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(Stock Exchange Code 8059)  
June 1, 2021

**To Shareholders with Voting Rights:**

Ichiro Uno  
President & CEO  
DAIICHI JITSUGYO CO., LTD.  
4-6 Kandasurugadai, Chiyoda-ku, Tokyo

## **NOTICE OF THE 98th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

It is our pleasure to inform you of the 98th Annual General Meeting of Shareholders of DAIICHI JITSUGYO CO., LTD. (the “Company”). The meeting will be held for the purposes as described below.

If you choose not to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights.

- 1. Date and Time:** Wednesday, June 23, 2021 at 10:00 a.m. Japan time
- 2. Place:** 4-6 Kandasurugadai, Chiyoda-ku, Tokyo (1F, Ochanomizu sola city)  
Room C, sola city Conference Center
- 3. Meeting Agenda:**
  - (1) Matters to be reported:**
    1. The Business Report and Non-consolidated Financial Statements for the Company’s 98th Fiscal Year (April 1, 2020 - March 31, 2021)
    2. The Consolidated Financial Statements for the Company’s 98th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
  - (2) Proposals to be resolved:**
    - Proposal 1:** Distribution of Surplus
    - Proposal 2:** Election of Nine (9) Directors
    - Proposal 3:** Revision of the Amount of Remuneration for Outside Directors
    - Proposal 4:** Determination of Remuneration for Granting Restricted Stock to Directors
    - Proposal 5:** Payment of Bonuses to Directors

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Distribution of Surplus

#### Matters concerning year-end dividends

The Company positions the return of profits to shareholders one of its significant management policies and its basic principle is to implement appropriate dividends corresponding to business results.

Regarding year-end dividends for the current fiscal year, the Company proposes the following in comprehensive consideration of factors such as business results for the current fiscal year, future business development and continuance of stable dividend payment.

(1) Type of dividend property

Cash

(2) Matters concerning allocation of dividend property to shareholders and its total amount

70 yen per common share                      Total of 748,407,660 yen

Therefore, the annual dividend will be 130 yen per share, including the interim dividend of 60 yen per share.

(3) Effective date of dividends of surplus

June 24, 2021

**Proposal 2:** Election of Nine (9) Directors

The terms of office of all current nine (9) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of nine (9) Directors, including three (3) Outside Directors. To ensure effective supervision of corporate management from an independent and objective standpoint, Outside Directors constitute one third (1/3) or more of the Board of Directors of the Company.

The candidates for Directors are as follows:

No.	Name	Current position	Attendance at Board of Directors meetings
1	<div>Reappointment</div> Ichiro Uno	Representative Director, President & CEO	14 times / 14 times (100%)
2	<div>Reappointment</div> Shigeki Terakawa	Senior Managing Director	14 times / 14 times (100%)
3	<div>Reappointment</div> Ryuichi Ninomiya	Managing Director	14 times / 14 times (100%)
4	<div>Reappointment</div> Masatoshi Ueno	Managing Director	14 times / 14 times (100%)
5	<div>New candidate</div> Yasushi Marumoto	Managing Executive Officer	
6	<div>New candidate</div> Osamu Fukawa	Managing Executive Officer	
7	<div>Reappointment</div> <div>Outside</div> <div>Independent</div> Yoshikazu Sakamoto	Outside Director	14 times / 14 times (100%)
8	<div>Reappointment</div> <div>Outside</div> <div>Independent</div> Yukie Tanaka	Outside Director	14 times / 14 times (100%)
9	<div>Reappointment</div> <div>Outside</div> <div>Independent</div> Namika Yamada	Outside Director	11 times / 11 times (100%)

- (Notes)
1. Board of Directors meetings do not include written resolutions.
  2. As for Ms. Namika Yamada, the figures indicate attendance after she assumed the position of Director on June 24, 2020.

<Reference>

Skill matrix of Directors after the conclusion of this General Meeting of Shareholders

If the candidates for Directors in this Notice are elected as proposed, the skills and diversity of Directors will be as follows:

No.	Name	Position to assume after this General Meeting of Shareholders	Experience, Knowledge, etc.						Attribute	
			Corporate management and corporate strategy	Knowledge of the industry, sales, and marketing	International perspective	Finance and accounting	Legal affairs and risk management	Other	Gender	Independence
1	Ichiro Uno	Representative Director, President & CEO	●	●	●				Male	
2	Shigeki Terakawa	Representative Director, Senior Managing Director	●	●					Male	
3	Ryuichi Ninomiya	Managing Director	●	●	●				Male	
4	Masatoshi Ueno	Managing Director		●	●			● *1	Male	
5	Yasushi Marumoto	Managing Director	●	●	●				Male	
6	Osamu Fukawa	Managing Director			●	●	●		Male	
7	Yoshikazu Sakamoto	Director				●			Male	●
8	Yukie Tanaka	Director						● *2	Female	●
9	Namika Yamada	Director					●		Female	●

\*1 Technology and IT

\*2 IR and PR, knowledge of other industries

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions
1	<p>Ichiro Uno (November 12, 1959) <b>Reappointment</b></p> <p>[Number of shares of the Company held] 5,600</p> <p>[Attendance at Board of Directors meetings] 14 times / 14 times (100%)</p> <p>[Term of office] 5 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>April 1982 Joined the Company</p> <p>October 2003 General Manager, Plant Engineering Dept., Osaka 1st Sales Div.</p> <p>April 2007 Deputy General Manager, Osaka Plant Machinery Business Div.</p> <p>April 2013 Executive Officer, General Manager, Osaka Business Div. and Osaka Branch Manager</p> <p>April 2014 Executive Officer, President of DAIICHI JITSUGYO (AMERICA), INC.</p> <p>June 2016 Managing Director</p> <p>April 2017 Representative Director, President &amp; CEO (to present) (In charge of Internal Audit Div. and associated companies)</p> <p>[Significant concurrent positions] Chairman, Daiichi Mecha-Tech Corporation</p> <p>[Reason for nomination as a candidate for Director and expected roles] Mr. Ichiro Uno has long years of domestic and overseas sales experience, mainly in the chemical plant industry. After serving as President of the Company's U.S. subsidiary, he assumed the position of President &amp; CEO in 2017 and has engaged in important decision making and supervision of the execution of the Company's business ever since. He has a wealth of knowledge and insight as a corporate manager and is expected to facilitate global business management, further strengthen corporate governance, and contribute to increasing corporate value. The Company therefore renominated him as a candidate for Director.</p>
2	<p>Shigeki Terakawa (July 17, 1957) <b>Reappointment</b></p> <p>[Number of shares of the Company held] 7,100</p> <p>[Attendance at Board of Directors meetings] 14 times / 14 times (100%)</p> <p>[Term of office] 8 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>April 1980 Joined the Company</p> <p>April 2005 General Manager, Industrial Machinery System Dept., Osaka 1st Sales Div.</p> <p>April 2010 Deputy General Manager, Osaka Business Div.</p> <p>April 2011 Executive Officer, General Manager, Osaka Business Div. and Osaka Branch Manager</p> <p>June 2013 Managing Director</p> <p>April 2014 Managing Director, Managing Executive Officer, General Manager, Osaka Business Div. and Osaka Branch Manager and General Manager, Pharma System Div.</p> <p>April 2015 Managing Director, Nagoya Branch Manager</p> <p>April 2017 Managing Director, Osaka Branch Manager, Nagoya Branch Manager</p> <p>April 2019 Managing Director, Osaka Branch Manager</p> <p>April 2021 Senior Managing Director (to present) (In charge of Plant &amp; Energy Business Div., Energy Solutions Business Div., Healthcare Business Div., and Corporate Branch)</p> <p>[Significant concurrent positions] Representative Director, Senior Managing Director, Daiichi Jitsugyo Viswill Co., Ltd.</p> <p>[Reason for nomination as a candidate for Director and expected roles] Mr. Shigeki Terakawa has long years of sales experience in the field of powder processing and has driven forward the development of new business, as well as the expansion of existing business. After assuming the position of Director in 2013, he has engaged in important decision making and supervision of the execution of the Company's business with his knowledge of a wide range of industrial machinery. He has a wealth of experience and insight as a corporate manager and is expected to contribute to the strengthening and expansion of our sales structure that oversees the overall business, including the automotive, healthcare, and rechargeable battery industries and other growth fields. The Company therefore renominated him as a candidate for Director.</p>

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions
3	<p>Ryuichi Ninomiya (October 10, 1961) Reappointment</p> <p>[Number of shares of the Company held] 6,200</p> <p>[Attendance at Board of Directors meetings] 14 times / 14 times (100%)</p> <p>[Term of office] 2 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>April 1984 Joined the Company</p> <p>April 2005 General Manager, 1st Electronic &amp; Precision Machinery Dept., Nagoya Sales Div.</p> <p>April 2009 Deputy General Manager, Nagoya Business Div.</p> <p>April 2011 Executive Officer, General Manager, Nagoya Business Div. and Nagoya Branch Manager</p> <p>April 2015 Executive Officer of the Company, Managing Director of DAIICHI JITSUGYO ASIA PTE. LTD.</p> <p>April 2019 Executive Officer, Nagoya Branch Manager</p> <p>June 2019 Managing Director, Nagoya Branch Manager (to present) (In charge of Industrial Machinery Business Div., Automotive Business Div., Engineering Center, Asia, and China area)</p> <p>[Reason for nomination as a candidate for Director and expected roles] Mr. Ryuichi Ninomiya has long years of sales experience in the automotive-related industry, as well as experience as an expatriate in the United States and Asia, and has expanded domestic and overseas business activities. After assuming the position of Director in 2019, he has engaged in important decision making and supervision of the execution of the Company's business. He has a wealth of experience and insight as a corporate manager and has been driving forward the development of our overseas business and the strengthening of the engineering function. The Company therefore renominated him as a candidate for Director.</p>
4	<p>Masatoshi Ueno (September 23, 1962) Reappointment</p> <p>[Number of shares of the Company held] 4,200</p> <p>[Attendance at Board of Directors meetings] 14 times / 14 times (100%)</p> <p>[Term of office] 2 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>April 1985 Joined the Company</p> <p>April 2003 General Manager, 1st Electronic Precision Fine Device Dept., Precision Machinery Sales Div.</p> <p>October 2008 Deputy General Manager, PFSC Business Operations Div.</p> <p>April 2013 Executive Officer, General Manager, Electronics Business Div.</p> <p>June 2019 Managing Director (to present) (In charge of Electronics Business Div., Aviation &amp; Social Infrastructure Div., Corporate Strategy Div., the Americas, and Europe)</p> <p>[Reason for nomination as a candidate for Director and expected roles] Mr. Masatoshi Ueno has long years of sales experience, mainly in the electronics-related industry. He also has experience as an expatriate in the United States and has expanded domestic and overseas business activities. After assuming the position of Director in 2019, he has engaged in important decision making and supervision of the execution of the Company's business. He has a wealth of experience and insight in cutting-edge fields, including electronics, and has been driving forward digital transformation in the management of the Group. The Company therefore renominated him as a candidate for Director.</p>

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions
5	<p>Yasushi Marumoto (August 1, 1963) New candidate</p> <p>[Number of shares of the Company held] 2,000</p>	<p>April 1987 Joined New Japan Securities Co., Ltd. (current Mizuho Securities Co., Ltd.)</p> <p>April 1990 Joined the Company</p> <p>April 2007 General Manager, Plant Engineering Dept., Osaka Plant Machinery Business Div.</p> <p>October 2016 General Manager, PRO-Dept., PT. DJK INDONESIA</p> <p>October 2018 Deputy General Manager, Plant &amp; Energy Business Div.</p> <p>April 2019 Executive Officer, General Manager, Plant &amp; Energy Business Div.</p> <p>April 2021 Managing Executive Officer, Osaka Branch Manager and General Manager, Plant &amp; Energy Business Div. (to present) (Responsible for Energy Solutions Business Div.)</p> <p>[Reason for nomination as a candidate for Director and expected roles] Mr. Yasushi Marumoto has long years of domestic and overseas sales experience, mainly in the chemical plant industry, and has accelerated the development of business related to renewable energy, including the field of secondary battery manufacturing in high demand in recent years. He has a broad knowledge of the industry and is expected to contribute to the expansion and development of the newly established energy solutions business. The Company therefore nominated him as a candidate for Director.</p>
6	<p>Osamu Fukawa (May 28, 1968) New candidate</p> <p>[Number of shares of the Company held] 2,700</p>	<p>April 1992 Joined the Company</p> <p>April 2006 Director, DAIICHI JITSUGYO ASIA PTE. LTD.</p> <p>April 2008 General Manager, DAIICHI JITSUGYO (AMERICA), INC.</p> <p>October 2010 Director (Secretary &amp; Treasurer), DAIICHI JITSUGYO (AMERICA), INC.</p> <p>April 2013 General Manager, Finance Dept., Administration &amp; Accounting Div.</p> <p>October 2015 Deputy General Manager, Accounting Div.</p> <p>April 2019 Executive Officer, General Manager, Administration &amp; Accounting Div.</p> <p>April 2020 Executive Officer, General Manager, Accounting Div.</p> <p>April 2021 Managing Executive Officer, CFO, and General Manager, Accounting Div. (to present) (Responsible for Corporate Planning and Management Dept. and Corporate Communication Dept.)</p> <p>[Reason for nomination as a candidate for Director and expected roles] Mr. Osamu Fukawa has long engaged in the work of administration departments and has taken advantage of his experience as an expatriate in the United States and Asia. He has expertise based on practical experience in the fields of domestic and overseas finance, accounting, legal affairs, and risk management. His wealth of knowledge, as well as broad insight, enables him to formulate and implement finance strategies as CFO of the Company, and he is expected to contribute to increasing corporate value. The Company therefore nominated him as a candidate for Director.</p>

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions
7	Yoshikazu Sakamoto (June 10, 1956) <div>Reappointment</div> <div>Outside</div> <div>Independent</div>	April 1975 Joined Tokyo Regional Taxation Bureau July 2010 Ishida Tax and Accounting Office September 2010 Registered as a tax accountant Yoshikazu Sakamoto Tax Accountant Office (current Sakamoto, Koyama & Numazawa Tax and Accounting Office) (to present) June 2015 Director of the Company (to present)
	[Number of shares of the Company held] 0  [Attendance at Board of Directors meetings] 14 times / 14 times (100%)  [Term of office] 6 years (at the conclusion of this General Meeting of Shareholders)	[Reason for nomination as a candidate for Director and expected roles] Although Mr. Yoshikazu Sakamoto has not been involved in corporate management, he has acquired extensive knowledge of finance, tax affairs, etc., through many years of service at the Taxation Bureau. He serves as Chairperson of the Governance Committee, which was newly established in 2020, contributes to strengthening the overall governance structure of the Group, and properly provides advice and oversight to improve the quality of the management of the Company. Based on the above reasons, the Company has judged that he will be able to continue to execute his duties and renominated him as a candidate for Outside Director.
8	Yukie Tanaka (March 18, 1970) <div>Reappointment</div> <div>Outside</div> <div>Independent</div>	April 1992 Joined NOMURA Co., Ltd December 1998 Established Dual, Inc. September 2002 Has been engaged in news gathering and writing for IR tools, after providing editing services for specialized magazines at an IR support company (to present) June 2016 Director of the Company (to present)
	[Number of shares of the Company held] 0  [Attendance at Board of Directors meetings] 14 times / 14 times (100%)  [Term of office] 5 years (at the conclusion of this General Meeting of Shareholders)	[Reason for nomination as a candidate for Director and expected roles] Although Ms. Yukie Tanaka has not been involved in corporate management, she, taking advantage of her knowledge acquired by interviewing corporate managers and writing for IR activities of listed companies, expresses her views from the perspectives of accountability and stronger governance and provides flexible and proper advice on IR and PR activities of the Company, as well as on workstyle and diversity. She is expected to provide advice and guidance for the enhancement of corporate communication activities that realize constructive dialogue with shareholders, which is of increasing importance. The Company therefore renominated her as a candidate for Outside Director.

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions
9	Namika Yamada (May 19, 1989) <div>Reappointment</div> <div>Outside</div> <div>Independent</div>	January 2018 Registered as an attorney at law January 2019 Joined Kowa Law Office May 2019 Supporting Member, Compliance Team, Ministry of Education, Culture, Sports, Science and Technology (to present) June 2019 Compliance Hotline Contact Person, All Japan Judo Federation (to present) June 2020 Director of the Company (to present) January 2021 Joined Yamada Ozaki Law Office (to present)
	[Number of shares of the Company held] 0  [Attendance at Board of Directors meetings] 11 times / 11 times (100%)  [Term of office] 1 year (at the conclusion of this General Meeting of Shareholders)	[Reason for nomination as a candidate for Director and expected roles] Although Ms. Namika Yamada has not been involved in corporate management, she has a broad knowledge of corporate legal affairs as an attorney at law. In light of the advance of global management and increasing importance of legal point of view, she provides flexible and appropriate advice and guidance on compliance and other matters, and her advice is expected to further strengthen the Company's corporate governance. The Company therefore renominated her as a candidate for Outside Director.

Special matters regarding candidates for Directors:

1. There are no special interests between each candidate and the Company.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company. The insurance covers damages borne by insured persons due to derivative lawsuits, etc. The candidates will be insured persons under the insurance policy. The Company plans to renew the policy with the similar details at the time of next renewal.

Special matters regarding candidates for Outside Directors:

1. Mr. Yoshikazu Sakamoto, Ms. Yukie Tanaka, and Ms. Namika Yamada are candidates for Outside Directors.
2. Mr. Yoshikazu Sakamoto, Ms. Yukie Tanaka, and Ms. Namika Yamada currently serve as Outside Directors of the Company. The terms of office of Mr. Yoshikazu Sakamoto, Ms. Yukie Tanaka, and Ms. Namika Yamada as Outside Directors will be six years, five years, and one year, respectively, at the conclusion of this General Meeting of Shareholders.
3. The Company has entered into agreements with Mr. Yoshikazu Sakamoto, Ms. Yukie Tanaka, and Ms. Namika Yamada to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under such agreement shall be the minimum liability amount provided for in laws and regulations.
4. Mr. Yoshikazu Sakamoto, Ms. Yukie Tanaka, and Ms. Namika Yamada have been registered as Independent Directors as stipulated in the Tokyo Stock Exchange's listing rules. If they are elected as proposed, they will continue to be registered as Independent Directors.
5. Ms. Namika Yamada's name on the family register is Namika Hatakenaka.
6. Ms. Namika Yamada works at Yamada Ozaki Law Office, managed by the Company's legal adviser Mr. Hideo Yamada. The amount of legal fees the Company paid to the Law Office in the fiscal year ended March 31, 2021 did not exceed 10 million yen and constituted less than 1% of net sales of the Company or the Law Office.

**Proposal 3:** Revision of the Amount of Remuneration for Outside Directors

It was approved at the 93rd Annual General Meeting of Shareholders, held on June 22, 2016, that the amount of remuneration, etc. for Directors of the Company shall not exceed 23 million yen per month (of which the amount for Outside Directors shall not exceed 1 million yen per month), which has been effective to date. Meanwhile, in order to establish a global management structure and further strengthen corporate governance, the number of Outside Directors was increased by one, from two to three, at the 97th Annual General Meeting of Shareholders, held on June 24, 2020. Accordingly, the Company proposes to increase the maximum amount of Outside Directors' portion in the remuneration for Directors from 1 million yen per month to 1.5 million yen per month.

Although the number of Outside Directors was increased from two to three at the 97th Annual General Meeting of Shareholders, held on June 24, 2020, as stated above, the maximum amount of remuneration for Outside Directors has not been changed. As a result, the total amount of remuneration for Outside Directors for the 98th fiscal year stood at 15.9 million yen, exceeding the maximum amount of 12 million yen per year (1 million yen per month). In view of the circumstances, the Company proposes to apply the increase retroactively, as of June 24, 2020, thereby also asking for the approval of the amount of remuneration for Outside Directors for the 98th fiscal year.

The revision is made due to the increase in the number of Outside Directors and only affects the amount of remuneration for Outside Directors, with the total amount of remuneration for Directors remaining 23 million yen per month at the maximum. The Company considers the revision reasonable as it has been determined with consideration given to the Company's policy on determination of the contents of individual Directors' remuneration, etc. (please see page 35 of the Business Report (Japanese only) for the Company's 98th Fiscal Year for details of the policy) and various other factors.

If Proposal 2 is approved and resolved as proposed, the number of Directors will be nine (of which three will be Outside Directors).

#### **Proposal 4:** Determination of Remuneration for Granting Restricted Stock to Directors

It was approved at the 93rd Annual General Meeting of Shareholders, held on June 22, 2016, that the amount of remuneration, etc. for Directors of the Company shall not exceed 23 million yen per month (of which the amount for Outside Directors shall not exceed 1 million yen per month). If Proposal 3 Revision of the Amount of Remuneration for Outside Directors is approved and resolved as proposed, the amount of remuneration for Directors of the Company will not exceed 23 million yen per month (of which the amount for Outside Directors shall not exceed 1.5 million yen per month). In addition, it was approved at the 92nd Annual General Meeting of Shareholders, held on June 23, 2015, that stock acquisition rights shall be issued as stock options to Directors (excluding Outside Directors), the amount of which shall not exceed 60 million yen per year.

To give incentives for sustainable increase in corporate value and facilitate further value sharing with shareholders, the Company proposes, as part of a review of the remuneration system for officers, the introduction of remuneration for granting restricted stock to Directors (excluding Outside Directors; hereinafter referred to as “Eligible Directors”), instead of the aforementioned stock options and separately from the aforementioned remuneration framework.

The remuneration paid for granting restricted stock to Eligible Directors, based on this Proposal, shall be in the form of monetary claims, and the total amount shall not exceed 30 million per year (the employee salaries for Directors concurrently serving as employees are not included in this amount). When the remuneration is paid and how it is allocated shall be determined by the Board of Directors. Subject to the approval and resolution of the Proposal concerning this system at this General Meeting of Shareholders, the stock options for Directors, except for those that have already been granted, will be abolished, and stock acquisition rights will no longer be issued as stock options to Directors.

The Company currently has nine Directors (of which three are Outside Directors), and if Proposal 2 Election of Nine (9) Directors is approved and resolved as proposed, the number of Directors will remain nine (of which three are Outside Directors).

Based on a resolution of the Board of Directors, Eligible Directors shall pay all monetary claims provided pursuant to this Proposal as properties contributed in kind and receive common shares of the Company that shall be issued or disposed of. The total number of common shares of the Company issued or disposed of for this purpose shall not exceed 10,000 per year. (If the Company conducts a stock split (including a gratis allotment of common shares of the Company) or reverse stock split of common shares, or if circumstances that require an adjustment to the total number of the Company’s common shares to be issued or disposed of as restricted stock arise, on or after the date of the approval and resolution of this Proposal, the Company shall adjust the total number within a reasonable scope.)

The amount to be paid in for each share shall be determined by the Board of Directors, based on the closing price of the Company’s common shares on the Tokyo Stock Exchange for the business day immediately preceding each resolution by the Board of Directors (if the trading did not occur on the day, the closing price on the most recent preceding trading day) and within the scope not particularly advantageous to Eligible Directors receiving the common shares. In addition, the issuance or disposal of the Company’s common shares, as well as the payment of monetary remuneration claims as properties contributed in kind, shall be subject to the conclusion of a restricted stock allotment agreement including the details specified below (hereinafter referred to as the “Allotment Agreement”) between the Company and Eligible Directors. The Company considers the conditions for granting restricted stock to Eligible Directors in this Proposal, including the maximum amount of remuneration and the total number of the Company’s common shares to be issued or disposed of, reasonable as it has been determined with consideration given to the aforementioned purpose, the state of affairs of the Company’s business, the Company’s policy on determination of the contents of individual Directors’ remuneration, etc. (please see page 35 of the Business Report (Japanese only) for the Company’s 98th Fiscal Year for details of the policy), and various other factors.

#### [Overview of the Allotment Agreement]

##### (1) Transfer Restriction Period

Eligible Directors may not transfer, establish a security interest on, or otherwise dispose of (hereinafter referred to as the “Transfer Restrictions”) the Company’s common shares allotted based on the Allotment Agreement (hereinafter referred to as the “Allotted Shares”) for a period of 30 years from the day of the share allotment based on the Allotment Agreement (hereinafter referred to as the “Transfer Restriction Period”).

##### (2) Treatment at the Time of Retirement

If Eligible Directors retire from positions that fall under officers or employees of the Company or its subsidiaries and have been specified by the Board of Directors in advance, the Company shall acquire

the Allotted Shares without consideration as a matter of course, excluding cases where there are justifiable reasons for the retirement, such as expiration of the term of office or death.

(3) Lifting the Transfer Restrictions

Notwithstanding the provisions of the above (1), the Company shall lift Transfer Restrictions on all Allotted Shares at the time of the expiration of the Transfer Restriction Period, provided that Eligible Directors, during the Transfer Restriction Period, continuously remained in positions that fall under officers or employees of the Company or its subsidiaries and have been specified by the Board of Directors in advance. However, the Company shall reasonably adjust the number of Allotted Shares subject to the lifting of Transfer Restrictions and the timing of lifting Transfer Restrictions as necessary, if the Eligible Directors, for justifiable reasons specified in the above (2), such as expiration of the term of office or death, retire before the expiration of the Transfer Restriction Period from positions that fall under officers or employees of the Company or its subsidiaries and have been specified by the Board of Directors in advance. The Company shall acquire, without consideration as a matter of course, the Allotted Shares with Transfer Restrictions that have not been lifted at the time immediately following the lifting of the Transfer Restrictions under the above provisions.

(4) Treatment in the Event of Organizational Restructuring, etc.

Notwithstanding the provisions of the above (1), if, during the Transfer Restriction Period, a merger agreement where the Company will be the disappearing company, a share exchange agreement or a share transfer plan where the Company will become a wholly owned subsidiary, or other matters on organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or at a Board of Directors meeting if the organizational restructuring, etc. does not require approval by the General Meeting of Shareholders of the Company), the Company shall, based on a resolution of the Board of Directors of the Company, lift Transfer Restrictions ahead of the effective date of the organizational restructuring, etc. for the number of Allotted Shares reasonably determined taking into consideration the period from the starting date of the Transfer Restriction Period to the approval date of the organizational restructuring, etc. In cases specified above, the Company shall acquire, without consideration as a matter of course, the Allotted Shares with Transfer Restrictions that have not been lifted at the time immediately following the lifting of the Transfer Restrictions.

(5) Other Matters

Other matters on the Allotment Agreement shall be decided by the Board of Directors of the Company.

**Proposal 5:** Payment of Bonuses to Directors

In view of factors such as business results for the current fiscal year, the Company proposes the payment of a total of 112.2 million yen in bonuses to six Directors (excluding Outside Directors) in office as of the end of the current fiscal year. The Company considers the amount in this Proposal reasonable as it has been determined with consideration given to the Company's policy on determination of the contents of individual Directors' remuneration, etc. (please see page 35 of the Business Report (Japanese only) for the Company's 98th Fiscal Year for details of the policy) and various other factors.