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Securities code: 4636
June 8, 2022

To Shareholders with Voting Rights:

Yoshikatsu Masuda
President
T&K TOKA CO., LTD.
283-1, Chikumazawa,
Miyoshi-Machi, Iruma-Gun,
Saitama, Japan

**NOTICE OF
THE 80th 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 80th Annual General Meeting of Shareholders of T&K TOKA CO., LTD. (the “Company”) will be held as described below.

If you will not attend the meeting on the day, you can exercise your voting rights in writing or via the internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Thursday, June 23, 2022 (JST).
(The Voting Rights Exercise Form is available in Japanese only.)

- 1. Date and Time:** Friday, June 24, 2022 at 10:00 a.m. Japan time
(Reception starts at 9:00 a.m.)
- 2. Place:** Sakura Banquet Hall, 4th Floor, HOTEL METROPOLITAN
1-6-1, Nishi-Ikebukuro, Toshima-ku, Tokyo
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report and the Consolidated Financial Statements for the Company’s 80th fiscal year (from April 1, 2021 to March 31, 2022), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 2. The Non-consolidated Financial Statements for the Company’s 80th fiscal year (from April 1, 2021 to March 31, 2022)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 4:** Election of One (1) Director who is an Audit and Supervisory Committee Member
- Proposal 5:** Determination of the Amount and Contents of Stock Compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

Measures Against Novel Coronavirus (COVID-19) Infection

Requests to Shareholders

- Although we will take measures against the spread of COVID-19 at the venue of the General Meeting of Shareholders, you are kindly requested to exercise your voting rights prior to the meeting by postal mail or via the internet and to refrain from visiting the venue on the date of the meeting as long as circumstances permit.

Requests to those who visit the venue of the meeting

- In order to prevent the spread of infection, the distance between seats in the venue will be widened and we will have fewer seats than normal at this year's meeting. Accordingly, you might be denied entry due to the number of seats available. Thank you for your understanding.
- Please check the status of the spread of infection as well as your health condition on the day, and take measures to prevent infection, including wearing a mask.
- Your body temperature will be taken before reception. Please note that those who do not take measures to prevent infection, including wearing a mask, and those who appear unwell might be denied entry from the viewpoint of preventing the spread of infection.
- We may be forced to change the venue or date and time of the meeting depending on the status of the spread of COVID-19. If there are new measures against COVID-19 or other changes, such information will be posted on the Company's website. Please be sure to visit our website below.

1. For the purpose of resource saving, those attending the meeting are requested to bring this Notice on the day of the meeting.
2. You may exercise your voting rights by proxy by having only one (1) shareholder who holds voting rights attend the General Meeting of Shareholders on your behalf. Please note that you will need to submit a document certifying him or her as your proxy, such as a letter of proxy, which you must sign or affix your name and seal to.
3. The following documents related to (1) the Business Report, (2) the Consolidated Financial Statements, and (3) the Non-consolidated Financial Statements are posted on the Company's website in accordance with relevant laws and regulations and the provisions of Article 15 of the Company's Articles of Incorporation, and therefore they are not included in the documents provided with this Notice of the General Meeting of Shareholders:
 - (1) Documents related to the Business Report:
 - Matters Concerning Shares
 - Matters Concerning Stock Acquisition Rights
 - Status of Accounting Auditors
 - Systems to Ensure the Appropriateness of Business Operations
 - Status of Operation of Systems to Ensure the Appropriateness of Business Operations
 - Basic Policy and the Status of Development for Exclusion of Antisocial Forces
 - (2) Documents related to the Consolidated Financial Statements:
 - Consolidated Statement of Changes in Net Assets
 - Notes to Consolidated Financial Statements
 - (3) Documents related to the Non-consolidated Financial Statements:
 - Non-consolidated Statement of Changes in Net Assets
 - Notes to Non-consolidated Financial StatementsThe Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements audited by the Audit and Supervisory Committee / the Accounting Auditor are not only provided with this Notice of the General Meeting of Shareholders but also posted on the Company's website.
4. If any revision is made with regard to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and/or the Non-consolidated Financial Statements, the Company will post such revision on the Company's website.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company proposes appropriating surplus as follows:

Matters concerning the year-end dividend

The Company regards returning profits to shareholders as one of its business priorities, with the basic policy of maintaining long-term stable dividends by achieving a consolidated dividend payout ratio of around 30% or higher, and implementing performance-based distribution of profits.

Taking into account business development in the future and other matters, the Company proposes paying a year-end dividend for this fiscal year as follows:

(1) Type of dividend property

Cash

(2) Matters related to allocation of dividend property to shareholders and its total amount

¥30 per share of the Company's common stock

Total: ¥676,584,780

Combined with the interim dividend of ¥10 paid in December 2021, the annual dividends will be ¥40 per share.

(3) Effective date of the distribution of dividends of surplus

June 27, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

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 on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 15, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, 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> <u>Article 15. The Company may, when 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><u>(Measures for Electronic Provision, Etc.)</u> <u>Article 15 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p>	<p><u>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 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></p> <p>Article 1. <u>The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the proposed Article 15 (Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022.</u></p> <p>1. <u>Notwithstanding the provision of the preceding paragraph, Article 15 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held no later than the end of February 2023.</u></p> <p>2. <u>These supplementary provisions shall be deleted on March 1, 2023 or after the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all six (6) Directors will expire at the conclusion of this General Meeting of Shareholders. It is proposed that the number of Outside Directors be increased by one (1) in order to further strengthen corporate governance and that seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members) be elected.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

[List of candidates]

No.	Name	Current position	Attendance at the Board of Directors meetings
1	<u>Reappointment</u> Yoshikatsu Masuda	President	93% (15/16)
2	<u>Reappointment</u> Kazuhiko Nakama	Director	100% (16/16)
3	<u>Reappointment</u> Ryuichi Kurimoto	Director	100% (16/16)
4	<u>Reappointment</u> Akihiro Takamizawa	Director	100% (12/12) (Note 1)
5	<u>New appointment</u> Hideaki Sekine		(Note 2)
6	<u>New appointment</u> <u>Outside</u> <u>Independent</u> Sairan Hayama		(Note 2)
7	<u>New appointment</u> <u>Outside</u> Shintetsu Iwamoto		(Note 2)

Notes 1. Mr. Akihiro Takamizawa was appointed Director at the 79th Annual General Meeting of Shareholders held on June 18, 2021, so the number of Board of Directors meetings held after his appointment is different from those of other Directors.

2. Not applicable because the candidates do not currently serve as Director of the Company.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
1	Yoshikatsu Masuda (November 26, 1968) <u>Reappointment</u> Attendance at the Board of Directors meetings 15/16	March 1996 Joined the Company April 2004 General Manager of Management Division June 2004 Director and General Manager of Management Division June 2006 Managing Director, General Manager of Management Division, and Head of Quality Assurance Office June 2007 President (current position) October 2020 President in charge of general management, Corporate Planning Department, and Internal Audit Office June 2021 President in charge of general management, Corporate Planning Department, Internal Audit Office, Finance Department, IT Management Department, and General Affairs Department June 2022 President in charge of general management, Corporate Planning Department, and Internal Audit Office (current position)	606,370
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Yoshikatsu Masuda has long engaged in the management of the Company and its group companies, and has a wealth of experience and accomplishments including expansion of the Group's business and development of foundations for future growth. He has been managing the Company as President since June 2007 and is expected to continue to enhance the decision-making and supervising functions of the Board of Directors by taking advantage of his knowledge. The Company therefore nominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
2	Kazuhiko Nakama (February 14, 1967) <u>Reappointment</u> Attendance at the Board of Directors meetings 16/16	April 1989 Joined the Company January 2007 General Manager of Technology, Hangzhou Toka Ink Chemical Co., Ltd. (currently Hangzhou Toka Ink Co., Ltd.) April 2011 Chief Leader of First Research Group, Technology Headquarters June 2015 Director and Chief Leader of First Research Group, Technology Headquarters June 2017 Director, General Manager of Technology Headquarters, and Chief Leader of First Research Group April 2018 Director and General Manager of Technology Headquarters October 2020 Director and Chief of Ink Business Headquarters (current position) Director in charge of Logistics, Procurement, and Quality Assurance Departments April 2021 Director in charge of Procurement and Quality Assurance Departments (current position)	10,210
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Kazuhiko Nakama has long engaged in R&D since joining the Company, and served as General Manager of Technology of Hangzhou Toka Ink Chemical Co., Ltd. (currently Hangzhou Toka Ink Co., Ltd.) After assuming the office of Director of the Company, he has contributed to corporate value improvement as General Manager of the Technology Headquarters and, since October 2020, as Chief of the Ink Business Headquarters. He is expected to continue to enhance the decision-making function of the Board of Directors by taking advantage of a wealth of professional experience. The Company therefore nominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
3	Ryuichi Kurimoto (March 20, 1964) <u>Reappointment</u> Attendance at the Board of Directors meetings 16/16	<p>April 1987 Joined the Company</p> <p>April 2007 Branch Manager of Tokyo Branch</p> <p>July 2010 President, Toka Ink International (Hong Kong) Ltd.</p> <p>June 2014 Director and General Manager of Sales Headquarters</p> <p>April 2017 Director, General Manager of Sales Headquarters, and Department Manager of Second Sales Department</p> <p>June 2020 Director and General Manager of Sales Headquarters</p> <p>August 2020 Director and Department Manager of Overseas Business Division</p> <p>October 2020 Director and General Manager of Overseas Ink Sales Division, and Department Manager of Overseas Group Management Department</p> <p>April 2021 Director and Deputy Chief of Ink Business Headquarters</p> <p>June 2022 Director and Chief of Management Headquarters (current position)</p> <p>[Significant concurrent positions]</p> <p>May 2016 Chairman, Toka Ink International (Hong Kong) Ltd.</p>	8,534
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Ryuichi Kurimoto has long engaged in sales since joining the Company, and served as Branch Manager of Tokyo Branch and President of Toka Ink International (Hong Kong) Ltd. After assuming the office of Director of the Company, he has contributed to corporate value improvement as Chief of the Sales Headquarters, as General Manager of Overseas Ink Sales Division since October 2020, and as Deputy Chief of the Ink Business Headquarters since April 2021. He is expected to continue to enhance the decision-making function of the Board of Directors by taking advantage of a wealth of professional experience. The Company therefore nominates him as a candidate for Director.</p>			
4	Akihiro Takamizawa (February 24, 1970) <u>Reappointment</u> Attendance at the Board of Directors meetings 12/12	<p>September 1994 Joined the Company</p> <p>March 2008 President, Hangzhou Toka Ink Chemical Co., Ltd. (currently Hangzhou Toka Ink Co., Ltd.)</p> <p>April 2021 General Manager of Overseas Ink Sales Division, Ink Business Headquarters</p> <p>June 2021 Director and General Manager of Overseas Ink Sales Division, Ink Business Headquarters (current position)</p>	2,573
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Akihiro Takamizawa has long engaged in overseas business since joining the Company, served as President of Hangzhou Toka Ink Chemical Co., Ltd. (currently Hangzhou Toka Ink Co., Ltd.), and exercised leadership in expanding business and building a solid business foundation. Since April 2021, he has contributed to corporate value improvement as General Manager of Overseas Ink Sales Division. Going forward, he is expected to enhance the decision-making function of the Board of Directors by taking advantage of a wealth of professional experience. The Company therefore nominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
6	<p>Sairan Hayama (August 6, 1964)</p> <p>New appointment Outside Independent</p>	<p>July 1986 Joined Japan Airlines Co., Ltd. (Left the firm in September 1989)</p> <p>April 1992 Joined Maruman Co., Ltd. (Left the firm in July 1993)</p> <p>April 1994 Joined Nippon Hoso Kyokai (NHK) (English: Japan Broadcasting Corporation) (Left the firm in March 2000)</p> <p>April 2004 Part-time lecturer, College of Economics, Kanto Gakuin University (Resigned in March 2006)</p> <p>August 2005 Adjunct Lecturer, Temple University, Japan Campus (Resigned in April 2009)</p> <p>April 2006 Full-time Assistant Professor, College of International Communication, Shukutoku University</p> <p> Full-time Assistant Professor, Graduate School of International Business and Culture, Shukutoku University</p> <p>April 2011 Full-time Professor, College of International Business and Culture</p> <p> Full-time Professor, Graduate School of International Business and Culture</p> <p>April 2012 Full-time Professor, College of Business Administration, Shukutoku University (current position)</p> <p>April 2017 Part-time lecturer, Faculty of Global and Interdisciplinary Studies, Hosei University (current position)</p> <p>September 2019 Vice President, Japan Society for Business Ethics (current position)</p> <p>[Significant concurrent positions]</p> <p>April 2012 Full-time Professor, College of Business Administration, Shukutoku University</p> <p>April 2017 Part-time lecturer, Faculty of Global and Interdisciplinary Studies, Hosei University</p> <p>September 2019 Vice President, Japan Society for Business Ethics</p>	0
<p>[Reason for nomination as candidate for Outside Director and a description of expected roles]</p> <p>Serving as a full-time professor at College of Business Administration, Shukutoku University, Ms. Sairan Hayama has expertise in corporate social responsibility (CSR) and global management. Although she has not engaged in corporate management, she is expected to contribute to enhancing the transparency and soundness of management and improving corporate value from the perspective of CSR. The Company therefore nominates her as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
7	Shintetsu Iwamoto (October 5, 1970) New appointment Outside	November 1994 Joined Kyoden Co., Ltd. May 1995 Director, General Management Planning Office, and Secretary to President June 2002 Executive Officer (Left the firm in December 2015) June 2005 Representative Director and President, Sigma Gain Co., Ltd. August 2006 Director, Sigma Gain Co., Ltd. (Left office in November 2006) August 2007 Representative Director and President, KNTV Co., Ltd. November 2007 Representative Director (Resigned in May 2008) February 2018 Established SCA Inc. Representative Director (current position) March 2019 President, Mike Gray Co., Ltd. (current position) [Significant concurrent positions] February 2018 Representative Director, SCA Inc. March 2019 President, Mike Gray Co., Ltd.	0
[Reason for nomination as candidate for Outside Director and a description of expected roles] Mr. Shintetsu Iwamoto has long engaged in management planning, merger and acquisition (M&A), and business revitalization, as well as corporate management at listed companies, and has extensive knowledge and experience for corporate value improvement. He is expected to contribute to improving corporate value by strengthening the management supervision function and decision-making function of the Company. The Company therefore nominates him as a candidate for Outside Director.			

- Notes:
1. There are no special interests between the candidates and the Company.
 2. Ms. Sairan Hayama and Mr. Shintetsu Iwamoto are candidates for Outside Director.
 3. If the election of Ms. Sairan Hayama and Mr. Shintetsu Iwamoto is approved, the Company intends to enter into agreements with them pursuant to Article 427, Paragraph 1 of the Companies Act, to limit their liability for damages under Article 423, Paragraph 1 of the same Act to the minimum liability amount prescribed by Article 425, Paragraph 1 of the same Act.
 4. The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3 of the Companies Act. The insurance policy covers litigation expenses, damages, etc. arising from corporate litigations, third-party litigations, shareholder class actions, etc. to be borne by the insured. Further details are found in the Business Report (page 36 of the Japanese original). If the candidates are reelected or elected, they will be insured under the said insurance contract.
 5. If the election of Ms. Sairan Hayama is approved, the Company intends to designate her as an Independent Director in accordance with the regulations of the Tokyo Stock Exchange and provide notification to the Exchange.
 6. The Audit and Supervisory Committee has expressed its opinion on the selection of Director candidates. An overview of the opinion is as follows:
 In light of their business execution and job performance in the fiscal year under review or their insight, experience, skills, etc., the Audit and Supervisory Committee considers that the candidates are fit for the Company's Director positions.

Proposal 4: Election of One (1) Director who is an Audit and Supervisory Committee Member

Mr. Takatoshi Kida, a current Director who is an Audit and Supervisory Committee Member, will resign at the conclusion of this General Meeting of Shareholders. Accordingly, the election of one (1) Director who is an Audit and Supervisory Committee Member that fills the vacancy is proposed.

The term of office of a Director who is an Audit and Supervisory Committee Member elected at this General Meeting of Shareholders shall expire when the term of office of the Director who resigns expires in accordance with the provisions of the Articles of Incorporation of the Company.

For the submission of the Proposal, consent has been obtained from the Audit and Supervisory Committee.

The candidate for Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, positions, and responsibilities at the Company	Number of shares of the Company held
<p>Hideaki Kimura (February 4, 1962)</p> <p>New appointment</p> <p>Outside</p> <p>Independent</p>	<p>April 1994 Registered with the Tokyo Bar Association</p> <p>April 1994 Joined Mitsuhiro Nakamura Law Office (Left the firm in September 2000)</p> <p>October 2000 Opened Yotsuya Higashi Law Office (current position)</p> <p>April 2020 Vice-President, The Tokyo Bar Association (Left office in March 2021)</p> <p>April 2020 Executive Governor, The Japan Federation of Bar Associations (Left office in March 2021)</p> <p>April 2022 Visiting Professor, Graduate School of Law (Law School), Chuo University (current position)</p> <p>[Significant concurrent positions]</p> <p>October 2000 Lawyer, Yotsuya Higashi Law Office</p> <p>April 2022 Visiting Professor, Graduate School of Law (Law School), Chuo University</p>	0
<p>[Reason for nomination as candidate for Outside Director and a description of expected roles]</p> <p>Mr. Hideaki Kimura has expertise and knowledge as a lawyer. Although he has not engaged in corporate management, he is expected to contribute to strengthening the management supervision and corporate governance of the Company from a standpoint independent from management, while also improving corporate value and the decision-making function of the Board of Directors by ensuring the transparency and soundness of management. The Company therefore nominates him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>		

- Notes:
1. There are no special interests between Mr. Hideaki Kimura and the Company.
 2. Mr. Hideaki Kimura is a candidate for Outside Director.
 3. If the election of Mr. Hideaki Kimura is approved, the Company intends to enter into an agreement with him pursuant to Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages under Article 423, Paragraph 1 of the same Act to the minimum liability amount prescribed by Article 425, Paragraph 1 of the same Act.
 4. The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3 of the Companies Act. The insurance policy covers litigation expenses, damages, etc. arising from corporate litigations, third-party litigations, shareholder class actions, etc. to be borne by the insured. Further details are found in the Business

Report (page 36 of the Japanese original). If the election of Mr. Hideaki Kimura is approved, he will be insured under the said insurance contract.

5. If the election of Mr. Hideaki Kimura is approved, the Company intends to designate him as an Independent Director in accordance with the regulations of the Tokyo Stock Exchange and provide notification to the Exchange.

<For reference>

[Policy and procedures for the election of Directors]

In electing candidates for Directors, the Company nominates persons who have the excellent personalities, insight, skills, abundant experience, and high ethical values that are appropriate to the Director position of the Company, and who can contribute to the Company's sustainable growth and corporate value improvement over the medium to long term.

Candidates for Director are determined by the Board of Directors following a fair, transparent, and strict review and recommendation by the Nomination Committee, which includes Outside Directors.

[Criteria for electing Independent Directors]

1. To be an independent director who is unlikely to cause a conflict of interest with general shareholders of the Company, an independent director must meet all of the following conditions:
 - (1) Not a person who has been a person engaging in business execution (an executive director or employee; the same applies hereinafter) at the Company group (the Company and its affiliated companies, the same applies hereinafter) within the ten years preceding his or her assumption of office;
 - (2) Not a person who has been a director or an accounting advisor that is not a person engaging in business execution at a subsidiary of the Company within the three years preceding his or her assumption of office;
 - (3) Not a person who has been a major shareholder (a person who holds 10% or more of the total voting rights) of the Company or who has been a person engaging in business execution at such shareholder within the three years preceding his or her assumption of office;
 - (4) Not a person who has been a person engaging in business execution at a Company's major business connection (a company at which the amount paid or the amount received relating to the transactions with the Company group accounts for 2% or more of the consolidated sales of the Company group or the business connection group) within the three years preceding his or her assumption of office;
 - (5) Not a person who has belonged to an accounting auditor of the Company group within the three years preceding his or her assumption of office;
 - (6) Not a lawyer, certified public accountant, certified tax accountant, or another consultant providing professional services who has received cash or other property benefits exceeding ¥10 million annually in consideration of professional advice or services (excluding executive compensation) from the Company within the three years preceding his or her assumption of office;
 - (7) Not a person who has been dispatched by a company, with which the Company group has a mutual appointment relationship of outside officers, within the three years preceding his or her assumption of office;
 - (8) Not a person who has belonged to an entity, to which the Company group provides a donation, financing, or debt guarantee of ¥10 million or more annually, within the three years preceding his or her assumption of office;
 - (9) Not a person who has served, within the three years preceding his or her assumption of office, as an important person engaging in business execution at a company from which the Company borrows an amount of money that exceeds 5% of its consolidated total assets or at an affiliate of such company;
 - (10) A person who will not practically cause a conflict of interest with general shareholders in light of the spirit of the corporate code of conduct for securing independent directors; and
 - (11) A person whose close relatives (a spouse and relatives within the second degree of kinship) also meet the conditions (1) through (10) above (those who are not important are excluded).
2. The total term of office of an Independent Director shall not exceed eight years.

[Framework related to Directors after Proposals 3 and 4 are approved]

The following table shows the capability and experience possessed by each of the Directors of the Company.

	Name	Area of particular specialty						Nomination Committee	Remuneration Committee	
		ESG / Management strategy	Legal affairs / Compliance	Production / R&D	Business strategy / Marketing	Finance / Accounting	Personnel and labor affairs / HR development			International business
Directors (excluding Directors who are Audit and Supervisory Committee Members)	Yoshikatsu Masuda	●						●	●	●
	Kazuhiko Nakama			●				●		
	Ryuichi Kurimoto				●			●		
	Akihiro Takamizawa	●			●			●		
	Hideaki Sekine					●				
	Sairan Hayama Outside Independent	●						●		
	Shintetsu Iwamoto Outside	●			●					
Directors who are Audit and Supervisory Committee Members	Kenji Otaka Outside Independent	●			●		●	●		●
	Satoshi Noguchi Outside Independent	●				●	●	●		
	Koichi Hanabusa Outside Independent	●	●			●				●
	Hideaki Kimura Outside Independent		●				●	●		

Proposal 5: Determination of the Amount and Contents of Stock Compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

1. Reason for the proposal and the reason that this Proposal is considered reasonable
Compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) of the Company is comprised of “basic compensation,” “bonuses,” “shares with restriction on transfer,” and “stock-based compensation stock option.” This proposal requests your approval for the introduction of a new stock compensation system using a trust (the “System”) as described below.

As for the details of the proposal, the Board of Directors will be asked to determine the details of the proposal within the framework of 2. below.

This Proposal is to provide new stock compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) separately from the maximum amount of compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) (within ¥300 million per year, including up to ¥30 million per year for Outside Directors, but excluding employee salaries), which was approved at the 75th Annual General Meeting of Shareholders held on June 22, 2017. If the Proposal is approved as originally proposed, the compensation frameworks of “shares with restriction on transfer” and “stock-based compensation stock option” shall be abolished and compensation, etc. based on these frameworks shall no longer be paid; provided, however, that this shall apply after the payment of monetary compensation receivables is made as consideration for performance of duties for the fiscal year ended March 2022 and shares are granted using that as contributed assets for “shares with restriction on transfer.”

The purpose of the System is to make the linkage between the compensation for Directors and the Company’s performance / stock value clearer and increase Directors’ awareness of their contribution to enhancement of business performance and improvement of corporate value over the medium to long term by making Directors share interests and risks of fluctuation of the share price with shareholders.

At the Board of Directors meeting on May 10, 2022, the Company has established a policy for determining the contents of compensation, etc. for individual Directors as stated on pages 22 and 23 of the Japanese original of the Notice of the General Meeting of Shareholders (pages 21 and 22 in this translation). The contents of the Proposal is necessary and reasonable in order to pay compensation, etc. in accordance with this policy. The Company therefore considers the contents of the Proposal reasonable.

If Proposal 3 “Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)” is approved as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) eligible for the System will be five (5).

2. Amount and contents of compensation, etc. under the System

(1) Outline of the System

The System is a stock compensation plan in which a trust set up by the Company by means of cash contribution by the Company (“the Trust”) acquires shares of the Company, and the number of shares of the Company corresponding to the number of points granted to each Director by the Company will be delivered to each Director through the Trust.

Under the System, the two types of points are granted: fixed and performance-linked points.

The fixed points are granted to Directors holding office during the fixed point period according to their position, etc. The initial fixed point period shall be three (3) years from the day following the date of this Annual General Meeting of Shareholders to the date of the Annual General Meeting of Shareholders held in 2025.

The performance-linked points are granted to Directors holding office during the performance-linked point period according to their position, level of achievement of performance goals, etc. The initial performance-linked point period shall be three (3) fiscal years from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025 (hereinafter fixed and performance-linked point periods are collectively or individually referred to as the “applicable period.”)

In principle, share of the Company will be delivered to Directors upon their retirement.

1) Directors eligible for the System	Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)
2) Applicable period	<Fixed point period> From the day following the date of this Annual General Meeting of Shareholders to the date of the Annual General Meeting of Shareholders held in 2025. <Performance-linked point period> From the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025
3) The maximum amount of money that the Company will contribute to fund the acquisition of the Company’s shares necessary to deliver Company shares to the eligible Directors in (1) during the applicable period in (2)	<Money to acquire Company shares corresponding to fixed points> ¥108 million for the fixed point period <Money to acquire Company shares corresponding to performance-linked points> ¥129 million for the performance-linked point period
4) Method of acquisition of Company shares	By way of disposal of treasury stock or by acquiring shares from the stock exchange market (including off-floor trading)
5) The maximum total number of points to be granted to eligible Directors in (1)	Fixed points: 50,700 points per fiscal year Performance-linked points: 183,000 points for the initial performance-linked point period (three (3) fiscal years)
6) Criteria for granting of points	Fixed points: Points granted based on position, etc. Performance-linked points: Points granted based on position, level of achievement of performance goals, etc.
7) Timing of delivery of Company shares to eligible Directors in (1)	Upon retirement, in principle

(2) Maximum amount of money to be contributed by the Company

The Company shall establish the Trust with the Directors who will acquire beneficial interests as described in (3) (iii) below for the initial trust period of approximately three (3) years. Then, in order to fund the acquisition of shares of the Company to be delivered to the Directors under the System, the Company shall entrust to the Trust up to ¥108 million for the acquisition of Company shares corresponding to the fixed points during the fixed point period and up to ¥129 million for the acquisition of Company shares corresponding to the performance-linked points during the performance-linked point period as compensation to the Directors holding office during the respective applicable periods (Note 1). The Trust shall use the cash entrusted by the Company as the source of funds to acquire shares of the Company through the disposal of Company's own shares or through the acquisition of shares from the stock exchange market (including off-floor trading).

Note 1: The Company shall also entrust cash to pay trust fees, trust administrator compensation, and other necessary expenses alongside the above funds for acquiring Company shares.

Upon expiration of the respective applicable periods, on the basis of the decision of the Company's Board of Directors, the Company may continue the System by setting new fixed and performance-linked point periods (Note 2) and accordingly extending the trust period of the Trust (including extension, in practice, of the trust period by transferring assets to a trust, which will be set up by the Company for the same purpose as the Trust; the same shall apply hereinafter). In this case, the Company shall entrust to the Trust additional amounts as funds for acquiring shares of the Company to be delivered to the Directors under the System during the respective applicable periods that are newly set (Note 3) and thereby continue to grant points and deliver shares of the Company as described in (3) below. The same shall apply after expiration of the respective applicable periods that are newly set.

Note 2: A single fixed point period shall have a maximum period that begins on the day following the date of an Annual General Meeting of Shareholders and ends on the date of an Annual General Meeting of Shareholders held five (5) years later, and a single performance-linked point period shall have a maximum period of five (5) fiscal years.

Note 3: The maximum amount of funds for acquiring shares of the Company corresponding to the fixed points shall be the amount obtained by multiplying the number of years of the relevant fixed point period by ¥36 million, and the maximum amount of funds for acquiring shares of the Company corresponding to the performance-linked points shall be the amount obtained by multiplying the number of years of the relevant performance-linked point period by ¥43 million.

In addition, even in the case that the applicable period is not extended and the System is not continued, if there is a Director to whom points have been granted and who has not retired yet at expiration of the trust period, the trust period of the Trust may be extended until such Director retires and delivery of shares of the Company is completed.

(3) Calculation method and maximum number of shares of the Company to be delivered to Directors

(i) Method of granting of points to Directors

In accordance with the share delivery regulations established by the Board of Directors of the Company, the Company will grant each Director fixed points and performance-linked points on the point-granting dates stipulated in the share delivery regulations during the trust period

However, the Company shall only grant Directors up to 50,700 points per fiscal year for the fixed points and up to 183,000 points per three (3) fiscal years for the performance-linked points (Note 4).

Note 4: In the case where a new performance-linked point period is set as described in (2) above, the Company shall grant up to the points obtained by multiplying the number of fiscal years by 61,000 for each performance-linked point period.

(ii) Delivery of shares of the Company according to the number of points granted

Directors will receive delivery of shares of the Company in accordance with the procedure described in (iii) below according to the number of points granted pursuant to (i) above. One point will correspond to one share of the Company. However, in the event that shares of the Company undergo a stock split, reverse stock split, or another event in which adjusting the number of shares to be delivered seems reasonable, the Company will adjust the number of shares of the Company per point in proportion to the relevant stock split, reverse stock split ratio, etc.

(iii) Delivery of shares of the Company to Directors

In principle, each Director will acquire beneficiary rights to the Trust through the prescribed procedures at the time of his or her retirement and, as a beneficiary to the Trust, will receive delivery of shares of the Company described in (ii) above from the Trust.

However, the Trust may sell a certain portion of shares of the Company described in (ii) above to withhold funds for the Company's income tax withholdings and deliver the cash from these sales instead of shares of the Company. In the event that the Trust converts shares of the Company into cash in response to a public placement offer or through other means, it may deliver cash instead of shares of the Company.

(4) Exercise of voting rights

In accordance with the instructions by the trust administrator independent of the Company and its officers, voting rights of shares of the Company within the Trust will not be exercised without exception. This approach is designed to ensure neutrality between the exercise of voting rights and the Company's management.

(5) Treatment of dividends

Dividends on shares of the Company within the Trust will be received by the Trust, and will be applied for funds for acquiring shares of the Company, trust fees for the trustees of the Trust, etc.

< For reference >

Policy for Determining Compensation, etc. for Directors

At the Board of Directors meeting on May 10, 2022, the Company resolved to adopt the matter below as a new policy that replaces the policy for determining compensation, etc. for Directors stated on pages 37 and 38 of the Japanese original of this Notice.

[Basic policy for compensation, etc. for Directors]

The basic policy for compensation, etc. for Directors of the Company is to adopt a compensation system that is linked to the interests of shareholders, in order to ensure that the system functions sufficiently as an incentive to achieve performance goals in the short term and to enhance corporate value in the medium to long term, while also ensuring that, in making decisions about the compensation of individual Directors, the compensation is at a level appropriate to their respective responsibilities.

Compensation for Directors consists of basic compensation and bonuses as monetary compensation, and stock-based compensation, while compensation for Directors who are Audit and Supervisory Committee Members and Outside Directors consists of only basic compensation in light of their duties.

1. Policy for determining the amount of compensation, etc. (excluding performance-linked compensation, etc. and non-monetary compensation, etc.) for individual Directors or the method for calculating the amount of such compensation

The basic compensation for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) is a monthly fixed compensation determined in accordance with the compensation table, which defines different amounts of compensation for different positions, in order to secure excellent personnel by setting competitive levels of compensation that reflects responsibilities based on positions and posts.

2. Policy for determining the contents of performance indicators related to performance-linked compensation, etc. and the methods for calculating the amount or number of performance-linked compensation, etc. in regard to compensation, etc. for individual Directors

As performance-linked compensation, in addition to bonuses as short-term incentives, stock-based compensation is paid through a share delivery trust as long-term incentives according to the position and achievement of the targets of performance indicators, in order to enhance awareness of contributing to improving performance and corporate value in the medium to long term.

<Performance indicators>

Fiscal year ending March 2023: Consolidated current net profit, consolidated operating profit margin

Fiscal year ending March 2024: Consolidated current net profit, consolidated operating profit margin

Fiscal year ending March 2025: Consolidated current net profit, consolidated operating profit margin, return on equity (ROE)

<Targets>

Targets are set at the planned values and target values for the year stated in the medium-term management plan, and may be reviewed in response to changes in the environment on the basis of a report from the Remuneration Committee.

<Timing of payment>

Bonus: Within two (2) months from the conclusion of the annual general meeting of shareholders for each fiscal year

Stock-based compensation: At the time of retirement, in principle

3. Policy for determining the amount or number of non-monetary compensation, etc. or the method for calculating the amount or number of such compensation, etc. in regard to compensation, etc. for individual Directors

Non-monetary compensation, etc. will be delivered upon retirement in principle, up to ¥237 million over the period of three years as stock-based compensation through a share delivery trust according to the position and achievement of the targets of performance indicators, in order to make the linkage between the compensation for Directors and the Company's performance / stock value clearer and increase Directors' awareness of their contribution to enhancement of business performance and improvement of corporate value over the medium to long term by making Directors share interests and risks of fluctuation of the share price with shareholders.

4. Policy for determining the proportion of amounts of compensations, etc., performance-linked compensation, etc., or non-monetary compensation, etc. in the amount of compensation, etc. for individual Directors

The amount of compensation, etc. is set so that a Director in a higher position receives a larger amount of compensation. The proportions of the amounts of performance-linked compensation, etc. and non-monetary compensation, etc. in the amount of compensation, etc. for individual Directors are set so that a Director in a higher position receives higher proportions of amounts.

5. Matters concerning the decision on the contents of compensation, etc. for individual Directors
The contents of compensation, etc. for individual Directors are resolved at a Board of Directors meeting on the basis of a report from the Remuneration Committee. The resolution of the Remuneration Committee is adopted by a majority of the attending board members in a board meeting where the majority of the board members entitled to participate in the vote are present.