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Securities code: 6278
March 10, 2022

To Shareholders with Voting Rights

Hiroshi Odaira
President & COO
UNION TOOL CO.
6-17-1 Minami-ohi, Shinagawa-ku, Tokyo,
Japan

Notice of the 61st Ordinary General Meeting of Shareholders

Dear shareholders:

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

This is to notify you of the 61st Ordinary General Meeting of Shareholders of UNION TOOL CO. (the “Company”), which will be held as described below.

If you decide to refrain from attending 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 by 5:45 p.m. JST on Tuesday, March 29, 2022.

1. **Date and Time:** Wednesday, March 30, 2022 at 10:00 a.m. JST
2. **Place:** The conference room on the 3rd floor of the headquarters of the Company
6-17-1 Minami-ohi, Shinagawa-ku, Tokyo, Japan
3. **Agenda:**
Matters to be reported:
 1. Business Report and Consolidated Financial Statements for the 61st Fiscal Year (January 1, 2021 to December 31, 2021) and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the 61st Fiscal Year (January 1, 2021 to December 31, 2021)

Proposals:

- | | |
|--------------------|---|
| Proposal 1: | Appropriation of Surplus |
| Proposal 2: | Partial Amendment to the Articles of Incorporation |
| Proposal 3: | Election of Six Directors |
| Proposal 4: | Election of One Substitute Audit & Supervisory Board Member |

- The documents that should be provided with this Notice, “Major Sales Offices and Factories,” “Employees,” “Assets, Profits, and Losses,” “Major Creditors,” “Matters Concerning Stock Acquisition Rights, etc. of the Company,” “System to Ensure the Appropriateness of Business Operations and Outline of Implementation Status of Such System” and “Basic Policy on the Control of the Company” in the Business Report; “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements; and “Non-consolidated Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements are posted on the Company’s website, based on laws and regulations as well as Article 16 of the Company’s Articles of Incorporation, and therefore not included in the appendix of this Notice. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements included in the appendix of this Notice are part of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements that were subject to the audits by the Accounting Auditor and the Audit & Supervisory Board in preparing the Accounting Audit Report and Audit Report.
- Any revisions to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements will be posted on the Company’s website.
- Notice of Resolutions, which used to be sent out after the General Meeting of Shareholders, will be posted on the Company’s website. We appreciate your understanding.

Significant changes in the operation of the General Meeting of Shareholders made in accordance with future circumstances will be notified on the Company’s website.

Our Website Information for Investors and General Meeting of Shareholders (in Japanese)

https://www.uniontool.co.jp/ir/stock/general_meeting.html

Guidance for the Exercise of Voting Rights

Exercise of voting rights by attending the meeting

Please hand in your voting rights exercise form at the reception desk.

Date and time:

Wednesday, March 30, 2022 at 10:00 a.m. JST

Exercise of voting rights by mail

Please return the enclosed voting rights exercise form with your approval or disapproval for each proposal so that it can reach us by the deadline below.

Deadline:

5:45 p.m. JST on Tuesday, March 29, 2022

Exercise of voting rights via the Internet, etc. (see page 4)

Please follow the instruction on the next page and enter your vote for or against each proposal by the deadline below.

Deadline:

5:45 p.m. JST on Tuesday, March 29, 2022

Guidance for filling out in the voting rights exercise form

Proposal 1, 2, 4:

- If you vote for the proposal:
Write a circle in the “賛” field
- If you vote against the proposal:
Write a circle in the “否” field

Proposal 3:

- If you vote for all of the candidates:
Write a circle in the “賛” field
- If you vote against all of the candidates:
Write a circle in the “否” field
- If you vote against some of the candidates:
Write a circle in the “賛” field and the candidate numbers of the candidates you vote against in the parenthesis.

* Shareholders who have submitted a voting rights exercise form that does not indicate whether they approve or disapprove proposals will be deemed to have approved those proposals.

Guidance for the exercise of voting rights via the Internet, etc.

Scanning the QR code

You can log in to the voting rights exercise website without entering the login ID or the temporary password written on the voting rights exercise form.

1. Scan the QR code on the voting rights exercise form.
* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.
2. Please follow the instruction on the screen and enter your vote for or against each proposal.

You can log in with the QR code only once.

If you wish to exercise the voting rights again, or if you wish to exercise them without using the QR code, see the “Entering the login ID and temporary password” below.

Entering the login ID and temporary password

Voting rights exercise website: <https://evote.tr.mufg.jp/>

1. Access the voting rights exercise website.
2. Enter the login ID and temporary password written on the voting rights exercise form and click “Log in.”
Enter the login ID and temporary password
Click “Log in”
3. Register a new password.
Enter a new password
Click “Send”
4. Please follow the instruction on the screen and enter your vote for or against each proposal.

Help desk to inquire about how to exercise your voting rights via the Internet, etc. with PCs, or smartphones

Help desk at Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation 0120-173-027 (toll-free in Japan; open 9:00 a.m. to 9:00 p.m. JST)
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Institutional investors may use the electronic voting rights exercise platform operated by ICJ, Inc.

Handling of voting rights exercised more than once

1. Please note that if your voting rights are exercised in duplicate by mail and via the Internet, the vote made via the Internet will be treated as the valid vote.
2. If you exercise your voting rights more than once via the Internet, the last vote will be treated as valid.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company proposes appropriating the surplus as follows:

Year-end dividend:

Based on the Company's basic policy for distribution of surplus, the year-end dividends for the 61st fiscal year will be paid as specified below.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and its total amount

The Company will pay an ordinary dividend of ¥40 per share (increased by ¥10 from ¥30 for the previous fiscal year). The total amount of the ordinary dividends will be ¥691,020,920 (compared with ¥518,282,700 for the previous fiscal year).

The Company paid an interim dividend of ¥37 per share in September of last year (increased by ¥7 from ¥30 for the previous fiscal year). Combined with the year-end ordinary dividend, the amount of the annual ordinary dividend will be ¥77 per share for a total of ¥1,330,225,520. (For the previous fiscal year, the amount of the annual ordinary dividend was ¥60 per share for a total of ¥1,036,566,840. In addition, the Company paid an extra dividend of ¥10 per share for a total of ¥172,760,900).

(3) Effective date of the distribution of surplus

March 31, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reason for Amendments

The 2019 amendment of the Companies Act allows for measures for providing reference documents, etc. for the general meeting of shareholders in an electronic format, and from the enforcement date (September 1, 2022) of the amended Companies Act concerning electronic provision measures, companies issuing book-entry transfer shares (listed companies) are obligated to stipulate in their articles of incorporation that they will take electronic provision measures for information that constitutes the content of reference documents for the general meeting of shareholders. Accordingly, the Company intends to make necessary amendments to the Articles of Incorporation.

2. Details of Amendments

The details of amendments are as follows.

(Portions to be amended are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter III. General Meeting of Shareholders <u>ARTICLE 16 (Disclosure via internet of reference documents, etc. for general meeting of shareholders and Deemed PROVISION)</u> <u>The Company may deem that, at the convocation of general meeting of shareholders, the information on the matters that should be described or indicated in the reference documents for general meeting of shareholders, business report and financial statements has been provided for the shareholders by disclosing such information via Internet as provided in the order of the Ministry of Justice.</u></p> <p><Newly established></p>	<p>Chapter III. General Meeting of Shareholders <Deleted></p> <p><u>Article 16 (Measures for Provision in Electronic Format, etc.)</u> <u>1. When convening general meeting of shareholders, the Company shall take measures to provide reference documents, etc., for general meeting of shareholders in electronic format.</u> <u>2. The Company does not need to include all or some matters related to electronic provision measures stipulated by the Ordinance of the Ministry of Justice in the documents to be delivered to shareholders who have requested such documents by the record date of voting rights.</u></p>
<p><Newly established></p>	<p>(Supplementary Provision) <u>1. The deletion of Article 16 (Disclosure via internet of reference documents, etc. for general meeting of shareholders and Deemed PROVISION) from the current Articles of Incorporation and the newly establishment of Article 16 of the amended Articles of Incorporation shall be in effect from the date of enforcement as set forth in Article 1 of the</u></p>

	<p><u>Supplementary Provisions (hereinafter referred to as the Effective Date) of the Act Partially Amending the Companies Act (Act No. 70 of the Order).</u></p> <p><u>2. Notwithstanding the provisions of the preceding Paragraph, Article 16 of the current Articles of Incorporation shall remain in force for general meeting of shareholders held within six months of the Effective Date.</u></p> <p><u>3. This Article shall be automatically deleted once six months have passed from the Effective Date, or once three months have passed from the date of the general meeting of shareholders set forth in the preceding Paragraph, whichever is later.</u></p>
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Proposal 3: Election of Six Directors

The terms of office of all six Directors will expire at the closing of the General Meeting of Shareholders. Accordingly, the Company proposes electing six Directors (four inside Directors and two outside Directors).

The candidates for Director are as follows.

As seen in the career summaries below, the candidates for inside Director are well experienced in corporate management and can handle general corporate matters accurately.

There are no special interests between each candidate and the Company.

No.	Name		Position	Expertise and Experience*					
				a.	b.	c.	d.	e.	f.
1	Reappointment	Takao Katayama	CEO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
2	Reappointment	Hiroshi Odaira	President & COO	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>	
3	Reappointment	Yuichi Nakajima	Director		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
4	Reappointment	Yuji Watanabe	Director		<input type="radio"/>			<input type="radio"/>	
5	Reappointment	Hiroki Yamamoto	Outside Independent				<input type="radio"/>		<input type="radio"/>
6	Reappointment	Shozo Wakabayashi	Outside Independent	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	

*Expertise and Experience

- a. Management Strategies
- b. Technology and IT
- c. Production and Quality
- d. Finance
- e. Internationality
- f. Law and Risk management

The Company has entered into contracts for director/officer liability insurance that cover all its Directors to indemnify them against liabilities and claims that may arise in the course of performing their duties. If the candidates take office as Director, they will be covered by the insurance policies, which will be renewed during their term of office.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
1	<p>Takao Katayama (August 20, 1953) (68 years old)</p> <p><u>Reappointment</u></p>	<p>February 1979 Joined the Company</p> <p>January 1981 Managing Director</p> <p>February 1988 General Manager of Overseas Business Department responsible for General Affairs Department, Accounting Department and Manufacturing Department</p> <p>December 1989 Responsible for Engineering Development Department</p> <p>February 1992 Representative Director and Vice President</p> <p>November 1995 Responsible for Corporate Planning Section</p> <p>May 1996 President & COO</p> <p>February 2014 CEO (to present)</p> <p>[Significant concurrent positions] None</p>	592,751
<p>[Reason for nomination as candidate for Director]</p> <p>As the first son of the Company's founder, Takao Katayama has long contributed to the growth of the Company. He has led the Company to enter foreign markets, strengthened the administrative division commensurate with a public company and spearheaded the development of new products. After assuming office as President, he focused on further raising the status of the Company by reforming the engineering division from a broad point of view. In his capacity as CEO, Katayama now offers suggestions to the entire industry. The Company considers that if reelected, he will pay attention primarily to external matters and explore new possibilities of the Company's products. As the candidate can continue to contribute to its growth, the Company proposes electing him as Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
2	Hiroshi Odaira (November 28, 1957) (64 years old) <u>Reappointment</u>	May 1989 Joined the Company December 1998 General Manager of General Administration Department of Nagaoka Factory October 2000 General Manager of Corporate Planning Department November 2000 President of UNION TOOL (SHANGHAI) CO., LTD. a subsidiary September 2002 General Manager of Overseas Subsidiary Support Section of the Company December 2009 General Manager of General Administration Department of Nagaoka Factory December 2010 General Manager of General Affairs Department February 2011 Executive Officer and General Manager of General Affairs Department February 2012 Director responsible for Administrative Division and General Manager of General Affairs Department December 2012 President of TAIWAN UNION TOOL CORP. a subsidiary February 2013 Managing Director responsible for Administrative Division and General Manager of General Affairs Department February 2014 President & COO (to present) [Significant concurrent positions] Outside Director of FUJI SEIKO LIMITED	10,300
[Reason for nomination as candidate for Director] Hiroshi Odaira has mainly managed the administrative division of the Company and strived to streamline the manufacturing process and foster awareness of the environment. In the meantime, he took the initiative in executing the Company's overseas strategy as a General Manager of Corporate Planning Department, assumed office as President of subsidiaries in Shanghai and other Greater China areas. He was also involved in the launch of a new company as a corporate manager. After assuming office as President, the candidate has led the sales division and taken charge of business execution. The Company considers that if reelected, he will devote himself to dealing with management aspects, including new products, production system and human resource development that drive the Company's next era, from a broad point of view. As the candidate can continue to contribute to its growth, the Company proposes electing him as Director.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
3	<p>Yuichi Nakajima (May 28, 1962) (59 years old)</p> <p><u>Reappointment</u></p>	<p>April 1985 Joined the Company</p> <p>February 2008 General Manager of Quality Assurance Department</p> <p>December 2014 Vice General Manager of UNION TOOL (SHANGHAI) CO., LTD.</p> <p>May 2015 General Manager of UNION TOOL (SHANGHAI) CO., LTD.</p> <p>March 2017 Executive Officer of the Company</p> <p>January 2020 Executive Officer and Audit Division Manager</p> <p>March 2021 Director and Audit Division Manager (to present)</p> <p>[Significant concurrent positions]</p> <p>None</p>	3,000
	<p>[Reason for nomination as candidate for Director]</p> <p>Yuichi Nakajima has served in charge of the quality assurance division for a long time after working in other divisions including facility development and manufacturing, and supported the global brand building for the Company's products. He was then seconded to our subsidiary in Shanghai, where he led the organization for approximately five years as the person in full charge of the local operations. Amid changes in the positioning of Chinese manufacturing industry, he extended the reach of the Company's business activities in China and endeavored to expand the scope of our business.</p> <p>Since his return to Japan, he has been striving to enhance the risk compliance system of the entire Group as Audit Division Manager, based on his past experience. As the candidate is expected to continue to play a role in the cooperation across the entire Group and the enhancement of internal control, the Company proposes electing him as Director.</p>		

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
4	Yuji Watanabe (January 30, 1968) (54 years old) <u>Reappointment</u>	<p>April 1992 Joined the Company</p> <p>December 2013 General Manager of Engineering Development Department, Engineer Managing Department, Engineering Division of the Company</p> <p>March 2016 General Manager of Engineering Development Department, Engineering Division</p> <p>March 2017 General Manager of Tool Engineering Department, Engineering Division</p> <p>March 2018 Director of UNION TOOL EUROPE S.A. (to present)</p> <p>January 2020 General Manager of 2nd Tool Engineering Department, Engineering Division of the Company</p> <p>March 2020 Executive Officer and Engineering Division Manager</p> <p>March 2021 Director and Engineering Division Manager (to present)</p> <p>President of U.S. UNION TOOL,INC. (to present)</p> <p>[Significant concurrent positions] None</p>	1,700
<p>[Reason for nomination as candidate for Director]</p> <p>Yuji Watanabe has worked in the engineering development division ever since he joined the Company and mainly worked on the development of production facilities, which is a major strength of the Company. In the development of PCB drills with coating, which the Company introduced ahead of the industry, he achieved a great success in the launch of in-house manufacturing machinery. He also established our competitive advantage in the industry by closely interacting with European engineers in the fundamental research for coat development. Networking in the development work led him to the position of Director of our European subsidiary, through which he deepened his experience of business management. As the candidate is expected to continue to lead the development of new products and in-house manufacturing facilities as Engineering Division Manager and contribute to further enhancement of our brand, the Company proposes electing him as Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
	Hiroki Yamamoto (March 12, 1968) (54 years old) <div>Reappointment</div> <div>Outside</div> <div>Independent</div>	<p>April 1998 Registered as an attorney-at-law Joined Hara Takeshita Law Office (currently Hara Godo Law Office)</p> <p>April 2009 Partner (to present)</p> <p>February 2012 Outside Audit & Supervisory Board Member of the Company</p> <p>February 2014 Outside Director (to present)</p> <p>[Significant concurrent positions] Attorney-at-law Outside Director (Audit & Supervisory Committee Member) of TOYO WHARF & WAREHOUSE CO., LTD.</p>	0
5	<p>[Reason for nomination as candidate for Outside Director] Hiroki Yamamoto is well-versed in corporate legal affairs as an attorney-at-law and has deep insights into business management. As an Outside Director, he will continue to offer detailed instructions and advice on the business decision-making process, helping to further strengthen the Company's compliance with laws and regulations. The Company, therefore, proposes electing him as Outside Director. He currently serves as Outside Director of the Company, and will have served in the position for eight years and one month at the closing of the General Meeting of Shareholders. He is a candidate for independent officer as stipulated by the Tokyo Stock Exchange.</p> <p>[Other matters concerning the Outside Director candidate] If Hiroki Yamamoto is reelected, the Company will renew the agreement, pursuant to Article 427, paragraph 1 of the Companies Act, to limit his liability for damages stipulated in Article 423, paragraph 1 of the same Act, based on provisions of the Company's Articles of Incorporation. However, his liability for damages based on the said agreement will be a predetermined amount that is larger than ¥10 million or the amount provided for by Article 425, paragraph 1 of the same Act, whichever is larger.</p>		

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
6	Shozo Wakabayashi (November 23, 1943) (78 years old) <div>Reappointment</div> <div>Outside</div> <div>Independent</div>	April 1967 Joined Ministry of Finance July 1994 General Manager of Osaka Regional Taxation Bureau July 1996 Secretary of Executive Bureau of Securities and Exchange Surveillance Commission June 1998 Vice-minister of Okinawa Development and Promotion Bureau July 2001 Senior Managing Director of Japan Securities Dealers Association June 2004 Chairman and Representative Director of Japan Earthquake Reinsurance Co., Ltd. June 2010 Outside Member of the Board of Directors of Nidec Corporation March 2016 Outside Director of the Company (to present) [Significant concurrent positions] None	0
<p>[Reason for nomination as candidate for Outside Director]</p> <p>Shozo Wakabayashi has long worked for the Ministry of Finance, and held key senior positions including General Manager of Osaka Regional Taxation Bureau. Using the high level of expertise, he will give advice on the Company's management in general, helping to strengthen its compliance. The Company, therefore, proposes electing him as Outside Director. He currently serves as Outside Director of the Company, and will have served in the position for six years at the closing of the General Meeting of Shareholders. He is also a candidate for independent officer as stipulated by the Tokyo Stock Exchange.</p> <p>[Other matters concerning the Outside Director candidate]</p> <p>If Shozo Wakabayashi is reelected, the Company will renew the agreement, pursuant to Article 427, paragraph 1 of the Companies Act, to limit his liability for damages stipulated in Article 423, paragraph 1 of the same Act, based on provisions of the Company's Articles of Incorporation. However, his liability for damages based on the said agreement will be a predetermined amount that is larger than ¥10 million or the amount provided for by Article 425, paragraph 1 of the same Act, whichever is larger.</p>			

Proposal 4: Election of One Substitute Audit & Supervisory Board Member

The Company proposes electing one substitute Outside Audit & Supervisory Board Member, to prepare for the situation in which the number of the Company's Outside Audit & Supervisory Board Members falls short of that required by laws and regulations. This proposal has been granted consent by the Audit & Supervisory Board.

The candidate for substitute Outside Audit & Supervisory Board Member is as follows. Yoshihiko Kato satisfies the requirements for an Outside Audit & Supervisory Board Member stipulated by laws and regulations. There are no special interests between the candidate and the Company.

Name (Date of birth)	Career summary and positions at the Company	Number of shares of the Company held
Yoshihiko Kato (Febuary 14, 1958) (64 years old) <div>New appointment</div> <div>Outside</div> <div>Independent</div>	December 1979 Joined FUJI SEIKO LIMITED June 2004 General Manager of Procurement Department March 2012 General Manager of Kumamoto Factory May 2016 Corporate Auditor (to present) [Significant concurrent positions] Corporate Auditor of FUJI SEIKO LIMITED	0
<p>[Reason for nomination as candidate for substitute Outside Audit & Supervisory Board Member and other matters]</p> <p>Yoshihiko Kato is a candidate for substitute Outside Audit & Supervisory Board Member. He has achieved results on the manufacturing management front over the years, and currently plays an active role as Corporate Auditor of FUJI SEIKO LIMITED. He knows well about the responsibilities and duties of an Audit & Supervisory Board Member. The Company considers that if he assumes office as Outside Audit & Supervisory Board Member, he will hit the ground running and perform an appropriate function to monitor management of the Company. If he becomes an Audit & Supervisory Board Member, he will also become a candidate for independent officer as stipulated by the Tokyo Stock Exchange. The Company, therefore, proposes electing him as substitute Outside Audit & Supervisory Board Member.</p> <p>[Other matters concerning the substitute Outside Audit & Supervisory Board Member candidate]</p> <p>If Yoshihiko Kato assumes office as Outside Audit & Supervisory Board Member, the Company will conclude an agreement, pursuant to Article 427, paragraph 1 of the Companies Act, to limit his liability for damages stipulated in Article 423, paragraph 1 of the same Act, based on provisions of the Company's Articles of Incorporation. However, his liability for damages based on the said agreement will be a predetermined amount that is larger than ¥10 million or the amount provided for by Article 425, paragraph 1 of the same Act, whichever is larger.</p>		

The Company has entered into contracts for director/officer liability insurance that cover all its Audit & Supervisory Board Members to indemnify them against liabilities and claims that may arise in the course of performing their duties. If the candidates take office as Audit & Supervisory Board Member, they will be covered by the insurance policies.