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Securities code: 4636

June 7, 2023

(Commencement of measures for electronic provision: June 1, 2023)

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 81st 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 81st Annual General Meeting of Shareholders of T&K TOKA CO., LTD. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision, and posted the matters subject to measures for electronic provision on the following website as the “Notice of the 81st Annual General Meeting of Shareholders.”

The Company’s website (<https://www.tk-toka.co.jp/corp/ir/shareholder.html>)

In addition to the above, the matters subject to measures for electronic provision are posted on the following website on the internet.

Tokyo Stock Exchange website
(<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>)

Please access the above website, enter our company name or securities code to run a search, and select “Basic information” and then “Documents for public inspection/PR information” to find the information.

If you will not attend the meeting on the day, you can exercise your voting rights via the internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders included in this notice or in the matters subject to measures for electronic provision and exercise your voting rights by 5:30 p.m. on Thursday, June 22, 2023 (JST).

(The Voting Rights Exercise Form is available in Japanese only.)

- 1. Date and Time:** Friday, June 23, 2023 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 81st fiscal year (from April 1, 2022 to March 31, 2023), 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 81st fiscal year (from April 1, 2022 to March 31, 2023)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Three (3) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 3:** Election of Four (4) Directors who are Audit and Supervisory Committee Members

Requests to those who visit the venue of the meeting

- When attending the meeting, please submit the Voting Rights Exercise Form at the reception desk. For the purpose of resource saving, please bring this Notice.
- 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.

1. In conjunction with the implementation of the electronic provision system for reference materials for general meetings of shareholders under a revision to the Companies Act, the means of shareholder browsing of said materials has been changed from paper media to, in principle, website browsing.
2. For this General Meeting of Shareholders, documents listing the matters subject to measures for electronic provision will be sent to all shareholders, regardless of whether they requested the documents or not. However, in accordance with relevant laws and regulations and the provisions of Article 15 of the Company's Articles of Incorporation, those documents will not include the items indicated below. Consequently, the documents represent only a portion of all the documents audited by the Audit and Supervisory Committee and Accounting Auditor in preparing audit reports.
 - (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 Statements
3. The Company will post results of the resolution on the Company's website.
4. Should the matters subject to measures for electronic provision require any revision, the details of the revision will be posted on the respective websites.
5. If any other changes are made such as measures against novel coronavirus (COVID-19) infection, the Company will post such revision on the Company's website. Please visit our website below.

The Company's website: <https://www.tk-toka.co.jp>

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's basic policy is to stably provide dividends commensurate with business performance while endeavoring to strengthen its fiscal health to support future business expansion, and has set a target of maintaining the consolidated dividend payout ratio at 50% or higher for the medium to long term.

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

¥20 per share of the Company's common stock

Total: ¥452,279,060

Combined with the interim dividend of ¥20 paid in December 2022, the annual dividends will be ¥40 per share.

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

June 26, 2023

Proposal 2: Election of Three (3) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all seven (7) Directors will expire at the conclusion of this General Meeting of Shareholders.

The Board of Directors' role in improving corporate value is becoming ever more important as the Company's business environment undergoes tremendous changes. It has been decided to reduce the Board of Directors' size in order to facilitate more active discussion and thereby enable the Board of Directors to function at a higher level of effectiveness. For this reason, it is proposed that the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) be decreased by four (4) and that three (3) 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> Akihiro Takamizawa	Director	100% (20/20)
2	<u>Reappointment</u> Kazuhiko Nakama	Managing Director	95% (19/20)
3	<u>Reappointment</u> Hideaki Sekine	Director	100% (16/16) (Note)

Note Mr. Hideaki Sekine was appointed Director at the 80th Annual General Meeting of Shareholders held on June 24, 2022, so his attendance record is based on the number of Board of Directors meetings held after his appointment.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
	Akihiro Takamizawa (February 24, 1970) <u>Reappointment</u> Attendance at the Board of Directors meetings 20/20	September 1994 Joined the Company March 2008 President, Hangzhou Toka Ink Chemical Co., Ltd. (currently Hangzhou Toka Ink Co., Ltd.) April 2021 General Manager of Overseas Ink Sales Division, Ink Business Headquarters June 2021 Director and General Manager of Overseas Ink Sales Division, Ink Business Headquarters June 2022 Director, Chief of Ink Business Headquarters, and General Manager of Overseas Ink Sales Division January 2023 Director and Chief of Ink Business Headquarters (current position)	5,673
1	<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Akihiro Takamizawa has long engaged in overseas business since joining the Company. In his former position as President of Hangzhou Toka Ink Chemical Co., Ltd. (currently Hangzhou Toka Ink Co., Ltd.), he demonstrated strong leadership and worked to strengthen the company's competitiveness by building up an optimal system of business execution and by taking an agile approach to management driven by speedy decision-making. In his current role as Director and Chief of Ink Business Headquarters, he contributes to the improvement of the Company's corporate value by actively providing his opinions and suggestions on how to transform the Company's business and by vigorously advancing actions to accelerate business transformation and further evolve management practices. The Nomination Committee has judged that Mr. Takamizawa possesses the qualities that the Company requires of its Directors, and that he will be able to lead the Company's business execution toward the achievement of the Long-term Vision and the Medium-term Management Plan. The Company therefore nominates him as a candidate for Director. If Mr. Takamizawa is elected as a Director, he will be appointed as President and as a member of the Remuneration Committee.</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 19/20	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 Director in charge of Logistics, Procurement, and Quality Assurance Departments April 2021 Director and Chief of Ink Business Headquarters Director in charge of Procurement and Quality Assurance Departments June 2022 Managing Director in charge of Ink Business Headquarters, Fine Dispersion Products and Functional Resin Divisions, and Procurement and Quality Assurance Departments Managing Director in charge of Shiga Factory (current position)	13,310
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Kazuhiko Nakama engaged in R&D for many years. In his current position as Director in charge of ink business, functional materials, procurement, and quality assurance divisions, he has contributed immensely to the Company's structural reforms, including formulation of the current Medium-term Management Plan "With You toward 2024" and the Long-term Vision, and withdrawal from low-profitability businesses. He possesses the qualities that the Company requires of its Directors, and is particularly expected to play an important role in the area of Production / R&D. The Nomination Committee has judged Mr. Nakama to be capable of continuing 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	Hideaki Sekine (December 24, 1968) <u>Reappointment</u> Attendance at the Board of Directors meetings 16/16	<p>April 1991 Joined The Dai-Ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>April 2009 Deputy Branch Manager, Itabashi Branch</p> <p>July 2012 Branch Manager, Oyama Branch</p> <p>April 2016 Branch Manager, Kawagoe Branch</p> <p>April 2019 Branch Manager, Senzokucho Branch</p> <p>June 2021 Temporarily transferred to the Company, Department Manager of Financial Department since July 2021</p> <p>December 2021 Left Mizuho Bank, Ltd.</p> <p>January 2022 Joined the Company, Department Manager of Financial Department</p> <p>June 2022 Director, Deputy Chief of Management Headquarters, and Department Manager of Financial Department (current position)</p>	0
<p>[Reason for nomination as candidate for Director]</p> <p>With many years of working experience at the financial institution, Mr. Hideaki Sekine has expertise in finance and accounting. He has served as Department Manager of Financial Department since July 2021, and now also oversees the Management Headquarters and proactively provides his opinions and suggestions as the Director in charge of IR and information management. Through these roles he contributes to the enhancement of corporate value, particularly with regard to improvement of the Company's financial foundation and continuous enhancement of shareholder value. The Nomination Committee has judged that Mr. Sekine possesses the qualities that the Company requires of its Directors, and particularly expects him to play an important role in the areas of corporate governance enhancement, organizational literacy, and strategy development. The Nomination Committee has also judged him to be capable of continuing to strengthen the Board of Directors' decision-making function. The Company therefore nominates him as a candidate for Director. If Mr. Sekine is elected as a Director, he will be appointed as a member of the Nomination Committee.</p>			

- Notes:
1. There are no special interests between the candidates and the Company.
 2. The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 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 31 of the Japanese original). If the candidates are reelected, they will be insured under the said insurance contract. Furthermore, if they are reelected and the insurance contract's renewal deadline comes during their terms of office, the contract will be renewed under the same conditions.
 3. The Audit and Supervisory Committee has expressed its opinion on the selection of Director candidates. An overview of the opinion is as follows:
The Audit and Supervisory Committee has judged all the candidates reported to the Board of Directors by the Nomination Committee to be fit for appointment as the Company's Director positions, based on the results of its review of the Nomination Committee's process of deliberation and evaluation methods, and in light of the candidates' business execution and job performance in the 81st fiscal year or their qualities, skills, experience, etc.

Proposal 3: Election of Four (4) Directors who are Audit and Supervisory Committee Members

The terms of office of all four (4) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests the election of four (4) Directors who are Audit and Supervisory Committee Members.

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

The candidates for 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	Attendance at the Audit and Supervisory Committee meetings
1	<u>Reappointment</u> <u>Outside</u> Kenji Otaka	Director	100% (20/20)	100% (17/17)
2	<u>Reappointment</u> <u>Outside</u> <u>Independent</u> Satoshi Noguchi	Director	100% (20/20)	100% (17/17)
3	<u>Reappointment</u> <u>Outside</u> <u>Independent</u> Koichi Hanabusa	Director	100% (20/20)	100% (17/17)
4	<u>Reappointment</u> <u>Outside</u> <u>Independent</u> Hideaki Kimura	Director	93% (15/16) (Note)	100% (12/12) (Note)

Note Mr. Hideaki Kimura was appointed Director at the 80th Annual General Meeting of Shareholders held on June 24, 2022, so his attendance record is based on the number of Board of Directors meetings and the Audit and Supervisory Committee meetings held after his appointment.

	Name (Date of birth)	Career summary, positions, and responsibilities at the Company		Number of shares of the Company held
1	Kenji Otaka (May 12, 1952) <u>Reappointment</u> <u>Outside</u> Attendance at the Board of Directors meetings 20/20 Attendance at the Audit and Supervisory Committee meetings 17/17 Number of years served as Outside Director (as at the closing of this General Meeting of Shareholders) 8 years	April 1999	President, Honda Cars Philippines (Left office in September 2002)	0
		October 2002	President, Honda Prospect Motor (Indonesia) (Left office in March 2007)	
		April 2007	President, Honda Automobile Thailand (Left office in March 2009)	
		April 2009	Vice President, Honda Cars Aichi Co., Ltd.	
		April 2010	President	
		April 2014	Advisor (Left office in May 2014)	
		August 2014	Executive Consultant, Honda Consulting Co., Ltd. (Left office in April 2017)	
		June 2015	Director, the Company (current position)	
<p>[Reason for nomination as candidate for Outside Director and a description of expected roles]</p> <p>Mr. Kenji Otaka has provided a global perspective to the Company's management through the abundant experience and in-depth expertise he accumulated as the president of companies in a major global corporate group. He has also contributed to the improvement of the Company's corporate value in his position as an independent supervisor. He possesses the qualities that the Company requires of its Directors, and is expected to play an important role in the area of International business, particularly corporate management in Southeast Asia. The Nomination Committee has judged Mr. Otaka to be capable of continuing to demonstrate his competencies as a member of the Audit and Supervisory Committee. The Company therefore nominates him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>				

	Name (Date of birth)	Career summary, positions, and responsibilities at the Company		Number of shares of the Company held
2	<p>Satoshi Noguchi (July 14, 1952)</p> <p><u>Reappointment</u> <u>Outside</u> <u>Independent</u></p> <p>Attendance at the Board of Directors meetings 20/20</p> <p>Attendance at the Audit and Supervisory Committee meetings 17/17</p> <p>Number of years served as Outside Director (as at the closing of this General Meeting of Shareholders) 6 years</p>	<p>April 1977</p> <p>October 1998</p> <p>October 2004</p> <p>February 2005</p> <p>October 2008</p> <p>April 2011</p> <p>June 2016</p> <p>June 2017</p>	<p>Joined the Long-Term Credit Bank of Japan, Limited</p> <p>Nagoya Branch Manager, Shinsei Bank, Limited</p> <p>Transferred to Aplus Co., Ltd., Executive Officer</p> <p>CFO Director and Managing Executive Officer</p> <p>Retired from Shinsei Bank, Limited</p> <p>CFO Director and Managing Executive Officer, Aplus Co., Ltd.</p> <p>Financial CEO President Executive Officer, Aplus Co., Ltd.</p> <p>Advisor (Left office in June 2017)</p> <p>Director, the Company (current position)</p>	0
<p>[Reason for nomination as candidate for Outside Director and a description of expected roles]</p> <p>Mr. Satoshi Noguchi has long been involved in the management of listed companies and has abundant experience in corporate management. He proactively engages in discussion at the Company's Board of Directors meetings and other important meetings. As chair of the Nomination Committee, he takes part in the committee's activities, such as the selection of Director candidates, the selection of management talent (including president succession planning), and the training of management candidates. He possesses the qualities that the Company requires of its Directors, and is particularly expected to play an important role in the evolution of the Company's corporate governance and in the area of Personnel and labor affairs / HR development. The Nomination Committee has judged Mr. Noguchi to be capable of continuing to demonstrate his competencies as a member of the Audit and Supervisory Committee and exercise leadership as the chair of the Nomination Committee. The Company therefore nominates him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>				

	Name (Date of birth)	Career summary, positions, and responsibilities at the Company	Number of shares of the Company held
3	<p>Koichi Hanabusa (July 9, 1958)</p> <p><u>Reappointment</u> <u>Outside</u> <u>Independent</u></p> <p>Attendance at the Board of Directors meetings 20/20</p> <p>Attendance at the Audit and Supervisory Committee meetings 17/17</p> <p>Number of years served as Outside Director (as at the closing of this General Meeting of Shareholders) 3 years and 11 months</p>	<p>October 1981 Joined Ernst & Whinney CPA Joint Office (currently Ernst & Young ShinNihon LLC)</p> <p>July 2003 Representative Partner, ShinNihon Audit Firm (currently EY Ernst & Young ShinNihon LLC)</p> <p>October 2008 Head of Financial Service Division, ShinNihon LLC (currently Ernst & Young ShinNihon LLC)</p> <p>August 2010 Managing Director</p> <p>August 2012 Executive Managing Director, General Manager of Auditing Division, and Financial Business Department Manager</p> <p>July 2014 President (Left office in January 2016, left the firm in June 2016)</p> <p>July 2016 CPA, Hanabusa Certified Public Accountant's Office (current position)</p> <p>July 2019 Director, the Company (current position)</p> <p>March 2020 Outside Director (Audit and Supervisory Board Member), COACH A Co., Ltd. (current position)</p> <p>June 2021 Outside Auditor, TOKYO FM Broadcasting Co., Ltd. (current position)</p> <p>[Significant concurrent positions]</p> <p>July 2014 Auditor, Non-life Insurance Policy-holders Protection Corporation of Japan</p> <p>July 2016 CPA, Hanabusa Certified Public Accountant's Office</p> <p>March 2020 Outside Director (Audit and Supervisory Board Member), COACH A Co., Ltd.</p> <p>June 2021 Outside Auditor, TOKYO FM Broadcasting Co., Ltd.</p>	0
<p>[Reason for nomination as candidate for Outside Director and a description of expected roles]</p> <p>Mr. Koichi Hanabusa has used his professional expertise and abundant experience in corporate accounting as a certified public accountant to support the Company's management and auditing/supervisory functions and to help strengthen the Board of Directors' supervisory and decision-making functions. In addition, as chair of the Remuneration Committee, he contributes to the committee's activities by endeavoring to strengthen the Directors' remuneration system from the shareholders' perspective, including modification of performance-based compensation and the stock-based compensation ratio, and review of the KPIs used for performance-linked compensation. He possesses the qualities that the Company requires of its Directors, and is particularly expected to play an important role in the areas of Finance / Accounting and Legal affairs / Compliance. The Nomination Committee has judged Mr. Hanabusa to be capable of continuing to demonstrate his competencies as a member of the Audit and Supervisory Committee and exercise leadership as the chair of the Remuneration Committee. The Company therefore nominates him as a candidate for Outside Director who is an Audit and Supervisory Committee Member. Although he does not have experience in corporate management beyond his involvement as an Outside Director or an Outside Auditor, he has been judged, on the basis of the aforementioned reasons, to be capable of discharging the duties of an Outside Director who is an Audit and Supervisory Committee Member.</p>			

	Name (Date of birth)	Career summary, positions, and responsibilities at the Company		Number of shares of the Company held
4	Hideaki Kimura (February 4, 1962) <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Independent</div> Attendance at the Board of Directors meetings 15/16 Attendance at the Audit and Supervisory Committee meetings 12/12 Number of years served as Outside Director (as at the closing of this General Meeting of Shareholders) 1 year	April 1994 April 1994 October 2000 April 2020 April 2020 April 2022 June 2022 [Significant concurrent positions] October 2000 April 2022	Registered with the Tokyo Bar Association Joined Mitsuhiko Nakamura Law Office (Left the firm in September 2000) Opened Yotsuya Higashi Law Office (current position) Vice-President, The Tokyo Bar Association (Left office in March 2021) Executive Governor, The Japan Federation of Bar Associations (Left office in March 2021) Visiting Professor, Graduate School of Law (Law School), Chuo University (current position) Director, the Company (current position) Lawyer, Yotsuya Higashi Law Office Visiting Professor, Graduate School of Law (Law School), Chuo University	0
<p>[Reason for nomination as candidate for Outside Director and a description of expected roles]</p> <p>Mr. Hideaki Kimura has used his expertise and knowledge as a lawyer to help strengthen the Company's management supervision and corporate governance 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. He possesses the qualities that the Company requires of its Directors, and is particularly expected to play an important role in the area of Legal affairs / Compliance. The Nomination Committee has judged Mr. Kimura to be capable of continuing to demonstrate his competencies as an Outside Director who is an Audit and Supervisory Committee Member. The Company therefore nominates him as a candidate for Outside Director who is an Audit and Supervisory Committee Member. If Mr. Kimura is selected as a Director, he will be appointed as a member of the Nomination Committee and the Remuneration Committee. Although he does not have experience in corporate management beyond his involvement as an Outside Director or an Outside Auditor, he has been judged, on the basis of the aforementioned reasons, to be capable of discharging the duties of an Outside Director who is an Audit and Supervisory Committee Member.</p>				

- Notes:
1. There are no special interests between the candidates for Directors who are Audit and Supervisory Committee Members and the Company.
 2. Mr. Kenji Otaka, Mr. Satoshi Noguchi, Mr. Koichi Hanabusa, and Mr. Hideaki Kimura are candidates for Outside Directors.
 3. The Company designated Mr. Kenji Otaka, Mr. Satoshi Noguchi, Mr. Koichi Hanabusa, and Mr. Hideaki Kimura as Independent Directors in accordance with the regulations of the Tokyo Stock Exchange and provided notification to the Exchange. If they are elected, Mr. Satoshi Noguchi, Mr. Koichi Hanabusa, and Mr. Hideaki Kimura will be reappointed as Independent Directors.
 4. The Company has entered into agreements with Mr. Kenji Otaka, Mr. Satoshi Noguchi, Mr. Koichi Hanabusa, and Mr. Hideaki Kimura 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. If the reelection of Mr.

Kenji Otaka, Mr. Satoshi Noguchi, Mr. Koichi Hanabusa, and Mr. Hideaki Kimura is approved, the Company intends to continue the aforementioned agreements to limit liability.

5. The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 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 31 of the Japanese original). If the candidates are reelected, they will be insured under the said insurance contract. Furthermore, if they are reelected and the insurance contract's renewal deadline comes during their terms of office, the contract will be renewed under the same conditions.

<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 2 and 3 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		
Directors (excluding Directors who are Audit and Supervisory Committee Members)	Akihiro Takamizawa	●			●			●	●
	Kazuhiko Nakama			●				●	
	Hideaki Sekine					●		●	
Directors who are Audit and Supervisory Committee Members	Kenji Otaka	Outside ●			●		●	●	
	Satoshi Noguchi	Outside Independent ●				●	●	●	
	Koichi Hanabusa	Outside Independent ●	●			●			●
	Hideaki Kimura	Outside Independent ●	●				●	●	●