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(Stock Exchange Code 6768)
June 9, 2021

To Shareholders with Voting Rights:

Masahiro Asada
President
TAMURA CORPORATION
1-19-43, Higashi-Oizumi,
Nerima-ku, Tokyo, Japan

NOTICE OF THE 98TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

You are hereby informed that the 98th Annual General Meeting of Shareholders of TAMURA CORPORATION (the “Company”) will be held for the purposes as described below.

You can exercise your voting rights in writing by submitting the Voting Rights Exercise Form, or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposals via the following instructions, and exercise your voting rights by the end of the Company’s business hours (5:20 p.m.) on Thursday, June 24, 2021, Japan time.

- 1. Date and Time:** Friday, June 25, 2021 at 10:00 a.m. Japan time (reception begins at 9:30 a.m.)
 - 2. Place:** 4F Sakura, HOTEL METROPOLITAN
1-6-1, Nishi-Ikebukuro, Toshima-ku, Tokyo, Japan
 - 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 98th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 98th Fiscal Year (April 1, 2020 - March 31, 2021)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of Eight (8) Directors
 - Proposal 3:** Issuance of Stock Acquisition Rights as Stock Compensation-type Stock Options
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The “Notes” to the “Consolidated Financial Statements” and the “Non-consolidated Financial Statements” mentioned in this document are available on the Company's Internet website and are not included in this document. As a result, the Consolidated Financial Statements and the Non-consolidated Financial Statements contained in this document are a subset of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members and the Accounting Auditor during preparation of their respective Audit Reports.

Should the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, or Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company's Internet website.

The Company’s Internet website: <https://www.tamura-ss.co.jp/jp/finance/index.html>

Instructions on Exercising Voting Rights

You can exercise your voting rights for the General Meeting of Shareholders by any of the following methods.

For Those Attending the General Meeting of Shareholders

When attending the meeting, please bring this notice and submit the enclosed Voting Rights Exercise Form at the reception desk.

Date and time of the Meeting: Friday, June 25, 2021, at 10:00 a.m.

For Those Exercising Voting Rights in Writing

Please indicate whether you approve or disapprove the proposals on the enclosed Voting Rights Exercise Form, and return by mail.

Due to circumstances surrounding tabulation of voting rights exercise results, the Company appreciates your early exercise.

Deadline for exercising voting rights: Thursday, June 24, 2021, 5:20 p.m.

For Those Exercising Voting Rights via the Internet

Access the Voting Rights Exercise Website: <https://www.web54.net>

Please access the Voting Rights Exercise Website above from computer, smartphone, or mobile phone, and follow the on-screen instructions to indicate your vote for or against the proposals.

Deadline for exercising voting rights: Thursday, June 24, 2021, 5:20 p.m.

Caution when exercising voting rights via the Internet, etc.

- To exercise voting rights via proxy, you may designate one (1) other shareholder with voting rights to act as your proxy and attend the meeting. However, please understand that the proxy must submit documentation proving power of attorney.
- Only the last vote arriving at the Company shall be accepted as the valid vote. In the event that a voting right is exercised both via the Internet, etc. and in writing by the Voting Rights Exercise Form on the same day, the vote cast through the Internet, etc., shall be accepted as the valid vote.
- In the event that voting rights are exercised multiple times via the Internet, etc., only the final vote submitted shall be considered valid.
- In addition, in the event that voting rights are exercised multiple times via computer, smartphone, or mobile phone, only the final vote submitted shall be considered valid.

1. If you have any questions about how to operate your computer, etc., with regard to the exercise of voting rights via the Internet, please contact the following:

**Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank
0120-652-031
(Hours of operation: 9:00 a.m. – 9:00 p.m.)**

2. For inquiries other than 1. above (address, number of shares, etc.), please contact the following.

**1) Shareholders with accounts at securities firms
Please contact your securities firm.**

2) Shareholders who do not have accounts at securities firms (shareholders who have special

accounts)

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank

0120-782-031

(Hours of operation: 9:00 a.m. – 5:00 p.m. (excluding Saturdays, Sundays and holidays))

Exercise of voting rights via electronic voting platform for institutional investors

If nominee shareholders such as management trust banks (including standing proxies) have applied in advance to use the platform for electronic exercise of voting rights for institutional investors operated by ICJ, Inc., a joint venture company established by Tokyo Stock Exchange, Inc. and others, they may use that platform as an electromagnetic method for exercising voting rights for the Company's General Meeting of Shareholders other than the exercise of voting rights via the Internet described above.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Matters concerning year-end dividends

The Company considers the return of profits to shareholders the most important management task, and strives to maintain and enhance the level of dividends, while focusing on enhancing its financial position by expanding business earnings and securing internal reserves for the purpose of increasing corporate value through medium- to long-term business plans.

Concerning year-end dividends, based on comprehensive consideration of future business trends and the financial standing, etc., the Company proposes a year-end dividend of 5 yen per share. Combined with the interim dividend of 3 yen, the annual dividend will be 8 yen.

(1) Type of dividend property:

Cash

(2) Matters related to and the aggregate amount of the dividend property to be allotted to shareholders:

5 yen per share of the Company's ordinary stock

Total amount of dividends: 410,624,585 yen

(3) Effective date of dividends of surplus:

June 28, 2021

Proposal 2: Election of Eight (8) Directors

The term of office of all eight (8) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of eight (8) Directors is proposed.

The candidates for Director are as follows:

No.	Name	Present position and responsibilities in the Company	Attendance at meetings of the Board of Directors
1	Naoki Tamura (Reappointment)	Chairperson Chief Supervisor of Overall Corporate Management General Manager of CSR Promotion Division In charge of CSR and Company-wide Quality Promotion	21/21 (100%)
2	Masahiro Asada (Reappointment)	President Execution of Overall Corporate Management In charge of Electronic Chemicals/FA Systems-related Business General Manager of Business Transformation Task Force	21/21 (100%)
3	Yusaku Hashiguchi (Reappointment)	Director/Vice President Controller of Business Sectors at Head Office General Manager of Corporate Management Division In charge of Corporate Management and Information Security In charge of Unit Products-related Business Deputy General Manager of Business Transformation Task Force	21/21 (100%)
4	Takeo Minomiya (Reappointment) (Outside) (Independent Director)	Outside Director	21/21 (100%)
5	Akira Kubota (Reappointment) (Outside) (Independent Director)	Outside Director	21/21 (100%)
6	Haruko Shibumura (Reappointment) (Outside) (Independent Director)	Outside Director	21/21 (100%)
7	Norihiko Nanjo (Reappointment)	Director/Senior Executive Officer Controller of Information Equipment-related Business General Manager of Information Equipment Business Sector Deputy General Manager of Business Transformation Task Force	21/21 (100%)
8	Shoichi Saito (Reappointment)	Director/Senior Executive Officer In charge of Magnetic Products-related Business Deputy General Manager of Business Transformation Task Force General Manager of Security Trade Control Department	21/21 (100%)

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Naoki Tamura (February 11, 1958) [Reappointment] Attendance at meetings of the Board of Directors: 100% (21 out of 21 times)	<p>August 1987 Joined the Company</p> <p>June 1991 Director</p> <p>June 1997 Director/Vice President</p> <p>June 1999 President</p> <p>July 2012 General Manager of CSR Promotion Division (current position)</p> <p>April 2019 Chairperson (current position)</p> <p> Chief Supervisor of Overall Corporate Management and in charge of CSR and Company-wide Quality Promotion (current position)</p> <p>Reason for nomination as a candidate for Director</p> <p>Since his appointment as President in 1999, Mr. Naoki Tamura has led the Group's management and contributed to the enhancement of corporate value. As Chairperson since April 2019, he has significantly contributed to the development of the Group by supervising overall management with his abundant experience and broad-ranging insight from a non-executive standpoint. Going forward, to realize the sustainable growth and the medium- to long-term enhancement of corporate value of the Group, we request his continued election as a Director of the Company.</p>	1,065,134
2	Masahiro Asada (June 19, 1959) [Reappointment] Attendance at meetings of the Board of Directors: 100% (21 out of 21 times)	<p>April 1982 Joined the Company</p> <p>April 2003 Director, TAMURA EUROPE LIMITED</p> <p>April 2005 Senior Executive Officer, the Company</p> <p>June 2007 Director/Senior Executive Officer</p> <p>June 2009 Director/Vice President</p> <p>June 2016 Director/Executive Vice President</p> <p>October 2018 Chairperson, KOHA CO., LTD.</p> <p>April 2019 President (current position), Execution of Overall Corporate Management, the Company (current position)</p> <p>April 2021 In charge of Electronic Chemical/FA Systems-related Business and General Manager of Business Transformation Task Force (current position)</p> <p>Reason for nomination as a candidate for Director</p> <p>As Director/Executive Vice President since 2016, Mr. Masahiro Asada has taken responsibility for the management of the Company, as well as driving the Electronic Components Business forward with assertive leadership. He has taken responsibility for the execution of overall corporate management as President since 2019 and has been in charge of the globally-operating Electronic Chemicals & FA Systems-related Business Sector. Since April of this year, he has been spearheading business transformation with a focus on workstyle and operational reforms, to build a rock-solid organizational structure that will serve as a foothold for growth. Going forward, for the continued growth and the medium- to long-term enhancement of corporate value of the Group, we request his continued election as a Director of the Company.</p>	17,245

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Yusaku Hashiguchi (September 16, 1962) [Reappointment] Attendance at meetings of the Board of Directors: 100% (21 out of 21 times)	<p>April 1986 Joined the Company</p> <p>June 2009 Senior Executive Officer</p> <p>April 2011 President, TAMURA CORPORATION OF HONG KONG LIMITED (current position)</p> <p>October 2011 President, TAMURA CORPORATION OF CHINA LIMITED (current position)</p> <p>June 2014 General Manager of Corporate Management Division and in charge of Corporate Management and Information Security, the Company (current position)</p> <p>June 2015 Director/Senior Executive Officer</p> <p>August 2015 President, TAMURA CORPORATION SINGAPORE PTE. LTD. (current position)</p> <p>April 2018 Controller of Business Sectors at Head Office, the Company (current position)</p> <p>June 2018 Director/Vice President (current position)</p> <p>April 2019 Director, KOHA CO., LTD.</p> <p>April 2021 In charge of Unit Products-related Business and Deputy General Manager of Business Transformation Task Force, the Company (current position)</p> <p>Reason for nomination as a candidate for Director Mr. Yusaku Hashiguchi has been involved in business management in the Electronic Component-related Business and regional control in China, ASEAN, and elsewhere. He has had responsibility for the business administration of the Group as a whole as Director/Vice President since 2018. We expect to use his abundant business experience in Japanese and overseas markets and his broad-ranging insights, including in technology areas, for the continued growth and medium- to long-term enhancement of corporate value of the Group, and therefore request his election as a Director of the Company.</p>	17,454
4	Takeo Minomiya (January 18, 1944) [Reappointment] [Outside] [Independent Director] Attendance at meetings of the Board of Directors: 100% (21 out of 21 times)	<p>April 1962 Joined Sony Corporation</p> <p>June 2001 Senior Managing Corporate Executive Officer</p> <p>June 2001 Deputy President, Sony EMCS Corporation</p> <p>June 2007 Director, the Company (current position)</p> <p>June 2011 Outside Director, ShibaSoku Co., Ltd. (current position)</p> <p>December 2012 President and Representative Director, Houtoku Energy Co., Ltd. (current position)</p> <p>April 2015 Outside Director, Paloma Co., Ltd. (current position)</p> <p>Reason for nomination as a candidate for Outside Director and summary of expected roles Mr. Takeo Minomiya has served in important positions, including as corporate executive of multiple companies, some of them leading Japanese global companies. He possesses extensive and advanced knowledge and experience in international corporate management and business administration. He has also employed that abundant experience and broad-ranging insight in the appropriate supervision of the Company as an Outside Director. We expect to continue receiving his useful and unreserved opinions and guidance from an objective standpoint for the sustainable growth and medium- to long-term enhancement of corporate value of the Group, and therefore request his continued election as a Director of the Company.</p>	72,994

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Akira Kubota (September 9, 1953) [Reappointment] [Outside] [Independent Director]	<p>April 1978 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>September 2005 Director-General of Research and Statistics Department, Economic and Industrial Policy Bureau</p> <p>July 2006 Joined Olympus Corporation</p> <p>June 2009 Executive Officer, Division Manager, Microtechnology R&D Division, Corporate R&D Center</p> <p>April 2014 Executive Managing Officer, Group President, Corporate R&D Center</p> <p>April 2016 Executive Managing Officer, Unit Head, Medical Affairs & CSR Office</p> <p>May 2017 Executive Director of NIPPON ELECTRIC CONTROL EQUIPMENT INDUSTRIES ASSOCIATION (current position)</p> <p>June 2018 Director, the Company (current position)</p> <p>Reason for nomination as a candidate as a candidate for Outside Director and summary of expected roles</p> <p>In addition to accumulating extensive experience at an administrative organ, Mr. Akira Kubota has been involved in the management of a globally-operating company. He possesses experience in proactive and wide-ranging business development and advanced insights into corporate management. Since his appointment as Director of the Company in 2018, he has used that abundant experience and insight to provide guidance and advice regarding the Company's management at the Board of Directors. We expect him to provide useful and unreserved opinions and guidance for the achievement of the Company's management plans and for the further improvement of the Company's management and the effectiveness of the Board of Directors, and therefore request his continued election as a Director of the Company.</p>	2,678
6	Haruko Shibumura (December 6, 1964) [Reappointment] [Outside] [Independent Director]	<p>April 1992 The 46th Legal Apprentice of the Supreme Court</p> <p>April 1994 Registered at the Daini Tokyo Bar Association</p> <p>April 1994 Law Offices of Homma & Komatsu (currently Homma & Partners)</p> <p>April 1999 Partner Lawyer (current position)</p> <p>April 2009 Practicing-attorney-professor for civil advocacy of the Legal Training and Research Institute, the Supreme Court</p> <p>June 2015 Outside Auditor, NICHIREKI CO., LTD.</p> <p>June 2018 Director, the Company (current position)</p> <p>June 2019 Outside Director (Audit & Supervisory Committee Member), Astellas Pharma Inc. (current position)</p> <p>June 2019 Outside Director, NICHIREKI CO., LTD. (current position)</p> <p>Reason for nomination as a candidate as a candidate for Outside Director and summary of expected roles</p> <p>As an attorney, Ms. Haruko Shibumura has abundant experience and knowledge regarding corporate legal affairs in general, including corporate governance, crisis management, risk management, and CSR. We expect her to continue to provide useful and unreserved opinions and guidance to realize the sustainable growth and the medium-to long-term creation of corporate value of the Group and to contribute to the establishment of corporate governance systems that will respond to the trust placed in the Company by society. Accordingly, we request her election as a Director of the Company.</p>	0
	Attendance at meetings of the Board of Directors: 100% (21 out of 21 times)		
	Attendance at meetings of the Board of Directors: 100% (21 out of 21 times)		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Norihiko Nanjo (February 11, 1965) [Reappointment] Attendance at meetings of the Board of Directors: 100% (21 out of 21 times)	<p>April 1988 Joined the Company</p> <p>June 2008 Senior Executive Officer</p> <p>June 2009 Director/Senior Executive Officer (current position)</p> <p>October 2011 Director, TAMURA CORPORATION OF CHINA LIMITED</p> <p>September 2017 Director, KOHA CO., LTD.</p> <p>October 2017 Director, TAMURA ELECTRONICS (HUI ZHOU) CO., LTD.</p> <p>April 2019 Director, TAMURA EUROPE LIMITED</p> <p>January 2020 Controller of Information Equipment-related Business, the Company (current position)</p> <p>April 2020 General Manager of Information Equipment Business Sector, the Company (current position)</p> <p>April 2021 Deputy General Manager of Business Transformation Task Force (current position)</p> <p>Reason for nomination as a candidate for Director In the Electronic Component-related Business, Mr. Norihiko Nanjo has contributed to the expansion of global competitiveness through his career in key positions at overseas bases mainly in Europe, the U.S., and China. In addition, from 2020, he has been effectively fulfilling his roles and responsibilities in the promotion of the creation of new businesses and the revitalization of existing businesses in the Information Equipment-related Business. For the sustainable growth and the medium- to long-term enhancement of corporate value of the Group, we request his continued election as a Director of the Company.</p>	24,738
8	Shoichi Saito (December 20, 1964) [Reappointment] Attendance at meetings of the Board of Directors: 100% (21 out of 21 times)	<p>April 1988 Joined Tamura Kaken Co., Ltd.</p> <p>April 2005 Executive Officer</p> <p>June 2007 Director/Executive Officer</p> <p>April 2010 Senior Executive Officer, the Company</p> <p>June 2013 Director/Senior Executive Officer (current position)</p> <p>August 2015 Director, TAMURA CORPORATION SINGAPORE PTE. LTD.</p> <p>April 2020 Director, TAMURA EUROPE LIMITED (current position)</p> <p>April 2021 In charge of Magnetic Products-related Business, Deputy General Manager of Business Transformation Task Force, and General Manager of Security Trade Control Department, the Company (current position)</p> <p>Reason for nomination as a candidate for Director In the Electronic Chemicals & FA Systems-related Business Sector, Mr. Shoichi Saito led broad-ranging fields related to the mounting process, from electronic chemical materials to the soldering devices with his abundant experience and advanced insights, including in technological areas. In addition, since 2020, he has used his wealth of experience and broad-ranging insights to contribute to the promotion of global business development in the Electronic Component-related Business. For the sustainable growth and the medium- to long-term enhancement of corporate value of the Group, we request his continued election as a Director of the Company.</p>	21,982

(Notes)

1. There are no special interests between the candidates and the Company.
2. Of the candidates for Director, Messrs. Takeo Minomiya and Akira Kubota and Ms. Haruko Shibumura are candidates for Outside Director. Furthermore, Mr. Takeo Minomiya's term of office as Outside Director of the Company will be fourteen (14) years at the close of this General Meeting, and Mr. Akira Kubota's and Ms. Haruko Shibumura's terms of office as Outside Directors of the Company will be three (3) years, respectively, at the close of this General Meeting.
3. Messrs. Takeo Minomiya and Akira Kubota and Ms. Haruko Shibumura have been submitted as Independent Directors/Auditors pursuant to the regulations of the Tokyo Stock Exchange, and if they are reelected as proposed, they are planned to continue as such Independent Directors/Auditors.
4. The Company has concluded a liability limitation agreement with Messrs. Takeo Minomiya and Akira Kubota and Ms. Haruko Shibumura, and if they are reelected, the Company plans to continue with these agreements. A summary of these liability limitation agreements is as follows.
 - If an Outside Director is negligent in duties and becomes liable to the Company for damages, the liability for damages shall be the minimum amount as stipulated by Article 425, Paragraph 1 of the Companies Act.
 - The above liability limit for damages shall be accepted only in the case where the execution of duties which

caused the liability was conducted by the Outside Director in good faith and without gross negligence.

5. Facts of violations of laws and regulations and articles of incorporation or of engaging in illegal business execution by another company at which a candidate for Outside Director has served as an officer in the past five (5) years NICHIREKI CO., LTD., where Ms. Haruko Shibumura concurrently serves as Outside Director, announced that in June 2019, it had received a cease and desist order and administrative surcharge payment order from the Japan Fair Trade Commission under the Antimonopoly Act with regard to the sales price of modified asphalt, which had been subjected to on-site inspections by the Commission in May 2018.
Although Ms. Haruko Shibumura was an Outside Auditor of the company when it was subjected to the on-site inspections, she was not aware of the facts of this violation until they came to light. However, she had regularly made appropriate comments regarding thorough legal compliance. In addition, since becoming aware of this matter, she has responded as necessary regarding exhaustive efforts toward improvement, including calling for a thorough investigation, proposing measures to prevent a recurrence, and confirming that such measures have been implemented, thus fulfilling her duties.
6. The Company has concluded a Directors and Officers Liability Insurance contract that insures all Directors. The insurance premiums for this policy are fully borne by the Company and no substantial insurance premium is borne by the insured. The policy covers the liability of Directors and Audit & Supervisory Board Members arising in the performance of their duties and damage claims received pertaining to the pursuit of said liability. However, the policy does include certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were carried out with full knowledge of their illegality.
If the candidates for Directors are reappointed, each Director will become insured persons under the insurance policy. In addition, the Company plans to renew the insurance policy with the same substance at the time of its next renewal.
7. Candidates for Director consist of seven (7) male candidates and one (1) female candidate (female ratio of 12.5%).

(Reference)

1. Policies and procedures for selection of candidates for Director and Audit & Supervisory Board Member

(1) Candidates for Director

By introducing the Executive Officer System and separating execution and supervision, the Company creates an appropriate scope of personnel to enable functioning of the Board of Directors.

In consideration of the business content, scale, and management environment, etc., of the Company, personnel with knowledge, experience, and capacity to contribute to enabling functionality of the Board of Directors are selected as candidates for Director upon consideration of the overall balance and diversity of the Board of Directors.

Additionally, the Company selects two or more Outside Directors, seeks personnel in wide and varied fields, and works to have candidates that satisfy the standards of independence defined by the Tokyo Stock Exchange and the Company.

Candidates are recommended in the Nomination and Remuneration Advisory Committee based on the Director Nomination Standards, deliberation is carefully made in the Board of Directors, and determination is made.

(2) Candidates for Audit & Supervisory Board Member

In consideration of the business content, scale, management environment, and audit structure, etc., personnel that can audit the business execution conditions of Directors from a fair and objective standpoint, have capacity to contribute to improvement of the health and transparency of management, and have a wealth of knowledge and experience regarding corporate management and business operations are selected as candidates for Audit & Supervisory Board Member.

Additionally, the Company selects a majority of Outside Audit & Supervisory Board Members, seeks personnel in wide and varied fields, and works to have candidates that satisfy the standards of independence defined by the Tokyo Stock Exchange and the Company.

Candidates are recommended in the Nomination and Remuneration Advisory Committee based on the Audit & Supervisory Board Member Nomination Standards, deliberation is carefully made in the Board of Directors and upon resolution, a proposal is submitted to the Audit & Supervisory Board, and determination is made upon receiving approval.

2. Standards of independence for Outside Officers

To establish a corporate governance structure that can enable management with high transparency and strong management supervision functions and aim to improve corporate value, standards for determining independence of Outside Officers of the Company are defined as follows.

Additionally, Outside Officers shall maintain the below standards of independence after appointment, and if changes are deemed to have occurred, evaluation shall be made in the Board of Directors.

The standard of independence shall be that none of the following items applies.

- 1) The person is or was within the past 10 years a business executor of the Company or a subsidiary of the Company (hereinafter the "Group").
- 2) The person was a major shareholder that held an investment stake of 5% or more in the Company or a business executor thereof within any of the past five fiscal years.
- 3) The person was a transaction partner of which the amount of transactions was over 1% of consolidated net sales of the Company or said transaction partner within the past three fiscal years or a business executor thereof.
- 4) The person was a major lender of the Company or a business executor thereof within the past three fiscal years.
- 5) The person received donations in excess of 10 million yen per annum from the Group or was affiliated with an organization, etc., that received said donations within the past three fiscal years.
- 6) The person received remuneration in excess of 10 million yen per annum from the Group aside from executive remuneration within the past three fiscal years.
- 7) The person is a spouse or relative within the second degree of a person to which 1) to 6) above applies.

(Note) A business executor refers to Executive Directors and Executive Officers.

Proposal 3: Issuance of Stock Acquisition Rights as Stock Compensation-type Stock Options

1. Reasons for the proposal and why it is considered reasonable

The Company implemented an executive officer system in June 2005 as part of structural reforms for its officer system, significantly reassessing the compensation system for Directors, and terminated its previous officer retirement benefits system. As a result, by placing Directors (excluding Outside Directors; the same applies hereinafter) and Executive Officers in a position not only to share the benefits of higher stock prices but also the risks of lower stock prices with shareholders, the Company intends to provide added motivation and morale for improving the stock price and increasing corporate value. Accordingly, the Company believes that the substance of this proposal is reasonable and proposes the following.

The Company proposes the issuance of gratis stock acquisition rights to Directors and Executive Officers of the Company, as described in “Summary of issuance of stock acquisition rights” below, that are exercisable from the day following retirement, and are stock compensation-type stock options with a paid-in amount of 1 yen per share for exercise of each stock acquisition right.

At the 95th Annual General Meeting of Shareholders held on June 27, 2018, the amount of compensation, etc. for Directors of the Company was resolved to include, apart from basic compensation, an economic value of stock acquisition rights provided as stock options allotted to Directors as compensation of maximum 40 million yen. The Company proposes to allot stock acquisition rights as stock compensation-type stock options to Directors within the scope of the said amount of compensation, etc.

Furthermore, the Company also plans to allot gratis stock acquisition rights as stock compensation-type stock options to Directors and Executive Officers in the future, on the condition that approval is gained from a General Meeting of Shareholders of the Company for each fiscal year in which the Directors and Executive Officers are in office.

2. Summary of issuance of stock acquisition rights

(1) Persons subject to allotment of stock acquisition rights, number of persons, and number of stock acquisition rights to be allotted

Directors of the Company (excluding Outside Directors)	5 persons	214 stock acquisition rights
Executive Officers of the Company	8 persons	160 stock acquisition rights

(2) Class and number of shares to be allocated upon exercise of the stock acquisition rights

The upper limit will be 37,400 shares of ordinary stock of the Company.

The number of shares to be allocated upon exercise of each stock acquisition right (hereinafter the “number of shares granted”) shall be 100 shares. However, in the event that the Company conducts a stock split (including a gratis allotment of shares of ordinary stock of the Company; the same shall apply to references to a stock split hereinafter) or reverse stock split of its ordinary stock on or after the date the stock acquisition rights are allotted (hereinafter the “allotment date”), the number of shares granted shall be adjusted based on the following formula. However, such an adjustment shall be made to the number of shares to be allocated upon exercise of the stock acquisition rights to which the stock acquisition rights have not been exercised at the time of such stock split or reverse stock split, and any fraction resulting from the adjustment of less than one share shall be rounded down.

Post-adjustment number of shares granted = Pre-adjustment number of shares granted × Ratio of split or reverse split

In addition to the above, in the event the Company conducts a merger, company split, or stock exchange on or after the allotment date, or other equivalent circumstances whereby an adjustment to the number of shares granted is necessary, the Company may appropriately adjust the number of shares granted, within reason, after careful consideration by the Board of Directors on the conditions of such merger, company split, or stock exchange, among other factors.

When making adjustments as per above, the upper limit of the total number of shares allocated by the stock acquisition rights shall be a number obtained by multiplying the post-adjustment number of shares granted by the total number of stock acquisition rights.

(3) Total number of stock acquisition rights

374 stock acquisition rights

(4) Paid-in amount for stock acquisition rights

There will be no paid-in cash requirement in exchange for the stock acquisition rights offering.

(5) Total amount to be invested upon exercise of new stock acquisition rights

The value of assets contributed upon the exercise of each stock acquisition right shall be 1 yen for every share that may be issued upon the exercise of the stock acquisition rights, multiplied by the number of shares granted.

Furthermore, if the Company conducts a stock split or reverse stock split after the issue date for the stock acquisition rights, the paid-in amount shall be adjusted based on the following formula, and fractions resulting from the adjustment of less than 1 yen shall be rounded up.

$$\text{Post-adjustment paid-in amount} = \text{Pre-adjustment paid-in amount} \times \frac{1}{\text{Ratio of split or reverse split}}$$

(6) Period of exercising rights for stock acquisition rights

From July 1, 2021 to June 30, 2051.

(7) Exercise conditions for stock acquisition rights

- (i) A holder of stock acquisition rights may exercise stock acquisition rights only within ten (10) days after retiring from both positions of Director and Executive Officer.
- (ii) Regardless of (i) above, if either (a) or (b) below apply to the holder of stock acquisition rights, stock acquisition rights may be exercised within the respective periods.
 - (a) If a proposal to approve a merger agreement with the Company as the extinct company is approved at a General Meeting of Shareholders, or if a proposal to approve a stock exchange agreement or proposal to approve a stock transfer making the Company a wholly-owned subsidiary is approved at a General Meeting of Shareholders, the period shall be within two (2) weeks of the day following approval.
 - (b) If the holder of stock acquisition rights dies, the heir will have a period of three (3) months from the day following the death of the holder of stock acquisition rights.
- (iii) If any event occurs where a holder of the stock acquisition rights is no longer eligible to exercise the stock acquisition rights for the purpose of grant of the stock acquisition rights, the holder shall immediately lose the stock acquisition rights. This includes cases where a holder of the stock acquisition rights has been dismissed from a position of Director or Executive Officer, or sentenced to imprisonment or a more serious charge.
- (iv) The stock acquisition rights shall not be offered for pledge or made the subject of a security interest.
- (v) Each stock acquisition right may not be exercised in part.

(8) Increase in capital and capital reserve in the case of issuance of shares through the exercise of stock acquisition rights

- (i) When shares are issued through the exercise of stock acquisition rights, the amount of capital increase shall be one-half of the maximum limit for increases in capital calculated in accordance with Article 17, Paragraph 1 of the Company Accounting Ordinance, and fractions of less than 1 yen shall be rounded up.
- (ii) When shares are issued through the exercise of stock acquisition rights, the amount of capital reserve to be added shall be determined by subtracting the amount of capital increase as stipulated in (i) above from the maximum limit for increases in capital indicated in (i) above.

(9) Matters concerning the acquisition of stock acquisition rights

- (i) In the event the Company's General Meeting of Shareholders approves (or resolutions by its Board of Directors where the resolution of the General Meeting of Shareholders is not necessary) a proposal for a merger agreement in which the Company is the extinct company, proposal for an absorption-type merger agreement in which the Company is split or is planned to be newly spun off, or a resolution for a stock exchange agreement or stock transfer plan in which the Company becomes a wholly-owned subsidiary, the Company is entitled to acquire all existing stock acquisition rights gratis on a date separately determined by the Board of Directors of the Company.
- (ii) If a holder of the stock acquisition rights no longer falls under conditions for exercising the stock acquisition rights or loses the stock acquisition rights for reasons prescribed in (7) above, the Company is entitled to acquire such stock acquisition rights gratis on a date separately determined by the Company.

(10) Limits on transferability of stock acquisition rights

Transfer of stock acquisition rights shall require the approval of the Board of Directors of the Company.

(11) Treatment of stock acquisition rights during a reorganization

If the Company is subject to a merger (limited to a case where the Company ceases to exist after to the merger), merger by absorption and spin-off, demerger, stock exchange or stock transfer (hereinafter "Reorganization"), it shall, pursuant to the provisions below, deliver new stock acquisition rights covering shares in the Reorganized Company as indicated in Article 236, Paragraph 1, Items 8a through e of the Companies Act for the respective cases (hereinafter "Reorganized Company"), to the holder of the Company's existing stock acquisition rights (hereinafter "Existing Stock Acquisition Rights") on date the Reorganization becomes effective. In this case, the Existing Stock Acquisition Rights will cease to exist and the Reorganized Company will issue new stock acquisition rights. However, this shall be limited to the case whereby the delivery of new stock acquisition rights for the Reorganized Company is stipulated in the merger agreement, absorption-type merger agreement, spin-off agreement, stock exchange agreement, or stock transfer plans in accordance with the conditions below.

- (i) Number of new stock acquisition rights of the Reorganized Company to be provided
The same number as the number of existing stock acquisition rights that remain in the hands of the holders of stock acquisition rights shall be provided.
- (ii) Class of shares of the Reorganized Company underlying the new stock acquisition rights
The class of shares underlying the new stock acquisition rights shall be the Reorganized Company's ordinary stock.
- (iii) Number of shares of the Reorganized Company underlying the new stock acquisition rights
To be determined in accordance with (2) above upon consideration of such factors as the conditions of the Reorganization.
- (iv) Total amount to be invested upon exercise of new stock acquisition rights
The total amount to be invested upon exercise of the new stock acquisition rights allotted shall be, after consideration of factors such as the Reorganization, the post-adjustment paid in amount obtained from adjusting the paid in amount as stated in (5) above, multiplied by the number of shares of the Reorganized Company to be granted due to the exercise of new stock acquisition rights as stipulated in (iii) above.
- (v) Exercise period for new stock acquisition rights
Between the first day of the period that that stock acquisition rights can be exercised as stated in (6) above and the effective date of the Reorganization, whichever is later, until the final day of the period that stock acquisition rights can be exercised as stated in (6) above.
- (vi) Increase in capital and capital reserve in case of issuance of shares through exercise of the new stock acquisition rights
Determined in accordance with (8) above.
- (vii) Restrictions on acquisition of stock acquisition rights via transfer
Acquisition of stock acquisition rights via transfer shall require the approval of the Reorganized Company.
- (viii) Reasons for acquisition and conditions for stock acquisition rights
Determined in accordance with (9) above.

(12) Allotment date for stock acquisition rights

July 1, 2021

(13) Treatment of share certificates for stock acquisition rights

No stock acquisition rights certificates shall be issued for the stock acquisition rights.

End