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(Stock Exchange Code 7313)

June 4, 2021

To Shareholders with Voting Rights:

Masanari Yasuda
President
TS TECH CO., LTD.
3-7-27, Sakae-cho, Asaka-shi, Saitama, Japan

NOTICE OF THE 75th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are hereby informed that the 75th Annual General Meeting of Shareholders of TS TECH CO., LTD. (the “Company”) will be held as described below.

In view of the persistent threat of the spread of the novel coronavirus (COVID-19), we ask that all shareholders refrain from coming to the event venue regardless of their health condition, and exercise voting rights in advance by mail or electromagnetic methods (via the Internet, etc.).

If you intend to exercise your voting rights by mail or electromagnetic methods (via the Internet, etc.), please review the Reference Documents for the General Meeting of Shareholders below and exercise your voting rights by mail or electromagnetic methods (via the Internet, etc.) no later than 17:30 on Thursday, June 24, 2021.

1. **Date and time** Friday, June 25, 2021 at 10:00 a.m., Japan time
(Reception is scheduled to start from 9:00 a.m.)
2. **Place** Ballroom Fuji on the 3rd floor of Hotel Metropolitan
1-6-1, Nishi-Ikebukuro, Toshima-ku, Tokyo, Japan
3. **Agenda of the Meeting**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements for the Company’s 75th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements.
 2. Non-Consolidated Financial Statements for the Company’s 75th Fiscal Year (April 1, 2020 - March 31, 2021)

Proposals to be resolved:

- Proposal 1: Appropriation of Surplus
- Proposal 2: Partial Revision of the Articles of Incorporation
- Proposal 3: Election of Eleven (11) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 4: Election of Four (4) Directors Who Are Audit & Supervisory Committee Members
- Proposal 5: Determination of the Amount of Compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 6: Determination of the Amount of Compensation for Directors Who Are Audit & Supervisory Committee Members
- Proposal 7: Determination of Compensation for the Delivery of Restricted Stock to Directors (Excluding Outside Directors and Directors Who Are Audit & Supervisory Committee Members)
- Proposal 8: Election of an Accounting Auditor

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- There will be no souvenirs or refreshments at this meeting.
 - The available number of seats will be far fewer than in previous years in order to allow for distance between chairs.

- We ask that all attendees wear face masks and use the alcohol disinfectant, etc. available at the venue.
- We will have a temperature check station near the hall entrance, and anyone with a fever or anyone believed to be unwell may not be permitted to enter.
- Event staff will be wearing masks.
- We will post a notice on our website in the event that there is a major change to the operation of this meeting.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company regards distribution of profits to shareholders as one of its most important management priorities as it strives to improve its corporate value through business development from long-term and global perspectives.

With respect to the dividend, the basis is to take into consideration the trends in consolidated financial results and the internal reserve to strengthen the consolidated business structure. The dividend is proposed as follows.

Matters concerning the year-end dividend

- (1) Matters concerning allotment of dividends to shareholders and the total amount thereof
Dividend per share of the Company's common stock: 47 yen (cash)
Total amount: 3,159,935,302 yen
- (2) Effective date of payment of dividend
June 28, 2021

Note: The Company implemented a two-for-one common stock split, effective April 1, 2021. The record date for the year-end dividend shown above was March 31, 2021. Therefore, the dividend payment will be based on the number of shares prior to the stock split (as of March 31, 2021).

Proposal 2: Partial Revision of the Articles of Incorporation

1. Reason for Revision

- (1) The Company proposes to transition from a company with a board of auditors to a company with an audit & supervisory committee, in order to strengthen the supervisory function of the Board of Directors by including Audit & Supervisory Committee Members, who are responsible for auditing the execution of duties by Directors and other matters, among members of the Board of Directors, and further enhance corporate governance through an even stronger monitoring structure. To this end, the Company proposes to revise the Articles of Incorporation as necessary to transition to a company with an audit & supervisory committee. This includes the establishment of provisions regarding Directors who are Audit & Supervisory Committee Members and the Audit & Supervisory Committee, the establishment of provisions regarding the delegation to Directors of authority for decisions on important matters of business execution, and the deletion of provisions regarding Auditors and the Board of Auditors.
- (2) It is further proposed to alter the contents of Article 28, Paragraph 2 of the current Articles of Incorporation, to enable the Company to conclude liability limitation agreements with Directors, apart from Executive Directors, etc. for the purpose of continually recruiting useful personnel as Directors. The consent of each Auditor has been obtained to this amendment.
- (3) It is further proposed, in order to facilitate flexible capital policy and dividend policy, to establish Article 33 of the revised Articles of Incorporation, to enable dividends, etc. of surplus to be paid by resolution of the Board of Directors, and to delete Articles 7 and 39 of the current Articles of Incorporation, the content of which partially overlaps with that of Article 33 of the revised Articles of Incorporation.
- (4) In addition, it is proposed to amend the numbering and wording of the Articles of Incorporation as necessary in view of each of the amendments described above.

2. Content of Revisions

The details of the revisions are as follows.

The amendments to the Articles of Incorporation set forth in this proposal shall take effect at the conclusion of this General Meeting of Shareholders.

(Portions to be revised are underlined.)

Current Articles of Incorporation	Proposed Revision
Chapter 1 General Provisions	Chapter 1 General Provisions
Articles 1 to 3 (Articles omitted)	Articles 1 to 3 (Remain unchanged)
(Organs)	(Organs)
Article 4 The Company shall establish the following organs, in addition to the General Meeting of Shareholders and the Directors.	Article 4 The Company shall establish the following organs, in addition to the General Meeting of Shareholders and the Directors.
1. Board of Directors	1. Board of Directors
2. <u>Auditors</u>	2. <u>Audit & Supervisory Committee</u>
3. <u>Board of Auditors</u>	(Deleted)
4. Accounting Auditor	3. Accounting Auditor
Article 5 (Article omitted)	Article 5 (Remains unchanged)

Current Articles of Incorporation	Proposed Revision
<p style="text-align: center;">Chapter 2 Shares</p> <p>Article 6 (Article omitted)</p> <p><u>(Repurchase of Shares)</u> <u>Article 7 The Company may repurchase its shares by resolution of the Board of Directors, in accordance with the provisions of Article 165, Paragraph 2 of the Companies Act.</u></p> <p>Articles <u>8</u> to <u>10</u> (Articles omitted)</p>	<p style="text-align: center;">Chapter 2 Shares</p> <p>Article 6 (Remains unchanged)</p> <p style="text-align: center;">(Deleted)</p> <p>Articles <u>7</u> to <u>9</u> (Remain unchanged)</p>
<p style="text-align: center;">Chapter 3 General Meeting of Shareholders</p> <p>Articles <u>11</u> to <u>17</u> (Articles omitted)</p>	<p style="text-align: center;">Chapter 3 General Meeting of Shareholders</p> <p>Articles <u>10</u> to <u>16</u> (Remain unchanged)</p>
<p style="text-align: center;">Chapter 4 Directors and the Board of Directors</p> <p>(Number of Directors) Article <u>18</u> The Company shall have no more than <u>fifteen (15)</u> Directors.</p> <p style="text-align: center;">(Newly established)</p> <p>(Method of Appointment) Article <u>19</u> Directors shall be appointed by the General Meeting of Shareholders.</p> <p style="padding-left: 40px;">2. (Article omitted) 3. (Article omitted)</p> <p>(Term of Office) Article <u>20</u> The term of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the last fiscal year that finishes within <u>two (2) years</u> of their appointment.</p> <p style="padding-left: 40px;">2. <u>The term of office of Directors appointed as extra or substitute Directors shall expire at the same time as the term of office of incumbent Directors.</u></p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;">Chapter 4 Directors and the Board of Directors</p> <p>(Number of Directors) Article <u>17</u> The Company shall have no more than <u>twelve (12) Directors (excluding Directors who are Audit & Supervisory Committee Members).</u></p> <p style="padding-left: 40px;">2. <u>The Company shall have no more than five (5) Directors who are Audit & Supervisory Committee Members.</u></p> <p>(Method of Appointment) Article <u>18</u> Directors shall be appointed by the General Meeting of Shareholders, <u>separately for Directors who are Audit & Supervisory Committee Members and Directors who are not.</u></p> <p style="padding-left: 40px;">2. (Remains unchanged) 3. (Remains unchanged)</p> <p>(Term of Office) Article <u>19</u> The term of office of Directors <u>(excluding Audit & Supervisory Committee Members)</u> shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the last fiscal year that finishes within <u>one (1) year</u> of their appointment.</p> <p style="text-align: center;">(Deleted)</p> <p style="padding-left: 40px;">2. <u>The term of office of Directors who are Audit & Supervisory Committee Members shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the last fiscal year that finishes within two (2) years of their appointment.</u></p> <p style="padding-left: 40px;">3. <u>The term of office of Directors who are Audit & Supervisory Committee Members appointed as substitutes for Directors who are Audit & Supervisory Committee Members who retire before the expiration of their term, shall expire at the same time as the term of office of the retiring</u></p>

Current Articles of Incorporation	Proposed Revision
<p>Articles <u>21</u> to <u>23</u> (Articles omitted) (Newly established)</p> <p>(Notice of Meetings of the Board of Directors) Article 24 Notice of meetings of the Board of Directors shall be issued to each Director <u>and Auditor</u> no less than three (3) days before the meeting. However, this period may be shortened where necessary due to emergency.</p> <p>2. Meetings of the Board of Directors may be held without the process of notification, where the consent of all Directors <u>and Auditors</u> has been obtained.</p> <p>Articles 25 to 26 (Articles omitted) (Compensation, etc.) Article 27 Compensation, bonuses and other financial benefits received by Directors from the Company as consideration for the execution of duties, shall be determined by resolution of the General Meeting of Shareholders.</p> <p>(Exemption of Directors from Liability) Article 28 (Article omitted)</p> <p>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with <u>Outside Directors</u> to limit their liability for damages caused by negligence in the execution of duties. The limit of liability under such agreements shall be the amount stipulated by laws and regulations.</p>	<p><u>Directors who are Audit & Supervisory Committee Members.</u></p> <p>Articles <u>20</u> to <u>22</u> (Remain unchanged)</p> <p><u>(Delegation of Decisions for Important Matters of Business Execution)</u> <u>Article 23 The Company may, by resolution of the Board of Directors, delegate all or part of decisions on important matters of business execution (excluding each item set forth in Article 399-13, Paragraph 5 of the Companies Act) to Directors, in accordance with Article 399-13, Paragraph 6 of the Companies Act.</u></p> <p>(Notice of Meetings of the Board of Directors) Article 24 Notice of meetings of the Board of Directors shall be issued to each Director no less than three (3) days before the meeting. However, this period may be shortened where necessary due to emergency.</p> <p>2. Meetings of the Board of Directors may be held without the process of notification, where the consent of all Directors has been obtained.</p> <p>Articles 25 to 26 (Remain unchanged) (Compensation, etc.) Article 27 Compensation, bonuses and other financial benefits received by Directors from the Company as consideration for the execution of duties, shall be determined by resolution of the General Meeting of Shareholders, <u>separately for Directors who are Audit & Supervisory Committee Members and Directors who are not.</u></p> <p>(Exemption of Directors from Liability) Article 28 (Remains unchanged)</p> <p>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with <u>Directors (excluding Executive Directors, etc.)</u> to limit their liability for damages caused by negligence in the execution of duties. The limit of liability under such agreements shall be the amount stipulated by laws and regulations.</p>

Current Articles of Incorporation	Proposed Revision
<u>Chapter 5 Auditors and the Board of Auditors</u>	(Deleted)
<u>(Number of Auditors)</u>	(Deleted)
<u>Article 29 The Company shall have no more than four (4) Auditors.</u>	(Deleted)
<u>(Method of Appointment)</u>	(Deleted)
<u>Article 30 Auditors shall be appointed by the General Meeting of Shareholders.</u>	
2. <u>Resolutions to appoint Auditors shall be made by a majority vote of shareholders at a General Meeting of Shareholders attended by shareholders eligible to vote holding no less than one third of the voting rights.</u>	
<u>(Term of Office)</u>	
<u>Article 31 The term of office of Auditors shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the last fiscal year that finishes within four (4) years of their appointment.</u>	(Deleted)
2. <u>The term of office of Auditors appointed as substitutes for Auditors who retire before the expiration of their term, shall expire at the same time as the term of office of the retiring Auditors.</u>	
<u>(Full-time Auditors)</u>	
<u>Article 32 Full-time Auditors shall be appointed by resolution of the Board of Auditors.</u>	(Deleted)
<u>(Notice of Meetings of the Board of Auditors)</u>	
<u>Article 33 Notice of meetings of the Board of Auditors shall be issued to each Auditor no less than three (3) days before the meeting. However, this period may be shortened where necessary due to emergency.</u>	(Deleted)
2. <u>Meetings of the Board of Auditors may be held without the process of notification, where the consent of all Auditors has been obtained.</u>	
<u>(Board of Auditors Regulations)</u>	
<u>Article 34 In addition to laws, regulations and these Articles of Incorporation, matters concerning the Board of Auditors shall be determined based on the Board of Auditors Regulations established by the Board of Auditors.</u>	(Deleted)
<u>(Compensation, etc.)</u>	
<u>Article 35 Compensation, bonuses and other financial benefits received by Auditors from the Company as consideration for the execution of duties, shall be determined by resolution of the General Meeting of Shareholders.</u>	(Deleted)

Current Articles of Incorporation	Proposed Revision
<p><u>(Exemption of Auditors from Liability)</u> <u>Article 36 The Company may conclude agreements with Auditors (including former Auditors) to limit their liability for damages caused by negligence in the execution of duties, in accordance with the provisions of Article 426, Paragraph 1 of the Companies Act.</u></p> <p>2. <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Outside Auditors to limit their liability for damages caused by negligence in the execution of duties. The limit of liability under such agreements shall be the amount stipulated by laws and regulations.</u></p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>Chapter 5 Audit & Supervisory Committee</u> <u>(Full-time Audit & Supervisory Committee Members)</u> <u>Article 29 Full-time Audit & Supervisory Committee Members may be appointed from among the Audit & Supervisory Committee Members, by resolution of the Audit & Supervisory Committee.</u></p> <p><u>(Notice of Meetings of the Audit & Supervisory Committee)</u> <u>Article 30 Notice of meetings of the Audit & Supervisory Committee shall be issued to each Audit & Supervisory Committee Member no less than three (3) days before the meeting. However, this period may be shortened where necessary due to emergency.</u></p> <p>2. <u>Meetings of the Audit & Supervisory Committee may be held without the process of notification, where the consent of all Audit & Supervisory Committee Members has been obtained.</u></p> <p><u>(Audit & Supervisory Committee Regulations)</u> <u>Article 31 In addition to laws, regulations and these Articles of Incorporation, matters concerning the Audit & Supervisory Committee shall be determined based on the Audit & Supervisory Committee Regulations established by the Audit & Supervisory Committee.</u></p>

Current Articles of Incorporation	Proposed Revision
<p style="text-align: center;">Chapter 6 Settlement of Accounts</p> <p>Article <u>37</u> (Article omitted) (Newly established)</p> <p>(Record Date for Dividends of Surplus) Article <u>38</u> (Article omitted) (Newly established) (Newly established)</p> <p><u>(Interim Dividend)</u> Article <u>39</u> <u>The Company may pay an interim dividend with a record date of September 30, by resolution of the Board of Directors.</u></p> <p>Article <u>40</u> (Article omitted)</p>	<p style="text-align: center;">Chapter 6 Settlement of Accounts</p> <p>Article <u>32</u> (Remains unchanged)</p> <p><u>(Decision-making Organ for Dividends of Surplus)</u> Article <u>33</u> <u>Excepting where specific provisions exist in laws or regulations, the Company shall decide on dividends of surplus and other matters stipulated in each item of Article 459, Paragraph 1 of the Companies Act by resolution of the Board of Directors.</u></p> <p>(Record Date for Dividends of Surplus) Article <u>34</u> (Remains unchanged) <u>2. The record date for the Company's interim dividend shall be September 30.</u> <u>3. In addition to the previous two items, the Company may decide on another record date for a dividend of surplus.</u></p> <p>(Deleted)</p> <p>Article <u>35</u> (Remains unchanged)</p>
<p>(Newly established)</p> <p>(Newly established)</p>	<p style="text-align: center;"><u>Supplementary Provisions</u></p> <p><u>(Provisional Measure Regarding Auditors' Exemption from Liability)</u> <u>The Company may exempt Auditors (including former Auditors) from liability for damages for actions that occurred before the conclusion of the 75th Annual General Meeting of Shareholders pursuant to Article 423, Paragraph 1 of the Companies Act, to the extent allowed under laws and regulations, by resolution of the Board of Directors, in accordance with the provisions of Article 426, Paragraph 1 of the Companies Act.</u></p>

Proposal 3: Election of Eleven (11) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

If Proposal 2: Partial Revision of the Articles of Incorporation is approved as originally proposed, then the Company will transition to a company with an audit & supervisory committee, and the terms of office of all eleven (11) Directors will expire at the time when the revision to the Articles of Incorporation takes effect. Accordingly, the Company proposes the election of eleven (11) Directors (excluding Directors who are Audit & Supervisory Committee Members).

This proposal will come into effect conditional upon the revision to the Articles of Incorporation set forth in Proposal 2: Partial Revision of the Articles of Incorporation taking effect.

The candidates for Director (excluding candidates for Director who is an Audit & Supervisory Committee Member) are as follows:

Names and other information of Directors			
No.	Name	Current position at the Company	Meetings of the Board of Directors attended
1	Masanari Yasuda Reappointment	President (Representative Director)	100% (15/15)
2	Yoshitaka Nakajima Reappointment	Senior Managing Director (Representative Director)	100% (15/15)
3	Kenichi Hasegawa Reappointment	Senior Managing Director (Representative Director)	100% (15/15)
4	Akihiko Hayashi Reappointment	Senior Managing Director	100% (15/15)
5	Yutaka Arai Reappointment	Senior Managing Director	100% (15/15)
6	Atsushi Igaki Reappointment	Managing Director	100% (15/15)
7	Eiji Toba Reappointment	Managing Director	100% (12/12)
8	Takahiro Kobori Reappointment	Director	100% (12/12)
9	Yasushi Suzaki Reappointment	Director	100% (12/12)
10	Teruyasu Mutaguchi Reappointment Outside Independent	Director	100% (15/15)
11	Takeshi Ogita Reappointment Outside Independent	Director	100% (12/12)

No.	Name (Date of birth)	Career summary, positions, and responsibility at the Company		Number of shares of the Company held
1	Masanari Yasuda (January 9, 1959) [Reappointment] Meetings of the Board of Directors attended: 100% (15/15)	April 1982	Joined the Company	29,343 shares
		April 2007	Corporate Development and Engineering Division, Design Department General Manager	
		April 2008	Operating Officer, Corporate Development and Engineering Division Deputy Executive General Manager	
		April 2010	Operating Officer, Corporate Development and Engineering Division Executive General Manager	
		June 2010	Director, Corporate Development and Engineering Division Executive General Manager	
		June 2014	Managing Director, Corporate Development and Engineering Division Executive General Manager	
		April 2016	Managing Director, Officer in Charge of Global Business, Officer in Charge of Quality Control	
		June 2016	Senior Managing Director (Representative Director), Officer in Charge of Global Business	
		June 2018	President (Representative Director) (incumbent)	
		April 2021	Officer in Charge of Overseas Segments, Quality Assurance, and Development (incumbent)	
		<p>[Reasons for nomination as a candidate for Director] Mr. Masanari Yasuda has extensive experience, primarily in overseas segments and development domains, and has served as the Company's President since June 2018.</p> <p>In fiscal 2020, he spearheaded the management of the entire Group through his strong leadership and decisiveness, while overseeing business execution as Officer in Charge of Global Business and Quality Control.</p> <p>We request his reappointment as Director, to strengthen management and achieve further growth towards realizing our vision for 2030.</p>		

No.	Name (Date of birth)	Career summary, positions, and responsibility at the Company		Number of shares of the Company held
2	<p data-bbox="336 824 523 904">Yoshitaka Nakajima (October 16, 1959)</p> <p data-bbox="347 936 512 965">[Reappointment]</p> <p data-bbox="320 987 539 1068">Meetings of the Board of Directors attended: 100% (15/15)</p>	April 1982	Joined the Company	9,839 shares
		April 2004	Corporate Administration Division, Administration Department General Manager	
		April 2008	President of GUANGZHOU TSK AUTO PARTS CO., LTD.	
		April 2010	Operating Officer, Corporate Administration Division Deputy Executive General Manager	
		April 2012	Operating Officer, Corporate Administration Division Executive General Manager, Officer in Charge of Public Relations	
		June 2012	Director, Corporate Administration Division Executive General Manager, Compliance Officer (incumbent)	
		April 2015	Director, Corporate Administration Division Executive General Manager, Corporate Business Administration Division Executive General Manager	
		June 2015	Managing Director, Corporate Administration Division Executive General Manager, Corporate Business Administration Division Executive General Manager	
		April 2016	Managing Director, Corporate Administration Division Executive General Manager	
		June 2018	Senior Managing Director, Corporate Administration Division Executive General Manager	
		April 2020	Officer in Charge of Administration	
		June 2020	Senior Managing Director (Representative Director) (incumbent)	
		April 2021	Officer in Charge of Corporate Managerial Planning, Administration, and Business Administration (incumbent)	
		<p data-bbox="564 1301 1075 1330">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="564 1335 1235 1415">Mr. Yoshitaka Nakajima has broad experience, primarily in overseas segments and administration, which has given him a high level of expertise and insight into these domains.</p> <p data-bbox="564 1420 1251 1500">In fiscal 2020, he supervised the strengthening of administration of the whole Group and business execution, and contributed to promoting dialogue with stakeholders as Officer in Charge of Public Relations.</p> <p data-bbox="564 1505 1235 1563">We request his reappointment as Director, to strengthen management and achieve further growth towards realizing our vision for 2030.</p>		

No.	Name (Date of birth)	Career summary, positions, and responsibility at the Company		Number of shares of the Company held
3	Kenichi Hasegawa (April 10, 1959) [Reappointment] Meetings of the Board of Directors attended: 100% (15/15)	April 1982	Joined the Company	5,375 shares
		June 2000	Engineering Sales Division, Motorcycle Engineering Department General Manager	
		April 2012	Director and President of TS TECH DO BRASIL LTDA.	
		April 2014	Operating Officer	
		April 2016	Operating Officer, Officer in Charge of New Business Development Director and Chairman of TS TECH DEUTSCHLAND GmbH	
		June 2016	Director, Officer in Charge of New Business Development Director and Chairman of TS TECH DEUTSCHLAND GmbH	
		June 2017	Managing Director, Officer in Charge of New Business Development Director and Chairman of TS TECH DEUTSCHLAND GmbH	
		April 2020	Managing Director, Corporate Sales and Purchasing Division Executive General Manager	
		June 2020	Senior Managing Director (Representative Director), Corporate Sales and Purchasing Division Executive General Manager, Risk Management Officer (incumbent)	
		April 2021	Senior Managing Director (Representative Director) (incumbent), Officer in Charge of Sales, Purchasing, and Manufacturing (incumbent)	
		<p>[Reasons for nomination as a candidate for Director] Mr. Kenichi Hasegawa has broad experience, primarily in overseas segments, development and sales, which has given him a high level of expertise and insight into these domains. In fiscal 2020, he supervised business execution, primarily in the sales and purchasing domains, and he directed risk management for the whole Group. We request his reappointment as Director, to strengthen management and achieve further growth towards realizing our vision for 2030.</p>		

No.	Name (Date of birth)	Career summary, positions, and responsibility at the Company		Number of shares of the Company held
4	Akihiko Hayashi (November 6, 1959) [Reappointment] Meetings of the Board of Directors attended: 100% (15/15)	April 1978	Joined the Company	7,068 shares
		April 2008	Corporate Manufacturing Division, Saitama Plant Manager	
		April 2010	Operating Officer, Corporate Manufacturing Division Deputy Executive General Manager	
		April 2015	Managing Officer, Corporate Manufacturing Division Deputy Executive General Manager	
		April 2016	Managing Officer, Corporate Manufacturing Division Executive General Manager	
		June 2016	Managing Director, Corporate Manufacturing Division Executive General Manager	
		April 2020	Managing Director, Americas Executive General Manager, Director and President of TS TECH AMERICAS, INC. (incumbent)	
		June 2020	Senior Managing Director	
		April 2021	Senior Managing Director, Americas Segment Executive General Manager (incumbent)	
		[Significant concurrent positions] Director and President of TS TECH AMERICAS, INC. [Reasons for nomination as a candidate for Director] Mr. Akihiko Hayashi has broad experience, primarily in overseas segments and manufacturing, which has given him a high level of expertise and insight into these domains. In fiscal 2020, he managed business execution such as business operations and revenue expansion, primarily in the Americas. We request his reappointment as Director, to strengthen management and achieve further growth towards realizing our vision for 2030.		

No.	Name (Date of birth)	Career summary, positions, and responsibility at the Company		Number of shares of the Company held
5	Yutaka Arai (April 10, 1959) [Reappointment] Meetings of the Board of Directors attended: 100% (15/15)	April 1982	Joined the Company	5,244 shares
		April 2014	Corporate Development and Engineering Division Deputy Executive General Manager	
		June 2014	Director, Corporate Development and Engineering Division Deputy Executive General Manager	
		April 2016	Director, Corporate Development and Engineering Division Executive General Manager	
		June 2018	Managing Director, Corporate Development and Engineering Division Executive General Manager	
		April 2020	Managing Director, China Executive General Manager, Chairman and President of TS TECH (HONG KONG) CO., LTD. (incumbent)	
		June 2020	Senior Managing Director	
		April 2021	Senior Managing Director, China Segment Executive General Manager (incumbent)	
		<p>[Significant concurrent positions] Chairman and President of TS TECH (HONG KONG) CO., LTD.</p> <p>[Reasons for nomination as a candidate for Director] Mr. Yutaka Arai has broad experience, primarily in overseas segments and development, which has given him a high level of expertise and insight into these domains. In fiscal 2020, he managed business execution such as the acquisition of new commercial rights and revenue expansion, primarily in the China region. We request his reappointment as Director, to strengthen management and achieve further growth towards realizing our vision for 2030.</p>		

No.	Name (Date of birth)	Career summary, positions, and responsibility at the Company		Number of shares of the Company held
6	<p data-bbox="320 600 507 656">Atsushi Igaki (January 21, 1963)</p> <p data-bbox="347 680 512 712">[Reappointment]</p> <p data-bbox="320 736 539 815">Meetings of the Board of Directors attended: 100% (15/15)</p>	April 1986	Joined Honda Motor Co., Ltd.	2,274 shares
		April 2014	General Manager of Regional Operation Planning Office (Japan) of Honda Motor Co., Ltd.	
		April 2016	Joined the Company, Corporate Business Administration Division Executive General Manager	
		June 2016	Director, Corporate Business Administration Division Executive General Manager	
		May 2020	Representative Director of Honda Cars SAITAMAKITA	
		June 2020	Managing Director, Corporate Business Administration Division Executive General Manager (incumbent)	
		<p data-bbox="568 757 895 784">[Significant concurrent positions]</p> <p data-bbox="568 788 1118 815">Representative Director of Honda Cars SAITAMAKITA</p> <p data-bbox="568 853 1075 880">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="568 884 1241 1016">Mr. Atsushi Igaki has an extensive business track record in Japan and overseas at Honda Motor Co., Ltd., and broad experience and insight into operations, finance business administration and other domains. In fiscal 2020, he endeavored to build finance strategy to support business growth across the whole Group.</p> <p data-bbox="568 1021 1241 1068">We request his reappointment as Director, to strengthen management and achieve further growth towards realizing our vision for 2030.</p>		

No.	Name (Date of birth)	Career summary, positions, and responsibility at the Company		Number of shares of the Company held
7	<p style="text-align: center;">Eiji Toba (September 17, 1968)</p> <p style="text-align: center;">[Reappointment]</p> <p>Meetings of the Board of Directors attended: 100% (12/12)</p>	April 1994	Joined the Company	1,927 shares
		April 2007	Stationed at TS TECH NORTH AMERICA, INC. (currently TS TECH AMERICAS, INC.)	
		July 2013	Corporate Development and Engineering Division, Model LPL Department Model LPL	
		April 2016	Operating Officer, Director and President of TS TECH DO BRASIL LTDA.	
		April 2019	Operating Officer, Corporate Manufacturing Division Deputy Executive General Manager	
		April 2020	Operating Officer, Asia and Europe Executive General Manager, Director and President of TS TECH ASIAN CO., LTD. (incumbent) Director and Chairman of TS TECH BANGLADESH LIMITED (incumbent) Director and Chairman of TS TECH UK LTD (incumbent)	
		June 2020	Managing Director	
		April 2021	Managing Director, Asia and Europe Segment Executive General Manager (incumbent)	
		<p>[Significant concurrent positions] Director and President of TS TECH ASIAN CO., LTD. Director and Chairman of TS TECH BANGLADESH LIMITED Director and Chairman of TS TECH UK LTD</p> <p>[Reasons for nomination as a candidate for Director] Mr. Eiji Toba has extensive overseas experience, and broad experience primarily in development and manufacturing, which have given him a high level of expertise and insight into these domains. In fiscal 2020, he managed business execution such as business development for new customer acquisition and revenue expansion, primarily in Asia and Europe. We request his reappointment as Director, to strengthen management and achieve further growth towards realizing our vision for 2030.</p>		

No.	Name (Date of birth)	Career summary, positions, and responsibility at the Company		Number of shares of the Company held
8	Takahiro Kobori (June 10, 1970) [New appointment] Meetings of the Board of Directors attended: 100% (12/12)	April 1994	Joined the Company	1,622 shares
		April 2002	Stationed at TS TECH NORTH AMERICA, INC. (currently TS TECH AMERICAS, INC.)	
		April 2014	Corporate Development and Engineering Division, Design Department General Manager	
		April 2016	Corporate Development and Engineering Division Deputy Executive General Manager	
		April 2017	Operating Officer, Corporate Development and Engineering Division Deputy Executive General Manager	
		April 2020	Operating Officer, Corporate Development and Engineering Division Executive General Manager	
		June 2020	Director, Corporate Development and Engineering Division Executive General Manager (incumbent)	
		[Reasons for nomination as a candidate for Director] Mr. Takahiro Kobori has broad experience, primarily in overseas segments and development, which has given him a high level of expertise and insight into these domains. In fiscal 2020, he led the entire development domain, including the development of next-generation technologies. We request his reappointment as Director, to strengthen management and achieve further growth towards realizing our vision for 2030.		
9	Yasushi Suzaki (May 5, 1966) [New appointment] Meetings of the Board of Directors attended: 100% (12/12)	April 1990	Joined the Company	597 shares
		April 2003	Stationed at TS TECH NORTH AMERICA, INC. (currently TS TECH AMERICAS, INC.)	
		April 2012	Corporate Manufacturing Division, Manufacturing Planning Department General Manager	
		April 2016	Corporate Manufacturing Division, Saitama Plant Manager	
		April 2018	Operating Officer, Corporate Manufacturing Division Deputy Executive General Manager	
		April 2020	Operating Officer, Corporate Manufacturing Division Executive General Manager	
		June 2020	Director, Corporate Manufacturing Division Executive General Manager (incumbent)	
		[Reasons for nomination as a candidate for Director] Mr. Yasushi Suzaki has broad experience, primarily in overseas segments and manufacturing, which has given him a high level of expertise and insight into these domains. In fiscal 2020, he led the establishment of globally-competitive production systems and functions. We request his reappointment as Director, to strengthen management and achieve further growth towards realizing our vision for 2030.		

No.	Name (Date of birth)	Career summary, positions, and responsibility at the Company		Number of shares of the Company held
10	Teruyasu Mutaguchi (October 31, 1950) [Reappointment] [Outside Director] [Independent Officer] Meetings of the Board of Directors attended: 100% (15/15)	April 1973	Joined Fuji Electric Co., Ltd.	300 shares
		April 2008	Director and CTO of Fuji Electric Retail Systems Co., Ltd. (currently Fuji Electric Co., Ltd.)	
		April 2011	Head of Saitama Industrial Technology Center	
		April 2015	Innovation Coordinator at the Kanto Regional Collaboration Office, Regional Collaboration Promotion Division, Research and Innovation Promotion Headquarters, National Institute of Advanced Industrial Science and Technology (AIST), Industry-Academia-Government Collaboration Senior Coordinator at the Comprehensive Open Innovation Center, Saitama University	
		June 2016	Director of the Company (incumbent)	
		June 2020	Chairperson of the Board of Directors (incumbent)	
		[Reasons for nomination as a candidate for Outside Director, and summary of expected roles] Mr. Teruyasu Mutaguchi has management experience at a manufacturing company, as well as extensive experience at a research and education institution. Based on this experience and broad insight, he provides beneficial opinions and suggestions on the management of the Company as an Outside Director. Since fiscal 2020, he also serves as Chairperson of the Board of Directors of the Company. We request his reappointment as Outside Director, in the expectation that he can continue to contribute to ensuring the soundness of the Company's management.		

No.	Name (Date of birth)	Career summary, positions, and responsibility at the Company		Number of shares of the Company held
11	Takeshi Ogita (March 20, 1951) [Reappointment] [Outside Director] [Independent Officer] Meetings of the Board of Directors attended: 100% (12/12)	April 1980	Joined Sankyo Co., Ltd.	0 shares
		August 2001	General Manager of Research Promotion Department of Sankyo Co., Ltd.	
		October 2003	Vice President, Sankyo Pharma Development	
		July 2004	Corporate Officer, Head of New Drug Development Division, Sankyo Co., Ltd.	
		April 2007	Executive Officer, Head of Pharmaceutical Technology Division of Daiichi Sankyo Co., Ltd.	
		June 2009	Member of the Board, Senior Executive Officer of Daiichi Sankyo Co., Ltd.	
		April 2014	Member of the Board, Senior Executive Officer, Head of Vaccine Business Intelligence Division of Daiichi Sankyo Co., Ltd. President of Kitasato Daiichi Sankyo Vaccine Co., Ltd.	
		April 2017	Guest Professor of Graduate School of Creative Science and Engineering, Waseda University	
		June 2018	Outside Director of Japan Hades Co., Ltd. (incumbent)	
		June 2020	Director of the Company (incumbent)	
		[Significant concurrent positions] Outside Director of Japan Hades Co., Ltd.		

(Notes)

- No material conflict of interest exists between the above candidates and the Company.
- Mr. Teruyasu Mutaguchi and Mr. Takeshi Ogita are candidates for Outside Director as prescribed in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- The Company has designated Mr. Teruyasu Mutaguchi and Mr. Takeshi Ogita as Independent Officers as stipulated by Tokyo Stock Exchange, Inc. and notified the Exchange as such. If these candidates are re-elected and assume office as Directors, the Company will continue to designate them as Independent Officers. as stipulated by Tokyo Stock Exchange, Inc. and notify the Exchange as such.
- The period of service of Mr. Teruyasu Mutaguchi as an Outside Director of the Company will be five (5) years at the close of this Annual General Meeting of Shareholders.
- The period of service of Mr. Takeshi Ogita as an Outside Director of the Company will be one (1) year at the close of this Annual General Meeting of Shareholders.
- Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Teruyasu Mutaguchi and Mr. Takeshi Ogita to limit their liability for damages, as prescribed in Article 423, Paragraph 1 of the same Act. The amount of liability under the agreement is limited to the minimum liability amount as provided for in Article 425, Paragraph 1 of the same Act. If Mr. Teruyasu Mutaguchi and Mr. Takeshi Ogita are re-elected, the Company will continue the above agreements to limit their liability.
- The Company has entered into a directors and officers liability (D&O liability) insurance contract with an insurance company, to cover legal damages and litigation expenses in the event that a claim for damages is made against the insured parties. The candidates will be included among

the insured parties under this insurance contract if they are re-elected and assume office as Directors. The Company intends to renew this insurance contract with the same contents at the time of the next renewal.

8. The Company implemented a two-for-one common stock split, effective April 1, 2021. The “number of shares of the Company held” shown for each candidate represents the number of shares held prior to the stock split (as of March 31, 2021).

Proposal 4: Election of Four (4) Directors Who Are Audit & Supervisory Committee Members

If Proposal 2: Partial Revision of the Articles of Incorporation is approved as originally proposed, then the Company will transition to a company with an audit & supervisory committee. Accordingly, the Company proposes the election of four (4) Directors who are Audit & Supervisory Committee Members. The consent of the Board of Auditors has been obtained regarding this proposal. This proposal will come into effect conditional upon the revision to the Articles of Incorporation set forth in Proposal 2: Partial Revision of the Articles of Incorporation taking effect.

The candidates for the position of Director who is an Audit & Supervisory Committee Member are as follows:

No.	Name	Current position at the Company	Meetings of the Board of Directors attended	Meetings of the Board of Auditors attended
1	Tatsuo Sekine New appointment	Auditor	100% (12/12)	100% (11/11)
2	Tatsuya Motoda New appointment Outside Independent	Auditor	93% (14/15)	100% (13/13)
3	Hajime Hayashi New appointment Outside Independent	Auditor	100% (12/12)	100% (11/11)
4	Tomoko Nakada New appointment Outside Independent	-	-	-

No.	Name (Date of birth)	Career summary, positions, and responsibility at the Company		Number of shares of the Company held
1	<p>Tatsuo Sekine (May 17, 1958)</p> <p>[New appointment]</p> <p>Meetings of the Board of Directors attended: 100% (12/12)</p> <p>Meetings of the Board of Auditors attended: 100% (11/11)</p>	April 1982	Joined the Company	4,611 shares
		April 2004	Corporate Business Administration Division, Accounting Department General Manager	
		April 2010	Operating Officer, Corporate Business Supervision Division Deputy Executive General Manager	
		April 2011	Operating Officer, Corporate Business Administration Division Deputy Executive General Manager	
		April 2017	Managing Officer, Corporate Managerial Planning Office General Manager	
		April 2020	Managing Officer	
		June 2020	Auditor (incumbent)	
		<p>[Reasons for nomination as a candidate for Director who is an Audit & Supervisory Committee Member]</p> <p>Mr. Tatsuo Sekine has extensive experience, primarily in finance and business administration domains. Until fiscal 2020, he served as Corporate Managerial Planning Office General Manager, leading the formulation of Group management strategy, and is deeply familiar with operations across all facets of management.</p> <p>We request his appointment as Director who is an Audit & Supervisory Committee Member, in the expectation that he can utilize the insight that he has cultivated until now to contribute to the audit and supervision of the Company's management.</p>		

No.	Name (Date of birth)	Career summary, positions, and responsibility at the Company		Number of shares of the Company held
2	<p>Tatsuya Motoda (September 9, 1969)</p> <p>[New appointment] [Outside Director] [Independent Officer]</p> <p>Meetings of the Board of Directors attended: 93% (14/15)</p> <p>Meetings of the Board of Auditors attended: 100% (13/13)</p>	May 1993	Joined Andersen Consulting (currently Accenture Japan Ltd)	1,345 shares
		September 1999	Joined Tsuji CPA Accounting Office (currently Hongo Tsuji Tax & Consulting)	
		April 2007	International Tax Affairs Department General Manager of the same accounting office above	
		October 2008	Registration as a tax accountant	
		April 2014	Motoda Tax & Accounting Office Representative tax accountant (incumbent)	
		June 2014	Auditor of the Company (incumbent)	
		July 2018	Outside Auditor of Global Information, Inc. (incumbent)	
			<p>[Significant concurrent positions] Outside Auditor of Global Information, Inc.</p> <p>[Reasons for nomination as a candidate for Outside Director who is an Audit & Supervisory Committee Member, and summary of expected roles] Mr. Tatsuya Motoda has expert knowledge and broad insight and experience as a tax accountant. Since his appointment as Outside Auditor of the Company, he has appropriately performed audits, such as by giving advice on the management of the Company as necessary. We request his appointment as Outside Director who is an Audit & Supervisory Committee Member, in the expectation that he can continue to contribute to ensuring the soundness of management, and the audit and supervision of the Company's management.</p>	

No.	Name (Date of birth)	Career summary, positions, and responsibility at the Company		Number of shares of the Company held
3	Hajime Hayashi (April 19, 1958) [New appointment] [Outside Director] [Independent Officer] Meetings of the Board of Directors attended: 100% (12/12) Meetings of the Board of Auditors attended: 100% (11/11)	April 1983	Joined Mie Labor Management Center	0 shares
		April 1986	Registered as an Attorney Joined Owaki & Sumi Law Office	
		April 1989	Founded Meiwa Law Office	
		May 1996	Founded Sazanka Law Office (incumbent)	
		June 2020	Auditor of the Company (incumbent)	
		[Significant concurrent positions] Founder of Sazanka Law Office [Reasons for nomination as a candidate for Outside Director who is an Audit & Supervisory Committee Member, and summary of expected roles] Mr. Hajime Hayashi has broad insight and extensive experience as an attorney. Since his appointment as Outside Auditor of the Company, he has appropriately performed audits, such as by giving advice on the management of the Company as necessary. We request his appointment as Outside Director who is an Audit & Supervisory Committee Member, in the expectation that he can continue to contribute to ensuring the soundness of management, and the audit and supervision of the Company's management.		
4	Tomoko Nakada (January 20, 1972) [New appointment] [Outside Director] [Independent Officer]	April 1997	Assistant Judge (Tokyo District Court)	0 shares
		June 2000	Registered as an Attorney (affiliated with Dai-ni Tokyo Bar Association)	
		August 2002	Registered as an Attorney (New York State)	
		March 2015	International Fellow of The American College of Trust and Estate Counsel (incumbent)	
		April 2017	Academician of The International Academy of Estate and Trust Law (incumbent)	
		December 2020	Representative of Tokyo Heritage Law Firm (incumbent)	
		[Significant concurrent positions] Representative of Tokyo Heritage Law Firm [Reasons for nomination as a candidate for Outside Director who is an Audit & Supervisory Committee Member, and summary of expected roles] Ms. Tomoko Nakada has extensive overseas experience and broad insight as an attorney. We request her appointment as Outside Director who is an Audit & Supervisory Committee Member, in the expectation that she can contribute to ensuring the soundness of management, and the audit and supervision of the Company's management, as well as bringing diversity to the Company's Board of Directors, from the global and female perspectives she has cultivated until now.		

(Notes)

1. No material conflict of interest exists between the above candidates and the Company.
2. Mr. Tatsuya Motoda, Mr. Hajime Hayashi and Ms. Tomoko Nakada are candidates for Outside Director as prescribed in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
3. The Company has designated Mr. Tatsuya Motoda and Mr. Hajime Hayashi as Independent Officers as stipulated by Tokyo Stock Exchange, Inc. and notified the Exchange as such. If these candidates are elected and assume office as Directors who are Audit & Supervisory Committee Members, the Company will continue to designate them as Independent Officers. as stipulated by Tokyo Stock Exchange, Inc. and notify the Exchange as such. If Ms. Tomoko Nakada is elected and assumes office as a Director who is an Audit & Supervisory Committee Member,

- then the Company will designate her as an Independent Officer as stipulated by Tokyo Stock Exchange, Inc. and notified the Exchange as such.
4. Although Mr. Tatsuya Motoda has not been engaged in corporate management other than serving as an Outside Director or an Outside Auditor, the Company believes that he is capable of appropriately fulfilling his duties as a Director who is an Audit & Supervisory Committee Member, based on his expert knowledge and broad insight as well as experience as a tax accountant.
 5. Although Mr. Hajime Hayashi has not been engaged in corporate management other than serving as an Outside Director or an Outside Auditor, the Company believes that he is capable of appropriately fulfilling his duties as a Director who is an Audit & Supervisory Committee Member, based on his broad knowledge and extensive experience as an attorney.
 6. Although Ms. Tomoko Nakada has not been engaged in corporate management, the Company believes that she is capable of appropriately fulfilling her duties as a Director who is an Audit & Supervisory Committee Member, based on her broad knowledge as an attorney and global perspective cultivated through her extensive experience overseas.
 7. The period of service of Mr. Tatsuya Motoda as an Outside Auditor of the Company will be seven (7) years at the close of this Annual General Meeting of Shareholders.
 8. The period of service of Mr. Hajime Hayashi as an Outside Auditor of the Company will be one (1) year at the close of this Annual General Meeting of Shareholders.
 9. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Tatsuya Motoda and Mr. Hajime Hayashi to limit their liability for damages, as prescribed in Article 423, Paragraph 1 of the same Act. The amount of liability under the agreement is limited to the minimum liability amount as provided for in Article 425, Paragraph 1 of the same Act. If Mr. Tatsuya Motoda and Mr. Hajime Hayashi are elected and assume office as Directors who are Audit & Supervisory Committee Members, the Company intends to re-enter these agreements with them, as Directors who are Audit & Supervisory Committee Members.
 10. If Ms. Tomoko Nakada is elected and assumes office as a Director who is an Audit & Supervisory Committee Member, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company will enter into an agreement with her to limit her liability for damages, as prescribed in Article 423, Paragraph 1 of the same Act. The amount of liability under the agreement is limited to the minimum liability amount as provided for in Article 425, Paragraph 1 of the same Act.
 11. The Company has entered into a directors and officers liability (D&O liability) insurance contract with an insurance company, to cover legal damages and litigation expenses in the event that a claim for damages is made against the insured parties. The candidates will be included among the insured parties under this insurance contract if they are elected and assume office as Directors who are Audit & Supervisory Committee Members. The Company intends to renew this insurance contract with the same contents at the time of the next renewal.
 12. The Company implemented a two-for-one common stock split, effective April 1, 2021. The “number of shares of the Company held” shown for each candidate represents the number of shares held prior to the stock split (as of March 31, 2021).

Proposal 5: Determination of the Amount of Compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

An amount of compensation for Directors of the Company not exceeding 750 million yen per annum (including up to 30 million yen per annum for Outside Directors) was approved at the 69th Annual General Meeting of Shareholders held on June 23, 2015. If Proposal 2: Partial Revision of the Articles of Incorporation is approved as originally proposed, then the Company will transition to a company with an audit & supervisory committee. Accordingly, the Company requests approval anew for compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members; the same applies throughout this proposal) not exceeding 750 million yen per annum (including up to 30 million yen per annum for Outside Directors), which is the same as the existing limit, after the transition takes effect. The Company further proposes that matters such as the specific amounts of compensation for each individual Director and the timing of payment be determined by resolution of the Board of Directors.

If Proposal 2: Partial Revision of the Articles of Incorporation and Proposal 7: Determination of Compensation for the Delivery of Restricted Stock to Directors (Excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) are approved, then, after the Company transitions to a company with an audit & supervisory committee, and as described in the [Reference] section below, the Company intends to alter the content of compensation for Directors so that it is composed of a basic fixed compensation, performance-linked compensation as a short-term incentive, and stock compensation as a medium- to long-term incentive. The amount of compensation under this proposal is the amount to be paid as fixed compensation and performance-linked compensation based on the above policy, and is deemed appropriate.

There are eleven (11) incumbent Directors. If Proposal 2: Partial Revision of the Articles of Incorporation and Proposal 3: Election of Eleven (11) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) are approved as originally proposed, then there will be eleven (11) Directors (including two (2) Outside Directors).

This proposal will take effect conditional upon the revision to the Articles of Incorporation set forth in Proposal 2: Partial Revision of the Articles of Incorporation taking effect.

[Reference] New decision policy regarding the details of individual executive compensation (if Proposal 2, Proposal 5 and Proposal 7 are all approved as originally proposed)

■ Basic Policy

The Company's basic policy on executive compensation is to ensure that it is transparent and reasonable, with the potential to further motivate sustained business growth.

The Company has established a Nomination and Compensation Committee chaired by an Outside Director, and composed of three (3) Outside Directors and two (2) internal Directors, as an advisory body to the Board of Directors. The Board of Directors shall resolve on matters such as the review of compensation levels and calculation methods in view of social conditions, revisions to the compensation structure, and the determination of compensation for individual Directors each fiscal year, after seeking advice and recommendations from the Nomination and Compensation Committee, and based on the results of deliberation by the Audit & Supervisory Committee.

■ Structure of executive compensation

The Company's executive compensation shall be composed of a basic fixed compensation, performance-linked compensation as a short-term incentive, and stock compensation as a medium- to long-term incentive to promote the enhancement of corporate value over the medium to long term and value sharing with shareholders. The proportion of each form of compensation within the total amount of annual compensation shall be as follows: Approximately 60% shall be for basic compensation, 25% for performance-linked compensation, and 15% for stock compensation.

Outside Directors and Directors who are Audit & Supervisory Committee Members shall only receive basic compensation, in view of their role in supervising and auditing management from an independent standpoint.

■ Overview of the compensation system

- The amount of each form of compensation is determined according to a compensation table, in accordance with rank, individual performance, and other factors.
- For performance-linked compensation, achievement against consolidated revenue targets and consolidated operating income targets have been selected as performance indicators for indexation, together with the year-on-year rate of change in dividend amount and number of months of employee bonuses, in order to incorporate the perspective of value sharing with shareholders and employees.

Specifically, compensation amounts are calculated by multiplying a compensation indexation coefficient calculated using the formula below, by the amounts for each rank in the compensation table.

$$\begin{aligned} & \text{Performance-linked compensation indexation coefficient} \\ & = (\text{Proportion of consolidated revenue target achieved} \\ & + \text{Proportion of consolidated operating income target achieved} \\ & + \text{Rate of change in dividend amount} \\ & + \text{Rate of change in number of months of employee bonuses}) / 4 \end{aligned}$$

* Each performance indicator is equally weighted.

* The performance-linked compensation indexation coefficient is limited to a maximum of 150%. There is no lower limit.

- Restricted stock compensation has been selected as the method of stock compensation. In principle, compensation is paid in the form of monetary compensation claims for the allotment of restricted stock to each eligible Director, based on a resolution of the Company's Board of Directors each fiscal year. Shares of the Company's common stock are delivered through issuance or disposal by the Company, in return for contribution in kind of all of the said monetary compensation claims, and held by the recipient. When the Company issues or disposes of shares of its common stock in this way, it concludes a restricted stock allotment agreement with the eligible Directors. This agreement forbids the transfer, creation or promise of creation of a security interest on, or disposal by other means of common shares of the Company delivered under this compensation scheme, from the date when the shares are delivered until the time of the Director's retirement.

■ Method used to determine the amount of compensation

Individual compensation amounts and numbers of shares are calculated in accordance with each compensation table, based on individual evaluation by the Management Meeting, which is composed of Representative Directors. The advice of the Nomination and Compensation Committee is then sought regarding these amounts. (For performance-linked compensation, compensation amounts are calculated using the performance-linked compensation indexation coefficient shown above.)

For performance-linked compensation, compensation amounts are calculated using the method above and the advice of the Nomination and Compensation Committee is then sought regarding these amounts.

The Nomination and Compensation Committee deliberates on the appropriateness and suitability of the amounts of basic compensation, performance-linked compensation and stock compensation for each individual, reports on its findings to the Audit & Supervisory Committee, and reports back to the Board of Directors.

The final resolution is made by the Board of Directors based on the content of the report by the Nomination and Compensation Committee, and the results of deliberation by the Audit & Supervisory Committee.

The basic compensation for Directors who are Audit & Supervisory Committee Members is determined based on discussion among Directors who are Audit & Supervisory Committee Members.

■ Compensation limits

A proposal has been submitted to this Annual General Meeting of Shareholders to set the maximum amount of compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) to 750 million yen per annum (of which up to 30 million yen per annum is for Outside Directors).

In addition, a proposal has been submitted to set the maximum amount of stock compensation for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) to 150 million yen per annum, in addition to the maximum amount of compensation above, and the maximum number of shares to 50,000 shares.

A proposal has also been submitted to this Annual General Meeting of Shareholders to set the maximum amount of compensation for Directors who are Audit & Supervisory Committee Members to 90 million yen per annum.

Proposal 6: Determination of the Amount of Compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

If Proposal 2: Partial Revision of the Articles of Incorporation is approved as originally proposed, then the Company will transition to a company with an audit & supervisory committee. Accordingly, the Company requests approval for compensation for Directors who are Audit & Supervisory Committee Members not exceeding 90 million yen per annum, after the transition takes effect. The Company further proposes that matters such as the specific amounts of compensation for each individual Director who is an Audit & Supervisory Committee Member, and the timing of payment, be determined through discussion among Directors who are Audit & Supervisory Committee Members. The amount of compensation under this proposal is deemed appropriate in view of the duties and responsibilities of Directors who are Audit & Supervisory Committee Members.

If Proposal 2: Partial Revision of the Articles of Incorporation and Proposal 4: Election of Four (4) Directors Who Are Audit & Supervisory Committee Members are approved as originally proposed, then there will be four (4) Directors who are Audit & Supervisory Committee Members.

This proposal will take effect conditional upon the revision to the Articles of Incorporation set forth in Proposal 2: Partial Revision of the Articles of Incorporation taking effect.

**Proposal 7: Determination of Compensation for the Delivery of Restricted Stock to Directors
(Excluding Outside Directors and Directors Who Are Audit & Supervisory Committee
Members)**

If Proposal 2: Partial Revision of the Articles of Incorporation is approved as originally proposed, then the Company proposes to commence the payment of compensation for the delivery of restricted stock to Directors of the Company (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members; hereinafter referred to as “Eligible Directors” in this proposal), in addition to the compensation limit proposed under Proposal 5: Determination of the Amount of Compensation for Directors (Excluding Directors who are Audit & Supervisory Committee Members), to act as an incentive to pursue the sustainable enhancement of corporate value, and to further promote value sharing with shareholders. The Company further proposes that compensation under this proposal be paid to eligible Directors in the form of monetary claims for the delivery of restricted stock, the total amount of these claims be no more than 150 million yen per annum, which is an amount deemed appropriate given the aims described above, and the specific amounts of compensation for each Eligible Director and the timing of payment be determined by resolution of the Board of Directors.

There are eleven (11) incumbent Directors (including two (2) Outside Directors). If Proposal 2: Partial Revision of the Articles of Incorporation and Proposal 3: Election of Eleven (11) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) are approved as originally proposed, then there will be nine (9) Eligible Directors.

Eligible Directors shall receive shares of the Company’s common stock through issuance or disposal by the Company, in return for contribution in kind of all monetary claims provided under this proposal, based on a resolution of the Board of Directors. The total number of shares of the Company’s common stock to be issued or disposed of in this way shall not exceed 50,000 shares. However, should the Company’s common stock undergo a share split (including a gratis allotment of the Company’s common stock), consolidation of shares, or other cause necessitating adjustment to the total number of shares of the Company’s common stock to be issued or disposed of, on or after the date of the approval and passing of this proposal by the General Meeting of Shareholders, the total number of shares of common stock shall be adjusted as necessary within a reasonable range

The amount to be paid in per share will be determined by the Board of Directors, based on the closing price of the Company’s common stock on Tokyo Stock Exchange, Inc. on the last business day before the date of the resolution of the Board of Directors (if the Company’s common stock is not traded on that date, the closing price on the last trading day of the Company’s common stock preceding the resolutions) within a range that is not particularly favorable to the Eligible Directors receiving the shares of common stock. The issuance or disposal of shares of the Company’s common stock to Eligible Directors, and the issuance of monetary compensation claims as contribution in kind, shall be conditional upon the Company concluding a restricted stock allotment agreement (hereinafter the “Allotment Agreement”) that includes the content shown below, with each Eligible Director.

While the Company’s decision policy regarding the details of individual executive compensation is as stated in page 49 of the Business Report (available in Japanese only), the maximum amount of compensation, the total number of shares of the Company’s common stock to be issued or disposed of, and other conditions regarding the delivery of restricted stock to Eligible Directors under this proposal, are deemed appropriate, in view the aim described above, the Company’s business conditions, the Company’s decision policy regarding the details of individual executive compensation, and other relevant matters. (If this proposal is approved, then the Company’s decision policy regarding the details of individual executive compensation will be amended as shown under [Reference] above.)

(1) Transfer restriction period

Under the Allotment Agreement, an Eligible Director must not transfer, create a security interest on or otherwise dispose of shares of the Company’s common stock allotted under the Allotment Agreement (hereinafter the “Allotted Shares”) from the day when the shares were allotted until the time immediately after the Eligible Director retires from the position predesignated by the Company’s Board of Directors (hereinafter the “Transfer Restriction Period” and these restrictions are hereinafter referred to as the “Transfer Restrictions”).

(2) Removal of the Transfer Restrictions

Notwithstanding the provisions set forth in (1) above, where an Eligible Director has served continuously in the position predesignated by the Company's Board of Directors for the duration of the period predesignated by the Company's Board of Directors, the Company shall remove the Transfer Restrictions pertaining to all Allotted Shares held by the Eligible Director at the conclusion of the Transfer Restriction Period. However, where an Eligible Director ceases to serve in the position predesignated by the Company's Board of Directors before the conclusion of the period predesignated by the Company's Board of Directors, due to the expiration of the Eligible Director's term of office, death or other proper cause, then the number of Allotted Shares from which the Transfer Restrictions are removed, and the timing of this removal, shall be adjusted reasonably as necessary. The Company shall rightfully acquire, for no consideration, the remaining Allotted Shares for which the Transfer Restrictions have not been removed immediately subsequent to the removal of Transfer Restrictions from Allotted Shares in accordance with the provisions above.

(3) Treatment at the time of retirement or resignation that is not for a proper cause

Notwithstanding the provisions set forth in (2) above, where an Eligible Director ceases to serve in the position predesignated by the Company's Board of Directors for a reason that is not a proper cause, the Company shall rightfully acquire, for no consideration, all of the Allotted Shares held by that Eligible Director.

(4) Treatment in the case of organizational restructuring etc.

Notwithstanding the provisions set forth in (1) above, where a merger agreement where the Company becomes the non-surviving company, a share exchange agreement or a share transfer plan where the Company becomes a wholly-owned subsidiary, or another matter concerning an organizational restructuring etc. is approved by the Company's General Meeting of Shareholders (or the Company's Board of Directors, for organizational restructuring etc. that does not require the approval of the General Meeting of Shareholders) during the Transfer Restriction Period, the Transfer Restrictions may be removed before the effective date of the organizational restructuring etc. by resolution of the Board of Directors, for a number of the Allotted Shares to be determined reasonably based upon the length of the period from the day when the Transfer Restriction Period commenced to the day when the organizational restructuring etc. was approved. In case it is stipulated above, the Company shall rightfully acquire, for no consideration, the remaining Allotted Shares for which the Transfer Restrictions have not been removed immediately subsequent to the removal of Transfer Restrictions from Allotted Shares.

(5) Other matters

Other matters concerning the allotment agreement shall be determined by the Company's Board of Directors.

If this proposal is approved, then monetary claims shall not be granted nor shares allotted under this scheme, to any Eligible Director who does not reside in Japan at the time of the Board of Directors meeting to decide the amount of monetary compensation claims and the number of Allotted Shares under this scheme. In lieu of such allotment, the Company intends to pay any such Eligible Director monetary compensation (phantom stock) linked to the Company's share price, etc., with the same economic value as the relevant restricted stock. Any such payment shall be within the scope of the basic compensation (750 million yen per annum) should Proposal 5: Determination of the Amount of Compensation for Directors (Excluding Directors who are Audit & Supervisory Committee Members) be approved as originally proposed.

Proposal 8: Election of an Accounting Auditor

The term of appointment of the Company’s Accounting Auditor Deloitte Touche Tohmatsu LLC will expire at the conclusion of this General Meeting of Shareholders. Accordingly, based on the decision of the Board of Auditors, the Company proposes to appoint KPMG AZSA LLC as its Accounting Auditor.

The Board of Auditors determined to submit KPMG AZSA LLC as a candidate for Accounting Auditor because, in view of the number of years of continuous service by the current Accounting Auditor (since 1998), the appointment of KPMG AZSA LLC is expected to bring a new perspective to the auditing activities. Moreover, the candidate was deemed suitable as a result of comprehensive consideration of factors including its expertise, independence, quality control systems and global auditing systems.

The main office, history and other details regarding KPMG AZSA LLC are shown below.

Name	KPMG AZSA LLC	
Location of main office	1-2 Tsukudo-cho, Shinjuku-ku, Tokyo	
History	Jul. 1969	Audit firm Asahi & Co. established
	Jul. 1985	Audit firm Asahi Shinwa & Co. established through merger with Shinwa Audit Corp. (established Dec. 1974)
	Oct. 1993	Name changed to Asahi Audit Corp. through merger with Inoue Saito Eiwa Audit Corp. (established Apr. 1978)
	Jan. 2004	Name changed to AZSA & Co. through merger with AZSA & Co. (established Feb. 2003)
	Jul. 2010	Name changed to KPMG AZSA LLC through transition to a limited liability audit corporation
Overview	Capital:	3,000 million yen
	Number of employees:	
	Certified Public Accountants:	3,102
	Other audit employees:	2,207
	Other employees:	746
	Total:	6,055
	Audit attestation services	3,663 companies

Note: The candidate has received compensation from the Company and its affiliates pertaining to advisory services that are outside the scope of services designated under Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services). However, it is judged that there exists no threat to the candidate’s independence.