

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 1805

June 4, 2021

To our shareholders:

Masahiro Norikyo
President and Representative Director
TOBISHIMA CORPORATION
1-8-15 Konan, Minato-ku, Tokyo

Notice of the 78th Annual General Meeting of Shareholders

We are pleased to announce the convocation of the 78th Annual General Meeting of Shareholders of TOBISHIMA CORPORATION (the “Company”), which will be held as indicated below.

Furthermore, in order to prevent the spread of the novel coronavirus disease (COVID-19), we would like to ask you to refrain from attending in person on the day of the General Meeting of Shareholders.

In lieu of attending in person on the day of the General Meeting of Shareholders, please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by returning the enclosed voting right exercise form to us or via the Internet in advance by following the instructions on the next page.

1. Date and Time: Tuesday, June 29, 2021, at 10:00 a.m. (JST) (Reception starts at 9:00 a.m. (JST))

2. Venue: KSP Hall, West Wing 3rd Floor, Kanagawa Science Park (KSP)
3-2-1 Sakado, Takatsuku, Kawasaki City, Kanagawa

3. Purpose of the Meeting

Matters to be reported:

- (1) The Business Report and the Consolidated Financial Statements for the 78th fiscal year (April 1, 2020 to March 31, 2021), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
- (2) The Non-Consolidated Financial Statements for the 78th fiscal year (April 1, 2020 to March 31, 2021)

Matters to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Nine Directors |
| Proposal No. 3 | Election of One Substitute Audit & Supervisory Board Member |
| Proposal No. 4 | Adoption of Performance-Linked Share-Based Remuneration Plan for Directors |

■ Among the documents to be provided to this notice, the items listed below are published on the Company website (<https://www.tobishima.co.jp/> (in Japanese only)) based on laws and regulations as well as the stipulations in the Company’s Articles of Incorporation.

- (1) “V. Status of implementation of systems and relevant programs to ensure that Directors perform their duties in compliance with relevant laws, regulations and the Articles of Incorporation, and other systems to ensure properness of operations” of the Business Report
 - (2) “Notes to Consolidated Financial Statements” and “Consolidated Statement of Changes in Equity” of the Consolidated Financial Statements
 - (3) “Notes to Financial Statements” and “Statement of Changes in Equity” of the Non-Consolidated Financial Statements
- Item (1) above is a part of the Business Report that was audited by the Audit & Supervisory Board Members in preparing the audit report. Item (2) and Item (3) above are part of the Consolidated and Non-Consolidated Financial Statements that were audited by the Financial Auditor and Audit & Supervisory Board Members in preparing the audit report.

■ If any revisions are made to the Reference Documents for General Meeting of Shareholders and Business Report as well as the Consolidated and Non-Consolidated Financial Statements, the revised items will be published on the Company website (<https://www.tobishima.co.jp/>).

Instructions on Exercising Your Voting Rights

Voting rights at the General Meeting of Shareholders is an important right of every shareholder.

Please exercise your voting rights by either of the following methods after reviewing the Reference Documents for the General Meeting of Shareholders (page 4 to 17)

Attending the General Meeting of Shareholders in Person

Please submit the enclosed voting form at the venue reception. (A seal is not required.)

Voting in Writing (by Mail)

Please indicate your approval or disapproval of the proposals in the enclosed voting form and then return the form without postage to the Company by postal mail.

Voting Deadline Voting forms must arrive no later than Monday, June 28, 2021, at 5:30 p.m. (JST).

Instructions on filling out the voting form

Please indicate your approval or disapproval of each proposal.

Proposal No. 1, No. 3 and No. 4

To approve the proposals, put a circle in the approval box.

To disapprove the proposals, put a circle in the disapproval box.

Proposal No. 2

To approve the election of all candidates, put a circle in the approval box.

To disapprove the election of all candidates, put a circle in the disapproval box.

To disapprove of the election of some candidates, put a circle in the approval box and then write the numbers of the candidates to disapprove for election.

Handling of Shareholder Voting Rights

- If your approval or disapproval of a proposal is not indicated on the enclosed voting form, the vote will be deemed an indication of approval.
- If voting rights are exercised both in writing (by postal mail) and via the Internet, the votes cast via the Internet will be treated as the valid vote. If voting rights are exercised more than once via the Internet, the last votes cast will be treated as valid.

Voting via the Internet

Please follow the instructions included below to indicate your approval or disapproval of each proposal.

Voting Deadline Votes must be cast no later than Monday, June 28, 2021, at 5:30 p.m. (JST).

Scanning the QR code (“Smart Vote”)

You can log into the website to exercise your voting rights without entering the voting code or password.

1. Please scan the QR code located on the bottom-right of the voting form.
* “QR code” is the registered trademark of DENSO WAVE INCORPORATED.
2. Please follow the instructions on the screen to indicate your approval or disapproval.

Entering the Voting code and Password

Website to exercise voting rights:
<https://soukai.mizuho-tb.co.jp/>

1. Please access the website to exercise voting rights.
2. Please enter the voting code printed on the voting form.
3. Please enter the password printed on the voting form.
4. Please follow the instructions on the screen to indicate your approval or disapproval.

The exercise of voting right by “Smart Vote” is available only once.
If you would like to change your vote after exercising your voting rights, please access the website for PC and login by entering the voting code and password printed on the voting form, and exercise your voting rights again.

* You can access the website for PC by scanning the QR code again.

Please contact the Internet Help Dial on the right if you have any questions on how to exercise your voting rights via the Internet using a personal computer, smartphone, mobile phone.

Internet Help Dial, Stock Transfer Agency
Department, Mizuho Trust & Banking Co., Ltd.
0120-768-524 (toll free)
(Open weekdays from 9:00 a.m. to 9:00 p.m. (JST))

Electronic Voting Platform

Institutional Investors may use the electronic voting platform operated by Investor Communications Japan, Inc. if the institutional investor has applied to use said platform in advance.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

The Company regards the stable profit return to its shareholders and enhancement of internal reserves to strengthen the business structure as a basic policy to pay dividends while giving consideration to the business performance and the business environment.

In line with this basic policy, the Company proposes to pay a year-end dividend for the fiscal year of ¥50 per share.

Year-end dividends

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property and their aggregate amount
¥50 per common share of the Company
Total dividends: ¥961,740,650
- (3) Effective date of dividends of surplus
June 30, 2021

Proposal No. 2 Election of Nine Directors

At the conclusion of this meeting, the terms of office of all eight Directors will expire. Therefore, the Company proposes the election of nine Directors which an increase in the number of Outside Directors by one to further reinforce the Company's corporate governance.

The candidates for Director are as follows:

	Name		Position and responsibility in the Company	Attendance status at Board of Directors Meetings	Tenure	Director's expertise/experience				
						Corporate management Business strategy	Technology Quality Environment	Financial Affairs Accounting Finance	Legal Compliance	International business Global knowledge
1	Masahiro Norikyo	Reelection	President, Representative Director and Chief Executive Officer	100% (9/9)	9 years	●	●			
2	Yasuo Terashima	Reelection	Director and Executive Vice President, and in charge of compliance	100% (9/9)	7 years	●		●	●	
3	Seiichi Okuyama	Reelection	Director and Executive Vice President, and in charge of Private Sector	100% (8/8)	1 year	●		●		
4	Takuji Arai	Reelection	Director and Senior Managing Executive Officer, Chief of Building Construction Division, and in charge of quality	89% (8/9)	2 years	●	●			
5	Shinichiro Sato	Reelection	Director and Senior Managing Executive Officer, Chief of Civil Engineering Division	100% (9/9)	2 years	●	●			●
6	Mitsuhiko Takahashi	Reelection	Director and Senior Managing Executive Officer, Chief of Corporate Planning Division	100% (8/8)	1 year	●		●	●	
7	Takashi Aihara	Reelection Independent Officer Outside Director	Outside Director	100% (9/9)	3 years	●	●		●	
8	Akitaka Saiki	New election Independent Officer Outside Director		- % (-/-)	- years	●			●	●
9	Takako Masai	New election Independent Officer Outside Director		- % (-/-)	- years	●		●		●

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares currently-owned/ Number of the Company's shares potentially-owned
1	<p>Masahiro Norikyo (April 4, 1955)</p> <p>Tenure as Director 9 years *At the conclusion of this meeting</p> <p>Attendance status at Board of Directors Meetings in FY2020 100% (9/9)</p> <p>[Reelection]</p>	<p>Apr. 1980 Joined the Company</p> <p>May 2012 Executive Officer and Vice Chief of Construction Headquarters</p> <p>June 2012 Director and Executive Officer, and Vice Chief of Construction Headquarters</p> <p>Apr. 2014 Director and Managing Executive Officer, Chief of Construction Headquarters, and in charge of earthquake-related restoration</p> <p>June 2014 Director of E&CS Corporation</p> <p>Apr. 2015 Director and Senior Managing Executive Officer, Chief of Civil Engineering Division, and in charge of earthquake-related restoration</p> <p>Apr. 2016 Director and Executive Vice President, and in charge of civil engineering, building construction and Research Institute of Technology</p> <p>Apr. 2017 Representative Director and Executive Vice President, and in charge of civil engineering and building construction</p> <p>June 2017 President, Representative Director and Chief Executive Officer (current position)</p>	<p>5,380 shares /2,903 shares</p>
<p>Reasons for nomination as candidate for Director: Mr. Norikyo has demonstrated solid leadership as President and Representative Director, and led the Tobishima Group. The Company considers his management ability and great personality indispensable for the Group's sustainable growth. The Company has nominated him as a candidate to continue serving as Director based on the above.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares currently-owned/ Number of the Company's shares potentially-owned
2	<p>Yasuo Terashima (November 14, 1957)</p> <p>Tenure as Director 7 years *At the conclusion of this meeting</p> <p>Attendance status at Board of Directors Meetings in FY2020 100% (9/9)</p> <p>[Reelection]</p>	<p>Apr. 1980 Joined the Company</p> <p>Apr. 2014 Executive Officer, Chief of Corporate Administration Division, and in charge of compliance</p> <p>June 2014 Director and Executive Officer, Chief of Corporate Administration Division, and in charge of compliance</p> <p>Apr. 2016 Director and Managing Executive Officer, Chief of Corporate Administration Division, and in charge of compliance</p> <p>Apr. 2019 Director and Senior Managing Executive Officer, Chief of Corporate Administration Division, and in charge of compliance</p> <p>Apr. 2020 Director and Executive Vice President, Chief of Corporate Administration Division, and in charge of compliance</p> <p>June 2020 Representative Director and Executive Vice President, Chief of Corporate Administration Division, and in charge of compliance</p> <p>Apr. 2021 Representative Director and Executive Vice President, and in charge of compliance (current position)</p>	<p>3,550 shares /2,903 shares</p>
<p>Reasons for nomination as candidate for Director: Mr. Terashima has appropriately fulfilled his duties in the decision-making of important corporate matters and supervision of business operations as Representative Director. In addition, he has not only led matters related to any particular field such as Corporate Administration Division, but also overall management from his broad perspective as Executive Vice President since fiscal 2020. The Company has nominated him as a candidate to continue serving as Director based on the above.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares currently-owned/ Number of the Company's shares potentially-owned
3	Seiichi Okuyama (February 12, 1965) Tenure as Director 1 year *At the conclusion of this meeting Attendance status at Board of Directors Meetings in FY2020 100% (8/8) [Reelection]	Apr. 1987 Apr. 2007 Apr. 2009 June 2011 July 2011 Apr. 2013 Apr. 2015 Apr. 2018 May 2020 Jun. 2020 May 2021	Joined The Fuji Bank, Limited (current Mizuho Bank, Ltd.) Branch Manager, Shimizu Branch of Mizuho Bank, Ltd. General Manager, Branch Department Unit No. 1 of Mizuho Bank, Ltd. General Manager, Gotanda Branch Department No. 2 of Mizuho Bank, Ltd. General Manager, Gotanda Branch and Gotanda Branch Department No. 1 of Mizuho Bank, Ltd. General Manager, Nagoya-Chuo Branch of Mizuho Bank, Ltd. General Manager, Yaesuguchi Branch Department No. 2 of Mizuho Bank, Ltd. Executive Officer and General Manager, Tokyo-Chuo Branch Department No. 2 of Mizuho Bank, Ltd. Advisor of the Company Director and Executive Vice President Director and Executive Vice President, and in charge of Private Sector (current position)	500 shares /- shares
Reasons for nomination as candidate for Director: Mr. Okuyama has extensive experience primarily in the business field at a major financial institution. Based on his broad perspective gained from his involvement in management as Executive Officer since 2018, he has appropriately fulfilled his duties in the decision-making of important corporate matters and supervision of business operations of the Company since his appointment as Director in fiscal 2020. The Company has nominated him as a candidate to continue serving as Director based on the above.				
4	Takuji Arai (August 8, 1959) Tenure as Director 2 years *At the conclusion of this meeting Attendance status at Board of Directors Meetings in FY2020 89% (8/9) [Reelection]	Apr. 1983 Apr. 2014 Apr. 2016 Apr. 2019 June 2019 Apr. 2020	Joined the Company Executive Officer and General Manager of Tokyo Metropolitan Area Building Construction Branch Managing Executive Officer and General Manager of Tokyo Metropolitan Area Building Construction Branch Managing Executive Officer, Chief of Building Construction Division, and in charge of quality Director and Managing Executive Officer, Chief of Building Construction Division, and in charge of quality Director and Senior Managing Executive Officer, Chief of Building Construction Division, and in charge of quality (current position)	4,210 shares /2,903 shares
Reasons for nomination as candidate for Director: Mr. Arai has appropriately fulfilled his duties in the decision-making of important corporate matters and supervision of business operations as Director. Moreover, he has supervised the Building Construction Division as Senior Managing Executive Officer, and has led an effort to accomplish the goal set by the Building Construction Division to "promote one-stop-service initiatives toward expanding customer base" based on his extensive business experience and broad knowledge. The Company has nominated him as a candidate to continue serving as Director based on the above.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares currently-owned/ Number of the Company's shares potentially-owned
5	Shinichiro Sato (February 12, 1959)	Apr. 1983	Joined the Company	2,380 shares /2,903 shares
	Tenure as Director 2 years *At the conclusion of this meeting	Dec. 2012	Executive Officer and General Manager of International Operations Division	
	Attendance status at Board of Directors Meetings in FY2020 100% (9/9)	Apr. 2017	Managing Executive Officer and General Manager of International Operations Division	
	[Reelection]	Apr. 2019	Managing Executive Officer, Chief of Civil Engineering Division, and General Manager of International Operations Division	
		June 2019	Director and Managing Executive Officer, and Chief of Civil Engineering Division	
		Apr. 2020	Director and Senior Managing Executive Officer, and Chief of Civil Engineering Division (current position)	
Reasons for nomination as candidate for Director: Mr. Sato has appropriately fulfilled his duties in the decision-making of important corporate matters and supervision of business operations as Director. Moreover, he has supervised the Civil Engineering Division as Senior Managing Executive Officer, and has also led an effort to accomplish the goal set by the Civil Engineering Division to "expand the practicable fields of work by leveraging the Company's construction capabilities and to promote infrastructure solutions" based on his extensive business experience and broad knowledge. The Company has nominated him as a candidate to continue serving as Director based on the above.				
6	Mitsuhiko Takahashi (June 1, 1961)	Apr. 1985	Joined the Company	2,450 shares /- shares
	Tenure as Director 1 year *At the conclusion of this meeting	Oct. 2014	Executive Officer and Chief of Corporate Planning Office	
	Attendance status at Board of Directors Meetings in FY2020 100% (8/8)	Apr. 2017	Executive Officer and Chief of Corporate Planning Division	
	[Reelection]	Apr. 2019	Managing Executive Officer and Chief of Corporate Planning Division	
		Apr. 2020	Senior Managing Executive Officer and Chief of Corporate Planning Division	
		June 2020	Director and Senior Managing Executive Officer, and Chief of Corporate Planning Division (current position)	
Reasons for nomination as candidate for Director: Mr. Takahashi has appropriately fulfilled his duties in the decision-making of important corporate matters and supervision of business operations of the Company as Director. In addition, he has supervised the Corporate Planning Division as Senior Managing Executive Officer and has led the effort to promote the SX management and DX strategy. The Company has nominated him as a candidate to continue serving as Director based on the above.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares currently-owned/ Number of the Company's shares potentially-owned
7	<p>Takashi Aihara (July 24, 1955)</p> <p>Independent Officer Outside Director</p> <p>Tenure as outside Director 3 years *At the conclusion of this meeting</p> <p>Attendance status at Board of Directors Meetings in FY2020 100% (9/9)</p> <p>[Reelection]</p>	<p>Apr. 1979</p> <p>June 2010</p> <p>Apr. 2014</p> <p>Apr. 2016</p> <p>June 2016</p> <p>June 2018</p>	<p>Joined Osaka Gas, Co., Ltd.</p> <p>Director</p> <p>President and Representative Director, Kinpai Co., Ltd.</p> <p>Advisor, Osaka Gas Housing & Equipment Co., Ltd.</p> <p>Audit & Supervisory Board Member of Osaka Gas Housing & Equipment Co., Ltd.</p> <p>Outside Director of the Company (current position)</p>	<p>1,300 shares /- shares</p>
<p>Reasons for nomination as candidate for outside Director and the expected role: Mr. Aihara is a candidate for outside Director. He has appropriately fulfilled his duties in providing opinions on the corporate management and supervising the business operations based on his broad knowledge and deep insight gained through his experience as an executive and Audit & Supervisory Board Member since his appointment in fiscal 2018. The Company expects that he will fulfill the same role and therefore has nominated him as a candidate to continue serving as outside Director based on the above.</p>				
8	<p>Akitaka Saiki (October 10, 1952)</p> <p>Independent Officer Outside Director</p> <p>Tenure as outside Director - years *At the conclusion of this meeting</p> <p>Attendance status at Board of Directors Meetings in FY2020 - % (-/-)</p> <p>[New election]</p>	<p>Apr. 1976</p> <p>June 2016</p> <p>June 2017</p>	<p>Joined the Ministry of Foreign Affairs Held the positions of: Director-General, Asian and Oceanian Affairs Bureau Ambassador Extraordinary and Plenipotentiary of Japan to the Republic of India, concurrently to the Kingdom of Bhutan Deputy Minister for Foreign Affairs Vice-Minister for Foreign Affairs</p> <p>Retired from the Ministry of Foreign Affairs</p> <p>Outside Director, Member of the Board of Mitsubishi Corporation (current position)</p> <p>Significant concurrent positions outside the Company: Outside Director, Member of the Board of Mitsubishi Corporation</p>	<p>- shares /- shares</p>
<p>Reasons for nomination as candidate for outside Director and the expected role: Mr. Saiki is a candidate for outside Director. He has never been involved in the management of a company in the past except as an outside officer. However, he held numerous positions with significant responsibilities at the Ministry of Foreign Affairs in addition to having experience in serving as director of a major trading company. The Company judges that he will appropriately fulfill his duties of providing opinions on the corporate management and supervising the business operations from his objective and professional perspective based on his broad knowledge and deep insight into global affairs gained through his extensive experience. The Company has nominated him as a candidate for outside Director based on the above.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares currently-owned/ Number of the Company's shares potentially-owned
9	Takako Masai (March 8, 1965) Independent Officer Outside Director Tenure as outside Director - years *At the conclusion of this meeting Attendance status at Board of Directors Meetings in FY2020 - % (-/-) [New election]	Nov. 1988 Tokyo Branch of The Bank of Nova Scotia July 1989 Tokyo Branch of TD Bank, N.A. Mar. 1998 Tokyo Branch of Credit Agricole, Indo Suez Bank Jan. 2004 Tokyo Branch of Calyon Bank May 2007 General Manager, Capital Markets Division of Shinsei Bank, Limited Apr. 2011 General Manager, Markets Division of Shinsei Bank, Limited Oct. 2011 General Manager, Markets Sub-Group of Shinsei Bank, Limited Apr. 2013 Executive Officer, Department Head, Markets Research Department, Markets Sub-Group of Shinsei Bank, Limited July 2015 Executive Officer, General Manager, Markets Research Division of Shinsei Bank, Limited Apr. 2016 Executive Officer, General Manager, Financial Research Division of Shinsei Bank, Limited June 2016 Member of the Policy Board of the Bank of Japan Significant concurrent positions outside the Company: Member of the Policy Board of Bank of Japan (to be scheduled to retire on June 29, 2021)	- shares /- shares
Reasons for nomination as candidate for outside Director and the expected role: Ms. Masai is a candidate for outside Director. She held numerous positions with significant responsibilities at several foreign banks, domestic banks as well as the Bank of Japan. The Company judges that she will appropriately fulfill her duties of providing opinions on the corporate management and supervising the business operations from her objective and professional perspective based on her broad knowledge and deep insight into financial landscape gained through her extensive experience. The Company has nominated her as a candidate for outside Director based on the above.			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. The number of potentially-owned shares of the Company is equivalent to the number of points already granted to each candidate under the share-based remuneration plan, and is presented as a reference for the number of shares to be issued in the future.
 3. Pursuant to the Company's Articles of Incorporation and Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Takashi Aihara to limit his liability for damages under Article 423, paragraph 1 of the Companies Act. Pursuant to this agreement, the defined maximum amount of liability for damages, if he has acted in good faith and without gross negligence in performing his duties, is the minimum liability amount provided for by laws and regulations. If the reelection of Takashi Aihara is approved, the Company plans to renew the aforementioned agreement with him. If Akitaka Saiki and Takako Masai are elected, the Company will enter into the similar agreement with them.
 4. The Company has entered into a directors and officers liability insurance contract, naming all Directors as insured parties. The Company intends to renew the insurance contract on October 1, 2021. The purpose of the insurance contract is to cover legal damages and litigation expenses to be borne by Directors as a result of his/her own act; however, there are certain exemptions; for example, damage caused as a result of any conduct by a Director in violation of laws and regulations shall not be covered. If each candidate assumes the office of Director, he/she shall be named as the insured parties under the insurance contract.
 5. Takashi Aihara satisfies the Independence Standards for Outside Officers defined by the Company, and the Company has therefore submitted notification to Tokyo Stock Exchange, Inc. that he has been appointed as an independent officer as provided for by the aforementioned exchange. Also, both Akitaka Saiki and Takako Masai satisfy the Independence Standards for Outside Officers defined by the Company, and the Company therefore plans to submit notification to Tokyo Stock Exchange, Inc. that they will be appointed as independent officers.
 6. The registered name of Takako Masai is Takako Nishida.
 7. If the election of Takako Masai is approved as proposed, she will assume the office of Director as of July 1, 2021, which comes after the expiration of her term of office (June 29, 2021) as a Member of the Policy Board of the Bank of Japan.

Proposal No. 3 Election of One Substitute Audit & Supervisory Board Member

The Company proposes the election of one substitute Audit & Supervisory Board Member to be ready to fill a vacant position should the number of Audit & Supervisory Board Members (including outside Audit & Supervisory Board Member) fall below the number required by laws and regulations.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares currently-owned/ Number of the Company's shares potentially-owned
Hirotaka Kobayashi (September 6, 1957)	Apr. 1988 Appointed prosecutor Apr. 1994 Registered as attorney at law (Tokyo Bar Association) Apr. 1995 Joined Hikari Sogoh Law Offices (current position) Significant concurrent positions outside the Company: Attorney at Law of Hikari Sogoh Law Offices	- shares /- shares
Reasons for nomination as candidate for substitute outside Audit & Supervisory Board Member: Mr. Kobayashi is a candidate for substitute outside Audit & Supervisory Board Member. He has never been involved in the management of a company in the past. However, the Company proposes his election as substitute outside Audit & Supervisory Board Member so that his considerable and highly specialized knowledge related to corporate law as an attorney at law may be utilized in the audit system of the Company.		

- Notes:
1. There is no special interest between the candidate and the Company.
 2. If Hirotaka Kobayashi assumes the office of Audit & Supervisory Board Member, pursuant to the Company's Articles of Incorporation and Article 427, paragraph 1 of the Companies Act, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, paragraph 1 of the Companies Act. Pursuant to this agreement, the defined maximum amount of liability for damages, if he has acted in good faith and without gross negligence in performing his duties, is the minimum liability amount provided for by laws and regulations.
 3. The Company has entered into a directors and officers liability insurance contract, naming all Audit & Supervisory Board Members as insured parties. The Company intends to renew the insurance contract on October 1, 2021. The purpose of the insurance contract is to cover legal damages and litigation expenses to be borne by Audit & Supervisory Board Members as a result of his/her own act. However, there are certain exemptions; for example, damage caused as a result of any conduct by an Audit & Supervisory Board Member in violation of laws and regulations shall not be covered. If Hirotaka Kobayashi assumes the office of Audit & Supervisory Board Member, he shall be named as the insured party under the insurance contract.
 4. Hirotaka Kobayashi satisfies the Independence Standards for Outside Officers defined by the Company, and the Company therefore plans to submit notification to Tokyo Stock Exchange, Inc. concerning his appointment as an independent officer as provided for by the aforementioned exchange.

[Reference]

[Independence Criteria for Outside Officers]

The Company has defined the following independence standards for outside directors and outside audit & supervisory board members (hereinafter collectively referred to as “outside officers”) or outside officer candidates. If the Company determines none of these items apply to an independent officer or outside officer candidate as a result of an investigation within its means, the Company judges the candidate has independence.

- (1) A party who executes business for the Company or its affiliates (hereinafter collectively referred to as the “Company Group”)
- (2) A party for whom the Company Group is a primary client or a person who executes business of said party
- (3) A party who is the primary client of the Company Group or a person who executes business of said party
- (4) A major shareholder holding 10% or more of the Company’s voting rights directly or indirectly or a person who executes business of said shareholder
- (5) A party the Company holds 10% or more voting rights directly or indirectly or a person who executes business of said party
- (6) A consultant, certified public accountant, attorney at law, or other expert professional who earns money or assets in excess of ¥10 million annually other than the officer remuneration from the Company Group (if the party earning said assets is a corporation, union or other such organization, a person belonging to said organization who the assets earned from the Company exceeds 2% of annual income)
- (7) A party who has received donations or grants of money or other assets from the Company Group in excess of ¥10 million annually. Moreover, if said party is a corporation, union or other organization, a person who belongs to said organization
- (8) If an executive director or a standing audit & supervisory board member of the Company Group is appointed an outside officer of another company, a party who is an executive director, an executive officer, an operating officer, a manager or an employee of said other company
- (9) A person who has fallen under any of the above items (2) through (8) in the past three years, or their spouse or relative within the second degree
- (10) Spouse or relative within the second degree of a director, audit & supervisory board member, executive officer or general manager or above of the Company Group
- (11) A party who cannot fulfill their duties as an independent outside officer due to special circumstances other than items (1) through (10)

- Notes:
1. A “party who executes business” refers to a person who is a director, executive officer, operating officer, employee who executes business, an associate director or a person or employee who works for a corporation or other organization as well as a person who has belonged to the Company Group even once in the past.
 2. A “party for whom the Company Group is a primary client” refers to a party who received payment from the Company in excess of 2% of its consolidated net sales in the previous fiscal year.
 3. A “party who is the primary client of the Company Group” refers to a party who provided payment to the Company in excess of 2% of the Company’s consolidated net sales in the previous fiscal year.

Proposal No. 4**Adoption of Performance-Linked Share-Based Remuneration Plan for Directors****1. Reasons for the proposal and reasons for appropriateness thereof**

At its 76th Annual General Meeting of Shareholders on June 27, 2019, the Company gained approval for the adoption of the performance-linked share-based remuneration plan (hereinafter the “Plan”) for Directors (excluding Outside Directors, hereinafter, unless otherwise indicated, same in this proposal), which remains in effect (the resolution of the aforementioned Meeting in 2019 hereinafter referred to as the “Original Resolution”). With the enforcement of the “Act for Partial Amendment of the Companies Act” (Act No. 70 of 2019) on March 1, 2021, prescribed items require are subject to the approval of shareholders. Accordingly, the Company proposes the approval of the Plan including those prescribed items. Please note that all items other than the maximum number of the Company’s shares to be acquired and the upper limit of points to be granted, as stated in 2. (5) and (6), respectively, shown below, remain the same as those in the Original Resolution.

As this proposal is made on procedural grounds, in response to the amendment of the Companies Act, it does not seek for an increase in the amount of substantial remuneration compared with that set out in the Original Resolution. As with the Original Resolution, the Plan further clarifies the link between remuneration of Directors, the Company’s performance, and prices of the Company’s shares for the purpose of heightening awareness about the improvement in medium- to long-term business performance and the enhancement of corporate value by sharing not only the benefits of rising stock prices but also the risk of falling stock prices. Since this purpose accords with the Company’s policy to determine the amount of remuneration awarded to individual Directors (refer to “III. Matters concerning the officers of the Company 2. Amount of remuneration, etc. of Directors and Audit & Supervisory Board Members” in the Business Report), the Company believes the contents of this proposal are appropriate.

In addition to the remuneration of Directors approved at the 76th Annual General Meeting of Shareholders held on June 27, 2019, (within ¥260 million per year (¥20 million for Outside Directors)), with this proposal, the Company seeks the shareholder’s approval for amounts and details of remuneration to Directors based on the Plan. The Company asks the details of the Plan as outlined under 2. below be left up to the Board of Directors. Currently, six Directors are eligible for the Plan. If the Proposal 2 is approved as proposed, six Directors, excluding Outside Directors, who are candidates for election, are eligible for the Plan.

2. Amount of remuneration and details related to the Plan**(1) Overview of the Plan**

The Plan is a performance-linked share-based remuneration plan in which the trust will acquire the Company’s shares using money contributed by the Company as the source of funds (hereinafter the “Trust,” which is established pursuant to the Plan) and Directors are provided with the Company’s shares and cash equivalent to the market value of the Company’s shares (hereinafter referred to as the “Company’s Shares, etc.”) through the Trust in accordance with the performance-linked share-based remuneration system established by the Company. The time for Directors to receive the Company’s Shares, etc. shall be as a general rule at the time of retirement.

(2) Directors Eligible for the Plan

Directors (Outside Directors are not eligible for the Plan)

(3) Term of Trust

The term of the Trust shall be from August 2019 until the termination of the Trust. (No date of termination of the trust period of the Trust will remain in place as long as the Plan is maintained. The Plan will be terminated for reasons that include delisting of the Company’s stock or abolition of the share-based remuneration for Executive Officers.)

(4) Amount of trust fund

The Company has adopted the Plan for three fiscal years from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2022 (hereinafter, such term of said three fiscal years, the “Initial Applicable Term” and the Initial Applicable Term and each of the three year periods commencing after the Initial Applicable Term are referred to as “Applicable Term”) and for each subsequent Applicable Term. The

Company has established the Trust, to which it has made a contribution of ¥120 million for the Initial Applicable Term based on the Plan as a fund for acquiring its shares to be granted to the Directors who satisfy requirements for beneficiaries. The Trust has acquired 107,000 shares of the Company's using the funds entrusted by the Company.

In addition, the Company shall contribute additional funds of not more than ¥120 million to the Trust each applicable term until the termination of the Plan even after the expiration of the Initial Applicable Term. However, in the case of making additional contributions, when the Company's shares (excluding the Company's shares corresponding to the points granted to Eligible Directors, etc. and provision of the Company's shares to Eligible Directors, etc. is not completed) and money (hereinafter the "Remaining Shares, etc.") on the last day of the Applicable Term immediately preceding the Applicable Term for which the Company is planning to contribute such additional funds remain in the Trust, the total amount of the Remaining Shares, etc. (as for the Company's share, value of the Company's shares on the last business day of the previous Applicable Term) and the additional funds for contribution shall not exceed the upper limit that is to be approved through this proposal. The decision on making additional contributions will be disclosed appropriately on a timely basis.

(5) Method of acquisition of the Company's shares and number of shares to be acquired by the Trust

The Trust shall acquire the Company's shares through the market on which the Company's shares are listed or by subscribing for treasury shares disposed of by the Company with the funds contributed in (4) above as the source of funds. As stated in (6) shown below, the upper limit of points to be granted to Eligible Directors in each fiscal year shall be 40,000, therefore the maximum number of the Company's shares that the Trust may acquire in each Applicable Term shall be 120,000.

(6) Upper limit of the number of the Company's Shares, etc. provided to Eligible Directors

For each fiscal year, the Eligible Directors shall be granted a prescribed number of points decided in accordance with the Rules for Delivery of Shares to Directors, taking into consideration the Director's position and the attainment level of performance, etc., and the total number of these points granted to Eligible Directors in each fiscal year shall be up to 40,000.

Furthermore, the points granted to Eligible Directors shall be calculated as one common share of the Company's stock for each point when the Company's Shares, etc. are transferred under (7) below (however, the upper limit of points, number of points already granted, and the conversion rate may be rationally adjusted according to the ratio of stock splits, allotment of shares without contribution or stock mergers of the Company shares, if these are carried out, after this proposal is approved and adopted).

The percentage of the number of shares (40,000 shares) corresponding to the upper limit of points granted to Eligible Directors for each fiscal year is approximately 0.2 percent of the number of shares issued (excluding treasury shares, as of March 31, 2021).

The number of points granted to Eligible Directors, which is are the standards for the transfer of the Company's Shares, etc. under (7) below is the number of points granted to Eligible Directors up until their resignation as a general rule (hereinafter, such points calculated in this way, the "Defined Number of Points").

(7) Transfer of the Company's Shares, etc.

An Eligible Director who retires and satisfies the requirements for the beneficiary stipulated in the Rules for Delivery of Shares to Directors may, as a general rule, receive the number of the Company's shares from the Trust in accordance with the Defined Number of Points as explained in (6) above after their resignation by undergoing the designated procedure to establish a beneficiary. However, if the requirements stipulated in the Rules for Delivery of Shares to Directors are satisfied separately, the Director may receive, in respect of a certain portion of the points, an amount of cash equivalent to the market price of the Company's shares in lieu of the provision of Company's shares. Furthermore, in order to make the monetary provisions, the Trust may sell the Company's shares.

If an Eligible Director, who has been granted points, commits any illegal act or inappropriate behavior that is likely to inflict losses on the Company during his or her term of office, the Director may not acquire part

or all of his or her right to receive the shares, according to the decision of the Board of Directors following the report of the Remuneration and Nomination Committee.

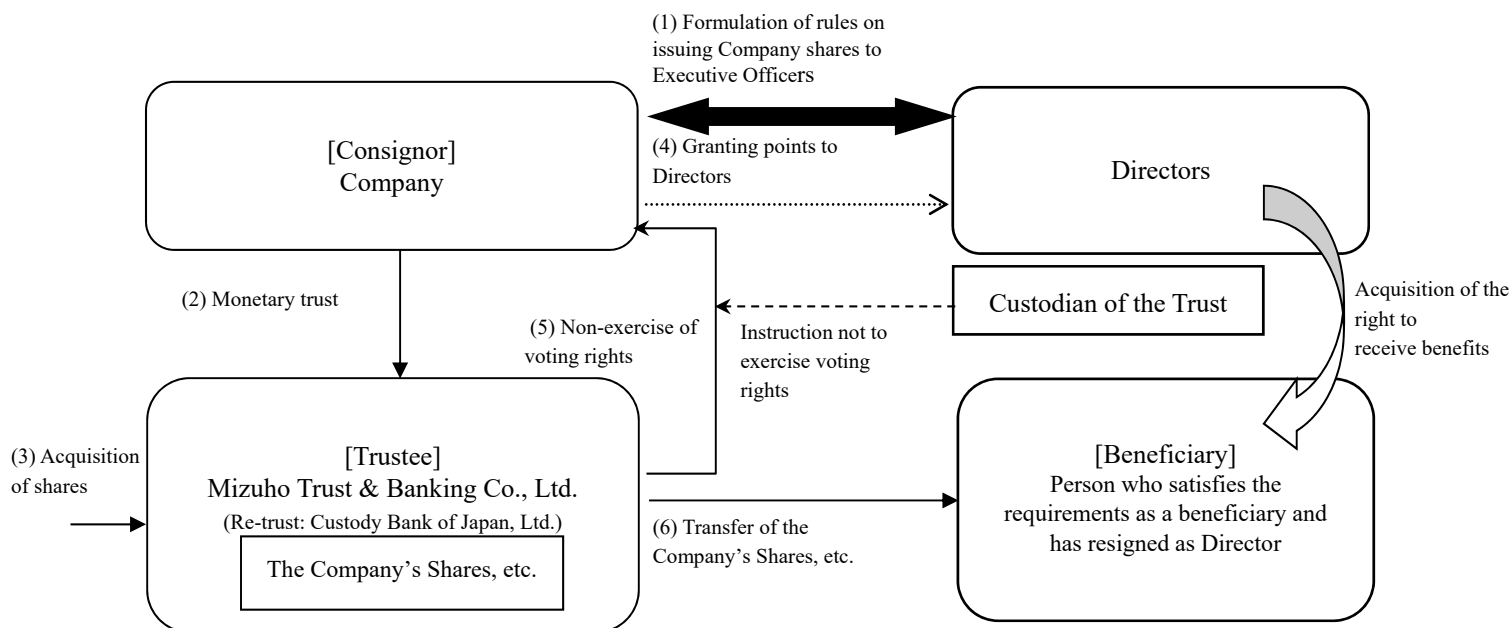
(8) Exercise of Voting Rights

Voting rights of the Company's shares held within the Trust accounts shall not be exercised uniformly based on the instructions by the custodian of the Trust. By using this method, the Company intends to ensure neutrality toward management of the Company with regard to the exercise of the voting rights of the shares of the Company within the Trust account.

(9) Treatment of dividends

Dividends on the Company's shares held within the Trust shall be received by the Trust to use as funds to acquire the Company's shares and to be appropriated for trust fees, etc. paid to the trustee of the Trust.

<Reference: Structure of the Plan>



- i. The Company will establish the Rules for Delivery of Shares to Directors within the scope of the framework approved at this General Meeting of Shareholders.
- ii. The Company will entrust money within the limit for which approval was received at this General Meeting of Shareholders.
- iii. The Trust shall acquire the Company's shares through the market on which the Company's shares are listed or by subscribing for treasury shares disposed of by the Company with the funds contributed in ii. above as the source of funds.
- iv. The Company grants points to Eligible Directors based on the provisions in the Rules for Delivery of Shares to Directors.
- v. The Trust shall not exercise the voting rights on the Company's shares held within the Trust in accordance with instructions from a custodian of the Trust, which is independent from the Company.
- vi. The Trust provides the number of the Company's shares in accordance with the number of points granted to the Director who has retired as director and satisfies the requirements for the beneficiary stipulated in the Rules for Delivery of Shares to Directors (hereinafter the "Beneficiary"). However, if the requirements defined in the Rules for Delivery of Shares to Directors are satisfied separately, the Director may receive, in respect of a certain portion of the points, an amount of cash equivalent to the market price of the Company's shares in lieu of the provision of the Company's shares.