

(Translation)

Securities Code 7277

June 11, 2021

To: Shareholders

TBK Co., Ltd.

4-21-1 Minami Naruse, Machida-shi, Tokyo
Takaaki Kishi
President

NOTICE OF CONVOCATION OF THE 85th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

This is to inform you of the holding of the 85th Ordinary General Meeting of Shareholders (the “Meeting”) of TBK Co., Ltd. (the “Company” or “TBK”). The Meeting will be held as follows:

From the viewpoint of preventing the spread of COVID-19, we request shareholders to kindly refrain from coming to the venue on the day of this year’s shareholders’ meeting to the extent possible and ask that shareholders instead exercise their voting rights in advance by either of the following methods after reviewing the Reference Materials for the General Meeting of Shareholders set forth below.

[In the case of voting in writing (voting form)]

Please send us the enclosed voting form by return mail, indicating your votes for or against the proposals, to arrive by no later than 5:15 p.m. on Monday, June 28, 2021.

[In the case of online voting]

Please access the Company’s designated voting website (<https://evote.tr.mufg.jp/>) and register your votes for or against the proposals in accordance with the instructions on the screen, by no later than 5:15 p.m. on Monday, June 28, 2021.

Upon online voting, please make sure to check the “Information Regarding Online Voting” on page 4.

1. Time and Date:

10:00 a.m., Tuesday, June 29, 2021

2. Venue:

Rembrandt Hotel Tokyo-Machida

3-2-9 Haramachida, Machida-shi, Tokyo

“*Sango-no-Ma* (Coral Hall)” on the 1st Basement level

(Please see the “Guide Map to the Venue of the General Meeting of Shareholders” at the end of this notice for directions to the venue.)

3. Agenda for the Meeting

Items to be Reported:

1. Reports on the Business Report and the Consolidated Financial Statements for the 85th business term (April 1, 2020 to March 31, 2021) and the results of audits on the

- Items to be Resolved:

Item 2: Election of One (1) Substitute Audit & Supervisory Board Member

4. Determined Matters in Relation to the Convention (Information regarding the Exercise of Voting Rights):

In the event that any voting right is exercised through both the voting form and online voting, only the online vote will be treated as valid.

In the event that any voting right is exercised more than once through online voting, only the latter or last vote exercised will be treated as valid.

-End-

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If you plan to attend the Meeting in person, please submit the enclosed voting form at the reception desk. Further, please bring this “Notice of Convocation” with you, in order to reduce paper usage.

Of the documents required to be provided upon the making of this Notice, the Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements are not contained in the documents attached hereto as they are instead made available on the Company's website at <https://www.tbk-jp.com/en/> in accordance with the laws and regulations and Article 16 of the Company's Articles of Incorporation. Accordingly, the documents attached hereto are merely portions of the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Audit & Supervisory Board and the Accounting Auditor upon the preparation of the Audit Report and the Accounting Audit Report, respectively.

Any revision of the Reference Materials for the General Meeting of Shareholders, the Business Report, and the Consolidated and Non-Consolidated Financial Statements will be notified on the Company's website at <https://www.tbk-jp.com/en/>.

### Notice on Preventing the Spread of COVID-19

We kindly request that those shareholders who attend the Meeting in person confirm the situation regarding the spread of COVID-19 and their physical condition as of the date of the Meeting and come to the venue while taking preventive measures such as wearing a mask. Shareholders who are in bad health are recommended to refrain from coming to the venue.

The Company's executives and the staff at the venue will be wearing masks and serve their duties after confirming their health condition, including by taking their temperature. We will install sanitizers for the shareholders at the Meeting venue. In addition, we will install a thermographic camera in front of the reception desk. The Company's staff may address any shareholder whose temperature is high or who appears to be in poor health and may ask them to refrain from entering the venue. We kindly ask for your understanding and cooperation for any other measures that we may need to take to prevent the spread of COVID-19.

Any material changes in the operation of the Meeting that may arise due to future circumstances will be notified on the Company's website at <https://www.tbk-jp.com/en/>. Please check the website to confirm such changes.

## Information Regarding Online Voting

[Due date and time for voting]

We will accept registrations completed by 5:15 p.m. on Monday, June 28, 2021.

### Voting by way of reading the QR Code

By voting in this way you can log into the voting website without the need to enter your login ID or tentative password stated on the voting form.

1) Read the QR Code stated on the voting form.

\*“QR Code” is a registered trademark of Denso Wave Incorporated.

2) Register your approvals/disapprovals following the instructions on the screen.

You can log into the voting website using the QR Code one time only. If you want to vote again or exercise your voting rights without using the QR Code, please refer to the “Voting by way of entering the login ID and tentative password” on the next page.

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In the event that any voting right is exercised both in writing (by mail) and online, only the online vote will be treated as valid. Further, in the event that any voting right is exercised more than once through online voting, only the latter or last vote exercised will be treated as valid.

|                                                               |
|---------------------------------------------------------------|
| Voting by way of entering the login ID and tentative password |
|---------------------------------------------------------------|

Voting website: <https://evote.tr.mufig.jp/>

- 1) Access the voting website.
- 2) Enter the login ID and tentative password stated on the voting form and click the “login” button.
- 3) Enter a new password and click the “send” button to register your new password.
- 4) Register your approvals/disapprovals following the instructions on the screen.

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Please note that you may not be able to use the voting website depending on the internet environment of your device, such as computers or smartphones.

Contact information for inquiries regarding online voting:  
Help Desk of the Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation  
0120-173-027  
(Toll free within Japan / 9.00 a.m. to 9.00 p.m.)

## Reference Materials for the General Meeting of Shareholders

### Item 1: Election of Six (6) Directors

The term of office for all of the five (5) current Directors will expire at the closing of this Ordinary General Meeting of Shareholders. Accordingly, it is proposed that six (6) Directors be elected (i.e. one (1) more Director than the previous year, for the purpose of reinforcing the management system).

The candidates for Directors are as follows:

| Candidate No. | Name<br>(Date of Birth)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Biography, Position and Responsibility<br>at the Company<br>(Situation of Important Concurrent Positions)                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Number of<br>Shares of<br>the<br>Company<br>Owned |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 1             | Takaaki Kishi<br>(July 1, 1953)<br><span>Re-elected</span>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | October 1977: Joined TBK<br>June 2008: Executive Officer, General Manager of Quality Assurance Division and responsible for Quality Control Division, TBK<br>October 2009: Executive Officer and General Manager of Sales Division, TBK<br>June 2012: Director, Executive Officer, General Manager of Sales Division No. 1 and responsible for Sales Division No. 2, TBK<br>April 2013: Director, Managing Executive Officer, General Manager of Sales Division No. 1 and Head of Domestic Business Unit, TBK<br>April 2014: President, TBK (current position) | 37,500<br>Shares                                  |
|               | <p>[Status of Attendance at Meetings of Board of Directors and Attendance Rate (FY2020)]<br/>17/17 (100%)</p> <p>[Reason for Election]<br/>Mr. Takaaki Kishi has served as President of the Company, executing the Board's resolutions and operating the Company's businesses. Since he assumed the office of President in April 2014, he has shown a wealth of experience and knowledge through his activities such as supervising the management of the Group as a whole. He is nominated as a candidate for Director considering that he is qualified to promote the Group's management and reinforce its corporate governance.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                   |
| 2             | Kenji Yamada<br>(May 29, 1955)<br><span>Re-elected</span>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | April 2010: Joined TBK<br>August 2010: Executive Officer and General Manager of General Affairs Division, TBK<br>June 2013: Director, Executive Officer, General Manager of General Affairs Division and responsible for Operation Audit Office, TBK<br>April 2016: Director, Managing Executive Officer, General Manager of General Affairs Division and Head of Planning & Control Unit, TBK<br>April 2017: Director, Managing Executive Officer                                                                                                             | 28,200<br>Shares                                  |

| Candidate No. | Name<br>(Date of Birth)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Biography, Position and Responsibility<br>at the Company<br>(Situation of Important Concurrent Positions)                                                                                                                                                                                                                                                                                                                                                        | Number of<br>Shares of<br>the<br>Company<br>Owned |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
|               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | and Head of Planning & Control Unit, TBK<br>April 2021: Director, Senior Managing Executive Officer and Head of Planning & Control Unit, TBK<br>(current position)                                                                                                                                                                                                                                                                                               |                                                   |
|               | <p>[Status of Attendance at Meetings of Board of Directors and Attendance Rate (FY2020)]<br/>17/17 (100%)</p> <p>[Reason for Election]<br/>Through his responsibilities in the Company's Business Planning Unit and Risk Compliance Unit, as well as in the banking industry, Mr. Kenji Yamada has shown a wealth of experience, achievements and knowledge regarding management, finance and compliance. He is nominated as a candidate for Director considering that he is qualified to promote the Group's management and reinforce its corporate governance.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                   |
| 3             | <p>Ding Xuwei<br/>(May 18, 1959)</p> <p><u>Newly Elected</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>April 1994: Joined TBK<br/>February 2006: Head of China Business Office<br/>October 2011: Vice General Manager of Changchun FAWSN TBK Co., Ltd.<br/>April 2013: Executive Officer, TBK<br/>October 2017: General Manager of Changchun FAWSN TBK Co., Ltd. (current position)<br/>April 2019: Managing Executive Officer, TBK (current position)</p> <p>(Situation of Important Concurrent Positions)<br/>General Manager of Changchun FAWSN TBK Co., Ltd.</p> | 0 Shares                                          |
|               | <p>[Reason for Election]<br/>Mr. Ding Xuwei has served as General Manager of Changchun FAWSN TBK Co., Ltd., a Group company, and has shown his experience, achievements and knowledge concerning overseas business management. He is nominated as a candidate for Director considering that he is qualified to promote the Group's management and strengthen its overseas businesses.</p>                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                   |
| 4             | <p>Kaoru Ogata<br/>(December 20, 1962)</p> <p><u>Newly Elected</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>April 1986: Joined TBK<br/>November 2007: General Manager of Business Planning Division, TBK<br/>June 2008: General Manager of Global Purchasing Division, TBK<br/>October 2011: President, TBK America, Inc.<br/>July 2015: General Manager of Production Control Division, TBK<br/>October 2017: President, TBKK (Thailand) Co.,</p>                                                                                                                        | 6,600 Shares                                      |

| Candidate No. | Name<br>(Date of Birth)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Biography, Position and Responsibility<br>at the Company<br>(Situation of Important Concurrent Positions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Number of<br>Shares of<br>the<br>Company<br>Owned |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
|               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Ltd. (current position)<br/> April 2018: Executive Officer, TBK<br/> April 2019: Managing Executive Officer, TBK<br/> (current position)</p> <p>(Situation of Important Concurrent Positions)<br/> President, TBKK (Thailand) Co., Ltd.</p>                                                                                                                                                                                                                                                                                                                             |                                                   |
|               | <p>[Reason for Election]<br/> Mr. Kaoru Ogata has broad experience in the Global Purchasing Unit and the Production Control Unit and has shown his experience, achievements and knowledge regarding business management through his service as an officer of Group companies in the U.S. and Thailand. He is nominated as a candidate for Director considering that he is qualified to enhance the Group's productivity, promote its management and strengthen its overseas businesses.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                   |
| 5             | <p>Yuko Chiyoda<br/> (January 14,<br/> 1961)</p> <p>Re-elected</p> <p>Outside</p> <p>Independent<br/> Officer</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>April 1992: Entered the Legal Training and Research Institute of Japan<br/> April 1994: Registered as an attorney-at-law<br/> January 2002: Representative of CHIYODA &amp; CHIYODA law firm (current position)<br/> June 2016: Outside Director of Cleanup Corporation (current position)<br/> June 2018: Outside Director of Kosaido Co., Ltd.<br/> June 2020: Outside Director of TBK (current position)</p> <p>(Situation of Important Concurrent Positions)<br/> Representative of CHIYODA &amp; CHIYODA law firm<br/> Outside Director of Cleanup Corporation</p> | 100<br>Shares                                     |
|               | <p>[Status of Attendance at Meetings of Board of Directors and Attendance Rate (FY2020)]<br/> 14/14 (100%)</p> <p>[Reason for Election and Overview of Expected Roles]<br/> Although Ms. Yuko Chiyoda has no direct experience in business management, she has been engaging in professional practice as an attorney-at-law for a long time. She is nominated as a candidate for Outside Director considering that she will greatly contribute to reinforcing the functions of the Board of Directors and corporate governance by supervising the execution of duties by Directors from an independent standpoint, based on a wealth of experience and achievements and broad knowledge and insights regarding corporate legal practice both in Japan and the U.S. If elected, she will not only be expected to continue to perform the aforementioned roles but will also be involved in the selection of candidates to</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                   |



| Candidate No. | Name<br>(Date of Birth)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Biography, Position and Responsibility<br>at the Company<br>(Situation of Important Concurrent Positions)                                                                                                                                                                                                                                                                                                                                                                                                       | Number of<br>Shares of<br>the<br>Company<br>Owned |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
|               | become Company officers and the decisions on officers' compensation, etc., from an objective and neutral standpoint as a member of the Nomination and Compensation Committee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                   |
| 6             | Shozo Watanabe<br>(January 1, 1955)<br><div>Newly Elected</div> <div>Outside</div> <div>Independent Officer</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | April 1978: Entered Taiyo-Kobe Bank Limited.<br>April 2007: Executive Officer and General Manager of Tokyo Central Block, Sumitomo Mitsui Banking Corporation<br>May 2008: President and Representative Director, At-Loan Co., Ltd.<br>June 2011: Director and Senior Managing Executive Officer, Promise Co., Ltd.<br>June 2013: President and Representative Director, Rising Building Maintenance K.K.<br>June 2017: Outside Audit & Supervisory Board Member, Iwasaki Electric Co., Ltd. (current position) | 0 Shares                                          |
|               | <p>[Reason for Election and Overview of Expected Roles]</p> <p>Mr. Shozo Watanabe has a wealth of experience and achievements and broad knowledge and insights into the business management, etc. of banks and business companies. He is nominated as a candidate for Outside Director considering that he will greatly contribute to reinforcing the functions of the Board of Directors and corporate governance. If elected, he will not only be expected to perform the aforementioned roles but will also be involved in the selection of candidates for the Company officers and the decisions on officers' compensation, etc., from an objective and neutral standpoint as a member of the Nomination and Compensation Committee.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                   |

- (Notes)
- None of the candidates have any special interest in the Company.
  - Ms. Yuko Chiyoda and Mr. Shozo Watanabe are candidates for Outside Directors.
  - Ms. Yuko Chiyoda will have been an Outside Director of the Company for one (1) year at the closing of this Ordinary General Meeting of Shareholders.
  - The Company has entered into an agreement with Ms. Yuko Chiyoda which limits her liability under Article 427, Paragraph 1 of the Companies Act. The said agreement limits her liability for damages to either JPY 1,000,000 or the minimum liability amount prescribed by Article 425, Paragraph 1 of the Companies Act, whichever is higher. If the reelection of Ms. Yuko Chiyoda is approved, the Company will continue the said agreement with her. In addition, if Mr. Shozo Watanabe is elected, the Company will enter into a similar agreement with him which will also limit his liability.
  - The Company has entered into a directors and officers liability insurance agreement with an insurance company pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act. The insurance agreement will provide

compensation in the event that the insured assumes liability for damage, etc., as a result of their duties. If the election of each candidate for Director is approved, they will be included in the insureds of such insurance agreement. The Company will renew the insurance agreement with the same contents at the time of next renewal.

6. The Company has registered Ms. Yuko Chiyoda as an Independent Officer, as prescribed by the Tokyo Stock Exchange. In addition, Mr. Shozo Watanabe satisfies the requirements for becoming an Independent Officer as prescribed by the Tokyo Stock Exchange, and the Company will register him at the Tokyo Stock Exchange as an Independent Officer.
7. Ms. Yuko Chiyoda's name on her family register is Yuko Nakajima.
8. Mr. Shozo Watanabe will resign from his position as an Outside Audit & Supervisory Board Member of Iwasaki Electric Co., Ltd. on June 25, 2021.

## Item 2: Election of One (1) Substitute Audit & Supervisory Board Member

The effectiveness of the election of the Substitute Audit & Supervisory Board Member at the 84<sup>th</sup> Ordinary General Meeting of Shareholders will expire at the start of this Ordinary General Meeting of Shareholders. Accordingly, in the case of a vacancy in the number of company auditors as prescribed by the laws and regulations, it is proposed that a Substitute Audit & Supervisory Board Member be elected.

This Item has been approved by the Audit & Supervisory Board.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

| Name<br>(Date of Birth)             | Biography and Position at the Company<br>(Situation of Important Concurrent Positions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Number of<br>Shares of the<br>Company<br>Owned |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| Satoshi Azuhata<br>(April 14, 1955) | <p>March 1974: Joined Tokyo Seiko Co., Ltd.</p> <p>April 2014: Executive Officer and General Manager of Production Control Division, TBK</p> <p>April 2015: Executive Officer, General Manager of Production Control Division and responsible for Sales Unit, TBK</p> <p>April 2016: Executive Officer and responsible for Domestic Sales Unit and Production Control Division, TBK</p> <p>June 2016: Director, Executive Officer, and responsible for Domestic Sales Unit and Production Control Division, TBK</p> <p>April 2018: Director, Managing Executive Officer, and responsible for Domestic and Overseas Sales Unit and Production Control Division, TBK</p> <p>April 2020: Director and Advisor, TBK</p> <p>June 2020: Advisor, TBK (current position)</p> | 23,300<br>Shares                               |

[Reason for Election]

Mr. Satoshi Azuhata has experience and achievements in the Sales Unit and the Production Control Unit, has served as a Director of the Company and shown a wealth of experience and broad knowledge as a manager. He is elected as a candidate for Substitute Audit & Supervisory Board Member considering that he can audit the execution of duties by Directors from an objective and fair standpoint.

- (Notes)
1. The candidate has no special interest in the Company.
  2. If Mr. Satoshi Azuhata is appointed as an Audit & Supervisory Board Member, the Company will enter into an agreement with him under Article 427, Paragraph 1 of the Companies Act, which limits his liability for damages to either JPY 1,000,000 or the minimum liability amount prescribed by Article 425, Paragraph 1 of the Companies Act, whichever is higher.
  3. The Company has entered into a directors and officers liability insurance agreement with an insurance company pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act. The insurance agreement will provide compensation in the event that the insured assumes liability for damage, etc., as a result of their duties. If Mr. Satoshi Azuhata is appointed as an Audit & Supervisory Board Member, he will be included in the insureds of such insurance agreement.

### Item 3: Revision of Share Compensation Plan with Respect to Directors

#### 1. Reasons for Proposal and Why the Proposal is Considered to be Appropriate

At the 83<sup>rd</sup> Ordinary General Meeting of Shareholders held on June 20, 2019, the introduction of a share compensation plan (the “Plan”) with respect to the Company’s Directors (including Outside Directors; unless otherwise specified, the same shall apply hereinafter in this Item) and Executive Officers (together with Directors, the “Directors, etc.”) was approved (the resolution at the aforementioned Ordinary General Meeting of Shareholders shall hereinafter be referred to as the “Original Resolution”), which has been in place until today. After the Original Resolution, the Act Partially Amending the Companies Act (Act No. 70 of 2019) came into effect on March 1, 2021, wherein it is now necessary to set an upper limit for the number of shares to be granted in cases where shares are granted to directors as compensation. In accordance with such amendment, the Company will set an upper limit on the number of points to be granted to the subject Directors, etc. under the Plan (the “Revision”).

This Item is to perform procedures in accordance with the legislative amendment and, same as the Original Resolution, the purpose of this Item is to increase awareness in order to contribute to improving business results and enhancing corporate value over the medium to long term, by sharing only the benefits of an increase in share prices but also the risks of a decrease thereof with our shareholders and by further clarifying the interlocking between the compensation of Directors etc., and Company’s business results and the value of the Company’s shares. Also, for the Outside Directors, the purpose of this Item is to motivate the enhancement of the social evaluation of the Company through ensuring the soundness of the Company’s management and the Company’s social reliability. Since these are also consistent with the policies regarding decisions on the contents of the individual compensation, etc. of the Company’s Directors (please refer to the Business Report [page 16 of this Notice of Convocation]), the Company

deems the contents of this Item to be appropriate.

This Item is to ask for your approval with respect to the amount and concrete details of compensation, etc., in order to provide the Company's Directors with compensation based on the Plan after the Revision, separate from the amount of compensation for Directors (up to 350 million yen per year, excluding employee salaries) as approved at the 77<sup>th</sup> Ordinary General Meeting of Shareholders held on June 20, 2013. Please leave the decision on the details of the Plan to the Board of Directors within the framework specified in 2. below.

The number of Directors subject to the Plan is currently five (5); however, if Item 1 is approved as originally proposed, the number of Directors subject to the Plan will become six (6).

The resolution of this Item will become effective retrospectively from March 1, 2021. Since the Plan comprehensively provides not only for the compensation of Directors but also for the compensation of Executive Officers, the explanation specified in "2. Amount of Compensation, etc., and Reference Information Regarding the Plan" relates to the plan which combines both such types of compensation.

## 2. Amount of Compensation, etc., and Reference Information Regarding the Plan

### (1) Overview of the Plan

The Plan is a share compensation plan in which Company shares will be acquired through a trust (the trust set up under the Plan shall hereinafter be referred to as the "Trust") using money contributed by the Company as a financial source, and such shares shall be distributed to the Directors, etc., through the Trust in accordance with the Share Benefit Regulations for Officers prescribed by the Company.

| Persons Subject to the Plan                                                                                                                                                                                                     | Directors (including Outside Directors) and Executive Officers                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maximum amount of money contributed by the Company to the Trust (as specified in (2) below)                                                                                                                                     | 720 million yen for five (5) business years (among which, the amount for Directors shall be 420 million yen (including 10 million yen for Outside Directors))                           |
| Trust's method of acquiring Company shares (as specified in (3) below)                                                                                                                                                          | Acquisition through the stock market or the acceptance of Company's disposal of treasury shares                                                                                         |
| Maximum number of Company shares, etc., to be distributed to Directors, etc. (as specified in (4) below)<br>* The portion corresponding to the "revision of the share compensation plan with respect to Directors" of this Item | Maximum number of points for one (1) business year<br>Directors (excluding Outside Directors): 193,100 points<br>Executive Directors: 141,300 points<br>Outside Directors: 4,700 points |
| Timing for distribution of Company shares (as specified in (5) below)                                                                                                                                                           | In principle, upon the resignation of the relevant Director, etc.                                                                                                                       |

### (2) Amount to be Entrusted (Amount of Compensation, etc.)

The Company introduced the Plan targeting the five (5)-business-year period from the business year ended at the end of March 2020 to the business year ending at the end of March 2024 (the "Initial Target Period"; the Initial Target Period and each period of five (5) business years which starts after such Initial Target Period shall each be referred to as a "Target Period") and each subsequent Target Period, and contributed 720 million yen as funds for the acquisition of shares

in order to distribute such shares to the Company's Directors, etc. under the Plan with respect to the Initial Target Period, and thereby established the Trust under which the Directors, etc., who satisfy the beneficiary requirements will become beneficiaries. The Trust acquired 961,100 Company shares for the Initial Target Period by using the money entrusted by the Company as financial resources.

After the Initial Target Period, during the period until the Plan is terminated, the Company will additionally contribute up to 720 million yen for each Target Period, in principle; provided, however, that, upon making such additional contribution, if there are any Company shares (excluding those corresponding to the number of points granted to Directors, etc., with respect to each immediately preceding Target Period and that have not been distributed to the Directors, etc.) and/or any money remaining in the trust assets (collectively, the "Residual Shares, etc."), the total of the amount of such Residual Shares, etc. (with respect to the Company shares, the book value as of the last day of the immediately preceding Target Period) and the amount of such additional contribution of cash shall be within the extent of the upper limit approved through this Item. The Company will disclose in an appropriate and timely manner when it decides to make any additional contribution.

### (3) Method of Acquiring Company Shares and Number of Shares to be Acquired

The Trust will acquire Company shares by using the funds contributed pursuant to (2) above as financial resources, through the stock market or by accepting the Company's disposal of treasury shares, and the Company will not issue new shares. The maximum number of points to be granted to the Directors, etc., is 339,100 points for one (1) business year, and the maximum number of Company shares to be acquired by the Trust for each Target Period will accordingly be 339,100 shares.

### (4) Maximum Number of Company Shares, etc. to be Distributed to Directors, etc.

For each business year, Directors (excluding Outside Directors) and Executive Officers will receive the number of points which is determined by taking into consideration their respective positions, performance achievement levels, etc., pursuant to the Share Benefit Regulations for Officers, and Outside Directors will receive the number of points which is determined by taking into consideration their respective positions pursuant to the Share Benefit Regulations for Officers.

The total number of points to be granted for one (1) business year shall be up to: 193,100 points for Directors; 141,300 points for Executive Officers, and; 4,700 points for Outside Directors. These figures have been determined by comprehensively taking into consideration the current payment standards of officers' compensation, and the trends in and future expectations of the number of Directors, etc., and the Company therefore considers such figures to be appropriate. With regard to the points granted to the Directors, etc., one (1) point will be converted into one (1) common share of the Company at the time when the Company shares are distributed as specified in (5) below; provided, however, that, if any share split, allotment of shares without contribution or consolidation of shares, etc., is performed with respect to the Company shares after this Item is approved, the Company will make a reasonable adjustment according to the ratio, etc. thereof, with respect to the maximum number of points and the number of granted points or the conversion ratio.

The number of shares (339,100 shares) corresponding to the maximum number of points for one (1) business year granted to the Directors, etc., accounts for approximately 1.2 percent of the total number of outstanding shares (as of March 31, 2021; after deduction of treasury shares).

In principle, the number of points held by a Director, etc., which serves as a basis for the distribution of Company shares as specified in (5) below shall be calculated by multiplying the number of points which have been granted to the relevant Director, etc., up to the time of resignation by the coefficient prescribed for the respective reason for resignation (which shall not be more than one (1)) (such calculated points shall hereinafter be referred to as the “Fixed Number of Points”).

#### (5) Distribution of Company Shares

In the event that a Director, etc. resigns and satisfies the beneficiary requirements set forth in the Share Benefit Regulations for Officers, such Director, etc. will, by performing the prescribed beneficiary determination procedures, receive the distribution of Company shares from the Trust after resignation, in the number corresponding to the Fixed Number of Points as determined pursuant to (4) above, in principle.

If a Director, etc., who received the grant of points: (i) becomes subject to a resolution of dismissal at a General Meeting of Shareholders; (ii) resigns due to having engaged in certain unlawful or illegal acts while holding office; or (iii) engages in any inappropriate act, etc., while holding office which may cause damage to the Company, such Director, etc., shall not acquire the right to receive the distribution.

The amount of compensation, etc., to be received by Directors, etc., shall be based on the amount calculated by multiplying the total number of points granted to Directors, etc., by the book value of one (1) Company share retained by the Trust (provided, however, that, if any share split, allotment of shares without contribution or consolidation of shares, etc., is performed with respect to the Company’s shares, the Company will make a reasonable adjustment according to the ratio, etc. thereof) at the time of granting points. If any cash is granted as an exceptional case pursuant to the provisions of the Share Benefit Regulations for Officers and it is deemed to be appropriate, such amount shall be added the amount of compensation, etc.

#### (6) Exercise of Voting Rights

In accordance with the instructions from the trust administrator, the voting rights relating to the Company shares in the Trust account shall not be exercised uniformly. This approach is intended to ensure the neutrality toward the Company’s management in respect of the exercise of voting rights relating to the Company’s shares in the Trust account.

#### (7) Handling of Dividends

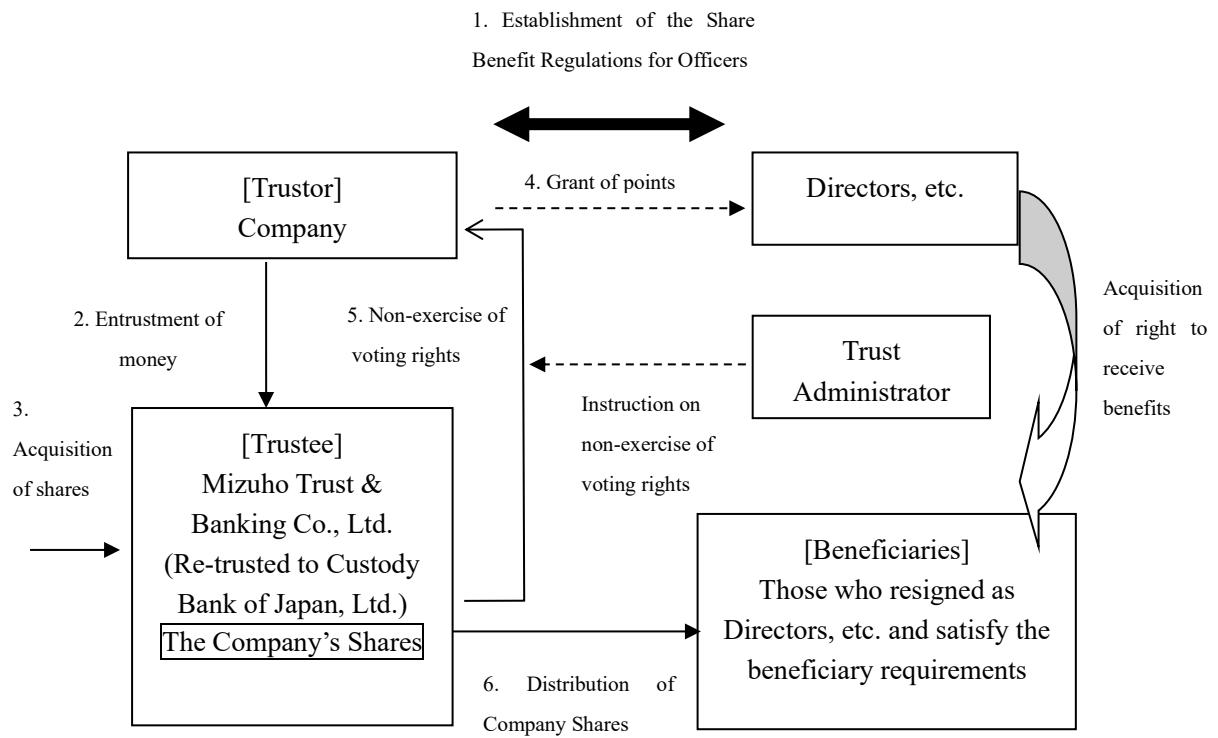
Dividends relating to Company shares in the Trust account will be received by the Trust and used to acquire Company shares and/or pay trust fees to the Trust’s trustee, etc. In the event of the Trust being terminated, dividends and the like which are remaining in the Trust will be paid to the Directors, etc. in office at that moment, on a pro rata basis according to the number of points retained by each of such Directors, etc., pursuant to the provisions of the Share Benefit Regulations for Officers.

#### (8) Handling upon Termination of Trust

The Trust will terminate in the event of an occurrence such as the delisting of the Company’s shares or abolition of the Share Benefit Regulations for Officers. Among the residual assets of the Trust upon the Trust’s termination, it is planned that all of the Company’s shares will be acquired by the Company at no cost and will be cancelled by a resolution of the Board of

Directors. Any money among the residual assets of the Trust upon the Trust's termination will be paid to the Company, after deducting therefrom the amount to be paid to the Directors, etc., pursuant to (7) above.

[Reference: Structure of the Plan]



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