

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities code: 5463
June 3, 2022

To Shareholders with Voting Rights:

Yoshinori Yoshimura
President
MARUICHI STEEL TUBE LTD.
1-60, 5 Chome, Namba, Chuo-ku,
Osaka-shi, Osaka, Japan

**NOTICE OF
THE 88th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 88th General Meeting of Shareholders of MARUICHI STEEL TUBE LTD. (the “Company”) will be held as described below.

Having carefully considered the latest level of COVID-19 infections, we have decided to hold this General Meeting of Shareholders after implementing appropriate measures to control infections.

In order to prevent the further spread of COVID-19, we ask shareholders to exercise their voting rights, wherever possible, in advance of the General Meeting of Shareholders either in writing (using the voting rights exercise form) or online. In particular, we ask that elderly persons, persons with underlying conditions, or any persons with concerns about their health to refrain from attending this General Meeting of Shareholders in person.

In addition, when exercising voting rights in writing (using the voting rights exercise form) or online, please review the following Reference Documents for the General Meeting of Shareholders and then indicate your approval or disapproval of the proposals either on the enclosed voting rights exercise form or on the voting rights exercise website that has been designated by the Company (<https://evote.tr.mufg.jp/>). Whichever method you choose, please exercise your voting rights by 5:10 p.m. on Thursday, June 23, 2022 (JST) .

- 1. Date and Time:** Friday, June 24, 2022 at 10:00 a.m. (JST)
(reception desk is scheduled to open at 9:00 a.m.)
- 2. Place:** Naniwa Ballroom, 8F, Swissotel Nankai Osaka
1-60, 5 Chome, Namba, Chuo-ku, Osaka-shi, Osaka, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report and Consolidated Financial Statements for the Company’s 88th Fiscal Year (April 1, 2021 - March 31, 2022) 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 88th Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
Proposal 2: Election of Eight (8) Directors
Proposal 3: Election of One (1) Audit & Supervisory Board Member
Proposal 4: Revision of Compensation Amounts for Directors
Proposal 5: Items Relating to the Determination of Performance-linked Stock Compensation (With Transfer Restrictions) for Directors (Excluding Outside Directors)

*In order to prevent the spread of COVID-19, we will not distribute souvenirs to shareholders who attend the meeting. Instead, we will send out a QUO card (to the value of 500 yen) at a later date to all attendees, as well as shareholders who exercised their voting rights in writing (using the voting rights exercise form) or online.

4. Decisions regarding convocation

- (1) If voting rights are exercised multiple times online, the last vote will be treated as the valid exercise of voting rights.
- (2) If voting rights are exercised both online and in writing (using the voting rights exercise form), the voting rights exercised online will be treated as the valid exercise of voting rights.

- * If you attend the General Meeting of Shareholders in person, please submit the completed enclosed voting rights exercise form to the reception desk at the venue.
- * In accordance with laws and regulations, as well as Article 15 of the Company's Articles of Incorporation, the Matters Concerning the Company's Share Acquisition Rights, Status of the Accounting Auditor, and Company Structure and Policy in the Business Report, the Consolidated Statement of Changes in Shareholders' Equity, etc. and the Notes to Consolidated Financial Statements included in the Consolidated Financial Statements, and the Statement of Changes in Shareholders' Equity, etc. and the Notes to Non-consolidated Financial Statements included in the Non-consolidated Financial Statements are published online on the Company website (<https://www.maruichikokan.co.jp/>). Therefore they are not included in this convocation notice. The documents accompanying this convocation notice form a portion of the documents audited by Audit & Supervisory Board Members and the Accounting Auditor when creating the Audit Report.
- * Any amendments to the Reference Documents for the General Meeting of Shareholders, Business Reports, Consolidated Financial Statements, and Non-consolidated Financial Statements will be posted on the Company's website (<https://www.maruichikokan.co.jp/>).

How to Exercise Voting Rights

When exercising voting rights in writing (using the voting rights exercise form) or online

Exercising voting rights in writing (using the voting rights exercise form)

Please indicate your approval or disapproval on the enclosed voting rights exercise form and return it to us to arrive by **5:10 p.m. on Thursday, June 23, 2022** (JST) .

Exercising voting rights online

Please access the voting rights exercise website (<https://evote.tr.mufg.jp/>) and register your approval or disapproval of the proposals by **5:10 p.m. on Thursday, June 23, 2022** (JST) .

Please refer to How to Exercise Voting Rights Online on Page 4 and 5 for details.

When attending the General Meeting of Shareholders in person

Please complete and **submit the enclosed voting rights exercise form to the reception desk.**

How to Exercise Voting Rights Online

To exercise your voting rights online, please access the voting **rights exercise website designated by the Company** (<https://evote.tr.mufg.jp/>) using a smartphone or a PC, etc. and follow the guidance on the screen.

Deadline for exercising voting rights **5:10 p.m. Thursday, June 23, 2022** (JST)

*However, the service will be suspended from 2:00 a.m. to 5:00 a.m. each day.

How to read the QR code

Using a smartphone

To exercise voting rights using a smartphone, **you do not need to enter your login ID or temporary password.**

You can log in by reading the QR Code for Login indicated on the enclosed voting rights exercise form supplementary slip (located on the right side).

***You can exercise voting rights only once using the above method.**

After that, please follow the instructions on the screen to register your approval or disapproval of the proposals.

For institutional investors

You can exercise your voting rights through the voting platform operated by ICJ, Inc. if you register with the platform in advance.

To log back in, please follow the instructions on the following page.

How to enter your Login ID and temporary password

When using a PC, or a smartphone more than once

1. Access the voting rights exercise website
2. Enter the Login ID and Temporary Password indicated on your voting rights exercise form supplementary slip (located on the right side).
3. After inputting that current password, please enter your new password into both “New password” and “New password (for confirmation)”

After that, please follow the instructions on the screen to register your approval or disapproval of the proposals.

Treatment of voting rights that have been exercised multiple times

- (1) Please note that for any voting rights that are exercised in duplicate both in written form (using the voting rights exercise form) and online, the content of the voting rights exercised online will be treated as the valid vote.
- (2) Please note that if voting rights are exercised multiple times online, the last entry received will be considered the valid vote (Similarly, if voting rights are exercised multiple times via PC and smartphone, the last entry will also be treated as the valid vote.)

*Please note that shareholders shall be responsible for any costs incurred when accessing the website for exercising voting rights (internet connection fees, communication charges, etc.)

*You may not be able to use the voting rights exercise website depending on your internet environment.

Inquiries about the voting system

Mitsubishi UFJ Trust and Banking Corporation
Securities Transfer Agency Division (Help Desk)
Tel: 0120-173-027 (in Japan, toll free)
(Hours: 9:00 a.m. to 9:00 p.m. JST)

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced from September 1, 2022. Accordingly, the Articles of Incorporation of the Company shall be amended to include a new provision relating to the introduction of the system for the electronic provision of reference documents for the General Meetings of Shareholders and a new provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it. Additionally, the provisions relating to the internet disclosure and deemed provision of the reference documents for the General Meeting of Shareholders, etc. will be deleted and supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined)


Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p>Article 15 The Company may, when <u>convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice</u></p> <p><Newly established></p>	<p><Deleted></p> <p>(Measures for Electronic Provision, Etc.)</p> <p>Article 15 The Company shall, when <u>convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p>2. <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in</u></p>


Current Articles of Incorporation	Proposed Amendments
<Newly established>	<p><u>the paper copy to be sent to shareholders who have requested it by the record date for voting rights</u></p> <p><u>Supplementary provisions</u> <u>(Transitional Measures Relating to the</u> <u>Measures for Electronic Provision, Etc.)</u></p> <ol style="list-style-type: none"> 1. <u>The changes to Article 15 shall come into effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u> 2. <u>Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u> 3. <u>These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u>

Proposal 2: Election of Eight (8) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, in order to further strengthen the Company's management structure, the Company proposes the election of eight (8) Directors, by increasing the number of Directors by one (1).


The candidates for Director are as follows:


No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 Hiroyuki Suzuki (February 7, 1946)	August 1980 Joined the Company June 1983 Director June 1990 Managing Director, General Manager of Sales Division, In charge of western district sales June 1997 Senior Managing Director In charge of eastern district June 1999 Vice President, Representative Director Assistant to the President April 2003 President, Representative Director, June 2003 President, Representative Director President Managing Officer June 2013 Chairman Representative Director and CEO Chairman Managing Officer (to present) May 2016 Co-Chairperson (Representative Director), Kansai Keizai Doyukai (Kansai Association of Corporate Executives) May 2018 Retired as Co-Chairperson (Representative Director), Kansai Keizai Doyukai (Kansai Association of Corporate Executives) (to present) [Significant concurrent positions] • President, Representative Director, Maruichi Kohan Ltd. • President, Representative Director, Kyushu Maruichi Steel Tube Ltd. • Chairman, Maruichi Sun Steel Joint Stock Company (SUNSCO) • Executive Chairman, Maruichi Stainless Tube CO., LTD. • Outside Director, Nippon Venture Capital Co., Ltd.	102,952
[Reason for nomination as candidate for Director] Mr. Hiroyuki Suzuki has been in charge of the management of the Company for many years, having served as President, Representative Director from 2003 to 2013, and is currently engaged in duties as Chairman Representative Director and CEO. He has abundant experience in the operations of the Company and insight in general management and global business management, and therefore, the Company nominates him again as a candidate for Director.			


No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 <p>Yoshinori Yoshimura (June 16, 1957)</p>	<p>March 1981 Joined the Company</p> <p>June 1997 Director</p> <p>June 2003 Retired as Director Managing Officer, General Manager of Pole Division</p> <p>June 2005 Director, Senior Managing Officer General Manager of Pole Division</p> <p>April 2006 Director, Senior Managing Officer Assistant to the President in the fields of production and technology In charge of western district plants General Manager of Pole Division</p> <p>June 2008 Director, Executive Managing Officer Assistant to the President in the fields of production and technology General Manager of Pole Division</p> <p>April 2009 Director, Executive Managing Officer Assistant to the President in the fields of production and technology In charge of Pole Division</p> <p>June 2010 Director, Executive Managing Officer Assistant to the President in the fields of production and technology In charge of Pole Division In charge of LSB business</p> <p>June 2011 Representative Director Vice President Managing Officer Assistant to the President in the fields of production and technology In charge of Pole Division In charge of LSB business</p> <p>June 2013 President and COO, Representative Director, President Managing Officer (to present)</p> <p>[Significant concurrent positions] • President, Representative Director, Shikoku Maruichi Steel Tube Ltd.</p>	564,190
<p>[Reason for nomination as candidate for Director]</p> <p>Since joining the Company, Mr. Yoshinori Yoshimura has been engaged mainly in the field of technology such as production and quality control, and currently serves as President, COO, and Representative Director. He has abundant experience in the operations of the Company and insight in general management and global business management, and therefore, the Company nominates him again as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
3	 Daiji Horikawa (April 6, 1951)	March 1984	Joined the Company	430,236
		June 1987	Director, Branch Manager of Tokyo Office	
		June 1997	Managing Director, General Manager of Sales Division	
		June 2001	Senior Managing Director In charge of eastern and Chubu districts	
		June 2003	Director, Vice President Managing Officer Assistant to the President in the field of sales In charge of eastern and Chubu districts	
		April 2006	Director, Vice President Managing Officer Assistant to President in the field of sales In charge of Hokkaido district	
		June 2013	Director, Vice President Managing Officer Responsible for sales In charge of Hokkaido district	
		August 2014	Director, Vice President Managing Officer Responsible for sales	
		June 2017	Director, Vice President Managing Officer In charge of sales (to present)	
		[Significant concurrent positions]		
• President, Representative Director, Hokkaido Maruichi Steel Tube Ltd.				
• President, Maruichi Metal Product (Foshan) Co., Ltd.				
[Reason for nomination as candidate for Director] Since joining the Company, Mr. Daiji Horikawa has been engaged mainly in the field of sales, and currently serves as Vice President Managing Officer in charge of sales. He has abundant experience in the operations of the Company, having been in charge of sales and purchases, and has insight into global business management. Therefore, the Company nominates him again as a candidate for Director.				
4	 Minoru Kadono (January 9, 1955)	March 1977	Joined the Company	14,369
		August 2006	General Manager of Equipment Technology Office	
		June 2010	Managing Officer, General Manager of Equipment Technology Office	
		June 2017	Senior Managing Officer In charge of production and technology	
		June 2020	Director, Senior Managing Officer In charge of production and technology	
		June 2021	Director, Executive Managing Officer In charge of production and technology (to present)	
		[Reason for nomination as candidate for Director] Since joining the Company, Mr. Minoru Kadono has been engaged mainly in the fields of production and technology, and currently serves as Executive Managing Officer in charge of production and technology. He has abundant experience in the operations of the Company and has insight in overall management and global business management, and therefore, the Company nominates him again as a candidate for Director.		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	 <p>* Wataru Morita (May 4, 1967)</p>	<p>April 1991 Joined Nissho Iwai Corporation (currently Sojitz Corporation)</p> <p>June 2003 Moved to Metal One Corporation</p> <p>June 2006 Left Metal One Corporation</p> <p>July 2006 Joined Oregon Steel Mills, Inc.</p> <p>November 2006 EVRAZ Group S.A. acquired Oregon Steel Mills, Inc.</p> <p>April 2011 Left EVRAZ North America</p> <p>June 2011 Joined the Company President, Maruichi American Corporation</p> <p>March 2015 President, Maruichi Oregon Steel Tube, LLC (concurrently with the above)</p> <p>June 2018 Managing Officer, the Company President, Maruichi American Corporation President, Maruichi Oregon Steel Tube, LLC</p> <p>June 2021 Managing Officer In charge of Planning and Secretarial Division, General Manager of the Corporate Planning Office, the Company President, Maruichi American Corporation President, Maruichi Oregon Steel Tube, LLC</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • President, Maruichi American Corporation • President, Maruichi Oregon Steel Tube, LLC 	2,816
<p>[Reason for nomination as candidate for Director]</p> <p>Since joining the Company, Mr. Wataru Morita has been primarily engaged in serving as President of our American subsidiaries. Currently, he also concurrently serves as Managing Officer in charge of Planning and Secretarial Division and General Manager of the Corporate Planning Office. He has abundant experience in the operations of the Company and has insight in overall management and global business management, and therefore, the Company nominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	 <p>Kenjiro Nakano (August 13, 1947)</p>	<p>April 1971 Joined The Sumitomo Bank Limited (currently Sumitomo Mitsui Banking Corporation (“SMBC”))</p> <p>June 1998 Director, General Manager of Securities Department, The Sumitomo Bank Limited</p> <p>April 2001 Executive Officer, Head of Investment Bank Department, SMBC</p> <p>June 2002 Managing Executive Officer, Head of Osaka Corporate Banking Division, SMBC</p> <p>June 2005 Senior Managing Director, Senior Managing Executive Officer in charge of Corporate Business, SMBC</p> <p>April 2006 Director (Representative Director), Deputy President, SMBC</p> <p>April 2008 Director (Representative Director), Deputy Chairman of the Board, based in Osaka, SMBC</p> <p>June 2008 Audit & Supervisory Board Member of the Company</p> <p>June 2010 Retired as Director (Representative Director), Deputy Chairman of the Board, SMBC</p> <p>June 2010 President, Keihanshin Real Estate Co., Ltd. (currently Keihanshin Building Co., Ltd.)</p> <p>June 2013 Director of the Company (current position)</p> <p>June 2016 Chairman, Keihanshin Building Co., Ltd. (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Chairman, Keihanshin Building Co., Ltd. • Outside Director (Audit and Supervisory Committee Member), H2O RETAILING CORPORATION 	0
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Kenjiro Nakano has accumulated abundant knowledge and experience at Sumitomo Mitsui Banking Corporation and Keihanshin Building Co., Ltd in corporate management, and in economics and financial markets in Japan and overseas. Therefore, the Company proposes his election as Outside Director with the expectation that he will contribute to appropriate decision making by the Board of Directors and the realization of management oversight.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
7	 Kenichiro Ushino (September 10, 1948)	April 1972 April 1993 April 1997 October 2001 April 2003 April 2006 April 2007 April 2009 April 2013 June 2016	Joined Marubeni Corporation President of MARUBENI TUBULARS AMERICA INC. (Houston) General Manager, Tubular Product Department, Marubeni Corporation General Manager, Tubular Products Division, Marubeni-Itochu Steel Inc. Executive Officer, General Manager, Tubular Products Division, Marubeni-Itochu Steel Inc. Managing Executive Officer, Member of the Board, General Manager, Corporate Planning & Coordination, Human Resources & General Affairs Division, Marubeni-Itochu Steel Inc. Executive Vice President, Member of the Board, Marubeni-Itochu Steel Inc. President and CEO, Member of the Board, Marubeni-Itochu Steel Inc. Retired as President and CEO, Member of the Board, Marubeni-Itochu Steel Inc. Director of the Company (to present)	0
[Reason for nomination as candidate for Outside Director and expected roles] Mr. Kenichiro Ushino has a high level of insight as a corporate manager gained from his experience of corporate management at Marubeni-Itochu Steel Inc. and he has many years of experience in the steel industry. Therefore, the Company proposes his election as Outside Director with the expectation that he can contribute to appropriate decision making by the Board of Directors and realization of management oversight.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	 Yuka Fujioka (May 24, 1969)	<p>April 1993 Joined Kansai Television Co. Ltd. Announcers Division, Programming Department</p> <p>April 1999 News Anchor at Asahi New Star (CS), etc., Lecturer of the training course for conference interpreters at Simul Academy</p> <p>September 2008 Adjunct Lecturer of Center for International Education and Cooperation, Kwansei Gakuin University (current position)</p> <p>April 2009 Adjunct Lecturer of Global Studies Course, Department of English, School of Letters, Kobe College (currently Department of English, School of Letters, Kobe College)</p> <p>April 2010 Adjunct Lecturer of School of International Studies, Kwansei Gakuin University (current position)</p> <p>July 2016 President & CEO, FUJIOKA KINZOKU CORPORATION (current position)</p> <p>June 2018 Director of the Company (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • President & CEO, FUJIOKA KINZOKU CORPORATION • Adjunct Lecturer, Center for International Education and Cooperation, Kwansei Gakuin University • Adjunct Lecturer, Department of English, School of Letters, Kobe College • Adjunct Lecturer, School of International Studies, Kwansei Gakuin University 	0
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Ms. Yuka Fujioka has a global perspective and deep knowledge gained from her considerable overseas experience and a high level of insight as a corporate manager gained from her experience of corporate management. Therefore, the Company proposes her election as Outside Director with the expectation that she can contribute to appropriate decision making by the Board of Directors and realization of management oversight.</p>			

- Notes: 1. No special interests exist between the Company and the above candidates for Directors.
2. * indicates a new candidate for Director.
3. Mr. Kenjiro Nakano, Mr. Kenichiro Ushino and Ms. Yuka Fujioka are candidates for Outside Director. The Company has designated them as independent officers as prescribed by the Tokyo Stock Exchange and has registered them with the Exchange.
4. Matters regarding the candidates for Outside Directors
- (1) Mr. Kenjiro Nakano will have served as Outside Director for nine (9) years at the conclusion of this Annual General Meeting of Shareholders. He served as Outside Audit & Supervisory Board Member of the Company for five (5) years prior to assuming the office of Outside Director of the Company.
- Mr. Kenichiro Ushino and Ms. Yuka Fujioka will have served as Outside Directors for six (6) years and four (4) years, respectively, at the conclusion of this Annual General Meeting of Shareholders.


- (2) Mr. Kenichiro Ushino had been, until April 2013, an executive of Marubeni-Itochu Steel Inc., which was a specified associated service provider of the Company.
- (3) The Company has entered into liability limitation agreements with Mr. Kenjiro Nakano, Mr. Kenichiro Ushino and Ms. Yuka Fujioka, with respect to the liability under Article 423, Paragraph 1 of the Companies Act, whereby they bear liability for damages limited to ten (10) million yen or to the minimum liability amount under Article 425, Paragraph 1 of the Companies Act, whichever is higher, provided they perform their duties in good faith and with no gross negligence. If this proposal is approved, the Company plans to continue the said liability limitation agreements.
5. The Company has entered into a directors and officers liability insurance agreement under Article 430-3, Paragraph 1 of the Companies Act with an insurance company. This insurance agreement shall cover compensation for damages, litigation costs, and other expenses to be incurred by the insured due to claims for damages resulting from any act (including omissions) based on the position of the insured as directors and officers of a company. The insurance premiums for the insured have been fully paid by the Company. If this proposal is approved, each candidate will be included in the said insurance agreement as an insured party. In addition, the Company plans to renew the said insurance agreement with the same content at the next renewal.
6. The Company has entered into compensation agreements with all Directors under Article 430-2, Paragraph 1 of the Companies Act and shall compensate Directors for the expenses stipulated in Item 1 and the losses stipulated in Item 2 of the said Paragraph within the scope prescribed by laws and regulations. The Company plans to continue the said agreements if the reappointment of the Directors is approved. In addition, the Company plans to enter into a similar compensation agreement with Mr. Wataru Morita if his appointment as Director is approved.

Proposal 3: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Ryuta Uozumi will expire at the conclusion of this General Meeting of Shareholders. Therefore, we are requesting the appointment of one (1) auditor at this meeting.

The Company has obtained the consent of the Audit & Supervisory Board regarding this proposal.

The candidate for Audit & supervisory Board Member is as follows:

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
 <p>Ryuta Uozumi (February 24, 1948)</p>	<p>April 1971 Joined Iwatsu Electric Co., Ltd.</p> <p>April 1975 Joined Yamamoto Petroleum Co., Ltd (now JFE SHOJI MACHINERY AND MATERIALS CORPORATION)</p> <p>October 1985 Joined Asahi Shinwa & Co. (now KPMG AZSA LLC)</p> <p>March 1989 Registered as a certified public accountant</p> <p>June 1999 Worked at Asahi & Co. (now KPMG AZSA LLC)</p> <p>June 2003 Representative, Asahi & Co.</p> <p>April 2004 President and Representative Director, AZSA Sustainability Co., Ltd. (now KPMG AZSA Sustainability Co., Ltd.)</p> <p>June 2010 Left KPMG AZSA & Co. (now KPMG AZSA LLC)</p> <p>July 2010 President, Ryuta Uozumi Certified Public Accountant Office (current position)</p> <p>June 2013 Left KPMG AZSA Sustainability Co., Ltd.</p> <p>July 2013 President, Uozumi Sustainability Research Center (current position)</p> <p>June 2018 Audit & Supervisory Board Member of the Company (current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • President, Ryuta Uozumi Certified Public Accountant Office • President, Uozumi Sustainability Research Center • Outside Audit & Supervisory Board Member, FUJI OIL HOLDINGS, INC. • Outside Audit & Supervisory Board Member, Daiei Kankyo Co., Ltd. 	0
<p>[Reason for nomination as candidate for Outside Audit & Supervisory Board Member]</p> <p>Mr. Ryuta Uozumi has gained a high degree of management insight and extensive experience during his career at KPMG AZSA LLC and KPMG AZSA Sustainability Co., Ltd. and he also has specialist accounting expertise and abundant experience as a certified public accountant. Therefore, the Company has judged that he will be able to appropriately perform the duties of an Outside Audit & Supervisory Board Member.</p>		

- Notes:
1. No special interests exist between the Company and the above candidate for Audit & Supervisory Board Member.
 2. Mr. Ryuta Uozumi is a candidate for Outside Audit & Supervisory Board Member. The Company has designated him as an independent officer as prescribed by the Tokyo Stock Exchange and has registered him with the Exchange.
 3. Matters regarding the candidate for Outside Audit & Supervisory Board Member

- (1) The Company has entered into a liability limitation agreement with Mr. Ryuta Uozumi with respect to the liability under Article 423, Paragraph 1 of the Companies Act, whereby he bears liability for damages limited to ten (10) million yen or to the minimum liability amount under Article 425, Paragraph 1 of the Companies Act, whichever is higher, provided he performs his duties in good faith and with no gross negligence. If this proposal is approved, the Company plans to continue the said liability limitation agreement.
- (2) Mr. Ryuta Uozumi will have served as Outside Audit & Supervisory Board Member for four (4) years at the conclusion of this General Meeting of Shareholders.
4. The Company has entered into a directors and officers liability insurance agreement under Article 430-3, Paragraph 1 of the Companies Act with an insurance company. This insurance agreement shall cover compensation for damages, litigation costs, and other expenses to be incurred by the insured due to claims for damages resulting from any act (including omissions) based on the position of the insured as directors and officers of a company. The insurance premiums for the insured have been fully paid by the Company. If this proposal is approved, the candidate will be included in the said insurance agreement as an insured party. In addition, the Company plans to renew the said insurance agreement with the same content at the next renewal.
5. The Company has entered into a compensation agreement with Mr. Ryuta Uozumi under Article 430-2, Paragraph 1 of the Companies Act and shall compensate him for the expenses stipulated in Item 1 and the losses stipulated in Item 2 of the said Paragraph within the scope prescribed by laws and regulations. The Company plans to continue the said agreement if his reappointment as Audit & Supervisory Board Member is approved.

Proposal 4: Revision of Compensation Amounts for Directors

The amount of compensation, etc. for Directors of the Company was approved at an annual amount of no more than 300 million yen (including no more than 40 million yen for Outside Directors) at the 85th General Meeting of Shareholders held on June 25, 2019 and such amount has been in effect to this day. However, after taking into account the subsequent changes in the economic situation, the expansion of duties and expected roles of Directors, and our review of the Company's executive compensation system, etc., we would like to increase the annual amount of compensation, etc. for Directors to no more than 500 million yen (including no more than 40 million yen for Outside Directors).

The amount of compensation for Directors shall not include the employee portion of salaries of employees who also serve as Directors as before.

This proposal is judged to be appropriate because it has been determined by the Board of Directors following deliberation in the Nomination and Compensation Committee, which is made up of independent Outside Directors and Representative Directors and chaired by an independent Outside Director, and the submission of advice and recommendations by the said committee to the Board of Directors, with due consideration given to the Company's policy regarding the determination of the details of compensation, etc. for individual Directors as well as various other circumstances.

The Company currently has seven (7) Directors (including three (3) Outside Directors). If Proposal 2: Election of Eight (8) Directors is approved as originally proposed, the number of Directors will increase to eight (8) (including three (3) Outside Directors).

Proposal 5: Items Relating to the Determination of Performance-linked Stock Compensation (With Transfer Restrictions) for Directors (Excluding Outside Directors)

The amount of compensation, etc. for Directors of the Company was approved at an annual amount of no more than 300 million yen (including no more than 40 million yen for Outside Directors) at the 85th General Meeting of Shareholders held on June 25, 2019. If Proposal 4: Revision of Compensation Amounts for Directors is approved as originally proposed, the amount of compensation, etc. for Directors of the Company will be increased to an annual amount of no more than 500 million yen (including no more than 40 million yen for Outside Directors).

Following the deliberation at the Nomination and Compensation Committee (which comprises independent Outside Directors and Representative Directors and is chaired by an independent Outside Director) and as part of the review of the Company's executive compensation system, the Company would like to introduce a new performance-linked stock compensation (with transfer restrictions) system (hereinafter referred to as the "System") for Directors (excluding Outside Directors) of the Company (hereinafter referred to as the "Eligible Directors") within the scope of the above-mentioned total compensation amount, in place of the conventional long-term incentive compensation (acquisition of the Company's stock), with the aim of further clarification of the link between the compensation of Eligible Directors and the performance of the Company and the value of the Company's shares, and providing incentives to achieve the performance targets set forth in the Company's medium-term management plan and to consistently improve corporate value by improving medium- to long-term performance, as well as encouraging Directors to further share the values with shareholders.

Under the System, the portion of compensation that would be paid for granting common shares in the Company to Eligible Directors shall be classified as a monetary claim and limited to an annual amount of 150 million yen (excluding the employee portion of salaries of employees who also serve as Directors). The specific timing and payment details for each Eligible Director will be determined separately by the Board of Directors. The System is expected to combine two types of compensation that will be paid as a lump sum. Having determined the targeted period for evaluating performance over individual fiscal years within the medium-term management plan and over the full three-year

period of the medium-term management plan (hereinafter referred to as the “Performance Evaluation Period”), the sum will include the payment of: 1) a compensation amount for the execution of duties in a single fiscal year that reflects the degree of achievement of the performance targets set for that single fiscal year after the fiscal is completed (hereinafter referred to as the “Single Fiscal Year Evaluation Portion”) and 2) a compensation amount for the execution of duties over the entire period of a medium-term management plan that reflects the degree of achievement of the performance targets set for that three-year period after the period is completed (hereinafter referred to as the “Multiple Fiscal Year Evaluation Portion”). The above compensation amounts will be determined based on the assumption that compensation portions reflecting the execution of duties over multiple fiscal years will be paid in a lump sum.

The Company currently has seven (7) Directors (including three (3) Outside Directors). If Proposal 2: Election of Eight (8) Directors is approved as originally proposed, the number of Directors will increase to eight (8) (including three (3) Outside Directors).

In addition, based on the resolution of the Board of Directors of the Company, all monetary claims to be paid through this System to Eligible Directors shall be paid as properties contributed in kind and the System will also involve the issuance or disposal of common shares in the Company. The total number of common shares to be issued or disposed of for this purpose will be limited to 30,000 shares per year. (However, that total amount may be adjusted to a reasonable extent if, after the date on which this proposal is approved, the Company conducts a share split (including the free allocation of common shares in the Company) or a reverse share split, or any other event occurs that requires the total number of Company common shares to be issued or disposed of in relation to this system to be adjusted.) However, as described above, we have assumed that this System will combine two types of compensation, which include the lump sum payment of a Single Fiscal Year Evaluation Portion and a Multiple Fiscal Year Evaluation Portion at the end of the last fiscal year of the medium-term management plan, so the above-mentioned total number of shares is also determined based on the assumption that portions corresponding to the execution of duties over multiple fiscal years may need to be paid in a lump sum.

The amount paid per share shall be based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day prior to the day on which each resolution is passed by the Board of Directors (or, if the transaction is not completed on the same day, the closing price on the most recent trading day prior to that. The same applies hereinafter.) and shall be set by the Board of Directors at a monetary amount that is not especially advantageous to the Eligible Directors who receive those common shares.

The conditions relating to the upper compensation limits in this proposal, the total number of common shares in the Company to be issued or disposed of, and any other conditions relating to the granting of common shares in the Company to Eligible Directors based on this proposal have been determined based on the above-mentioned aims, the Company’s business conditions, Company policy regarding the content of compensation, etc. for individual Directors (If this proposal is approved, we plan to change the content of the policy to reflect the approved content as indicated in the [Reference] column described later), and other general circumstances, and, as such, the conditions are deemed to be appropriate.

[Outline of the System]

This System issues or disposes of common shares in the Company to Eligible Directors after the Performance Evaluation Period is completed to reflect the degree of achievement of corporate performance targets based on the Company’s medium-term management plan. The specific Performance Evaluation Periods for the System comprise a Single Fiscal Year Evaluation Period, which covers each individual fiscal year included in the medium-term management plan period and a Multiple Fiscal Year Evaluation Period, which covers the entire three fiscal years of the medium-term management plan. Also, one or more performance indicators (hereinafter referred to as the “Performance Evaluation Indicators”) shall be selected in advance by the Board of Directors of the Company from among the performance indicators adopted in the medium-term management plan.

The initial Performance Evaluation Period and Performance Evaluation Indicators corresponding to the Company’s 6th medium-term management plan are planned to be as shown in the table below. Also, the System can continue to be implemented even after the completion of this initial Performance Evaluation Period within the scope of the content approved in this proposal.

<Reference: Initial Performance Evaluation Period and Performance Evaluation Indicators corresponding to the Company's 6th medium-term management plan>

Performance Evaluation Period	<p>[Single Fiscal Year Evaluation Portion] For each of the fiscal years ending March 31, 2023 and March 31, 2024 (Note)</p> <p>[Multiple Fiscal Year Evaluation Portion] For the three-year period from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024</p>
Performance Evaluation Indicators	<p>[Single Fiscal Year Evaluation Portion] Consolidated net sales and consolidated operating income for a fiscal year which forms the Performance Evaluation Period</p> <p>[Multiple Fiscal Year Evaluation Portion] Average consolidated net sales and average consolidated operating income for the three fiscal years which form the Performance Evaluation Period</p>

(Note) We do not intend to provide a Single Fiscal Year Evaluation Portion for the Performance Evaluation Period corresponding to the fiscal year ending March 31, 2022, which is the first year of the Company's 6th medium-term management plan, because that fiscal year has already ended as of this General Meeting of Shareholders.

1. Method for calculating the amount of monetary claims

The Company calculates the number of Company common shares to be delivered to each Eligible Director and the amount of monetary claims to be paid to each Eligible Director in accordance with the following provisions:

- (1) Number of common shares to be granted (number of shares issued) to each Eligible Director (*1)

The Board of Directors determines in advance the number of the Company's common shares to be granted to each Eligible Director depending on the role, etc. of the Eligible Director and the degree of achievement of the Performance Evaluation Indicators during the Performance Evaluation Period.

- (2) Amount of monetary claims to be paid to each Eligible Director

The number of shares delivered to each Eligible Director multiplied by the share price at the time of delivery (*2)

(*1) However, when the Company seeks to pay monetary claims to each Eligible Director based on the results of the calculation mentioned in (2) above and there is a risk that those claims may exceed the upper limit for monetary claims granted under this System, then the number of shares to be issued or disposed of to each Eligible Director will be reduced using a reasonable method, such as proportional distribution, so as not to exceed the said upper limit.

(*2) Determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day before the day that a resolution is made by the Board of Directors relating to the issuance or disposal of the Company's common shares after the end of the Performance Evaluation Period, and at a price that is not especially advantageous to Eligible Directors who receive the Company common shares.

2. Conditions of payment to Eligible Directors

The Company shall, in principle, issue or dispose of the number of common shares in the Company calculated based on 1. above to an Eligible Director after the Performance Evaluation Period has ended if the Eligible Director satisfies the following requirements:

- (1) The Eligible Director has served consistently as a Director of the Company during the period of the provision of executive services determined in advance by the Board of Directors based on the Performance Evaluation Period.

- (2) No specific illegal acts, as determined by the Board of Directors of the Company, have been committed.
- (3) Any other conditions that the Board of Directors of the Company considers necessary to achieve the purpose of the System have been fulfilled.

If a new Director is appointed during the executive services provision period (within the Performance Evaluation Period) or if the position of a Director changes, the Board of Directors will issue or dispose of common shares to fulfil the number of shares to be delivered, reasonably adjusted to suit the status of the Director, the timing of appointment, and the period served after the change has occurred.

In addition, if an Eligible Director dies or retires from the above-mentioned position for other legitimate reasons after the end of the Performance Evaluation Period but during the executive services provision period, a monetary amount will be paid in lieu of the Company's common shares. The amount of money to be paid to the Eligible Director shall be, within the scope of the total amount pertaining to above-mentioned monetary claims, the number of granted shares reasonably adjusted according to the degree of achievement of performance evaluation targets and the timing and duration of the Eligible Director's tenure multiplied by the closing price of the Company's common shares on the Tokyo Stock Exchange on the day of the Director's retirement from the post.

Any issuance or disposal of the Company's common shares, and payment of monetary claims as properties contributed in kind under this System will require the signing of a restricted stock allocation agreement (hereinafter referred to as the "Allocation Agreement") between the Company and Eligible Directors that includes the contents described in 3. below. This condition does not apply however if an Eligible Director is not serving in the position of Director of the Company when he/she receives the issuance or disposal of the said common shares and payment of monetary claims as properties contributed in kind.

3. Overview of restricted stock allocation agreements

(1) Transfer restriction period

Eligible Directors are not allowed to transfer, establish a security interest on, or dispose of in any other way (hereinafter referred to as the "Transfer Restrictions") the Company's common shares that were allocated under the said Allocation Agreement (hereinafter referred to as the "Allocated Shares") from the date of payment through to the time point immediately after the Eligible Director's retirement from a position predefined by the Board of Directors from among the positions available for officers and employees of the Company (hereinafter referred to as the "Transfer Restriction Period").

(2) The lifting, etc. of Transfer Restrictions

If an Eligible Director retires from a position predefined by the Board of Directors from among the positions available for officers and employees of the Company before the Transfer Restriction Period expires, the Transfer Restrictions on all the said Allocated Shares shall be lifted at the end of the Transfer Restriction Period, unless an illegal act specified by the Board of Directors of the Company has been committed, or there is a reason recognized by the Board of Directors of the Company why the Transfer Restrictions should not be lifted in order to achieve the purpose of this System regarding such retirement.

(3) Handling during organizational restructuring, etc.

Despite the provisions in (1) above, the Transfer Restrictions shall be lifted on all Allocated Share by resolution of the Board of Directors prior to the effective date of any reorganization, etc., if a merger agreement that renders the Company an extinct company, a share exchange agreement or a share transfer plan, which renders the Company a fully owned entity of another company, or if any other matters relating to the reorganization, etc. of the Company are approved at the Company's General Meeting of shareholders (or at the Company's Board of Directors meeting if the approval of the General Meeting of Shareholders is not required for the said reorganization, etc.) during the Transfer Restriction Period.

(4) Other matters

Any other matters relating to the Allocation Agreement shall be determined by the Board of

Directors of the Company.

4. Handling during a reorganization, etc.

The Company will not issue or dispose of common shares of the Company if, during the executive services provision period, a merger agreement that renders the Company an extinct company, a share exchange agreement or a share transfer plan, which renders the Company a fully owned entity of another company, or any other matters relating to the reorganization, etc. of the Company (hereinafter referred to as the “Organizational Restructuring, etc.”) has been approved at the Company’s General Meeting of shareholders (or at the Company’s Board of Directors meeting if the approval of the General Meeting of Shareholders is not required for the Organizational Restructuring, etc. The same applies hereinafter.) (however, this only applies to the cases where the effective date of the said Organizational Restructuring, etc. is scheduled to fall on a date before the business day prior to the day upon which the Company is set to issue or dispose of the Company’s common shares after the end of the Performance Evaluation Period based on the System).

Notwithstanding the above, the Company will pay in cash in lieu of the above-mentioned monetary claims if matters relating to the Organizational Restructuring, etc. of the Company are approved by the General Meeting of Shareholders after the completion of the Performance Evaluation Period (however, this only applies to the cases where the effective date of the said Organizational Restructuring, etc. is scheduled to fall on or before the business day prior to the day upon which the Company is set to issue or dispose of common shares after the end of the Performance Evaluation Period based on the System). The amount of money to be paid to an Eligible Director shall be, within the scope of the total amount pertaining to above-mentioned monetary claims, the number of granted shares reasonably adjusted according to the degree of achievement of performance evaluation targets and the timing and duration of the Eligible Director’s tenure multiplied by the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day prior to the date on which the said Organizational Restructuring, etc. will come into effect.

[Reference] Proposals to change the policy relating to decisions on the content of compensation, etc. for individual Directors

If this proposal is approved, the Company plans to revise its policy regarding the determination of the contents of compensation, etc. for individual Directors of the Company to ensure consistency with this proposal. The broad outline of the revised content is as detailed below.

The amount of compensation, etc. for the Company’s Directors, the policy concerning the determination of the calculation method and compensation etc. for individual Directors are determined at the Board of Directors after receiving advice and recommendations from the Nomination and Compensation Committee, and the decisions are redelegated to the Representative Director and Chairman. The Representative Director and Chairman respects the advice and recommendations from the Nomination and Compensation Committee to the utmost and determines the amount within the scope of the total annual compensation amount approved at the General Meeting of Shareholders.

The Company’s compensation system for Directors comprises fixed compensation in the form of basic compensation, restricted stock compensation (stock compensation), and performance-linked compensation in the form of bonuses paid according to annual earnings and “performance-linked stock compensation (with Transfer Restrictions)” paid in accordance with the degree of achievement of specific performance targets within a Fixed Performance Evaluation Period. Note that Outside Directors are only paid basic compensation in view of the nature of their duties.

Restricted stock compensation aims to place Directors in the same position as shareholders, who not only enjoy the benefits of a rise in the Company’s share price but also bear the risk of a fall in share prices, in order to boost Directors’ desire to increase earnings and also boost their motivation to increase corporate value, including social value. On the other hand, “Performance-related stock compensation (with transfer restrictions)” aims to clarify the link between the compensation of Directors and the Company’s corporate performance and share value, and to provide an incentive for Directors to seek to consistently improve corporate value by achieving the performance targets stipulated in the medium-term management plan and improving corporate

performance over the medium to long term, while encouraging them to share the same values as shareholders.

The Company policy relating to deciding the proportion of compensation allocations by compensation type is determined according to job position and allocated in an optimal way in terms of enhancing corporate value. The ratio of compensation allocations by compensation type for the total compensation amount shall be included in materials for external public disclosure.

Skills Matrix for the Board of Directors

	Name	Position and responsibilities	Corporate management	Global experience	Production/technology/development	Marketing/sales	Finance / accounting	Legal affairs / compliance / risk management	Administration / public policy	Human resources / personnel development	Sustainability / ESG
Directors	Hiroyuki Suzuki	Chairman, Representative Director and CEO	○	○	○	○	○	○	○		○
	Yoshinori Yoshimura	President and COO	○		○			○		○	○
	Daiji Horikawa	Director, in charge of sales	○	○	○	○					
	Minoru Kadono	Director, in charge of production and technology	○		○				○		○
	Wataru Morita	Director in charge of Planning and Secretarial Division	○	○	○	○					
	Kenjiro Nakano	Director (Outside)	○	○			○		○		○
	Kenichiro Ushino	Director (Outside)	○	○		○		○		○	
	Yuka Fujioka	Director (Outside)	○	○					○		
Audit & Supervisory Board Members	Takehiko Terao	Auditor (Full Time)					○	○		○	
	Masuo Okumura	Audit & Supervisory Board Member (Outside)	○	○				○	○	○	
	Ryuta Uozumi	Audit & Supervisory Board Member (Outside)	○				○				○
	Yuki Uchiyama	Audit & Supervisory Board Member (Outside)		○				○		○	

*The above table includes incumbent Audit & Supervisory Board Members who are not candidates for Directors or Audit & Supervisory Board Members for this Annual General Meeting of Shareholders.