

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. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities Code: 8070
June 13, 2023

To Shareholders with Voting Rights:

Minoru Kambara
President and CEO
TOKYO SANGYO CO., LTD.
2-1 Otemachi 2-chome,
Chiyoda-ku, Tokyo, Japan

**NOTICE OF
THE 113th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

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

We hereby inform you that the 113th Annual General Meeting of Shareholders of TOKYO SANGYO CO., LTD. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, we take measures for electronic provision and post the items to be provided electronically on the following website.

The Company website: <https://www.tscom.co.jp/en/>

In addition to the website above, the items are also posted on the following website.

Tokyo Stock Exchange (TSE) website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

* Access the TSE website above and search by entering our company name or securities identification code, and then select “Basic information” and “Documents for public inspection/PR information” to review the items.

If you are unable to attend the Meeting in person, you may exercise your voting rights by mail or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders described in the items to be provided electronically and exercise your voting rights no later than 5:30 p.m. on Tuesday, June 27, 2023 (Japan time).

- 1. Date and Time:** Wednesday, June 28, 2023 at 10:00 a.m. Japan time
2. Place: Head Office of the Company (8th Floor, Shin Otemachi Building)
2-1 Otemachi 2-chome, Chiyoda-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 113th Fiscal Year (April 1, 2022 – March 31, 2023) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
 2. Non-consolidated Financial Statements for the Company's 113th Fiscal Year (April 1, 2022 – March 31, 2023)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of Six (6) Directors
Proposal 3: Election of Three (3) Directors (Audit & Supervisory Committee Members)
Proposal 4: Election of One (1) Substitute Director (Audit & Supervisory Committee Member)
Proposal 5: Continued Stock Remuneration to Directors and Managing Officers, etc.

Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements are not included in the documents delivered to those who have requested the paper-based documents, in accordance with laws and regulations and the provisions of Article 16 of the Articles of Incorporation. Therefore, the documents delivered to shareholders are part of the documents audited by Directors who are Audit & Supervisory Committee Members and the Accounting Auditor upon preparation of the Audit Report.

If any amendments are made to the items to be provided electronically, such amendments will be posted on each website where the items have been posted.

If you do not indicate your approval or disapproval for each proposal on the voting form, you will be deemed to have indicated your approval.

<To all attendees>

- **Please carefully decide whether or not to attend the Meeting in person based on your health condition and other factors.**
- **We will check your health condition near the entrance of the venue. You may be denied admission if you are symptomatic.**
- **Our staff may provide support while wearing a mask on.**
- **We may change our measures above depending on the status of the spread of COVID-19 and announcements by the government, etc. Please visit the Company's website (<http://www.tscom.co.jp/en>) to get the latest information.**

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company regards returning profits to shareholders as one of its business priorities. Its basic policy is to continue returning stable profits and achieving a dividend payout ratio of over 30% in the Medium-term Management Plan, “T-STEPUP2023.” Based on this policy, although temporary changes in business performance resulted from extraordinary losses incurred during this fiscal year, the Company intends to continue returning stable profits and proposes the appropriation of surplus as follows:

Year-end dividends

The Company proposes to pay a year-end dividend of 15 yen per share. The amount of annual dividends will be 30 yen per share in total, including an interim dividend paid (15 yen per share).

(1) Type of dividend property

Cash

(2) Allocation of dividend property to shareholders and its total amount

15 yen per share of the Company’s common stock; a total of 395,181,000 yen

(3) Effective date of payments of surplus for dividends

June 29, 2023

Proposal 2: Election of Six (6) Directors

The terms of office of the six (6) current Directors (excluding Directors who are Audit & Supervisory Committee Members) will expire at the conclusion of this Meeting. Therefore, the Company hereby requests the election of six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members).

The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows.

The content of this proposal was determined by the Board of Directors after deliberation by the Nomination & Remuneration Committee, a voluntary advisory committee to the Board of Directors of which Independent Directors comprise the majority of members.

No.	Name	Current positions and responsibilities in the Company	Attendance at the Board of Directors meetings
1	Minoru Kambara [Reappointment]	Representative Director, President & CEO	16/16 (100%)
2	Toshio Satomi [Reappointment]	Director and Senior Counselor	16/16 (100%)
3	Shingo Nishinami [Reappointment]	Director; Executive Managing Officer; and COO, Trade Div. B	16/16 (100%)
4	Tetsuzoh Shimada [Reappointment]	Director; Managing Officer; Deputy COO, Trade Div. B; General Manager, Kansai Branch; and Chairman of the Board, TSC (Shanghai) Co., Ltd.	16/16 (100%)
5	Kenji Tazawa [New appointment]	Managing Officer and Deputy COO, Corporate Planning Div.	-/ (-%)
6	Sunao Nakamura [Reappointment] [Outside] [Independent]	Director	16/16 (100%)

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Minoru Kambara (September 16, 1954) [Reappointment]	April 1977 Joined the Company	23,500
		April 2009 General Manager, Accounting Dept.	
		April 2012 Managing Officer and General Manager, Accounting Dept.	
		June 2014 Director; Managing Officer and Deputy COO, Administration Div.	
		June 2015 Director; Managing Officer; and COO, Trade Div. D	
		April 2016 Director; Managing Officer; COO, Corporate Planning Div.; and COO, Trade Div. D	
		April 2017 Director; Executive Managing Officer; COO, Corporate Planning Div.; and COO, Trade Div. D	
		April 2018 Director; Executive Managing Officer; and COO, Corporate Planning Div.	
		April 2021 Representative Director, President & CEO	
		April 2022 Representative Director; President & CEO; and COO, Trade Div. C	
April 2023 Representative Director, President & CEO (current position)			
<p>[Reason for nomination as candidate for Director]</p> <p>In addition to having served as General Manager, Accounting Dept., a COO in the sales field, and COO of the Corporate Planning Div., since his appointment as a Director in 2014, Mr. Minoru Kambara has engaged in the operation of the Company, and his initiatives, rooted in his wide-ranging business experience and extensive expertise, have contributed to the expansion of the Company's business and the strengthening of its management base. In addition, he has served as the Company's Representative Director and President since April 2021, demonstrating outstanding overall management capabilities and resolute leadership. The Company has judged that his leveraging of these abilities in the operation of the Company has been conducive to the sustainable growth of the Tokyo Sangyo Group and the improvement of its corporate value in the mid-to-long term and, in light of this, the Company has once again selected him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
2	Toshio Satomi (February 5, 1952) [Reappointment]	April 1974	Joined the Company	90,300
		June 2001	General Manager, Chemical Machinery Dept.	
April 2007	COO, Trade Div. B			
June 2007	Director; Managing Officer and COO, Trade Div. B			
June 2011	Director; Executive Managing Officer and COO, Trade Div. B			
April 2012	Representative Director, President & CEO			
April 2021	Director, Senior Counselor (current position)			
[Reason for nomination as candidate for Director] In addition to having served in important positions in the sales field and being in charge of a Trade Div., since his appointment as a Director in 2007, Mr. Toshio Satomi has engaged in the operation of the Company and possesses an abundance of experience as well as extensive expertise with regard to the Company's businesses and its overall management. In addition, since April 2021, as a Director, Senior Counselor, he has contributed to the supervision of the Company's operation and to the strengthening of its management base. The Company has judged that his leveraging of these abilities in the operation of the Company has been conducive to the sustainable growth of the Tokyo Sangyo Group and the improvement of its corporate value in the mid-to-long term and, in light of this, the Company has once again selected him as a candidate for Director.				
3	Shingo Nishinami (June 6, 1968) [Reappointment]	April 1994	Joined Hakko Sangyo Co., Ltd.	10,200
		June 2005	Joined the Company	
April 2016	General Manager, Chemical Engineering Dept. A			
April 2018	Deputy-COO, Trade Div. B; and General Manager, Environment Energy Dept.			
April 2019	Managing Officer; COO, Trade Div. B; and General Manager, Environment & Chemical Machinery Dept.			
January 2020	Managing Officer and General Manager, Trade Div. B			
June 2020	Managing Officer; and COO, Trade Div. B			
April 2021	Director; Executive Managing Officer; and COO, Trade Div. B (current position)			
[Reason for nomination as candidate for Director] Mr. Shingo Nishinami has many years of experience in the manufacturing field at a chemical machinery manufacturer as well as being in charge of the Company's Sales Div. and, since his appointment as a Director in 2020, his initiatives, rooted in his management experience and extensive expertise in the sales field, have contributed to the expansion of the Company's business. The Company has judged that his leveraging of these abilities in the operation of the Company has been conducive to the sustainable growth of the Tokyo Sangyo Group and the improvement of its corporate value in the mid-to-long term and, in light of this, the Company has once again selected him as a candidate for Director.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
4	Tetsuzoh Shimada (March 6, 1967) [Reappointment]	April 1990	Joined the Company	8,300
		August 2010	Director and President & CEO, TSC (Shanghai) Co., Ltd.	
April 2019	Managing Officer			
April 2020	Director, Chairman of the Board and President & CEO, TSC (Shanghai) Co., Ltd.			
January 2021	Director, Chairman of the Board, TSC (Shanghai) Co., Ltd. (current position)			
June 2021	Director; Managing Officer; and General Manager, Kansai Branch			
April 2022	Director; Managing Officer; and Deputy-COO, Trade Div. B			
April 2023	Director; Managing Officer; Deputy-COO, Trade Div. B; and General Manager, Kansai Branch (current position)			
[Reason for nomination as candidate for Director] Mr. Tetsuzoh Shimada has many years of experience in the sales field and, in addition to having served in important positions in TSC (Shanghai) Co., Ltd., a consolidated subsidiary of the Company, since his appointment as a Director in 2021, his initiatives, rooted in his management experience and extensive expertise in the international sales field, have contributed significantly to the expansion of the Company's business. The Company has judged that his leveraging of these abilities in the operation of the Company has been conducive to the sustainable growth of the Tokyo Sangyo Group and the improvement of its corporate value in the mid-to-long term and, in light of this, the Company has once again selected him as a candidate for Director.				
5	Kenji Tazawa (September 4, 1963) [New appointment]	April 1986	Joined the Company	21,200
		April 2015	General Manager, Accounting Dept.	
April 2018	Representative Director, I.A.H Co., Ltd.			
November 2019	General Manager, Accounting Dept., the Company			
April 2021	Deputy COO, Administration Div.; and General Manager, Accounting Dept.			
April 2022	Managing Officer; COO, Administration Div.; and General Manager, Accounting Dept.			
April 2023	Managing Officer and Deputy COO, Corporate Planning Div. (current position)			
[Reason for nomination as candidate for Director] In addition to having served as General Manager, Accounting Dept. and COO of the Administration Div., Mr. Kenji Tazawa has many years of business experience in the administration field and possesses extensive expertise, including serving as Representative Director of a subsidiary of the Company. In addition, since his appointment as a Managing Officer in April 2022, he has contributed to the strengthening of the Company's management base through initiatives that leverage these abilities from diverse viewpoints. The Company has judged that his leveraging of these abilities in the operation of the Company will be conducive to the sustainable growth of the Tokyo Sangyo Group and the improvement of its corporate value in the mid-to-long term and, in light of this, the Company has selected him as a candidate for Director.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
6	Sunao Nakamura (August 6, 1954) [Reappointment] [Outside] [Independent]	April 1984	Joined Nippon Kokan Ltd. (now JFE Engineering Corporation)	0
		April 2004	General Manager, Technology Management Department, JFE Engineering Corporation	
		July 2004	Director, JFE Techno-Research Corporation	
		April 2011	Director, JFE Net Corporation (now JFE Business Support YOKOHAMA Corporation)	
		October 2012	Director, JFE Engineering Corporation (current position) and Research Director, Engineering Advancement Association of Japan	
		April 2017	Doctor of Engineering and Project Professor, Keio University	
		June 2017	Fellow, the Japan Society of Mechanical Engineers	
		June 2019	Auditor, Combustion Society of Japan (current position)	
		April 2020	Director, the Company (current position)	
	April 2020	Doctor of Engineering and Visiting Professor, Keio University (current position)		
	January 2021	Long-time Member, the Japan Institute of Energy (current position)		
[Reason for nomination as candidate for Outside Director and expected roles]				
<p>In addition to serving as a Visiting Professor at Keio University as a Doctor of Engineering, Mr. Sunao Nakamura has occupied important positions in organizations such as the Combustion Society of Japan, and he possesses an abundance of experience and high-level expertise with regard to the environment and energy. He also has management experience, including serving as a General Manager, Technology Management Department, JFE Engineering Corporation and as a Director of its subsidiaries. The Company has judged that he has duly executed his duties as an Outside Director through his participation in the operation of the Company rooted in his expertise and experience, and, in light of this, the Company has once again selected him as a candidate for Outside Director. The Company expects that he will leverage his expertise and experience primarily in providing supervision of the technical aspects of the Company's environmental and energy initiatives.</p>				

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Mr. Sunao Nakamura is a candidate for Outside Director.
 3. The period for which Mr. Sunao Nakamura has served as an Outside Director for the Company will be four (4) years at the conclusion of this Annual General Meeting of Shareholders.
 4. The Company has provided notification that Mr. Sunao Nakamura is an Independent Director in accordance with the regulations of the Tokyo Stock Exchange. In the event that Mr. Nakamura is elected as an Outside Director, the Company plans that he remains an Independent Director.
 5. In accordance with the provision of Article 427, Paragraph 1 of the Companies Act, the Company has concluded an agreement with Mr. Sunao Nakamura limiting liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of the amount of liability for damages under this agreement shall be the amount stipulated by law and, in the event that Mr. Nakamura is elected, the Company plans to continue an agreement with Mr. Nakamura of content equivalent to the aforementioned agreement.
 6. The Company has concluded a liability insurance contract for directors and managing officers with an insurance company. This insurance contract covers dispute expenses and compensation for damage caused by and resulting from actions (including inaction) engaged in by the insured person based on his/her position as a director and/or managing officer of the Company. Each candidate would be included in the insured persons of this contract. In addition, the Company plans to renew this contract with the same content at the time of the next renewal.
 7. This proposal was deliberated by the Audit & Supervisory Committee, and there was no opinion.

8. In May 2022, we disclosed that we found improper handling of sales in some transactions in the fiscal year ended March 31, 2022 and previous fiscal years. We established the Special Investigation Committee to clarify the facts, investigate and analyze the cause and issues, and also received an investigation report regarding preventive measures based on identified facts. Furthermore, we formulated preventive measures based on this investigation report in October 2022 and have implemented them. Although Outside Director Mr. Sunao Nakamura was not aware of such fact until he received the internal report, he had been regularly making remarks from the perspective of legal compliance at meetings of the Board of Directors. In addition, after such fact was found, he requested an accurate understanding and report of the background, checked the progress of preventive measures after they were formulated, and made appropriate remarks from an independent, objective and neutral standpoint, among other things, thus properly discharging his responsibility.

*Trade Div. A = Electric power business Segment

Trade Div. B = Environment, Chemical and Machinery business Segment

Trade Div. C = Lifestyle business Segment

Proposal 3: Election of Three (3) Directors (Audit & Supervisory Committee Members)

The terms of office of Directors who are Audit & Supervisory Committee Members Mr. Yutaka Koide and Ms. Seiko Fukuzaki will expire at the conclusion of this Meeting. In addition, current Director who is an Audit & Supervisory Committee Member Mr. Takashi Sudo will resign at the conclusion of this Meeting. Therefore, the Company hereby requests the election of three (3) Directors who are Audit & Supervisory Committee Members.

The content of this proposal has been approved by the Audit & Supervisory Committee.

The candidates for the Directors who are Audit & Supervisory Committee Members are as follows.

No.	Name	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings	Attendance at Audit & Supervisory Committee meetings
1	Yasuo Asada [New appointment]	Managing Officer and COO, Corporate Planning Div.	-/ (-%)	-/ (-%)
2	Seiko Fukuzaki [Reappointment] [Outside] [Independent]	Director (Audit & Supervisory Committee Member)	16/16 (100%)	17/18 (94%)
3	Akihiro Kawai [New appointment] [Outside] [Independent]	—	-/ (-%)	-/ (-%)

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
1	Yasuo Asada (October 14, 1963) [New appointment]	April 1987	Joined The Bank of Tokyo, Ltd. (current MUFG Bank, Ltd.)	4,600
		March 2015	President, Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş. (current MUFG Bank Turkey Anonim Sirketi)	
		October 2017	Joined the Company	
		January 2018	General Manager, Overseas Business Planning & Administration Dept.	
		April 2018	General Manager, Corporate Planning Dept.	
		April 2019	Deputy COO, Corporate Planning Div.; and General Manager, Corporate Planning Dept.	
		April 2021	Managing Officer and COO, Corporate Planning Div. (current position)	
	[Reason for nomination as candidate for Director who is an Audit & Supervisory Committee Member] In addition to having many years of business experience at a megabank and abundant overseas experience, Mr. Yasuo Asada has served in important positions in the Company's corporate planning field and possesses extensive expertise with regard to the Tokyo Sangyo Group's business. Furthermore, since his appointment as a Managing Officer in 2021, he has contributed to the improvement of the Tokyo Sangyo Group's corporate value through initiatives that leverage these abilities. Based on this expertise and experience, the Company has judged that his taking on the duty of supervising and auditing Company operation will be conducive to the improvement of the Company's group governance function and, in light of this, the Company has selected him as a candidate for Director (Audit & Supervisory Committee Member).			
2	Seiko Fukuzaki (June 26, 1968) [Reappointment] [Outside] [Independent]	October 2001	Registered as a lawyer (a member of the Tokyo Bar Association)	1,800
		October 2001	Joined Kudan Law Office	
		October 2003	Joined Bancho Square Law Office	
		June 2015	Corporate Auditor, the Company	
		June 2017	Director (Audit & Supervisory Committee Member) (current position)	
		July 2017	Fukuzaki Law Office (current position)	
	[Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and expected roles] Although Ms. Seiko Fukuzaki has no experience in being directly involved in corporate management, she has a thorough knowledge of corporate legal affairs as a lawyer and possesses high-level expertise and extensive experience. The Company has judged that she will duly execute her duties as an Outside Director who is an Audit & Supervisory Committee Member by supervising and auditing the operation of the Company based on her expertise and experience. The Company expects that she will leverage her expertise and experience primarily in contributing to enhancing the effectiveness of the supervisory function of the Company's Board of Directors.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Akihiro Kawai (January 9, 1968) [New appointment] [Outside] [Independent]	April 2003 Registered as a certified public accountant and a tax accountant Representative Partner, Kawai Certified Public Accountant & Tax Accountant Office (current Saitama Shintoshin Tax Accountant Office) (current position) July 2012 Representative Partner, Yowa Audit Corp. (current position) June 2015 Outside Director, Anrakutei CO., LTD. (current position)	20,000
	<p>[Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and expected roles]</p> <p>Mr. Akihiro Kawai has a thorough knowledge of financial accounting and taxation as a certified public accountant and a tax accountant, and possesses high-level expertise and abundant experience. The Company has judged that he will duly execute his duties as an Outside Director who is an Audit & Supervisory Committee Member by supervising and auditing the operation of the Company based on his expertise and experience. The Company expects that he will leverage his expertise and experience primarily in contributing to ensuring sound operation of the Company.</p>		

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Ms. Seiko Fukuzaki and Mr. Akihiro Kawai are candidates for Outside Directors.
 3. The period for which Ms. Seiko Fukuzaki has served as an Outside Director for the Company will be six (6) years at the conclusion of this Annual General Meeting of Shareholders.
 4. The Company has provided notification that Ms. Seiko Fukuzaki is an Independent Director in accordance with the regulations of the Tokyo Stock Exchange. In the event that Ms. Fukuzaki is elected as an Outside Director, the Company plans that she remains an Independent Director.
 5. In the event that Mr. Akihiro Kawai is elected as an Outside Director, the Company plans that he will be an Independent Director in accordance with the regulations of the Tokyo Stock Exchange.
 6. In accordance with the provision of Article 427, Paragraph 1 of the Companies Act, the Company has concluded an agreement with Ms. Seiko Fukuzaki limiting liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of the amount of liability for damages under this agreement shall be the amount stipulated by law and, in the event that Ms. Fukuzaki is elected, the Company plans to continue an agreement with her of content equivalent to the aforementioned agreement.
 7. In the event that Mr. Akihiro Kawai is elected as an Outside Director, in accordance with the provision of Article 427, Paragraph 1 of the Companies Act, the Company plans to conclude an agreement with Mr. Akihiro Kawai limiting liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of the amount of liability for damages under this agreement shall be the amount stipulated by law.
 8. The Company has concluded a liability insurance contract for directors and managing officers with an insurance company. This insurance contract covers dispute expenses and compensation for damage caused by and resulting from actions (including inaction) engaged in by the insured person based on his/her position as a director and/or officer of the Company. The candidates would be included in the insured persons of this contract. In addition, the Company plans to renew this contract with the same content at the time of the next renewal.

9. In May 2022, we disclosed that we found improper handling of sales in some transactions in the fiscal year ended March 31, 2022 and previous fiscal years. We established the Special Investigation Committee to clarify the facts, investigate and analyze the cause and issues, and also received an investigation report regarding preventive measures based on identified facts. Furthermore, we formulated preventive measures based on this investigation report in October 2022 and have implemented them. Although Outside Director who is an Audit & Supervisory Committee Member Ms. Seiko Fukuzaki was not aware of such fact until she received the internal report, she had been regularly making remarks from the perspective of legal compliance at meetings of the Board of Directors. In addition, after such fact was found, she requested an accurate understanding and report of the background, checked the progress of preventive measures after they were formulated, and made appropriate remarks from an independent, objective and neutral standpoint, among other things, thus properly discharging her responsibility. Additionally, she was appointed as a member of the Special Investigation Committee and expressed her opinions regarding recommendations for preventive measures, among other things.

Proposal 4: Election of One (1) Substitute Director (Audit & Supervisory Committee Member)

To prepare for a situation where the Company does not have the required number of Directors who are Audit & Supervisory Committee Members stipulated by laws and regulations, the Company requests the election of one (1) Substitute Director who is an Audit & Supervisory Committee Member in advance.

The resolution of this proposal shall be effective until the beginning of the Annual General Meeting of Shareholders relating to the final fiscal year that ends within two (2) years after the resolution and the election may be canceled by a resolution of the Board of Directors with the consent of the Audit & Supervisory Committee only before the candidate takes office.

The content of this proposal has been approved by the Audit & Supervisory Committee.

The candidate for the Substitute Director who is an Audit & Supervisory Committee Member is as follows.

Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
Masashi Kaneko (June 14, 1954)	April 1986	Registered as a lawyer (a member of the Tokyo Bar Association)	0
	April 1991	Representative, Masashi Kaneko Law Office (current position)	
	June 2014	Outside Auditor, Keio Corporation	
	June 2020	Outside Director (Audit and Supervisory Committee Member) (current position)	
[Reason for nomination as candidate for Substitute Outside Director who is an Audit & Supervisory Committee Member and expected roles]			
Although Mr. Masashi Kaneko has no experience in being involved in corporate management other than being an Outside Director, he has a thorough knowledge of corporate legal affairs as an attorney and possesses high-level expertise and abundant experience. The Company has judged that he will duly execute his duties as an Outside Director who is an Audit & Supervisory Committee Member by supervising and auditing the operation of the Company based on his expertise and experience. The Company expects that he will leverage this expertise and experience primarily in contributing to enhancing the effectiveness of the supervisory function of the Company's Board of Directors.			

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Mr. Masashi Kaneko is a candidate for Substitute Outside Director who is an Audit & Supervisory Committee Member.
 3. In the event that Mr. Masashi Kaneko is elected as an Outside Director who is an Audit & Supervisory Committee Member, the Company plans that he will be an Independent Director in accordance with the regulations of the Tokyo Stock Exchange.
 4. In the event that Mr. Masashi Kaneko is elected as an Outside Director who is an Audit & Supervisory Committee Member, in accordance with the provision of Article 427, Paragraph 1 of the Companies Act, the Company plans to conclude an agreement with Mr. Masashi Kaneko limiting liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of the amount of liability for damages under this agreement shall be the amount stipulated by law.
 5. The Company has concluded a liability insurance contract for directors and managing officers with an insurance company. This insurance contract covers dispute expenses and compensation for damage caused by and resulting from actions (including inaction) engaged in by the insured person based on his/her position as a director and/or officer of the Company. In the event that Mr. Masashi Kaneko assumes office as an Outside Director who is an Audit & Supervisory Committee Member, he would be included in the insured persons of this contract.

Proposal 5: Continued Stock Remuneration to Directors and Managing Officers, etc.

1. Reasons for the proposal and rationale for the proposed remuneration

At the 110th Annual General Meeting of Shareholders held on June 26, 2020, the Company approved a stock remuneration plan (the “Plan”) for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) and for Managing Officers and persons with equivalent positions who have entered into a delegation agreement with the Company (the “Directors, etc.”), which has remained ever since. In light of the recent share price level of the shares of the Company, we hereby request approval for the continuation of the Plan with the following revisions to the maximum amount of money to be contributed by the Company. There will be no change to the Plan, except for the revision to the maximum amount of money to be contributed by the Company.

The Plan was introduced for Directors, etc. to raise their awareness of their contribution to improving the performance over the medium to long term and increasing the corporate value of the Company. We believe that it is appropriate to continue the Plan after reviewing it to enable a more flexible response than before in accordance with the business environment and other factors.

At the meeting of the Board of Directors held on February 15, 2021, we established a policy for determining the remuneration, etc. for individual Directors, an overview of which is described in the “Reference” section at the end of the Reference Documents for the General Meeting of Shareholders, and we do not intend to change this policy as we believe that it will continue to be appropriate if this Proposal is approved as originally proposed.

If Proposal 2: Election of Six (6) Directors is approved as originally proposed, the number of Directors, etc. eligible for the Plan will be four (4) Directors, and eight (8) Managing Officers and persons with equivalent positions.

2. Amount of remuneration, etc. and details, etc. of the Plan

(1) Overview of the Plan

The Plan is a stock remuneration plan whereby the Company's shares are acquired through a trust using the amount of remuneration for Directors, etc. contributed by the Company as the source of funds, and whereby the Company's shares and cash equivalent to the converted value of the Company's shares (the "Company's Shares, etc.") are delivered and paid ("Delivery, etc.") to Directors, etc. according to their position and performance achievement.

(i) Persons eligible for the Delivery, etc. of the Company's Shares, etc. under the Plan	<ul style="list-style-type: none"> - Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) - Managing Officers and persons with equivalent positions who have entered into a delegation agreement with the Company
(ii) Effect of the Company's shares subject to the Plan on the total number of issued shares	
Maximum amount of money contributed by the Company (as stated in (3) below)	- The amount obtained by multiplying the number of fiscal years encompassed by the Medium-term Management Plan by 50 million yen
Method of acquiring the Company's shares (as stated in (3) below) and the maximum number of the Company's Shares, etc. to be acquired by Directors, etc. (as stated in (4) below)	<ul style="list-style-type: none"> - The Company's shares will be acquired from the Company (disposal of treasury stock) or from the stock market - The maximum number of points per year to be granted to Directors, etc. is 55,000 points - The percentage of the number of shares corresponding to the maximum total number of points per year to be granted to Directors, etc. to the total number of shares issued by the Company (as of March 31, 2023; after deducting treasury stock) is approximately 0.20%
(iii) Details of conditions for achieving performance targets (as stated in (4) below)	- Determined according to the degree of achievement of business performance (operating profit, ROE, etc.) in the fiscal year under evaluation
(iv) Timing of Delivery, etc., of the Company's Shares, etc., to Directors, etc. (as stated in (5) below)	- Upon retirement or resignation of Directors, etc.

(2) Period encompassed by the Plan

The fiscal years encompassing the Company's Medium-term Management Plan shall be the period covered by the Plan ("Applicable Period"). Therefore, the Applicable Period for the trust to be continued this time shall be the four (4) fiscal years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2027, in line with the Medium-term Management Plan announced on May 12, 2023. If a new Medium-term Management Plan is announced upon the expiration or in the middle of the Medium-term Management Plan, the trust may be extended by changing the Applicable Period to coincide with the fiscal years encompassed by the new Medium-term Management Plan. The trust period may be extended more than once, and subsequent extensions may be handled in the same manner.

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

The maximum amount of money to be contributed by the Company under the Plan shall be the amount obtained by multiplying the number of fiscal years encompassed by the Medium-term Management Plan by 50 million yen. Therefore, the maximum amount of money during the Applicable Period will be 200 million yen in total since the Applicable Period for the Plan to be continued this time is four fiscal years.

The Company will contribute money up to the amount obtained by multiplying the number of fiscal years encompassed by the Medium-term Management Plan by 50 million yen as remuneration to Directors, etc., and will establish a trust up to the Applicable Period in which Directors, etc., who satisfy the requirements for beneficiaries will be the beneficiaries. The trust will acquire the Company's shares from the Company (disposal of treasury stock) or the stock market using the money entrusted to the trust as the source of funds, in accordance with the instructions of the trust administrator.

In addition, if the trust period is extended as stated in (2) above, the trust may be extended by making an additional trust to the trust. In such case, the Company will make additional contributions for each extended trust period and will continue to grant the number of points to Directors, etc. during the extended trust period. If, when such additional contribution is made, there are the Company's shares (excluding the Company's Shares, etc. corresponding to the number of points that have already been granted to Directors, etc., and for which Delivery, etc. has not yet been made) and money remaining within the trust property ("Remaining Shares, etc.") on the last day of the trust period preceding the extension, the total value of the Remaining Shares, etc. and the trust money to be additionally contributed shall be within the scope of 50 million yen multiplied by the number of fiscal years encompassed by the Medium-term Management Plan to be announced in the future.

(4) Method of calculating the number of the Company's shares to be acquired by Directors, etc. and the maximum number thereof

On the date of the Annual General Meeting of Shareholders each year to be held during the trust period, a certain number of points will be granted to Directors, etc. according to their position and performance achievement in the fiscal year ("Fiscal Year Under Evaluation") to be reported at the relevant General Meeting of Shareholders. One point shall be one share of the Company, but if circumstances arise during the trust period in which it is deemed fair to adjust the number of points, such as a stock split or stock consolidation, the number of points will be adjusted according to the split or consolidation ratio, etc.

Points will be granted to Directors, etc. annually during the trust period. The number of points is calculated by multiplying the base points determined for each position by a payment coefficient determined in accordance with the degree of performance achievement (operating profit, etc.) pertaining to the Fiscal Year Under Evaluation. The Delivery, etc. of the Company's Shares, etc. to Directors, etc. shall be made in proportion to the number of points they have earned upon retirement.

The maximum total number of points per year that may be granted to Directors, etc. is 55,000 points.

(5) Timing of delivery of shares to Directors, etc.

If a Director, etc. of the Company who satisfies the requirements for beneficiaries retires, he or she will receive delivery of 70% of the number of the Company's shares corresponding to the points granted to him or her by the time of retirement from the trust by completing the prescribed beneficiary determination procedures (fractional shares less than one unit are rounded down), and the remaining shares will be converted into cash in the trust and paid out in an amount equivalent to the amount of such conversion.

(6) Voting rights related to the Company's shares

Voting rights related to the Company's shares in the trust shall not be exercised during the trust period in order to ensure neutrality of the Company's management.

(7) Handling of dividends of surplus pertaining to the Company's shares in the trust

The dividends of surplus pertaining to the Company's shares in the trust are to be received by the trust and allocated to its trust fees and expenses. Any money remaining upon the ultimate termination of the trust subsequent to allocation of trust fees and expenses, shall be paid to Directors, etc.

(8) Other details of the Plan

Other details relating to the Plan will be determined by the Board of Directors as necessary when establishing the trust, modifying the trust agreement, or making additional contributions to the trust.

<Reference>

1. Skill Matrix of Directors and Audit & Supervisory Committee Members (after the conclusion of this Meeting)

The Company aims to have the Board of Directors that consists of Directors with expertise and experience in various fields in order to ensure the effective function of management decisions on important matters and of the supervision and auditing of management.

The main fields of experience and expected expertise of the candidates for Director are as shown below.

Officer		■ Male ◆ Female	Business Management	Sales and Marketing	Finance and Accounting	Legal Risk Management	Engineering	IT	Overseas Operation
Directors (excluding Directors who are Audit & Supervisory Committee Members)	Minoru Kambara	■	●	●	●			●	
	Toshio Satomi	■	●	●			●		●
	Shingo Nishinami	■		●			●		
	Tetsuzoh Shimada	■	●	●					●
	Kenji Tazawa	■	●	●	●				
	Sunao Nakamura	Outside Independent	■	●				●	
Directors (Audit & Supervisory Committee Members)	Yasuo Asada		●					●	●
	Seiko Fukuzaki	Outside Independent	◆			●			
	Akihiro Kawai	Outside Independent	■			●			

* The table above does not represent all aspects of each candidate's knowledge and experience.

2. Overview of the policy for determining the remuneration, etc. for individual Directors

The Company has established the following policy for determining the amount of remuneration, etc. for officers and the method of calculation thereof. This policy has been discussed by the Nomination & Remuneration Committee and decided by the Board of Directors.

1. Basic policy

When determining remuneration, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) and Directors who are Audit & Supervisory Committee Members, the remuneration system shall be based on their roles and responsibilities to ensure fairness and transparency.

2. Remuneration system

(1) Directors (excluding Directors who are Audit & Supervisory Committee Members)

Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) consists of basic remuneration, bonuses, and stock remuneration, and is paid within the amount of remuneration approved by the General Meeting of Shareholders. The percentage of the amount of remuneration, etc. is discussed by the Nomination & Remuneration Committee, a voluntary committee, and decided by the Board of Directors.

(Basic remuneration)

Basic remuneration is a fixed amount based on position as remuneration for the responsibilities of Directors (excluding Directors who are Audit & Supervisory Committee Members) and is paid in 12 annual installments.

(Bonuses)

Bonuses are based on consideration of each Director's (excluding Directors who are Audit & Supervisory Committee Members) performance and contribution to the Company during the relevant fiscal year. Bonuses are paid once a year after the Annual General Meeting of Shareholders.

(Stock remuneration)

Stock remuneration is provided through the Officers Remuneration BIP Trust system based on details approved by the General Meeting of Shareholders, and delivery, etc. of shares of the Company is made upon retirement according to the degree of achievement with regard to medium- to long-term performance targets.

(2) Outside Directors

Remuneration for Outside Directors consists only of a fixed amount of basic remuneration, and is paid in 12 installments annually, from the perspective of Outside Directors being required to be involved in the management of the Company and give advice from a position independent of the execution of business operations.

(3) Directors who are Audit & Supervisory Committee Members

Remuneration for Directors who are Audit & Supervisory Committee Members consists only of a fixed amount of basic remuneration, based on their role, and is decided through discussion by Directors who are Audit & Supervisory Committee Members within the limits of the remuneration approved by the General Meeting of Shareholders.

3. Procedures

Remuneration for Directors is decided by the Board of Directors after consultation with and receiving recommendations from the Nomination & Remuneration Committee, a majority of which is composed of Outside Directors, within the limits of the remuneration approved by the General Meeting of Shareholders. The Representative Director and President has authority over the policy for determining the amount of remuneration for individual Directors (excluding Directors who are Audit & Supervisory Committee Members) and the method of calculation thereof, as well as the authority to decide the amount of remuneration within scope of the total amount of remuneration resolved by the General Meeting of Shareholders, taking into consideration their responsibilities, position, performance and contribution in each fiscal year.

Remuneration for Directors who are Audit & Supervisory Committee Members is decided through discussion by Audit & Supervisory Committee Members within the scope of the amount of remuneration approved by the General Meeting of Shareholders.