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Securities Code: 3593

Date of sending by postal mail: May 30, 2023

Start date of measures for electronic provision: May 26, 2023

To our shareholders:

Jun-ichi Hoki
President and CEO
Hogy Medical Co., Ltd.
2-7-7 Akasaka, Minato-ku, Tokyo

Notice of the 62nd Annual General Meeting of Shareholders

You are cordially notified of the 62nd Annual General Meeting of Shareholders of Hogy Medical Co., Ltd. (the “Company”), which will be held as follows.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company’s website. Please access the Company’s website by using the internet address shown below to review the information.

The Company’s website: <https://www.hogy.co.jp/english/ir/notice.html>

In addition to posting matters subject to measures for electronic provision on the Company’s website, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the internet address shown below, enter “Hogy Medical” in the “Issue name (company name)” field or the Company’s securities code “3593” in the “Code” field, and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

If you do not plan to attend the meeting, please refer to the subsequent Reference Documents for General Meeting of Shareholders and exercise your voting rights in advance by 5:15 p.m. (JST) on Monday, June 19, 2023, by either of the following methods.

[Voting in Writing (by Mail)]

Please indicate your approval or disapproval to the proposals on the voting form, and return it by post so that it reaches us by the above deadline.

[Voting via the Internet, etc.]

Please review the [Guidance for Exercising Voting Rights via the Internet, etc.] on page 4 (in Japanese only), and enter your approval or disapproval to the proposals according to the on-screen instructions by the above deadline.

1. Date and Time: Tuesday, June 20, 2023, at 10:00 a.m. (JST) (Reception opens at 9:00 a.m.)

2. Venue: Conference Room, B1, Head Office of the Company
2-7-7 Akasaka, Minato-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported:

1. Contents of Business Report, contents of Consolidated Financial Statements for the 62nd term (April 1, 2022 to March 31, 2023), and the audit results of the Consolidated Financial Statements by the Financial Auditor and the Board of Corporate Auditors
2. Contents of Non-consolidated Financial Statements for the 62nd term (April 1, 2022 to March 31, 2023)

Matters to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Election of Six Directors |
| Proposal No. 2 | Election of One Corporate Auditor |
| Proposal No. 3 | Revision of Remuneration Amount for Directors |
| Proposal No. 4 | Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Outside Directors) |

4. Guide for Exercise of Voting Rights, Etc.

Please refer to “Guide for Exercise of Voting Rights, Etc.” on page 3 (in Japanese only).

- Please bring the voting form for submission at the meeting reception when you attend on the day of the meeting. In addition, in order to conserve resources, please bring this Notice with you.
- To prevent the spread of COVID-19, we kindly ask that you check the status of the spread of infection and assess your own health on the day of the meeting, and take appropriate measures to prevent the spread of the virus, such as wearing a mask, when you attend.
- According to the amendment to the Companies Act, in principle, shareholders are required to access one of the above websites to confirm the matters for which measures for providing information in electronic format are to be taken, and only those shareholders who have made a written request by the record date will be sent written documents. However, for this General Meeting of Shareholders, the Company will deliver documents stating the matters to be provided electronically to all shareholders regardless of whether or not they have made a request for delivery of the documents.

Please note that, among the matters for which measures for providing information in electronic format are to be taken, the Notes to Consolidated Financial Statements and the Notes to Non-Consolidated Financial Statements are not included pursuant to laws and regulations and Article 14 of the Articles of Incorporation of the Company. These items are included in the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Board of Corporate Auditors and the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Financial Auditor.

- In the event of any modification to matters subject to measures for electronic provision, a notice of the modification, and the items before and after the modification will be posted on the Company's website and on the TSE website.
- If there is no indication of approval or disapproval for any of the proposals on the voting rights exercise form, it will be treated as an indication of approval.

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Election of Six Directors

The terms of office of all six Directors will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of six Directors.

The Director candidates are as follows:

Candidate No.	Name	Current position and responsibilities	Attributes
1	Jun-ichi Hoki	President and CEO	Reelection
2	Hideki Kawakubo	Director, General Manager of Administration Div., General Manager of Management Planning Dept., and General Manager of Administration Dept.	Reelection
3	Kiyoshi Uesugi	Outside Director	Reelection Outside Independent
4	Taisuke Fujita	Outside Director	Reelection Outside Independent
5	Nguyen Viet Ha	Outside Director	Reelection Outside Independent
6	Katsuo Sasaki	Senior Managing Executive Officer, General Manager of the Sales Div. and Production Div.	New election

Reelection

Renominated Director candidate

New election

New director candidate

Outside

Outside Director candidate

Independent

Independent officer in accordance with the provisions of the stock exchange, etc.

Candidate No.	Name and date of birth	Career summary, and position and responsibilities in the Company	Number of the Company's shares owned
1	<p style="text-align: center;">Jun-ichi Hoki (December 27, 1960) Male</p> <p style="text-align: center;">Reelection Attendance at meetings of the Board of Directors 17/18 (94%)</p>	<p>Mar. 1984 Joined the Company</p> <p>Apr. 1993 Manager of Miho Plant No. 2</p> <p>Dec. 1995 Director of P.T. Hoky Indonesia</p> <p>Apr. 1997 Deputy General Manager of Manufacturing Dept. of the Company</p> <p>Apr. 1998 Deputy General Manager of Management Planning Dept.</p> <p>June 1999 Director, Executive Officer in charge of Management Planning Dept.</p> <p>June 2003 Senior Executive Director in charge of Management Planning Dept.</p> <p>July 2003 Senior Executive Director and General Manager of Administration Div.</p> <p>June 2005 President and CEO (present position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>No significant concurrent positions.</p>	730,262 shares
<p>(Reasons for nomination as Director candidate)</p> <p>Mr. Jun-ichi Hoki has extensive management experience, proven track record and insights to contribute to the Group's ongoing profit growth and improvement in corporate value, and is familiar with the Group's business. The Company has determined that he will continue to demonstrate his capacities required for appropriately managing the Group, and accordingly it proposes that he be reappointed.</p>			

Candidate No.	Name and date of birth	Career summary, and position and responsibilities in the Company	Number of the Company's shares owned
2	<p style="text-align: center;">Hideki Kawakubo (February 6, 1971) Male</p> <p style="text-align: center;">Reelection Attendance at meetings of the Board of Directors 18/18 (100%)</p>	<p>Apr. 1996 Joined Yamanouchi Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)</p> <p>Oct. 2007 General Manager of Corporate Communications and IR Group of Astellas Pharma Inc.</p> <p>Oct. 2012 General Manager of Management Planning Dept. of Astellas Pharma Inc.</p> <p>Feb. 2015 Joined USJ Co., Ltd. as Deputy General Manager of HR and General Affairs Div.</p> <p>Apr. 2016 Joined Dexerials Corporation as General Manager of IR Dept. of General Affairs Planning Div.</p> <p>Apr. 2018 Joined the Company as General Manager of Management Planning Dept.</p> <p>July 2018 Executive Officer and General Manager of Management Planning Dept.</p> <p>Aug. 2018 Director, HOGY Medical Asia Pacific PTE. LTD. (present position)</p> <p>May 2019 Executive Officer, General Manager of Management Planning Dept., and General Manager of Sales Administration Dept.</p> <p>June 2020 Executive Officer, General Manager of Administration Div., General Manager of Management Planning Dept., General Manager of Sales Administration Dept., and General Manager of Administration Dept.</p> <p>June 2021 Director, General Manager of Administration Div., General Manager of Management Planning Dept., General Manager of Administration Dept., and General Manager of Sales Administration Dept.</p> <p>Sept. 2021 Director, General Manager of Administration Div., General Manager of Management Planning Dept., and General Manager of Administration Dept. (present position)</p> <p>[Significant concurrent positions outside the Company] Director, HOGY Medical Asia Pacific PTE. LTD.</p>	2,712 shares
<p>(Reasons for nomination as Director candidate)</p> <p>Mr. Hideki Kawakubo has extensive operational experience in management planning and administration, proven track record and insights to contribute to the Group's ongoing profit growth and improvement in corporate value, and is familiar with the Group's business. The Company has determined that he will demonstrate his capacities required for appropriately managing the Group, and accordingly it proposes that he be reappointed.</p>			

Candidate No.	Name and date of birth	Career summary, and position and responsibilities in the Company	Number of the Company's shares owned
3	<p>Kiyoshi Uesugi (May 1, 1950) Male</p> <p>Reelection Outside Independent</p> <p>Attendance at meetings of the Board of Directors 18/18 (100%)</p>	<p>Apr. 1968 Joined Nippon Shoji Kaisha, Ltd. (currently Alfresa Corporation)</p> <p>June 1980 Joined Terumo Corporation</p> <p>June 2002 Executive Officer and General Manager of Sales Policy Department</p> <p>July 2003 Executive Officer, General Manager of Kansai Block and Branch Manager of Osaka Branch</p> <p>Oct. 2006 Executive Officer and President of Medical Device Company</p> <p>Apr. 2010 Corporate Auditor of SEAOS, Inc. (resigned in December 2014)</p> <p>Mar. 2013 Director and Vice President of Medi-Banx Inc. (present position)</p> <p>June 2016 Outside Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Director and Vice President of Medi-Banx Inc.</p>	8,945 shares
<p>(Reasons for nomination as Outside Director candidate and outline of expected roles)</p> <p>Mr. Kiyoshi Uesugi has extensive knowledge and business experience in the medical industry. The Company expects that he can contribute to securing suitable and appropriate decision-making by the Board of Directors and to the Group's sustainable profit growth and improvement in corporate value, and accordingly it proposes that he be reappointed.</p>			
4	<p>Taisuke Fujita (July 11, 1970) Male</p> <p>Reelection Outside Independent</p> <p>Attendance at meetings of the Board of Directors 13/13 (100%)</p>	<p>Oct. 1991 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Nov. 2000 Joined Morgan Stanley Japan Securities (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)</p> <p>June 2002 Joined SPARX Asset Management Co., Ltd. as Group Manager of Value Creation Investment</p> <p>Mar. 2006 Joined Taiyo Pacific Partners LP as Group Director of Portfolio Management</p> <p>Feb. 2012 CEO of Unleash Capital Pte. Ltd.</p> <p>Dec. 2012 Joined Orbis Investments Management Ltd. as Japan Business Start-up Initiative Leader</p> <p>Sept. 2014 Asian Energy Investments, Pte. Ltd. COO</p> <p>May 2016 Joined Amundi Japan Ltd. as General Manager of Asset Management</p> <p>June 2020 Representative of Office Fujita (present position)</p> <p>July 2020 Outside Director of Konoike Transport Co., Ltd. (present position)</p> <p>June 2022 Outside Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Representative of Office Fujita Outside Director of Konoike Transport Co., Ltd.</p>	116 shares
<p>(Reasons for nomination as Outside Director candidate and outline of expected roles)</p> <p>Mr. Taisuke Fujita has extensive knowledge and experience in capital markets in Japan and overseas and corporate management. The Company expects that he can contribute to securing suitable and appropriate decision-making by the Board of Directors and to the Group's sustainable profit growth and improvement in corporate value, and accordingly it proposes that he be reappointed.</p>			

Candidate No.	Name and date of birth	Career summary, and position and responsibilities in the Company	Number of the Company's shares owned
5	<p>Nguyen Viet Ha (July 2, 1981) Female</p> <p>Reelection Outside Independent</p> <p>Attendance at meetings of the Board of Directors 13/13 (100%)</p>	<p>Feb. 2008 Joined NEWS SECURITIES Co., Ltd</p> <p>Dec. 2011 Joined Knowledge Company Inc. as Executive Officer</p> <p>July 2016 CEO of Kennet Company Ltd. (present position)</p> <p>July 2019 CEO of KENNET VIETNAM EDUCATION & CONSULTING LTD. (present position)</p> <p>Apr. 2020 Part-time lecturer at Yokohama National University [Vietnamese Affairs] (present position)</p> <p>June 2022 Outside Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] CEO of Kennet Company Ltd. CEO of KENNET VIETNAM EDUCATION & CONSULTING LTD.</p>	156 shares
<p>(Reasons for nomination as Outside Director candidate and outline of expected roles)</p> <p>Ms. Nguyen Viet Ha has extensive knowledge and business experience in the Southeast Asia region. The Company expects that she can contribute to securing suitable and appropriate decision-making by the Board of Directors and to the Group's sustainable profit growth and improvement in corporate value, and accordingly it proposes that she be reappointed.</p>			
6	<p>Katsuo Sasaki (September 10, 1958) Male</p> <p>New election</p> <p>Attendance at meetings of the Board of Directors -</p>	<p>June 1985 Joined the Company</p> <p>Apr. 1998 Manager of Tama Sales Office</p> <p>Jan. 2006 General Manager of Sales Dept. 1</p> <p>June 2007 Executive Officer and General Manager of Sales Dept. 1</p> <p>Feb. 2013 Executive Officer and General Manager of Production Div.</p> <p>Mar. 2013 Corporate Auditor of P.T. Hogy Indonesia Corporate Auditor of P.T. Hogy Medical Sales Indonesia</p> <p>June 2014 Director, General Manager of Production Div., and General Manager of Indonesia Dept. of the Company</p> <p>Oct. 2017 Director and General Manager of Production Div.</p> <p>June 2021 General Manager of Compliance Office Director, HOGY Medical Asia Pacific PTE. LTD. (present position)</p> <p>June 2022 Senior Managing Executive Officer, General Manager of the Sales Div.</p> <p>May 2023 Senior Managing Executive Officer, General Manager of the Sales Div. and Production Div. (present position)</p> <p>[Significant concurrent positions outside the Company] Director, HOGY Medical Asia Pacific PTE. LTD.</p>	14,632 shares
<p>(Reasons for nomination as Director candidate)</p> <p>Mr. Katsuo Sasaki has extensive operational experience in sales and production, proven track record and insights to contribute to the Group's ongoing profit growth and improvement in corporate value, and is familiar with the Group's business. The Company has determined that he will demonstrate his capacities required for appropriately managing the Group, and accordingly it proposes that he be appointed.</p>			

Notes: 1. Mr. Kiyoshi Uesugi is a Director and Vice President of Medi-Banx Inc., and the Company has business transactions with the said company regarding sales support; however, the average amount of the transactions in the most recent fiscal year has been less than 1% of the net sales of the said company and the Company, and the Company has determined that it will not affect his independence.

2. Mr. Taisuke Fujita is an Outside Director of Konoike Transport Co., Ltd., and the Company has business transactions with the said company concerning purchases; however, the average amount of the transactions in the most recent fiscal year has been less than 1% of the net sales of the said company and the Company, and the Company has determined that it will not affect his independence.
3. There are no special interests between the other candidates and the Company.
4. The number of the Company's shares owned by each candidate includes the respective candidate's holdings in the Hogy Medical Officers' Shareholders Association.
5. Mr. Kiyoshi Uesugi, Mr. Taisuke Fujita and Ms. Nguyen Viet Ha are Outside Director candidates. Each of them satisfies the requirements for independent officers as provided for by the Tokyo Stock Exchange, and the Company has submitted notification to the aforementioned exchange concerning their appointment as independent officers. If their reelection is approved, the Company plans for their appointments as independent officers to continue.
6. In addition, Mr. Kiyoshi Uesugi, Mr. Taisuke Fujita, and Ms. Nguyen Viet Ha satisfy the Company's independence standards for outside officers (page 15).
7. Mr. Kiyoshi Uesugi, Mr. Taisuke Fujita, and Ms. Nguyen Viet Ha are currently Outside Directors of the Company, and at the conclusion of this meeting, their tenures since assuming office as Outside Directors will be as follows:
Mr. Kiyoshi Uesugi: seven years
Mr. Taisuke Fujita: one year
Ms. Nguyen Viet Ha: one year

Proposal No. 2 Election of One Corporate Auditor

The term of office of Corporate Auditor Shuji Yanase will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of one Corporate Auditor.

In addition, prior consent of the Board of Corporate Auditors has been obtained for the submission of this proposal.

The Corporate Auditor candidate is as follows:

Name and date of birth	Career summary and position in the Company	Number of the Company's shares owned
<p>Yuji Takada (January 27, 1980) Male</p> <p>New election Outside Independent</p> <p>Attendance at meetings of the Board of Directors -</p> <p>Attendance at meetings of the Board of Corporate Auditors -</p>	<p>Oct. 2003 Registered as an attorney-at-law Joined MOMO-O, MATSUO & NAMBA</p> <p>Dec. 2004 Joined Nagashima Ohno & Tsunematsu</p> <p>Aug. 2013 Joined Shimada Hamba & Osajima</p> <p>Jan. 2015 Partner at Shimada Hamba & Osajima (present position)</p> <p>Dec. 2018 Outside Director (Audit & Supervisory Committee Member) of FreakOut Holdings, Inc. (present position)</p> <p>[Significant concurrent positions outside the Company] Partner at Shimada Hamba & Osajima Outside Director (Audit & Supervisory Committee Member) of FreakOut Holdings, Inc.</p>	<p>- shares</p>
<p>[Reasons for nomination as outside Corporate Auditor candidate] The Company has determined that Mr. Yuji Takada, although he has no direct experience of being involved in corporate management, is well versed in corporate legal affairs as an attorney at law, that he has ample insight related to the governance of corporate managements, and that he will be able to utilize the legal knowledge he has developed through his legal practice, and accordingly it proposes that he be appointed.</p>		

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Mr. Yuji Takada is an outside Corporate Auditor candidate. He satisfies the requirements for independent officers as provided for by the Tokyo Stock Exchange, and after his appointment, the Company plans to submit notification concerning his appointment as an independent officer. In addition, he satisfies the Company's independence standards for outside officers (page 15).
 3. In order to enable outside Corporate Auditors to sufficiently perform their expected roles, the Company has provided in Article 38, paragraph 2 of its Articles of Incorporation that it may enter into an agreement with outside Corporate Auditors to limit their liability for damages due to a failure to perform their duties. Mr. Yuji Takada will enter into a limited liability agreement with the Company after his appointment.
The summary of details of the limited liability agreement is as follows.
 - Outside Corporate Auditor shall become liable to the Company for damages due to a failure to perform his or her duties up to the minimum amount stipulated by laws and regulations.
 - This above limitation of liability shall apply only when outside Corporate Auditor acted in good faith and without gross negligence in performing the duties giving rise to said liabilities.

Proposal No. 3 Revision of Remuneration Amount for Directors

At the 46th Ordinary General Meeting of Shareholders held on June 26, 2007, the amount of remuneration for Directors was approved as an annual sum not exceeding 7% of profit attributable to owners of parent for the previous fiscal year (however, where such amount is less than ¥150 million, the maximum amount is to be ¥150 million).

In order to increase the incentive for the Directors to improve the Company's performance and to contribute to further improvement of the Company's business performance, it is proposed that Directors' remuneration continue to be performance-linked and be divided into (1) a basic remuneration quota as monthly remuneration and (2) a bonus quota, and revised as follows:

- (i) Basic remuneration framework: Annual amount not exceeding 4.5% of profit attributable to owners of parent for the previous fiscal year (however, if such amount is less than ¥120 million, not exceeding ¥120 million) (including ¥50 million for Outside Directors)
- (ii) Bonus framework: Annual amount not exceeding 2% of profit attributable to owners of parent for the previous fiscal year

Remuneration for Outside Directors will consist solely of the basic remuneration (fixed monthly remuneration) described in (1) above.

The specific timing and allocation of payments to each director will be determined by the President and CEO at the mandate of the Board of Directors, after deliberation by the Compensation Committee, a voluntary committee whose principal members are Outside Directors.

There are currently six Directors (including three Outside Directors), and if Proposal 1, "Election of Six Directors," is approved and passed as originally proposed, the number of directors will remain unchanged.

The said revision of the amount of remuneration has been determined by the Board of Directors after deliberation at a voluntary meeting of the Remuneration Committee, together with the contents of Proposal No. 4, "Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Outside Directors)" taking into consideration the aforementioned objectives, the Company's business conditions, and various other circumstances. In addition, the summary of the content of the Company's policy regarding the determination of the content of remuneration, etc. for individual Directors is as described in the Business Report (in Japanese only), but subject to the approval of this Proposal and Proposal No. 4, the content of the policy will be changed to that described in the [Reference] column on pages 12-13. The contents of this proposal are necessary and reasonable as a remuneration framework for determining the content of remuneration, etc. for each individual Director in accordance with the policy after the change. Given the above circumstances, the Company believes that the contents of this proposal are appropriate.

Proposal No. 4 Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Outside Directors)

The amount of remuneration, etc. for the Company's Directors, if Proposal No. 3, "Revision of Remuneration for Directors" is approved, will be as follows.

- (i) Basic remuneration framework: Annual amount not exceeding 4.5% of profit attributable to owners of parent for the previous fiscal year (however, if such amount is less than ¥120 million, not exceeding ¥120 million) (including ¥50 million for Outside Directors)
- (ii) Bonus framework: Annual amount not exceeding 2% of profit attributable to owners of parent for the previous fiscal year

Note: Compensation for outside directors will consist solely of base compensation (fixed monthly compensation). As part of the revisions to the remuneration system for Directors, in order to provide incentive to the Company's Directors (excluding Outside Directors; hereinafter, "Eligible Directors") to continuously improve the Company's corporate value and to promote further sharing of value with shareholders, the Company proposes to pay Eligible Directors a new remuneration for the grant of restricted shares, which will be separate from the above remuneration framework.

The remuneration to be paid to the Director for the grant of the Restricted Shares pursuant to this proposal shall be a pecuniary claim, the total amount of which shall not exceed 1.5% of the annual amount of profit attributable to owners of parent for the previous fiscal year.

The specific timing and allocation of payments to each eligible director will be determined by the President and CEO at the mandate of the Board of Directors, following deliberation by the Compensation Committee, a voluntary committee whose principal members are outside directors.

There are currently six Directors (including three Outside Directors), and if Proposal 1, "Election of Six Directors," is approved and passed as originally proposed, the number of Directors will remain unchanged.

In addition, in accordance with the resolution of the Company's Board of Directors, the Eligible Directors will receive all of the monetary claims to be paid in accordance with this proposal as property contributed in kind, and the shares of common stock of the Company will be issued or disposed of. The total number of shares of common stock of the Company to be issued or disposed of in this manner shall not exceed 30,000 shares per year (However, in the event of a stock split, including allocation of shares of common stock without consideration, or reverse stock split of shares of common stock of the Company or any other event requiring adjustment of the total number of shares of common stock of the Company to be issued or disposed of as restricted shares after the date of approval of this proposal, the total number shall be adjusted within a reasonable limits.), and the amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately before the date of each resolution of the Board of Directors (If no transaction is executed on that date, the most recent trading day preceding that date), within a range that is not particularly favorable to the Eligible Directors who will receive the said common stock. The issuance or disposal of shares of common stock of the Company as well as the payment of monetary claims as property contributed in kind through such issuance or disposal shall be subject to the execution of an agreement on allotment of shares with transfer restrictions (hereinafter, the "Allotment Agreement") between the Company and the Eligible Directors, which shall include the following details.

The upper limit on the amount of remuneration, the total number of the Company's common shares to be issued or disposed of, and other conditions for the grant of restricted shares to the Eligible Directors under this Proposal shall be determined by the Board of Directors after deliberation by the voluntary Compensation Committee, while taking into consideration the above purposes, the Company's business conditions, the contents of Proposal No. 3 "Revision of Remuneration Amount for Directors" and other various circumstances. In addition, the summary of the content of the Company's policy regarding the determination of the content of remuneration, etc. for individual Directors is as described in the Business Report (in Japanese only), but subject to the approval of this Proposal and Proposal No. 3, the content of the policy will be changed to that described in the [Reference] column on pages 12-13. The contents of this proposal are necessary and reasonable as a remuneration framework for determining the content of remuneration, etc. for each individual Director in accordance with the policy after the change. Given the above circumstances, the Company believes that the contents of this proposal are appropriate.

[Summary of the Allotment Agreement]

(1) Transfer restriction period

The Director shall not transfer, create a security interest in, or otherwise dispose of Company shares allotted under this allotment agreement (the "Allotted Shares") during the period from the date of allotment to the time immediately following his or her retirement or resignation from their position as an officer or employee of the Company or its subsidiary, as previously determined by the Board of Directors of the Company (the "Restriction Period" and the "Restriction on Transfer of Shares"). However, if the point immediately following this retirement or resignation is within three months of the end of the fiscal year of the date in which the Allotted Shares are to be received, then the termination date of the Restriction Period may be adjusted to a reasonable extent.

(2) Acquisition of the Allotted Shares without consideration

If the Director resigns or retires from his or her position as an officer or employee of the Company or its subsidiary before the end of the period predetermined by the Board of Directors (the "Service Period"), in the absence of a justifiable reason such as the expiration of his or her term of office, death, or other reasons for such resignation or retirement, the Company shall naturally acquire all Allotted Shares without consideration.

(3) Lifting of Transfer Restriction(s)

The Company shall cancel the Restriction on Transfer of Shares of all of the Allotted Shares upon the expiration of the Restriction Period, provided that the Director has continuously held a position as an officer or employee of the Company or its subsidiary, as previously determined by the Board of Directors of the Company, during the Service Period.

However, in the event that the Director resigns or retires from his or her position as an officer or employee of the Company or its subsidiary, as predetermined by the Board of Directors, before the expiration of the Service Period due to the expiration of his or her term of office, death or other justifiable reasons, or in the event that the Director resigns or retires from his or her position as an officer or employee of the Company or its subsidiary, as predetermined by the Board of Directors, following the expiration of the Service Period for reasons other than justifiable reasons such as the expiration of his or her term of office or death, the number of Allotted Shares to be released from the Restriction on Transfer of Shares and the time at which the restriction on transfer is released shall be adjusted reasonably, as necessary. In addition, immediately following the expiry of the Restriction on Transfer of Shares in accordance with the above provisions, the Company shall naturally acquire without compensation Allotted Shares for which the Restriction has not expired.

(4) Treatment in organizational restructuring, etc.

Notwithstanding the provisions of (1) above, in the event that, during the Transfer Restriction Period, a merger agreement in which the Company is the disappearing company, a share exchange agreement under which the Company is to become a wholly owned subsidiary, a share transfer plan, or any other matter relating to organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or the Board of Directors meeting of the Company, if such organizational restructuring, etc. does not require approval at a General Meeting of Shareholders), the Company shall, by a resolution of the Board of Directors of the Company, lift the Transfer Restriction of the Allotted Shares in the number reasonably determined based on the period from the commencement date of the Transfer Restriction Period to the date of approval of such organizational restructuring, etc., prior to the effective date of such organizational restructuring, etc. In addition, in the case stipulated above, at the time immediately after the lifting of the Transfer Restriction, the Company shall acquire, by rights, the Allotted Shares for which the restrictions on transfer have not yet been lifted without consideration.

(5) Other matters

Other matters concerning the Allotment Agreement shall be determined by the Board of Directors of the Company.

Reference: Policy for Determining Directors' Remuneration

The "Policy on Determination of Individual Directors' Remuneration, etc." if Proposal No. 3 and Proposal No. 4 are approved as proposed is as follows.

1. Basic policy

Remuneration for the Company's Directors shall be based on a remuneration system linked to the interests of shareholders so that it functions sufficiently as an incentive to continuously improve corporate value, and to set the remuneration of individual Directors at an appropriate level based on their respective responsibilities.

2. Summary of the Details of the Policy for Determining Remuneration, etc. for Individual Directors
Remuneration for Directors shall be limited to the maximum amount previously resolved at the General Meeting of Shareholders, and shall consist of base remuneration (monthly remuneration) that takes into consideration each Director's position, responsibilities, and the Company's business performance, as well as bonuses and non-monetary remuneration in the form of restricted share awards that take into account the Company's business performance. However, remuneration for Outside Directors shall consist only of a fixed base remuneration, taking into consideration that they are in a position to supervise and advise the management of the Company without executing business operations.
 - (i) Base Remuneration
In order to raise awareness of the need to improve business performance each fiscal year, base remuneration shall be limited to the amount obtained by multiplying profit attributable to owners of parent for each fiscal year by a certain percentage, and shall be determined by the President and CEO, who is delegated by the Board of Directors based on the report of the Remuneration Committee, the majority of whose members are independent Outside Directors, taking into consideration the position, responsibilities, and business performance of the Company, to determine the specific amount and pay the same amount every month.
 - (ii) Bonus
In order to raise awareness of the need to improve business performance each fiscal year, bonuses shall be limited to the amount obtained by multiplying profit attributable to owners of parent for each fiscal year by a certain percentage, and shall be determined by the President and CEO, who is delegated by the Board of Directors based on the report of the Remuneration Committee, the majority of whose members are independent Outside Directors, taking into consideration the business performance of the Company, to determine the specific amount, and shall be paid at a certain time every year.
 - (iii) Restricted Shares Remuneration (non-monetary remuneration, etc.)
In order to raise awareness of the need to improve business performance over the medium- to long-term, the number of shares to be allotted and the amount of monetary claims as assets contributed in kind shall be determined at a certain time each year by the President and CEO, who is delegated by the Board of Directors, based on the report of the Remuneration Committee, a majority of whose members are independent Outside Directors, and within the scope previously resolved at the General Meeting of Shareholders, taking into consideration the Company's business performance and other factors (the total amount of monetary claims shall be limited to the amount obtained by multiplying profit attributable to owners of parent for each fiscal year by a certain percentage) and shall be paid at a certain time each year. In principle, Restriction on Transfer of Shares shall be lifted immediately after the Eligible Director retires or resigns from such position, on the condition that he or she has continuously held a position among officers or employees of the Company or its subsidiaries predetermined by the Board of Directors, for a period of time predetermined by the Board of Directors.
3. Policy for Determining the Ratio of Each Type of Remuneration, etc.
The ratio of base remuneration, bonuses, and restricted shares remuneration shall be determined based on base remuneration, and in order to function as a healthy incentive to contribute to business performance and increase corporate value over the medium- to long-term, the Remuneration Committee, the majority of whose members are independent Outside Directors, shall deliberate on the matter, and then the Board of Directors shall respect the report of the Remuneration Committee and determine the appropriate payment ratio.
4. Matters Concerning Determining the Content of Remuneration, etc. for Individual Directors
The amount of remuneration for each Individual Director shall be determined by the President and CEO, who is delegated by resolution of the Board of Directors, based on the report of the Remuneration Committee, the majority of whose members are independent Outside Directors, and shall determine the amount of base remuneration, bonuses, and the number of shares to be allotted for restricted shares remuneration as non-monetary remuneration, etc. as well as the amount of monetary claims as assets contributed in kind, for each Director. The President and CEO shall respect the report of the Remuneration Committee to the greatest extent possible.

<Reference>

Director Candidates' Skill Matrix

If Proposal No. 1 is approved and adopted as proposed at this General Meeting of Shareholders, the matrix of the skills that are particularly expected of each Director will be as follows:

Candidate No.	Name	Main position	Committees		Skills and areas of expertise that are particularly expected					
			Nominating committee	Compensation committee	Corporate management	Research and development, production, logistics	Sales and marketing	Overseas business	Governance, risk management	Finance, accounting
1	Jun-ichi Hoki	President and CEO	●	●	●	●	●			
2	Hideki Kawakubo	Director, General Manager of Administration Div.							●	●
3	Kiyoshi Uesugi	Outside Director	●	●			●			
4	Taisuke Fujita	Outside Director	●	●	●			●	●	●
5	Nguyen Viet Ha	Outside Director	●	●	●			●		●
6	Katsuo Sasaki	Director, General Manager of Sales Div. and Production Div.				●	●	●		

* The above table shows skills and areas of expertise that are particularly expected of each Director and does not represent all of the skills and areas of expertise of each Director.

Independence Standards for Outside Officers

1. Relationships with the Group
A party who is not an executive director or employee (hereinafter, “party who executes business”) of the Company or one of its subsidiaries (hereinafter, the “Group”).
2. Relationships with major shareholders
 - (1) A party who is not a current major shareholder in the Company (refers to a shareholder with a voting rights ownership ratio of 10% or more; the same applies below).
 - (2) If (1) above is a corporation, a party who is not a director, corporate auditor, accounting advisor, executive officer, trustee, manager, or other employee (hereinafter, “director, etc.”) of that corporation or that corporation’s parent company or significant subsidiary (hereinafter, “corporation, etc.”).
 - (3) A party who is not a director, etc. of a corporation, etc. of which the Company is currently a major shareholder.
3. Relationships with major business partners
 - (1) A party for whom the Group is not a major business partner or who executes business for such a major business partner.
 - (2) A party who is not a major business partner of the Group or who executes business for such a major business partner.
 - (3) A party who does not execute business for an organization that the Group has provided donations, etc., that exceed the larger of ¥10 million per year based on the average for the past three fiscal years or 30% of that organization’s average annual total expenses, whichever is higher.
4. Relationships with personnel exchange partners
A party who is not a director, corporate auditor, accounting advisor or executive officer of a corporation, etc., that accepts directors (full-time or part-time) from the Group.
5. Relationships with major lenders
A party who does not execute business for a financial institution that the Group borrows from if the loan balance accounts for over 2% of the Company’s consolidated total assets.
6. Relationships with advisors
 - (1) A party who is not a consultant, accounting expert, or legal expert that has received money or other assets other than officers’ compensation from the Group worth ¥10 million or more a year based on the average for the past three years in the case of an individual, or that has received money or other assets other than officers’ compensation from the Group worth 2% or more of its consolidated gross sales in the case of an organization (if the party receiving assets is an organization such as a corporation or association, this refers to parties that belong to such an organization).
 - (2) A party who is not a member, partner or employee of a certified public accountant, tax accountant, audit corporation or tax accountant corporation that currently serves as a financial auditor or accounting advisor for the Group.
 - (3) A party who is not a member, partner or employee of a certified public accountant, tax accountant, audit corporation or tax accountant corporation that has served as a financial auditor or accounting advisor for the Group in the past three years and that was actually responsible (excluding supplementary involvement) for audit operations at the Group (including parties that have currently resigned from that position or office).
7. Past relationships
 - (1) A party who has not fallen under 1. during the past ten years.
 - (2) A party who has not fallen under either 2. (1) or (2) during the past five years.
 - (3) A party who has not fallen under any item in 3. to 6. (1) during the past three years.
8. Close relative relationships
A close relative (refers to a spouse, a relative with a relation within the second degree, or a relative living in the same residence) who does not fall under either (i) or (ii) below (excluding parties who are not material).
 - (i) A party who falls under any item in 3. to 6.
 - (ii) A party who has been a party who executes business for the Group during the past three years.
9. Other relationships
A party who does not fall under any item in 1. to 8. above, and has no potential substantive conflict of interests with general shareholders due to other circumstances.