

*This document has been translated from the Japanese original for the convenience of non-Japanese shareholders. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.*

Securities identification code: 6332

June 3, 2020

To our shareholders:

Yoshiyuki Fukuzawa

President & CEO

Representative Director

**Tsukishima Kikai Co., Ltd.**

3-5-1, Harumi, Chuo-ku, Tokyo

## **NOTICE OF THE 158TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 158th Ordinary General Meeting of Shareholders of Tsukishima Kikai Co., Ltd. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights either by postal mail or via the Internet, etc.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:05 p.m. on Tuesday, June 23, 2020 (Japan Standard Time).

### **Meeting Details**

- 1. Date and time:** Wednesday, June 24, 2020 at 10:00 a.m. (Japan Standard Time)  
(Reception desk opens at 9:00 a.m.)
- 2. Place:** Hotel Mariners' Court Tokyo  
Meeting room “Hakuho” on the 4th floor  
4-7-28, Harumi, Chuo-ku, Tokyo, Japan  
(Please refer to the map to the hall for the General Meeting of Shareholders at the end of this notice.)

### **3. Meeting Agenda:**

#### **Matters to be reported:**

1. Business Report and Consolidated Financial Statements for the 158th Term (from April 1, 2019 to March 31, 2020), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors.
2. Non-Consolidated Financial Statements for the 158th Term (from April 1, 2019 to March 31, 2020)

#### **Matters to be resolved:**

- Proposal 1:** Election of Eight (8) Directors
- Proposal 2:** Election of One (1) Statutory Auditor
- Proposal 3:** Election of One (1) Substitute Statutory Auditor

**Guidance for exercising your voting rights:**

- **Exercise of voting rights by postal mail**

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it to us so that it arrives no later than 5:05 p.m. on Tuesday, June 23, 2020 (Japan Standard Time).

- **Exercise of voting rights via the Internet, etc.**

Please access the designated Website to Exercise Voting Rights (<https://evote.tr.mufg.jp/>) and exercise your voting rights no later than 5:05 p.m. on Tuesday, June 23, 2020 (Japan Standard Time).

To vote via the Internet, please review the “Guidance for exercising your voting rights via the Internet” shown on page 3.

Institutional investors can exercise their voting rights using the Electronic Voting Platform operated by ICJ, Inc.

**Other matters related to this notice**

- If you attend the meeting in person, please submit the enclosed voting form at the reception when you arrive. In addition, please bring this Notice of the Ordinary General Meeting of Shareholders with you in order to conserve resources.
- Pursuant to the Company’s Articles of Incorporation, if you are exercising your voting rights by proxy, please select a shareholder with voting rights of the Company as your proxy. Only one (1) proxy may be used.
- If it becomes necessary to amend the Reference Documents for the General Meetings of Shareholders, Business Reports, Consolidated Financial Statements or Non-Consolidated Financial Statements, any such amendments will be posted on the Company’s website (<https://www.tsk-g.co.jp>).

**Matters Concerning Disclosure on the Internet**

Of the documents that should be provided with this Notice of the Ordinary General Meeting of Shareholders, Consolidated Statement of changes in Net Assets, Notes to the Consolidated Financial Statements, Non-consolidated Statement of changes in Net Assets and Notes to the Non-Consolidated Financial Statements are provided to shareholders on the Company’s website (<https://www.tsk-g.co.jp>) pursuant to the laws, regulations, and provisions in Article 15 of the Articles of Incorporation.

The Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Statutory Auditors and Accounting Auditor consist of the documents described in the documents accompanying this Notice of the Ordinary General Meeting of Shareholders, as well as the above mentioned documents posted on the Company’s website.

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Election of Eight (8) Directors

As the term of office will expire for all nine (9) Directors at the conclusion of this meeting, the Company proposes the election of eight (8) Directors.

The candidates for Directors are as follows. In nominating these candidates, the Company has, in accordance with a report by the Nomination and Remuneration Advisory Committee chaired by an Outside Director, nominated individuals with discernment, experience and capabilities that achieve effective corporate governance and contribute to the Company's sustainable growth as well as medium to long-term enhancement of its corporate value.

Candidate No.		Name	Position and responsibilities in the Company	Attendance at the board of directors meetings
1	Reappointment	Kazuhiko Yamada	Chairman, Representative Director	100% (13/13)
2	Reappointment	Yoshiyuki Fukuzawa	President & CEO, Representative Director	100% (9/9)*
3	Reappointment	Keita Takatori	Senior Managing Executive Officer, Representative Director Corporate General Manager, Environmental Business Division	100% (13/13)
4	Reappointment	Naoya Fujita	Director, Managing Executive Officer Corporate General Manager, Industrial Business Division	100% (13/13)
5	Reappointment	Jun Kawasaki	Director, Managing Executive Officer Corporate General Manager, Corporate Administration Division	100% (9/9)*
6	Reappointment	Takeshi Odagi <span style="border: 1px solid black; padding: 2px;">Outside Independent</span>	Outside Director	100% (13/13)
7	Reappointment	Michiyoshi Mazuka <span style="border: 1px solid black; padding: 2px;">Outside Independent</span>	Outside Director	100% (13/13)
8	New candidate	Norio Katsuyama <span style="border: 1px solid black; padding: 2px;">Outside Independent</span>	-	-

\* The status of attendance for Yoshiyuki Fukuzawa and Jun Kawasaki is for the period since their assumption of office as Directors on June 25, 2019.

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Kazuhiko Yamada (January 1, 1947)  [Reappointment] Attendance at 13 out of 13 board of directors meetings	<div> <div>April 1969</div> <div>Joined the Company.</div> </div> <div> <div>April 1998</div> <div>Executive Officer (Riji) of the Company</div> </div> <div> <div>June 2000</div> <div>Director of the Company</div> </div> <div> <div>June 2002</div> <div>Managing Director of the Company</div> </div> <div> <div>June 2003</div> <div>Senior Managing Director, Representative Director of the Company</div> </div> <div> <div>June 2005</div> <div>President &amp; CEO, Representative Director of the Company</div> </div> <div> <div>April 2020</div> <div>Chairman, Representative Director of the Company (present position)</div> </div>	110,710
<b>Reasons for nomination as candidate for Director</b> Since his appointment as President & CEO and Representative Director in 2005, Kazuhiko Yamada has pursued company-wide operational reforms, and has developed the environmental and energy business and expanded the overseas business to build a foundation for the Company's sustainable growth. Since his appointment as Chairman and Representative Director in April 2020, he has demonstrated great ability in effective and efficient operation of board of directors and enhancement of the Group's corporate governance. Given his strong discernment, and abundant experience and achievements, we ask that his reappointment as Director be approved.			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)		Number of the Company's shares owned
2	Yoshiyuki Fukuzawa (July 15, 1964)  [Reappointment] Attendance at 9 out of 9 board of directors meetings	April 1990 July 2004  April 2006  April 2013 April 2017  April 2018 April 2019  June 2019 April 2020	Joined the Company. Senior General Manager, Research & Development Dept. of the Company Senior General Manager, Solution Technology Dept. of the Company Executive Officer of the Company Managing Executive Officer of the Company Deputy Corporate General Manager, Environmental Business Division of the Company Corporate General Manager, Research & Development Division of the Company Deputy Corporate General Manager, Industrial Business Division of the Company Deputy Corporate General Manager, Procurement Management Division of the Company Director of the Company President & CEO, Representative Director of the Company (present position)	13,300
<b>Reasons for nomination as candidate for Director</b> Yoshiyuki Fukuzawa has acquired abundant experience and a proven performance record of development and plant planning/design, and has been fulfilling his duties of Director as executive manager in the technology divisions of the Company. Since his appointment as President & CEO and Representative Director in April 2020, he has fully demonstrated great ability as top management of the Group. Accordingly, we ask that his reappointment as Director be approved.				

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
3	<p>Keita Takatori (July 29, 1965)</p> <p>[Reappointment] Attendance at 13 out of 13 board of directors meetings</p>	<p>April 1988      Joined the Company.</p> <p>July 2004      Senior General Manager, Environmental Business Dept. of the Company</p> <p>June 2007      President and Representative Director, Samukawa Water Service Co., Ltd.</p> <p>October 2008   Senior General Manager, Corporate Management Planning Dept. of the Company</p> <p>June 2009      Executive Officer of the Company</p> <p>December 2014 President and Representative Director, Owari Water &amp; Energy Co., Ltd.</p> <p>April 2017      Managing Executive Officer of the Company Deputy Corporate General Manager, Environmental Business Division of the Company</p> <p>April 2018      Corporate General Manager, Environmental Business Division of the Company (present position)</p> <p>June 2018      Director of the Company</p> <p>April 2019      Senior Managing Executive Officer, Representative Director of the Company (present position)</p>	19,200
<p><b>Reasons for nomination as candidate for Director</b></p> <p>As executive manager in the environmental business of the Company, Keita Takatori has, for many years, been committed to the development of the business through promotion of active business expansion not only in Japan but also overseas. He also has abundant experience and a proven performance record in management including his service as executive manager in the corporate management planning division. Accordingly, we ask that his reappointment as Director be approved.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Naoya Fujita (February 5, 1964)  [Reappointment] Attendance at 13 out of 13 board of directors meetings	<p>April 1987      Joined MITSUI &amp; CO., LTD.</p> <p>November 2002      President and Chief Executive Officer, Bussan Packaging Service Co., Ltd.</p> <p>July 2012      President and Chief Executive Officer, Retail System Service Co., Ltd.</p> <p>January 2016      General Manager of Retail Business Division, Food Products &amp; Services Business Unit, MITSUI &amp; CO., LTD.</p> <p>April 2017      Managing Executive Officer of the Company (present position) Deputy Corporate General Manager, Industrial Business Division of the Company</p> <p>June 2017      Director of the Company (present position)</p> <p>April 2018      Corporate General Manager, Industrial Business Division of the Company (present position)</p>	14,800
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Naoya Fujita has acquired abundant experience and a proven performance record at home and abroad, primarily in the food and chemical industry business at a general trading company, and has been involved in management in positions of responsibility in the Company's industrial business division. In order to make use of such experience and achievements in the Company's management, we ask that his reappointment as Director be approved.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
5	<p>Jun Kawasaki (July 29, 1971)</p> <p>[Reappointment] Attendance at 9 out of 9 board of directors meetings</p>	<p>April 1992      Joined the Company.</p> <p>December 2003      General Manager, TBR Promotion Sec. of the Company</p> <p>January 2006      General Manager, Secretary Sec. of the Company</p> <p>June 2009      General Manager, Executive Secretary office of the Company</p> <p>April 2010      Senior General Manager, Personnel and Administration Dept. of the Company</p> <p>April 2014      Senior General Manager, Corporate Management Planning Dept. of the Company</p> <p>April 2015      Executive Officer of the Company</p> <p>April 2017      Managing Executive Officer of the Company (present position)</p> <p>Deputy Corporate General Manager, Corporate Planning and Administration Division of the Company</p> <p>April 2019      Corporate General Manager, Corporate Administration Division of the Company (present position)</p> <p>June 2019      Director of the Company (present position)</p> <p>May 2020      President &amp; CEO, PRIMIX HOLDINGS, Inc. (present position)</p> <p>President and CEO, PRIMIX Corporation (present position)</p>	12,800
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Jun Kawasaki has acquired abundant experience and a proven performance record as executive manager in the administration divisions such as operational reforms, personnel and corporate management planning, and has striven to increase corporate management quality in positions of responsibility in the Company's administration divisions in general. He also plays a leading role in growth strategies of the Group by way of M&amp;As and real estate development. Accordingly, we ask that his reappointment as Director be approved.</p>			



No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
6	<p>Takeshi Odagi (September 14, 1942)</p> <p>[Reappointment] [Outside Director Candidate] Attendance at 13 out of 13 board of directors meetings</p>	<p>April 1970      Completed Judicial Apprenticeship Training program. Registered as an attorney, Joined ISHII Law Office</p> <p>April 1980      Partner of ISHII Law Office (present position)</p> <p>September 1986 Statutory Auditor, Invesco MIM Investment Advisory Co., Ltd.</p> <p>November 1990 Statutory Auditor, Invesco MIM Investment Trust Management Co., Ltd.</p> <p>June 2002      Outside Statutory Auditor, Snow Brand Milk Products Co., Ltd. (currently MEGMILK SNOW BRAND Co., Ltd.)</p> <p>June 2011      Outside Statutory Auditor, TOKYO ROPE MFG. CO., LTD. (present position)</p> <p>June 2017      Outside Director of the Company (present position)</p>	-
<p><b>Reasons for nomination as candidate for Outside Director</b></p> <p>As an attorney, Takeshi Odagi is well-versed in corporate legal affairs, and has made points and shared opinions that have been valuable for enhancing the transparency and objectivity of the Company's management, based on his high level of expertise and impressive knowledge. Accordingly, we ask that his reappointment as Outside Director be approved. Other than serving as Outside Officer in the past, he does not have experience with corporate management, but for the reasons stated above we believe that he can fulfill his responsibilities satisfactorily as an Outside Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
7	<p>Michiyoshi Mazuka (October 17, 1943)</p> <p>[Reappointment] [Outside Director Candidate]</p> <p>Attendance at 13 out of 13 board of directors meetings</p>	<p>April 1968      Joined Fujitsu FACOM Co., Ltd.</p> <p>April 1971      Joined FUJITSU LIMITED.</p> <p>June 2001      Member of the Board and Head of East Japan Sales Business Unit, FUJITSU LIMITED</p> <p>June 2005      Member of the Board, Corporate Executive Vice President, FUJITSU LIMITED</p> <p>June 2006      Corporate Senior Executive Vice President and Representative Director, FUJITSU LIMITED</p> <p>June 2008      Chairman and Representative Director, FUJITSU LIMITED</p> <p>September 2009 Chairman, President and Representative Director, FUJITSU LIMITED</p> <p>April 2010      Chairman and Representative Director, FUJITSU LIMITED</p> <p>June 2012      Chairman and Director, FUJITSU LIMITED</p> <p>June 2014      Advisor and Director, FUJITSU LIMITED</p> <p>June 2015      Outside Director, NIPPON CONCRETE INDUSTRIES CO., LTD. (present position)</p> <p>June 2016      Advisor, FUJITSU LIMITED Outside Director, AMADA HOLDINGS CO., LTD. (currently AMADA CO., LTD.) (present position)</p> <p>April 2018      Senior Advisor, FUJITSU LIMITED</p> <p>June 2018      Outside Director of the Company (present position)</p>	1,500
<p><b>Reasons for nomination as candidate for Outside Director</b></p> <p>Michiyoshi Mazuka has made points and given opinions that are valuable for the management of the Group, based on his impressive experience and knowledge built up during his long career as a corporate manager. Accordingly, we ask that his appointment as Outside Director be approved.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
8	Norio Katsuyama (May 3, 1949)  [New candidate] [Outside Director Candidate]	<p>April 1975      Joined Nippon Steel Corporation. (currently NIPPON STEEL CORPORATION)</p> <p>June 2005      Director, Nippon Steel Corporation</p> <p>June 2006      Executive Officer, Nippon Steel Corporation</p> <p>April 2009      Managing Executive Officer, Nippon Steel Corporation</p> <p>April 2011      Executive Vice President, Nippon Steel Corporation</p> <p>June 2011      Executive Vice President and Representative Director, Nippon Steel Corporation</p> <p>June 2013      Representative Director and President, Nippon Steel &amp; Sumikin Chemical Co., Ltd. (currently NIPPON STEEL Chemical &amp; Material Co., Ltd.)</p> <p>June 2016      Director, Member of the Board and Senior Advisor, Nippon Steel &amp; Sumikin Chemical Co., Ltd.</p> <p>June 2017      Senior Advisor, Nippon Steel &amp; Sumikin Chemical Co., Ltd.</p>	500
<p><b>Reasons for nomination as candidate for Outside Director</b></p> <p>Based on his impressive experience and knowledge built up during his long career as a corporate manager, the Company expects that Norio Katsuyama will make points and give opinions that are valuable for the management of the Group. Accordingly, we ask that his appointment as Outside Director be approved.</p>			

Notes:

1. There is no conflict of interest between any of the candidates and the Company.
2. Takeshi Odagi, Michiyoshi Mazuka and Norio Katsuyama are Outside Director candidates.
3. Takeshi Odagi and Michiyoshi Mazuka will have served in their positions three years and two years, respectively, as of the conclusion of this general meeting of shareholders.
4. Takeshi Odagi, Michiyoshi Mazuka and Norio Katsuyama meet the Criteria for Assessing the Independence of Independent Outside Officers that the Company has established. The Company has registered Takeshi Odagi and Michiyoshi Mazuka with the Tokyo Stock Exchange as independent officers as stipulated by the rules of the Tokyo Stock Exchange. In the event that Norio Katsuyama is appointed as Director, the Company intends to register him with the Tokyo Stock Exchange as an independent officer as stipulated by the rules of the Tokyo Stock Exchange.
5. The Company has a limited liability agreement with Takeshi Odagi and Michiyoshi Mazuka which limits their liabilities to the minimum total liability stipulated by laws and regulations. In the event that the aforementioned individuals are reappointed, the Company plans to continue the limited liability agreement with them. In the event that Norio Katsuyama is appointed as Director, the Company plans to have a same limited liability agreement with him.
6. Michiyoshi Mazuka served as Director at FUJITSU LIMITED ("FUJITSU") until June 2016. FUJITSU was found to have violated the Antimonopoly Act in connection with transactions related to equipment for electric power security communication ordered by Tokyo Electric Power Company in July 2016, and received a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission. Also in February 2017, FUJITSU was found by the Japan Fair Trade Commission to have violated the Antimonopoly Act concerning transactions of hybrid optical communication equipment and transmission-path equipment ordered by CHUBU Electric Power Co., Inc. Regarding this case, FUJITSU applied to the Japan Fair Trade Commission for immunity from or reduction of surcharge. Since the application was approved, FUJITSU was exempted from the cease and desist order and from payment of the surcharge. The administrative measures and violations found above apply to business activities during the period in which Michiyoshi Mazuka served as Director. However, he was not directly involved in any of these cases, and after becoming aware of these cases, he worked to further strengthen initiatives related to compliance and thoroughly prevent recurrence of such cases, thus fully performing his duties.

7. During the period in which Takeshi Odagi and Michiyoshi Mazuka served as Director, Tsukishima Technology Maintenance Service Co., Ltd., a wholly-owned subsidiary of the Company, underwent an onsite inspection by the Japan Fair Trade Commission on October 30, 2018 on suspicion of having violated the Antimonopoly Act in connection with operation and maintenance of drainage treatment facilities at water purification plants ordered by Tokyo Metropolitan Government, and received a cease and desist order and a surcharge payment order from the said Commission on July 11, 2019. The aforementioned individuals were not aware of the fact concerning the violation of the Antimonopoly Act as stated above until it came to light, but they had provided advice at board of directors meetings on a regular basis from the viewpoint of legal compliance as Outside Directors of the Company. After the incident came to light, they have been performing their duties by directing a thorough investigation on the matter, as well as appropriate measures that should be taken to prevent a recurrence.

**Proposal 2: Election of One (1) Statutory Auditor**

As Statutory Auditor Masato Kobayashi will retire due to resignation at the conclusion of this meeting, the Company proposes election of one (1) Statutory Auditor.

The Board of Statutory Auditors has given its consent to this proposal.

The candidate for Statutory Auditor is as follows. In nominating the candidate, the Company has, in accordance with a report by the Nomination and Remuneration Advisory Committee chaired by an Outside Director, nominated the candidate.

Name (Date of birth)	Career summary and position (Significant concurrent positions outside the Company)	Number of the Company's shares owned
Satoshi Yoshika (July 26, 1954)  [New Candidate] [Outside Statutory Auditor Candidate]	April 1977      Joined Nippon Steel Corporation (currently NIPPON STEEL CORPORATION) November 1994      General Manager, Accounting and Administration Office, General Affairs Division, Sakai Works, Nippon Steel Corporation October 2003      Director, Member of the Board, Nippon Steel & Sumikin Stainless Steel Corporation (currently NIPPON STEEL Stainless Steel Corporation) April 2006      Director, Member of the Board and Managing Executive Officer, Nippon Steel & Sumikin Stainless Steel Corporation June 2015      Audit & Supervisory Board Member, Nippon Steel & Sumikin Stainless Steel Corporation (present position)	-
<b>Reasons for nomination as candidate for Outside Statutory Auditor</b> The Company expects that Satoshi Yoshika will give opinions that are valuable for highly transparent and fair management oversight based on his impressive experience and knowledge built up during his long career as a corporate manager and his high level of expertise in finance and accounting. Therefore, we ask that his appointment as Outside Statutory Auditor be approved.		

Notes:

1. Satoshi Yoshika is a new candidate for Statutory Auditor.
2. There is no conflict of interest between Satoshi Yoshika and the Company.
3. Satoshi Yoshika is Outside Statutory Auditor candidate.
4. Satoshi Yoshika meets the Criteria for Assessing the Independence of Independent Outside Officers that the Company has established. In the event that Satoshi Yoshika is appointed as Statutory Auditor, the Company intends to register him with the Tokyo Stock Exchange as an independent officer as stipulated by the rules of the Tokyo Stock Exchange.
5. In the event that Satoshi Yoshika is appointed as Statutory Auditor, the Company plans to enter into a limited liability agreement with him, which limits his liability to the minimum total liability stipulated by laws and regulations.

### Proposal 3: Election of One (1) Substitute Statutory Auditor

The Company proposes that one (1) substitute Statutory Auditor be elected to prepare for a case where the number of Statutory Auditors falls below the number stipulated by laws and regulations.

The Board of Statutory Auditors has given its consent to this proposal.

The candidate for substitute Statutory Auditor is as follows:

Name (Date of birth)	Career summary (Significant concurrent positions outside the Company)	Number of the Company's shares owned
Nobuya Masuda (October 30, 1947)	April 1974 Prosecutor, Tokyo District Public Prosecutors Office November 2001 Prosecutor, Supreme Public Prosecutors Office August 2002 Director-General, Immigration Bureau, Ministry of Justice September 2004 General Manager, Trial Department, Supreme Public Prosecutors Office August 2006 Chief Prosecutor, Chiba District Public Prosecutors Office July 2008 Chief Prosecutor, Yokohama District Public Prosecutors Office January 2009 Superintending Prosecutor, Sendai High District Public Prosecutors Office March 2012 Member, National Offenders Rehabilitation Commission March 2015 Member, National Offenders Rehabilitation Commission (reappointed) October 2018 Registered as an attorney (Masuda Law Office)	-
<b>Reasons for nomination as candidate for substitute Statutory Auditor</b> Nobuya Masuda is a candidate for substitute Outside Statutory Auditor because he has served as Prosecutor for many years and we expect that his high level of legal expertise and insight into organizational management in general will be reflected in our audit system. He does not have experience with corporate management, but for the reasons stated above we believe that he can fulfill his responsibilities satisfactorily as an Outside Statutory Auditor.		

Notes:

1. There is no conflict of interest between Nobuya Masuda and the Company.
2. Nobuya Masuda is a candidate for the position of substitute Outside Statutory Auditor.
3. Nobuya Masuda meets the Criteria for Assessing the Independence of Independent Outside Officers that the Company has established, and if Nobuya Masuda becomes an Outside Statutory Auditor, the Company intends to register him with the Tokyo Stock Exchange as an independent officer as stipulated by the rules of the Tokyo Stock Exchange.
4. If Nobuya Masuda becomes an Outside Statutory Auditor, the Company plans to enter into a limited liability agreement with him. The limit of the liability based on the agreement is the minimum total liability stipulated by laws and regulations.

## Reference

### Criteria for Assessing the Independence of Independent Outside Officers

Augmenting the criteria for independence stipulated by the Tokyo Stock Exchange, the Company has established the following criteria for assessing the independence of Outside Officers.

1. The individual is not a business executor for the Company or a Group company (Director, Statutory Auditor, Executive Officer, or other employee) and was not in the past as well.
2. The individual is not an important business executor (Director, Statutory Auditor, Accounting Advisor, Operating Officer, Executive Officer, or other important employee) of a major shareholder of the Company (a shareholder holding 10% or more of the voting rights).
3. The individual is not an important business executor of a company in which the Company is a major shareholder.
4. The individual is not a major business partner (a business partner whose amount of consideration received in transactions with the Company in the most recent fiscal year exceeds 2% of the Company's non-consolidated total sales; in the event of a financial institution, a business partner whose loans to the Company do not exceed 2% of the Company's non-consolidated total assets in the most recent fiscal year) nor its business executor.
5. The Company is not a major business partner for the individual (a business partner whose amount of consideration paid in transactions with the Company in the most recent fiscal year exceeds 2% of the counterparty's non-consolidated total sales) nor is the individual's business executor.
6. The individual is not a legal expert, accounting or tax expert, consultant, or research and education specialist and does not belong to such a corporation or group that has received a large sum (in the most recent fiscal year, 10 million yen or more in the case of individuals and an amount equivalent to more than 2% of the corporation's or group's non-consolidated sales in the case of a corporation or group) in compensation or contributions from the Company.
7. The individual does not have any family relationships (family relationships of the third degree or a relative living with the individual) with business executors of the Company or Group companies.
8. In addition to the above, there are no doubts as to the independence of the candidate as an independent Outside Officer and no rational reason to determine that the individual would pose a conflict of interest with general shareholders.