and liability is limited to the amount prescribed in Article 425 Paragraph 1 of the Companies Act.

5. Financial Auditor

(i) Name Deloitte Touche Tohmatsu LLC

(ii) Amount of remuneration, etc.

	Payment amount (Millions of yen)
The amount of remuneration, etc., for duties (audit certification duties) prescribed in Article 2 Paragraph 1 of the Certified Public Accountants Act.	55
Total amount of money and other property gain that should be paid by the Company and its subsidiaries to the Financial Auditor	59

- (Note) 1. The reason for the Company's Audit & Supervisory Board having agreed to the Financial Auditor remuneration, etc., is because the estimated remuneration, etc., for the auditing of the 10th period submitted by Deloitte Touche Tohmatsu LLC to President Naohiro Takao was examined by both parties, and was determined to be valid as a result of a comparison between the audit plan of the Financial Auditor for the 10th period and actual performance in the 9th period by the Company's Audit & Supervisory Board.
2. Of the major subsidiaries of the Company, Jefferson Industries Corporation, Jefferson Southern Corporation, G-TEKT North America Corporation, G-TEKT MEXICO CORP. S.A. DE C.V., Jefferson Elora Corporation, G-TEKT India Private Ltd., and G-KT do Brasil Ltda. have been audited by member firms of Deloitte Touche Tohmatsu (a federation based on the laws and regulations of the United Kingdom). In addition, Austin Tri-Hawk Automotive, Inc., G-TEKT America Corporation, G-TEKT Europe Manufacturing Ltd., G-TEKT (Deutschland) GmbH, G-TEKT Slovakia, s.r.o., Auto Parts Alliance (China) Ltd., Wuhan Auto Parts Alliance Co., Ltd., Conghua K&S Auto Parts Co., Ltd., G-TEKT (Thailand) Co., Ltd., G-TEKT Eastern Co., Ltd., Thai G&B Manufacturing Ltd., and PT.G-TEKT Indonesia

Manufacturing have undergone audits by a certified public accountant or an audit firm (includes persons who hold qualifications equivalent to these in foreign countries) other than the Company's Financial Auditor.

3. The amount of audit remuneration, etc., for the audit under the Companies Act and the audit under the Financial Instruments and Exchange Act is not clearly distinguished in the audit agreement between the Company and the Financial Auditor, and is unable to be properly classified, and therefore, the total amount of these has been stated in remuneration, etc., based on audit certification business.

(iii) Policy for decisions on dismissal and non-reappointment of Financial Auditor

The Audit & Supervisory Board, in the event of deeming it necessary, such as where there is hindrance to the execution of duties of the Financial Auditor, by resolution of the Audit & Supervisory Board, may make the dismissal or non-reappointment of the Financial Auditor subject to resolution at a general meeting of shareholders.

In addition, in the event of the Financial Auditor being deemed to fall applicable under any of the items of Article 340 Paragraph 1 of the Companies Act, the Audit & Supervisory Board shall dismiss the Financial Auditor upon the agreement of all Audit & Supervisory Board Members. In such a case, the Audit & Supervisory Board Member selected by the Audit & Supervisory Board shall report the fact of the dismissal of the Financial Auditor as well as the reason(s) for the dismissal at the first general meeting of shareholders held after the dismissal is performed.

(iv) Summary of details of limited liability agreement

This item is not applicable.

6. Company Systems and Policies

1. System for ensuring that the execution of duties of Board Members is performed in compliance with laws and regulations as well as the Articles of Incorporation, and other systems for ensuring the appropriateness of operations

The Board of Directors of the Company has resolved the following in regard to the basic policy on the development of an internal control system.

- (1) System for ensuring that the execution of duties of Board Members and employees is in conformance with laws and regulations as well as the Articles of Incorporation

(i) As behavioral guidelines common to each officer and employee working at the Company, we have formulated "our Code of Conduct," which covers matters such as compliance with laws and regulations as well as internal provisions, and by spreading awareness of same, we are working to improve compliance and corporate ethics.

(ii) In order to promote compliance-related initiatives, we have appointed the person in charge of Corporate Management as "Compliance Officer," the officer in charge of compliance, and in addition to the organization and operation of the "Corporate Governance Committee" which is intended to promote the development of a compliance system across the entire company, as well as the Compliance Sub-Committee that serve as the working organizations of said committee, we have tasked him with the improvement of the compliance system, including the establishment of a "corporate ethics reporting hotline," which accepts proposals relating to compliance and corporate ethics.

(iii) In order to ensure that the operation of our business is performed soundly and in compliance with laws and regulations as well as the Articles of Incorporation, audits are conducted by Audit & Supervisory Board Members and internal audits are conducted on each department by the Business Audit Office.

(2) System for retaining and managing information pertaining to the performance of duties by Board Members

The storage and management of information relating to the execution of duties of Board Members, such as minutes of meetings of the Board of Directors, is performed appropriately in accordance with internal rules such as the Document Management Rules.

(3) Rules and other systems to manage financial risk

(i) In order to build a business operation system that can appropriately handle operational risks concerning the Group as a whole, we have appointed the Production Operations Director as “Risk Management Officer,” an executive position, and are promoting the development of risk management systems and various measures through the operation of the Risk Management Subcommittee, which is a company-wide organization.

(ii) In order to respond to company-wide-level crises such as major disasters, we have established a Company-wide Crisis Management Policy, Crisis Response Rules, and Crisis Specific Response Manual, and in addition, for risks that should be addressed on a departmental basis, we endeavor to prevent and take measures against such risks, in accordance with the local situation at each department, based on the aforementioned policy, rules, and manual.

(iii) Important management matters are submitted to the Board of Directors or Executive Board, etc., based on the Deliberation Standards, and decisions are made after the performance of a risk assessment.

(4) System for ensuring that the execution of duties of Board Members is performed efficiently

(i) The Board of Directors meets regularly and as necessary, deliberates matters prescribed in laws and regulations, the Articles of Incorporation, as well as the Regulations of the Board of Directors, makes decisions on important managerial matters, in addition, receives reports on operations from each Board Member and Executive Officer, fulfills a monitoring and supervisory function, and at the same time has constructed a flexible management system that responds to changes in the management environment, by setting the tenure of Board Members as one year.

(ii) We have established an Executive Board in order to flexibly respond to changes in the management environment and to accelerate management decision-making; this management meeting conducts preliminary deliberations on the important matters relating to management as well as matters to be submitted to the Board of Directors.

(iii) We have adopted an executive officer system in order to accelerate and to clarify responsibility for the execution of business, and the Executive Officers appointed by the Board of Directors execute the duties that they are in charge of within the range of their delegated authority, in accordance with the policies and strategies determined by the Board of Directors, and report on the progress status and results, etc., of their work to the Board of Directors and other meetings.

- (5) System for ensuring the appropriateness of business in the corporate group comprising the Company and our subsidiaries
- (i) The Company and our subsidiaries, while sharing basic concepts on corporate governance, aim to independently and responsibly enhance the corporate governance system in conjunction with laws and regulations in each country and the local business environment, etc., and in addition, aim to improve compliance and risk management throughout the entire Group by making subsidiary managers members of our Compliance Sub-Committee and Risk Management Subcommittee.
 - (ii) Regarding the operation of subsidiaries, we supervise the execution of business of subsidiaries by appointing one of our Board Members or Executive Officers, etc., as officers of the subsidiary, while respecting the subsidiary's independence, and in addition, aim to improve the soundness and efficiency, etc., of operations across the entire group through the receipt of regular reports from subsidiaries on important projects, based on internal rules.
 - (iii) In regard to the operation of overseas subsidiaries, the promotion of global measures is supervised and managed by Overseas Operations, and in addition, prompt managerial decision-making is performed locally by the Chief Operating Officer for Regional Operations in each region who has been appointed under the regional division system, and prior consultation and regular reports are conducted on important projects at the Executive Board, or in cooperation with Overseas Operations at the global management meeting.
 - (iv) In order to ensure that the operation of subsidiary business is performed soundly and in compliance with laws and regulations as well as the Articles of Incorporation, audits are conducted by Audit & Supervisory Board Members and internal audits are conducted by the Business Audit Office.
- (6) Matters relating to employees who should assist with the duties of Audit & Supervisory Board Members, matters relating to the independence of such employees from Board Members, and matters relating to ensuring the effectiveness of the instructions given to such employees
- (i) In the event of an Audit & Supervisory Board Member requesting the appointment of an employee to assist with their duties, the Company shall appoint an employee to assist with such audit business, and said employee shall provide assistance.
 - (ii) The personnel evaluations of employees assisting with audit business are conducted by Audit & Supervisory Board Members, and decisions on other matters relating to human resources are performed upon obtaining the consent of the Audit & Supervisory Board Members. In this way, the independence of such employees from the Board Members and the effectiveness of the instructions from the Audit & Supervisory Board Members to such employees is ensured.
- (7) System for reporting by Board Members and employees, etc., of the Company and subsidiaries to Audit & Supervisory Board Members, system for reporting by others to Audit & Supervisory Board Members, and system for ensuring that no disadvantageous treatment is undergone on the grounds of having filed a report
- (i) For the effective performance of audits by Audit & Supervisory Board Members, in addition to attending meetings of the Board of Directors and other important meeting bodies, the Standards for Reporting to Audit & Supervisory Board Members have been prescribed as a policy for the timely reporting by Board Members, Executive Officers, other department personnel, as well as

Board Members and employees of subsidiaries, and the information required by Audit & Supervisory Board Members is reported to Audit & Supervisory Board Members accordingly.

In addition, persons who file reports to Audit & Supervisory Board Members based on such standards are not treated to any disadvantageous handling whatsoever on the grounds of having filed a report.

(ii) Board Members and employees, in the event of learning of a violation of laws and regulations or company rules, a violation of the Code of Conduct, or of a matters relating to an act that deviates from social norms over the course of business activities, including corporate ethics reporting hotline information targeted at the Group as a whole, report this to Audit & Supervisory Board Members in a timely manner via the Compliance Officer.

(8) Other systems for ensuring that audits by Audit & Supervisory Board Members are performed effectively

(i) Audit & Supervisory Board Members exchange opinions with President to the extent possible, and are in constant communication.

(ii) Audit & Supervisory Board Members cooperate with the Business Audit Office, aim to enhance audits, and in addition, in the event of hiring an external specialist, etc., in order to form an independent opinion over the course of the implementation of an audit by Audit & Supervisory Board Members, the costs of this are borne by the Company.

(9) Basic concepts towards the elimination of antisocial forces, and the establishment of systems to this end

(i) Basic concepts towards the elimination of antisocial forces

The Group takes a resolute attitude and will not respond to any unreasonable demands made by antisocial organizations that may cause disturbance to the order of civil society, or threaten safety.

(ii) Establishment of systems for the elimination of antisocial forces

Our Code of Conduct present the elimination of relationships with antisocial forces as an action guidelines, and this has been made well known among our personnel. In the event of an unreasonable demand being made by an antisocial force, we issue a manifestation of intent to refuse to the antisocial force, and in addition, promptly report the situation to the police department with jurisdiction. In addition, we always participate in liaison meetings organized by the police and other external specialist bodies, where information on antisocial forces is centrally managed and accumulated, and furthermore, we endeavor to secure a system of cooperation with these specialist bodies.

2. Overview of operational status of system for ensuring the appropriateness of business

We endeavor to establish and appropriately operate an internal control system based on the policy described above.

The main initiatives deemed important for internal control that were conducted during this period are as described below.

(Compliance-related initiatives)

Guided by the Compliance Sub-Committee, which is chaired by the Compliance Officer, we conduct self-verifications, compliance training, internal raising of awareness, and reviews on the content of corporate ethics reporting, etc.

In terms of the main initiatives during this period, in consideration of the importance of group governance, we provided support for the conducting of investigations on the compliance system at overseas bases, as well as for responding to issues, and conducted compliance training with the topic of information management, etc.

(Risk management-related initiatives)

Guided by the Risk Management Subcommittee, which is chaired by the Risk Management Officer, we engage in ongoing initiatives to ascertain risks, conduct countermeasures, and to minimize damage.

This period, we conducted a review of the Business Continuity Plan (BCP) from the perspective of responding to the pandemic as well as to cases where one of our trading partners has incurred damage (supplier management).

Furthermore, as part of overall Group risk management, we selected the risks requiring the highest priority response in each country in which the Group operates, and promoted the taking of measures by each subsidiary.

Consolidated Financial Statements
Consolidated Balance Sheet (as of March 31)

(Millions of yen)

Item	The 10 th year As of March 31, 2021	(Reference) The 9 th year As of March 31, 2020	Item	The 10 th year As of March 31, 2021	(Reference) The 9 th year As of March 31, 2020
Assets			Liabilities		
Current assets	90,565	92,279	Current liabilities	62,261	69,252
Cash and deposits	29,162	38,804	Accounts payable - trade	20,581	16,730
Notes and accounts receivable - trade	29,534	22,877	Short-term borrowings	15,583	29,511
Finished goods	1,341	1,194	Current portion of long-term borrowings	8,549	7,620
Work in process	20,790	20,082	Accounts payable - other	6,323	5,865
Raw materials	2,319	2,436	Income taxes payable	1,278	925
Supplies	1,115	1,086	Provision for bonuses	1,342	1,241
Other	6,300	5,796	Other	8,602	7,355
Non-current assets	147,390	139,909	Non-current liabilities	30,641	31,337
Property, plant and equipment	135,463	128,766	Long-term borrowings	22,246	23,396
Buildings and structures	54,299	48,800	Retirement benefit liability	1,304	1,701
Machinery, equipment and vehicles	36,935	35,129	Provision for share awards for directors (and other officers)	397	278
Tools, furniture and fixtures	18,528	19,591	Deferred tax liabilities	3,565	3,522
Land	12,902	12,521	Other	3,128	2,437
Construction in progress	12,797	12,734	Total liabilities	92,903	100,589
Intangible assets	1,699	1,650	Net assets		
Investments and other assets	10,227	9,482	Shareholders' equity	123,358	118,974
Investment securities	7,832	6,594	Share capital	4,656	4,656
Deferred tax assets	2,068	2,520	Capital surplus	23,635	23,657
Other	334	375	Retained earnings	96,839	92,433
Allowance for doubtful accounts	(8)	(8)	Treasury shares	(1,772)	(1,772)
			Accumulated other comprehensive income	10,485	1,367
			Valuation difference on available-for-sale securities	1,115	337
			Deferred gains or losses on hedges	-	28
			Foreign currency translation adjustment	9,032	1,063
			Remeasurements of defined benefit plans	337	(62)
			Non-controlling interests	11,207	11,256
Total assets	237,955	232,188	Total net assets	145,052	131,598
			Total liabilities and net assets	237,955	232,188

Consolidated Statement of Income (April 1, 2020 to March 31, 2021)

(Millions of yen)

Item	The 10 th year (April 1, 2020 to March 31, 2021)	(Reference) The 9 th year (April 1, 2019 to March 31, 2020)
Net sales	209,420	228,253
Cost of sales	189,348	206,191
Gross profit	20,072	22,062
Selling, general and administrative expenses	12,022	13,384
Operating profit	8,050	8,677
Non-operating income	1,341	1,324
Interest income	292	481
Dividend income	107	143
Foreign exchange gains	220	-
Share of profit of entities accounted for using equity method	70	110
Gain on sale of scraps	79	77
Subsidy income	296	211
Other	276	300
Non-operating expenses	738	1,257
Interest expenses	674	598
Foreign exchange losses	-	486
Other	64	172
Ordinary profit	8,653	8,744
Extraordinary income	76	764
Gain on sale of non-current assets	76	764
Extraordinary losses	421	820
Loss on sale of non-current assets	2	6
Loss related to COVID-19	418	814
Profit before income taxes	8,308	8,688
Income taxes - current	2,113	2,454
Income taxes - deferred	(55)	698
Profit	6,250	5,535
Loss attributable to non-controlling interests	(281)	(97)
Profit attributable to owners of parent	6,532	5,633

(Reference)

Consolidated Statement of Cash Flows (April 1, 2020 to March 31, 2021)

(Millions of yen)

Item	Amount
Cash flows from operating activities	25,120
Cash flows from investing activities	(15,527)
Cash flows from financing activities	(17,343)
Effect of exchange rate change on cash and cash equivalents	1,879
Net increase (decrease) in cash and cash equivalents	(5,870)
Cash and cash equivalents at beginning of period	31,841
Cash and cash equivalents at end of period	25,970

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet (as of March 31)

(Millions of yen)

Item	The 10 th year As of March 31, 2021	(Reference) The 9 th year As of March 31, 2020	Item	The 10 th year As of March 31, 2021	(Reference) The 9 th year As of March 31, 2020
Assets			Liabilities		
Current assets	22,369	27,774	Current liabilities	23,252	30,074
Cash and deposits	1,835	4,519	Accounts payable-trade	4,007	4,767
Notes receivable-trade	400	477	Short-term borrowings	8,900	15,500
Accounts receivable-trade	8,110	9,484	Current portion of long-term borrowings	6,498	5,919
Finished goods	250	245	Accounts payable	1,608	1,843
Work in process	6,170	8,233	Advances received	715	756
Raw materials	204	226	Accrued expenses	147	163
Supplies	649	660	Income taxes payable	136	122
Advance payments	168	114	Deposits received	122	131
Accounts receivable-other	2,097	2,162	Provision for bonuses	861	804
Short-term loans receivable from subsidiaries and associates	1,608	647	Other	254	66
Other	873	1,002	Non-current liabilities	20,142	20,462
Non-current assets	98,321	99,070	Long-term borrowings	18,530	18,988
Property, plant and equipment	37,958	37,800	Provision for retirement benefits	877	857
Buildings	10,706	9,951	Provision for share awards for directors (and other officers)	397	278
Structures	238	274	Asset retirement obligations	282	278
Machinery and equipment	6,386	6,608	Other	54	59
Vehicles	65	89	Total liabilities	43,395	50,537
Tools, furniture and fixtures	8,955	8,267	Net assets		
Land	7,298	7,323	Shareholders' equity	76,180	75,939
Construction in progress	4,306	5,285	Share capital	4,656	4,656
Intangible assets	1,353	1,428	Capital surplus	23,657	23,657
Leasehold interests in land	69	69	Legal capital surplus	23,333	23,333
Software	1,275	1,350	Other capital surplus	323	323
Telephone subscription right	8	8	Retained earnings	49,639	49,398
Investments and other assets	59,009	59,841	Legal retained earnings	369	369
Investment securities	488	320	Other retained earnings	49,270	49,029
Shares of subsidiaries and associates	53,644	52,862	Reserve for property replacement	19	21
Long-term prepaid expenses	-	13	Reserve for special depreciation	94	188
Long-term loans receivable from subsidiaries and associates	3,374	4,883	General reserve	10,800	10,800
Deferred tax assets	1,362	1,621	Retained earnings brought forward	38,355	38,019
Other	147	147	Treasury shares	(1,772)	(1,772)
Allowance for doubtful accounts	(8)	(8)	Valuation and translation adjustments	1,115	366
			Valuation difference on available-for-sale securities	1,115	337
			Deferred gains or losses on hedges	-	28
			Total net assets	77,295	76,306
Total assets	120,691	126,844	Total liabilities and net assets	120,691	126,844

Non-Consolidated Statement of Income (April 1, 2020 to March 31, 2021)

(Millions of yen)

Item	The 10 th year (April 1, 2020 to March 31, 2021)	(Reference) The 9 th year (April 1, 2019 to March 31, 2020)
Net sales	49,712	51,780
Cost of sales	44,223	45,045
Gross profit	5,489	6,734
Selling, general and administrative expenses	5,983	6,582
Operating profit or loss	(494)	152
Non-operating income	4,026	6,086
Interest income	112	137
Dividend income	3,537	5,809
Foreign exchange gains	244	-
Gain on sale of scraps	56	54
Other	75	83
Non-operating expenses	227	536
Interest expenses	227	181
Foreign exchange losses	-	310
Other	0	44
Ordinary profit	3,304	5,702
Extraordinary income	6	740
Gain on sale of non-current assets	6	740
Extraordinary losses	(664)	2
Loss on sale of non-current assets	-	2
Profit before income taxes	2,646	6,441
Income taxes - current	348	633
Income taxes - deferred	(68)	327
Profit	2,366	5,479

Audit Report by the Audit & Supervisory Board

This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese version, the latter shall prevail in all respects.

Audit Report

The Audit & Supervisory Board has prepared this Audit Report after deliberation based on the audit reports prepared by each Audit & Supervisory Board Member in relation to the performance of the Board Members' duties during the 10th fiscal year starting on April 1, 2020 and ending on March 31, 2021, and hereby reports as follows:

1. Method and details of audit conducted by the Audit & Supervisory Board Members and the Audit & Supervisory Board
 - (1) The Audit & Supervisory Board determined the audit policy and assignment of duties, etc., received reports on the status and results of audit from each Audit & Supervisory Board Member, as well as the status of performance of duties from the Board Members and the Financial Auditor, and requested explanations, where necessary.
 - (2) Each Audit & Supervisory Board Member, in compliance with the Audit & Supervisory Board Members' audit standards established by the Audit & Supervisory Board, and in accordance with the audit policy and assignment of duties, etc., communicated with Board Members, internal audit department and other employees, etc., collected information, maintained an audit environment, and conducted an audit in the following methods:
 - (i) Each Audit & Supervisory Board Member attended board meetings, and other important meetings, received reports from Board Members and employees, etc. regarding the status of performance of their duties, requested explanations, where necessary, reviewed material draft proposal documents, and inspected the status of business and assets at the head office, major offices and plants. As for subsidiaries, Audit & Supervisory Board Members communicated and exchanged information with their Board Members and Audit & Supervisory Board Members etc., received reports on business, and requested explanations, as necessary.
 - (ii) Each Audit & Supervisory Board Member received regular reports from Board Members and employees, etc. on the status of establishment and operation of the system to ensure that the performance of the Board Members' duties, as described in the Business Report, complies with the applicable laws and regulations and the Articles of Incorporation, as well as the board resolution concerning the establishment of a system provided in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, which is required in order to ensure the appropriate performance of business by the corporate group comprising a joint stock corporation and its subsidiaries, and the system established based on said resolution (internal control system), requested explanations and expressed opinions, when necessary.
 - (iii) Each Audit & Supervisory Board Member monitored and reviewed whether the Financial Auditor maintains independence and conducts an appropriate audit, and received reports on the status of performance of duties from the Financial Auditor, and requested explanations, where necessary. In addition, each Audit & Supervisory Board Member received a notice from the Financial Auditor stating that "a system to ensure appropriate performance of duties" (as indicated in each item of Article 131 of the Ordinance on Company Accounting) is in place in accordance with the "Quality Control Standards for Audit" (Business Accounting Council, October 28, 2005), etc., and requested explanations, as necessary.

Based on the above method, each Audit & Supervisory Board Member reviewed the Business Report and its supporting documents, financial statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Net Assets, and a summary of significant accounting policies and Notes to Non-consolidated Financial Statements) and supplementary schedules, and consolidated financial statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Net Assets, and the significant matters forming the basis for preparing consolidated financial statements and Notes to Consolidated Financial Statements) for the subject fiscal year.

2. Results of Audit

(1) Results of audit of the Business Report, etc.

- (i) We confirm that the Business Report and its supporting documents accurately present the status of the Company in accordance with the applicable laws and regulations and the Articles of Incorporation.
- (ii) There are no improper actions, or material events which violate any of the applicable laws or regulations or the Articles of Incorporation, in relation to the execution of the Board Members' duties.
- (iii) We confirm that the resolution of the board concerning the internal control system is appropriate. There are no matters to note regarding the descriptions of the Business Report and the execution of the Board Members' duties in relation to the internal control system.

(2) Results of audit of the financial statements and their supporting documents

We confirm that the method and results of audit by the Financial Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of audit of the consolidated financial statements

We confirm that the method and results of audit by the Financial Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

May 21, 2021

G-TEKT CORPORATION Audit & Supervisory Board

Takahiro Nakanishi,	Audit & Supervisory Board Member	[seal]
Kesao Tamura,	Audit & Supervisory Board Member	[seal]
Yasunori Niizawa,	Outside Audit & Supervisory Board Member	[seal]
Yasuo Kitamura,	Outside Audit & Supervisory Board Member	[seal]

END