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(Stock Exchange Code 6103)  
May 31, 2021

**To Shareholders with Voting Rights:**

Atsushi Ieki  
Representative Director, President  
Okuma Corporation  
25-1, Shimo-Oguchi 5-chome,  
Oguchi-cho, Niwa-gun, Aichi, Japan

**NOTICE OF  
THE 157TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We cordially announce that the 157th Annual General Meeting of Shareholders of Okuma Corporation (hereinafter “the Company”) will be held for the purposes described below.

In order to prevent the spread of the novel coronavirus (COVID-19), you are strongly encouraged to give the highest priority to your health and safety and to **exercise your voting rights in writing or via the Internet, etc. in advance, if possible, instead of attending the General Meeting of Shareholders in person.**

If you intend to exercise your voting rights in writing or via the Internet, etc. in advance, please review the attached “Reference Documents for the General Meeting of Shareholders” and exercise your vote so that it is received by 5:05 p.m. on Tuesday, June 22, 2021, Japan time.

- 1. Date and Time:** Wednesday, June 23, 2021, at 10 a.m. Japan time
- 2. Place:** Okuma Hall, Okuma Corporation  
26, Shimo-Oguchi 5-chome, Oguchi-cho, Niwa-gun, Aichi, Japan
- 3. Meeting Agenda:**  
**Subjects to be reported:**
  1. The Business Report, Consolidated Financial Statements for the Company’s 157th 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 157th Fiscal Year (April 1, 2020–March 31, 2021)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of 12 Directors
- Proposal 3:** Election of 2 Audit & Supervisory Board Members and 1 Substitute Audit & Supervisory Board Member
- Proposal 4:** Determination of Remuneration for Acquisition of Restricted Shares Granted to Directors (Excluding Outside Senior Directors)

#### 4. Directions as to how to Exercise your Voting Rights

- (1) If you vote by postal mail, please indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:05 p.m. on Tuesday, June 22, 2021, Japan time.
- (2) If you exercise your voting rights both in writing and via the Internet, etc., the vote via the Internet, etc., shall be deemed valid. If you exercise your voting rights more than once via the Internet, etc., the last vote will be deemed valid.

#### 【Attention】

- (1) Please note that **we will not provide either souvenir gifts or drinks** at the General Meeting of Shareholders.
- (2) Please give the highest priority on your health and safety and refrain from coming to the meeting site. Please exercise your voting right in writing or via the Internet, etc., in advance.
- (3) When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. To conserve natural resources, please bring this “Notice of the 157th Annual General Meeting of Shareholders” to the meeting with you.
- (4) The reception desk is scheduled to open at 9 a.m. on the day of the meeting. Our staff may request a shareholder who appears ill to check the temperature.
- (5) If you would like to exercise your voting rights via your proxy, you may appoint another shareholder with a voting right as your proxy at this meeting; provided that a document certifying the proxy right must be submitted to the Company.
- (6) The following matters are omitted from this convocation because they are posted on the Company’s Web site (<https://www.okuma.co.jp/>) pursuant to the applicable laws and regulations and Article 11, Paragraph 2, of the Articles of Incorporation of the Company.
  - 1) Notes to the Consolidated Financial Statements
  - 2) Notes to the Non-Consolidated Financial StatementsThe above documents, in addition to the attached documents for this convocation notice, are audited by the Accounting Auditor and the Audit & Supervisory Board.
- (7) In case of any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and/or the Non-Consolidated Financial Statements, such revisions will be posted on the Company’s Web site (<https://www.okuma.co.jp/>).
- (8) Please note that we discontinued holding a social gathering for shareholders after the General Meeting of Shareholders.
- (9) Please note that we will not conduct a factory tour also for this year, which was regularly held after the General Meeting of Shareholders. We would appreciate your understanding in advance.
- (10) Should any change in the spread of COVID-19 situation occur by the day of the General Meeting of Shareholders, we will inform the change and our response to it on the Company’s Web site (<https://www.okuma.co.jp/>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal 1:** Appropriation of Surplus

The Company has a policy to appropriate surplus with comprehensive consideration of the profitability of the fiscal year under review, the need of internal reserves to strengthen the Company's financial foundation and to prepare for the future business development of the Company, etc.

The Company proposes to pay ¥20 per share as the year-end dividend for the fiscal year under review.

Combined with the already paid interim dividend of ¥15 per share, the annual dividend for the fiscal year under review would be ¥35 per share.

Matters related to the year-end dividend:

(1) Type of the assets to be distributed as the dividend

Cash

(2) Matters regarding allocation of assets to be distributed as the dividend and the total amount thereof

¥20 per common share of the Company

Total amount of the dividend    ¥631,424,860

(3) Effective date of the dividend

Thursday, June 24, 2021

**Proposal 2: Election of 12 Directors**

The terms of office of all 11 Directors of the Company will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, in order to strengthen the function of the Board of Directors, to strengthen the function of business execution function, and to further enhance business management and supervision from diverse perspectives, within the maximum number of Directors prescribed in the Company's Articles of Incorporation, it is proposed that 12 Directors be elected.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibility and significant concurrent positions	Number of the Company's shares held
1	Atsushi Ieki (April 24, 1962)	<p>April 1985      Joined the Company</p> <p>June 2012      Senior Director; Division Manager, Technology Division of the Company</p> <p>July 2014      Senior Director; Division Manager, Technology Division; in charge of Purchasing Department of the Company</p> <p>July 2015      Executive Director; Division Manager, Technology Division; in charge of FA Systems Division and Purchasing Department of the Company</p> <p>October 2015    Executive Director; Division Manager, Technology Division; General Manager, Purchasing Department; in charge of FA Systems Division of the Company</p> <p>July 2016      Executive Director; Division Manager, FA Systems Division; General Manager, Purchasing Department; in charge of Technology Division of the Company</p> <p>April 2017      Executive Director; Division Manager, FA Systems Division; General Manager, Purchasing Department; in charge of Technology Division, Quality R&amp;D Center of the Company</p> <p>July 2017      Senior Executive Director; Division Manager, FA Systems Division; in charge of Quality Assurance Division, Subcontractor Production Department, Quality R&amp;D Center of the Company and TATUNG-OKUMA CO., LTD.; responsible for Technology Division of the Company; Chairman, TATUNG-OKUMA CO., LTD.</p> <p>July 2018      Executive Vice President; in charge of Service Division, Quality Assurance Division, Subcontractor Production Department of the Company and TATUNG-OKUMA CO., LTD.; responsible for Manufacturing Division and Technology Division of the Company</p> <p>April 2019      Executive Vice President; in charge of Service Division and Quality Assurance Division of the Company and TATUNG-OKUMA CO., LTD.; responsible for Manufacturing Division and Technology Division of the Company</p> <p>June 2019      Representative Director, President of the Company; in charge of Human Resource Development Innovations (to present)</p>	5,400

No.	Name (Date of birth)	Past experience, positions, responsibility and significant concurrent positions	Number of the Company's shares held
2	Masato Ryoki (May 19, 1953)	April 1974 Joined the Company	6,300
		June 2007 Senior Director; Division Manager, FA Systems Division of the Company	
		June 2011 Executive Director; Division Manager, FA Systems Division; General Manager, Information Systems Department; in charge of Export Control Office; responsible for Procurement Department of the Company	
		September 2013 Executive Director; Division Manager, Manufacturing Division; in charge of FA Systems Division, Information Systems Department and Export Control Office of the Company and TATUNG-OKUMA CO., LTD.; responsible for Procurement Division of the Company; Chairman, TATUNG-OKUMA CO., LTD.	
		July 2014 Senior Executive Director; Division Manager, Manufacturing Division; in charge of FA Systems Division, Information Systems Department, Subcontractor Production Department and Export Control Office of the Company and TATUNG-OKUMA CO., LTD.; Chairman, TATUNG-OKUMA CO., LTD.	
		July 2015 Senior Executive Director; Division Manager, Manufacturing Division; General Manager, Production Engineering Department; in charge of Information Systems Department, Subcontractor Production Department and Export Control Office of the Company and TATUNG-OKUMA CO., LTD.; Chairman, TATUNG-OKUMA CO., LTD.	
		October 2015 Senior Executive Director; in charge of Service Division, Information Systems Department and Export Control Office of the Company; responsible for BYJC-Okuma (Beijing) Machine Tool Co., Ltd.	
		July 2018 Senior Executive Director; Division Manager, FA Systems Division; in charge of Information Systems Department and Export Control Office of the Company; responsible for BYJC-Okuma (Beijing) Machine Tool Co., Ltd.	
June 2019 Senior Executive Director; Division Manager, FA Systems Division; in charge of Information Systems Department Export Control Office of the Company and BYJC-Okuma (Beijing) Machine Tool Co., Ltd.; responsible for Manufacturing Division of the Company (to present)			

No.	Name (Date of birth)	Past experience, positions, responsibility and significant concurrent positions	Number of the Company's shares held
3	Chikashi Horie (December 25, 1958)	<p>April 1983      Joined the Company</p> <p>June 2011      Senior Director; General Manager, Accounting and Planning Department; General Manager, Corporate Planning Office of the Company</p> <p>February 2012      Senior Director; General Manager, Accounting and Planning Department of the Company</p> <p>June 2012      Senior Director; General Manager, Accounting and Planning Department; in charge of General Affairs Department and Internal Audit Office of the Company</p> <p>July 2014      Senior Director; General Manager, Accounting Department; in charge of General Affairs Department, Internal Audit Office and Corporate Planning Office of the Company</p> <p>July 2015      Executive Director; Division Manager, Administration Division; and General Manager, Human Resources Department; in charge of Internal Audit Office of the Company</p> <p>July 2017      Senior Executive Director; Division Manager, Administration Division; General Manager, Human Resources Department; in charge of Purchasing Department, Internal Audit Office and EL Administration Office; responsible for Manufacturing Division of the Company</p> <p>April 2018      Senior Executive Director; Division Manager, Administration Division; General Manager, Human Resources Department; in charge of Internal Audit Office and EL Administration Office; responsible for Manufacturing Division of the Company</p> <p>July 2018      Senior Executive Director; Division Manager, Administration Division; General Manager, Human Resources Department; in charge of Internal Audit Office and EL Administration Office of the Company</p> <p>January 2019      Senior Executive Director; Division Manager, Administration Division; in charge of Internal Audit Office and EL Administration Office of the Company (to present)</p>	4,000
4	Takeshi Yamamoto (August 19, 1958)	<p>April 1982      Joined the Company</p> <p>July 2006      General Manager, Planning Department of the Company</p> <p>July 2007      General Manager, Kani Production Department; General Manager, Kani Plant of the Company</p> <p>April 2008      Deputy Division Manager, Overseas Division of the Company</p> <p>July 2009      Chief Executive Officer, Okuma America Corporation</p> <p>June 2010      Executive Officer of the Company; Chief Executive Officer, Okuma America Corporation</p> <p>June 2011      Senior Director of the Company; Chief Executive Officer, Okuma America Corporation</p> <p>April 2014      Senior Director; Division Manager, Overseas Division of the Company; Chief Executive Officer, Okuma America Corporation; Chief Executive Officer, Okuma Europe GmbH</p> <p>July 2016      Senior Director; Division Manager, Overseas Division of the Company; Chief Executive Officer, Okuma America Corporation; Chief Executive Officer, Okuma Europe GmbH</p> <p>July 2017      Executive Director; Division Manager, Europe &amp; The Americas Sales Division of the Company; Chief Executive Officer, Okuma America Corporation; Chief Executive Officer, Okuma Europe GmbH; stationed in Europe (to present)</p>	3,300

No.	Name (Date of birth)	Past experience, positions, responsibility and significant concurrent positions	Number of the Company's shares held
5	Osamu Ishimaru (March 28, 1959)	<p>April 1981      Joined the Company</p> <p>April 2009      General Manager, Osaka Branch of the Company</p> <p>July 2011      Executive Officer; Deputy Division Manager, Sales &amp; Marketing Division; General Manager, Osaka Branch of the Company</p> <p>June 2012      Senior Director; Division Manager, Sales &amp; Marketing Division of the Company</p> <p>July 2017      Executive Director; Division Manager, Japan &amp; Asia Sales Division of the Company</p> <p>June 2019      Executive Director; Division Manager, Japan &amp; Asia Sales Division of the Company; in charge of Service Division (to present)</p>	2,600
6	Harumitsu Senda (August 28, 1964)	<p>April 1987      Joined the Company</p> <p>July 2011      General Manager, R&amp;D Department of the Company</p> <p>July 2014      Executive Officer; Deputy Division Manager, Technology Division; General Manager, Kani Engineering Department of the Company</p> <p>October 2015    Executive Officer; Deputy Division Manager, Technology Division; General Manager, Kani Engineering Department; Assistant Manager, Kani Plant of the Company</p> <p>July 2016      Executive Officer; Division Manager, Technology Division; General Manager, R&amp;D Department of the Company</p> <p>July 2017      Senior Director; Division Manager, Technology Division; General Manager, R&amp;D Department of the Company</p> <p>July 2018      Senior Director; Division Manager, Technology Division; General Manager, R&amp;D Department of the Company; in charge of Quality R&amp;D Center of the Company</p> <p>June 2019      Senior Director; Division Manager, Technology Division; General Manager, R&amp;D Department of the Company; in charge of Quality Assurance Division and Quality R&amp;D Center of the Company (to present)</p>	1,300

No.	Name (Date of birth)	Past experience, positions, responsibility and significant concurrent positions	Number of the Company's shares held
7	Kinya Komura (December 20, 1965)	<p>November 1990    Joined the Company</p> <p>July 2014        General Manager, Purchasing Department of the Company</p> <p>October 2015    General Manager, Subcontractor Production Department of the Company</p> <p>July 2016        Executive Officer; General Manager, Subcontractor Production Department of the Company</p> <p>July 2017        Senior Director; Division Manager, Manufacturing Division of the Company</p> <p>April 2018       Senior Director; Division Manager, Manufacturing Division; in charge of Purchasing Department of the Company</p> <p>July 2018        Senior Director; Division Manager, Manufacturing Division; in charge of Purchasing Department of the Company; Chairman, TATUNG-OKUMA CO., LTD.</p> <p>August 2018     Senior Director; Division Manager, Manufacturing Division; General Manager, Logistics Department; in charge of Purchasing Department of the Company; Chairman, TATUNG-OKUMA CO., LTD.</p> <p>April 2019       Senior Director; Division Manager, Manufacturing Division; General Manager, Subcontractor Production Department; in charge of Purchasing Department of the Company; Chairman, TATUNG-OKUMA CO., LTD.</p> <p>June 2019       Senior Director; Division Manager, Manufacturing Division; in charge of Purchasing Department and Subcontractor Production Department of the Company; Chairman, TATUNG-OKUMA CO., LTD.</p> <p>February 2020   Senior Director; Division Manager, Manufacturing Division; General Manager, Logistics Department; in charge of Purchasing Department and Subcontractor Production Department of the Company; Chairman, TATUNG-OKUMA CO., LTD.</p> <p>July 2020        Senior Director; Division Manager, Manufacturing Division; General Manager, Purchasing Department; in charge of Subcontractor Production Department of the Company; Chairman, TATUNG-OKUMA CO., LTD. (to present)</p>	1,400
8	Yasuhiro Asahi (January 4, 1960)	<p>April 1982        Joined the Company</p> <p>July 2007        Board Member &amp; President, Okuma Machinery (Shanghai) Co., Ltd.</p> <p>July 2010        General Manager, Nagoya Branch, Sales &amp; Marketing Division of the Company</p> <p>July 2015        Executive Officer; Deputy Division Manager, Sales &amp; Marketing Division; General Manager, Nagoya Branch of the Company</p> <p>July 2016        Executive Officer; Deputy Division Manager, Overseas Division; in control of Asia sales of the Company; Board Chairman &amp; President, Okuma Machine Tool (Shanghai) Corporation, stationed in China</p> <p>July 2017        Executive Officer; Deputy Division Manager, Japan &amp; Asia Sales Division; presiding Asia sales of the Company; Board Chairman &amp; President, Okuma Machine Tool (Shanghai) Corporation, stationed in China</p> <p>June 2019       Senior Director; Deputy Division Manager, Japan &amp; Asia Sales Division; presiding Asia sales of the Company; Board Chairman &amp; President, Okuma Machine Tool (Shanghai) Corporation, stationed in China (to present)</p>	200

No.	Name (Date of birth)	Past experience, positions, responsibility and significant concurrent positions	Number of the Company's shares held
9	Masatoshi Ozawa (February 23, 1943)  [Outside Senior Director] [Independent Officer]	June 1996 Director, Daido Steel Co., Ltd.; General Manager, Chita Plant	0
		June 2000 Managing Director, Daido Steel Co., Ltd. June 2004 President & CEO and Representative Executive Director, Daido Steel Co., Ltd. June 2010 Chairman and Representative Executive Director, Daido Steel Co., Ltd. June 2014 Outside Director, SINTOKOGIO, LTD. (to present) June 2015 Advisor, Daido Steel Co., Ltd. June 2016 Outside Senior Director of the Company (to present) June 2019 Special Adviser, Daido Steel Co., Ltd. (to present)	
[Reasons for the nomination of the candidate for Outside Senior Director and expected roles, etc.] Masatoshi Ozawa has broad knowledge about corporate management nurtured through his experience in the management of Daido Steel Co., Ltd., for many years. The Company proposes his election as its Outside Senior Director because the Company expects that Mr. Ozawa will provide appropriate advice from an independent viewpoint based on his extensive experience and insight, and fulfill objective supervisory functions.			
10	Toshimichi Moriwaki (January 15, 1944)  Newly appointed [Outside Senior Director] [Independent Officer]	April 1968 Research Associate, Faculty of Engineering, Kobe University June 1974 Assistant Professor, Faculty of Engineering, Kobe University January 1976 Assistant Professor, McMaster University (Canada) April 1985 Professor, Faculty of Engineering, Kobe University April 2000 Dean, Faculty of Engineering, Kobe University April 2005 Chief Director, Kobe Industrial Promotion Foundation April 2007 Emeritus Professor, Kobe University (to present) April 2007 Specially Appointed Professor, Faculty of Engineering, Setsunan University April 2008 Dean, Faculty of Engineering, Setsunan University March 2010 Chairman, The Japan Society for Precision Engineering April 2010 Dean, Faculty of Science and Engineering, Setsunan University January 2016 Established Moriwaki Technology Institute (to present) April 2016 Emeritus Professor, Setsunan University (to present) June 2019 Advisor, Kobe Industrial Promotion Foundation (to present)	0
		[Reasons for the nomination of the candidate for Outside Senior Director and expected roles, etc.] Toshimichi Moriwaki has highly academic knowledge and extensive experience specializing in machine engineering and industrial engineering. The Company proposes his election as its Outside Senior Director because the Company expects that Mr. Moriwaki will provide appropriate advice from an independent viewpoint based on his extensive experience and insight, and fulfill objective supervisory functions.	
11	Shoji Inoue (July 29, 1957)  Newly appointed [Outside Senior Director] [Independent Officer]	April 1991 Attorney-at-law, admitted and belonging to the Nagoya Bar Association (currently, Aichi Bar Association) April 1991 Joined Katayama Kinji Law Firm July 2009 Established Inoue Shoji Law Firm October 2013 Established Sao & Inoue Law Firm (currently, Inoue Shoji Law Firm) June 2015 Outside Director, Meitetsu Transportation Co., Ltd. (to present) June 2016 Outside Audit & Supervisory Board Member, Makita Corporation (to present)	0
		[Reasons for the nomination of the candidate for Outside Senior Director and expected roles, etc.] Shoji Inoue has professional insight and extensive experience as a lawyer. The Company proposes his election as its Outside Senior Director because the Company expects that Mr. Inoue will provide his opinions on the decision-making and business execution of the Board of Directors of the Company based on his professional insight and extensive experience as a lawyer, and fulfill objective supervisory functions from an independent viewpoint.	

No.	Name (Date of birth)	Past experience, positions, responsibility and significant concurrent positions		Number of the Company's shares held
12	Noriko Asai (July 25, 1964)	April 1997	Research Assistant, School of Economics, Nagoya University	0
	Newly appointed [Outside Senior Director] [Independent Officer]	March 1999 April 2003 April 2007 June 2015 June 2020	Received Ph.D. (Economics), Nagoya University Assistant Professor, School of Management, Chukyo University Professor, School of Management, Chukyo University (to present) Outside Director, CKD Corporation (to present) Outside Director, IBIDEN CO., LTD. (to present)	
[Reasons for the nomination of the candidate for Outside Senior Director and expected roles, etc.] Noriko Asai has highly academic knowledge and extensive experience specializing in corporate management as an academic expert. The Company proposes her election as its Outside Senior Director because the Company expects that Ms. Asai will provide appropriate advice from an independent viewpoint based on her insight as a university professor, and fulfill objective supervisory functions.				

(Notes)

1. Kinya Komura, a candidate for Senior Director of the Company, concurrently serves as Chairman, TATUNG-OKUMA CO., LTD., with which the Company has business relationships including product sales.
2. Other candidates for Directors of the Company do not have any special interests in the Company.
3. Masatoshi Ozawa, Toshimichi Moriwaki, Shoji Inoue and Noriko Asai are candidates for Outside Senior Directors.
4. Masatoshi Ozawa, a candidate for Outside Senior Director, satisfies the requirements for independence stipulated by the Tokyo Stock Exchange and the Nagoya Stock Exchange, and therefore have been reported as independent officer by the Company to both stock exchanges. Toshimichi Moriwaki, Shoji Inoue and Noriko Asai, candidates for newly appointed Outside Senior Directors, also satisfy the requirements for independence, and therefore will be reported as independent officers by the Company to both stock exchanges.
5. The Company has entered into a directors and officers liability insurance (D&O insurance) contract as stipulated in Article 430-3 of the Companies Act to ensure that officers can fully perform their expected roles in the course of execution of their duties and to enable the Company to acquire excellent talents. The insurance policy will insure all Directors. If this proposal is approved as originally proposed, and the candidates assume their offices as Directors, each candidate will be the insured under this insurance policy. The insurance policy will indemnify damages and losses of the insured arising from their liabilities for their performing their respective duties or from third party claims alleging such liabilities; provided, however, that the said insurance policy has certain insurance exclusions. For example, the insurance policy does not cover damages arising from the insured's acts committed with the knowledge of their illegality. The entire insurance premiums including rider premiums are paid by the Company so that the insured does not bear any material insurance premiums. The Company plans to renew the insurance policy on July 1, 2021, which is during the term of office of each candidate.

6. Futamura Chemical Co., Ltd., where Shoji Inoue serves as Outside Audit & Supervisory Board Member, received a cease and desist order and a payment order for a surcharge from Japan Fair Trade Commission on November 22, 2019, due to an act that violated the provisions in Article 3 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade regarding the transaction of special activated carbon and special granulated activated carbon. Although Mr. Inoue was not aware of the fact in advance, he has been calling attention from a compliance perspective at the Audit & Supervisory Board on a daily basis. After the fact was revealed, he fulfilled his duties as Outside Audit & Supervisory Board Member of Futamura Chemical Co., Ltd. as exemplified by his proposals to strengthen the compliance system and to thoroughly prevent recurrence.
7. The cumulative period of Masatoshi Ozawa's serving as an Outside Senior Director of the Company since his initial appointment will reach 5 years as of the close of this Annual General Meeting of Shareholders.

**Proposal 3:** Election of 2 Audit & Supervisory Board Members and 1 Substitute Audit & Supervisory Board Member

The terms of office of Audit & Supervisory Board Members, Mr. Tamotsu Kokado and Mr. Keishi Kai, will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, it is proposed that 2 Audit & Supervisory Board Members be newly elected.

It is also proposed that 1 substitute Audit & Supervisory Board Member be elected to ensure that the number of Outside Audit & Supervisory Board Member does not fall short of that required by laws and regulations.

The Audit & Supervisory Board has given its consent to this proposal.

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

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of the Company's shares held
1	Takehiko Yamana (January 26, 1956)  Newly appointed [Outside Audit & Supervisory Board Member] [Independent Officer]	<p>April 1980      Joined The Tokai Bank, Ltd. (currently, MUFG Bank, Ltd.)</p> <p>June 2007      Executive Officer; General Manager, Nagoya Sales II Department, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently, MUFG Bank, Ltd.)</p> <p>May 2010      Managing Executive Officer; in charge of East Japan Area Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2014      Senior Managing Executive Officer; General Manager, Sales III Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2016      Deputy President; stationed in Chubu, The Bank of Tokyo- Mitsubishi UFJ, Ltd.</p> <p>June 2016      Member of the Board of Directors; Deputy President; stationed in Chubu, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2017      Representative of the Board of Directors; Deputy President; stationed in Chubu, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2018      Member of the Board of Directors; Deputy President; stationed in Chubu, MUFG Bank, Ltd.</p> <p>June 2018      Full-time Advisor, MUFG Bank, Ltd. (to present)</p>	0
[Reasons for the nomination of the candidate for Outside Audit & Supervisory Board Member] Takehiko Yamana has engaged in the management of financial institutions for many years and has a significant level of financial and accounting knowledge. The Company proposes his election as its Outside Audit & Supervisory Board Member because Mr. Yamana will fulfill the duties as Outside Audit & Supervisory Board Member appropriately from an independent viewpoint drawing on his broad insight in finance and management nurtured through his experience.			
2	Satoshi Tanaka (October 30, 1962)  Newly appointed [Outside Audit & Supervisory Board Member] [Independent Officer]	<p>April 1986      Joined Nippon Life Insurance Company</p> <p>March 2006      General Manager, Kashiwa Joso Branch, Nippon Life Insurance Company</p> <p>March 2015      Executive Officer; General Manager, Sales Planning Department; General Manager, CRM Development Department, Nippon Life Insurance Company</p> <p>July 2016      Director; Executive Officer; General Manager, CRM Development Department, Nippon Life Insurance Company</p> <p>March 2019      Director; Managing Executive Officer; General Manager, Channel Development Department; Deputy Director-General, Nippon Life Insurance Company</p> <p>April 2020      Representative Director; President, Nissay Business Service Co., Ltd (to present)</p> <p>July 2020      Retired from Director, Nippon Life Insurance Company</p>	0
[Reasons for the nomination of the candidate for Outside Audit & Supervisory Board Member] Satoshi Tanaka has engaged in the business operation of an insurance company for many years. The Company proposes his election as its Outside Audit & Supervisory Board Member because Mr. Tanaka will fulfill the duties as Outside Audit & Supervisory Board Member appropriately from an independent viewpoint drawing on his broad knowledge related to corporate management nurtured through his experience.			

(Notes)

1. Each candidate for Audit & Supervisory Board Member of the Company does not have any special interests in the Company.
2. Takehiko Yamana and Satoshi Tanaka are candidates for Outside Audit & Supervisory Board Members.
3. Takehiko Yamana and Satoshi Tanaka, candidates for Outside Audit & Supervisory Board Members, satisfy the

requirements for independence stipulated by the Tokyo Stock Exchange and the Nagoya Stock Exchange, and therefore will be reported as independent officers by the Company to both stock exchanges.

4. The Company has entered into a directors and officers liability insurance (D&O insurance) contract as stipulated in Article 430-3 of the Companies Act to ensure that officers can fully perform their expected roles in the course of execution of their duties and to enable the Company to acquire excellent talents. The insurance policy will insure all Audit & Supervisory Board Members. If this proposal is approved as originally proposed, and the candidates assume their offices as Audit & Supervisory Board Members, each candidate will be the insured under this insurance policy. The insurance policy will indemnify damages and losses of the insured arising from their liabilities for their performing their respective duties or from third party claims alleging such liabilities; provided, however, that the said insurance policy has certain insurance exclusions. For example, the insurance policy does not cover damages arising from the insured's acts committed with the knowledge of their illegality. The entire insurance premiums including rider premiums is paid by the Company so that the insured does not bear any material insurance premiums. The Company plans to renew the insurance policy on July 1, 2021, which is during the term of office of each candidate.

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

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions		Number of the Company's shares held
3	Naoto Uozumi (March 21, 1964)	April 1991	Attorney-at-law, admitted and belonging to the Nagoya Bar Association (currently, Aichi Bar Association)	0
	Newly appointed [Substitute Outside Audit & Supervisory Board Member] [Substitute Independent Officer]	April 1991 April 2000 April 2010	Joined Kusuda Law Firm Established Uozumi Law Firm (to present) Vice Chairman, Aichi Bar Association	
[Reasons for the nomination of the candidate for substitute Outside Audit & Supervisory Board Member] Naoto Uozumi has extensive experience and deep knowledge as a lawyer. The Company judges that Mr. Uozumi will fulfill the duties as Outside Audit & Supervisory Board Member appropriately from an independent viewpoint.				

(Notes)

1. The candidate for a substitute Audit & Supervisory Board Member of the Company does not have any special interests in the Company.
2. The Company does not have any business relationships, including any advisory contract, with the candidate for substitute Audit & Supervisory Board Member, Uozumi Law Firm or other lawyers belonging to the said law firm.
3. Naoto Uozumi is a candidate for a substitute Outside Audit & Supervisory Board Member.
4. If Mr. Uozumi assumes office as an Audit & Supervisory Board Member, the Company intends to report him as an independent officer as stipulated by the Tokyo Stock Exchange and the Nagoya Stock Exchange.
5. The Company has entered into a directors and officers liability insurance (D&O insurance) contract as stipulated in Article 430-3 of the Companies Act to ensure that officers can fully perform their expected roles in the course of execution of their duties and to enable the Company to acquire excellent talents. The insurance policy will insure all Audit & Supervisory Board Members. If this proposal is approved as originally proposed, and if the candidate assumes the office of Audit & Supervisory Board Member when the number of Outside Audit & Supervisory Board Members falls short of that required by laws and regulations, the candidate will be the insured under this insurance policy. The insurance policy will indemnify damages and losses of the insured arising from his liabilities for his performing his duties or from third party claims alleging such liabilities; provided, however, that the said insurance policy has certain insurance exclusions. For example, the insurance policy does not cover damages arising from the insured's acts committed with the knowledge of his illegality. The entire insurance premiums including rider premiums is paid by the Company so that the insured does not bear any material insurance premiums. The Company plans to renew the insurance policy on July 1, 2021, which is during the term of office of the candidate.

**Proposal 4: Determination of Remuneration for Acquisition of Restricted Shares Granted to Directors (Excluding Outside Senior Directors)**

It was approved at the 143rd Annual General Meeting of Shareholders held on June 28, 2007 that the total amount of remuneration to Directors of the Company shall be up to ¥500 million per year (excluding salaries for services as employees payable to Directors concurrently serving as employees).

Today, as part of the reform of the executive remuneration system, the Company proposes to offer new remunerations to be used for acquisition of restricted shares to Directors of the Company (excluding Outside Senior Directors; hereinafter referred to as the “Eligible Directors”) in addition to the remuneration payment cap mentioned above, in order to provide them with an incentive to continuous increase of the corporate value of the Company and to further facilitate sharing of the interests with shareholders.

Based on this proposal, the remuneration to be offered to the Eligible Directors for the acquisition of restricted shares shall be provided in the form of monetary claims, the total amount of which shall be up to ¥100 million per year (excluding salaries for services as employees payable to Directors concurrently serving as employees ). The timing of provision of such remuneration and allocation to each Eligible Director shall be determined by the Board of the Company. The Company shall not provide remuneration for the acquisition of restricted shares to Outside Senior Directors.

If Proposal 2 “Election of 12 Directors” is approved and resolved as originally proposed, the number of Directors will be 12, 4 of which will be Outside Senior Directors.

Eligible Directors shall, based on a resolution of the Board of the Company, make in-kind contribution of all of the monetary claims to be provided pursuant to this proposal, to purchase or subscribe for common shares of the Company. The total number of common shares of the Company to be issued or sold under this proposal shall be up to 50,000 shares per year; provided that the cap on the total number of such common shares shall be reasonably adjusted if a share split (including issue of common shares of the Company without capital contribution) or a reverse share split of the Company’s common shares is implemented, or if there arises any other events that require an adjustment to such cap, on or after the day on which this proposal is approved and resolved.

The per-share subscription (or purchase) price of such common shares shall be determined by a resolution of the Board based on the closing price of the common shares of the Company on the Tokyo Stock Exchange on the business day immediately prior to the date of such resolution (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day); provided that such price shall not be particularly advantageous to Eligible Directors. Issue or sale of common shares of the Company and provision of monetary claims to be used as the in-kind contribution for them under this proposal shall be conditioned upon execution of an agreement for allotment of restricted shares (hereinafter referred to as the "Allotment Agreement") between the Company and each Eligible Director that provides for the matters described below. The Company believes that the maximum amount of the remuneration, the total number of common shares of the Company to be issued or sold, and other conditions for allotment of restricted shares to the Eligible Directors set forth in this proposal are reasonable, because such conditions have been determined taking into consideration of the purposes of this proposal mentioned above, business situation of the Company, the policy regarding decisions on details of remuneration, etc. to individual Directors of the Company (for details of the policy, please refer to page 14 of the Business Report for the Company's 157th Fiscal Year (available in Japanese only)) and other various circumstances.

[Outline of the details of the Allotment Agreement]

(1) Transfer restriction period

An Eligible Director shall not transfer, create security interests, or otherwise dispose of the common shares of the Company (hereinafter referred to as the "Transfer Restriction") allotted under the Allotment Agreement (hereinafter referred to as the "Allotted Shares") during the period between the date of allotment under the Allotment Agreement and the time immediately after his/her retirement from a position predetermined by the Board of Directors of the Company (hereinafter referred to as the "Transfer Restriction Period").

(2) Treatment upon retirement

If an Eligible Director resigns from a position predetermined by the Board of Directors of the Company before the period of time predetermined by the Board of Directors (hereinafter referred to as the "Period of Service") expires, the Allotted Shares shall be acquired by the Company without consideration to such Eligible Director, unless there is a legitimate reason for the resignation.

(3) Removal of the Transfer Restriction

Notwithstanding the provision in (1) above, the Company shall remove the Transfer Restriction on all of the Allotted Shares at the expiration of the Transfer Restriction Period if the Eligible Director has continuously served at a position predetermined by the Board of Directors of the Company during the Period of Service. (1) If the Eligible Director resigns from a position predetermined by the Board of Directors of the Company for a legitimate reason before the Period of Service expires, or (2) if the Eligible Director resigns from a position predetermined by the Board of Directors of the Company for a reason other than a legitimate one after the Period of Service expires but before the Transfer Restriction Period expires, the number of Allotted Shares on which the Transfer Restriction is to be removed and the timing of removal of the Transfer Restriction shall be reasonably adjusted on an as-needed basis. The Allotted Shares on which Transfer Restriction has not yet been removed shall be acquired by the Company without consideration at the time immediately after the Transfer Restriction is removed pursuant to the foregoing provision.

(4) Treatment in case of organizational restructuring

Notwithstanding the provision of (1) above, if an agreement of merger in which the Company will be merged into the surviving company, a share exchange agreement or a plan for creation of a parent company through which the Company will become a wholly-owned subsidiary, or other corporate restructuring of the Company is approved at a General Meeting of Shareholders of the Company (or at the Board if an approval at a General Meeting of Shareholders is not required for the organizational restructuring in question) during the Transfer Restriction Period, the Transfer Restriction shall be removed by a resolution of the Board of the Company prior to the effective date of the organizational restructuring with respect to the number of Allotted Shares reasonably determined based on the period from the start date of the Transfer Restriction Period to the approval date of the organizational restructuring. In such a case, the rest of Allotted Shares on which Transfer Restriction has not been removed at the time immediately after such removal of the Transfer Restriction shall be acquired by the Company without consideration.

(5) Others

Any other matters concerning the Allotment Agreement shall be determined by the Board of the Company.

(End)