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(Securities Code: 2676)

June 3, 2021

To our shareholders:

Takanobu Ide
President and Representative Director

Takachiho Koheki Co., Ltd.

1-6-1 Yotsuya, Shinjuku-ku, Tokyo

Notice of the 70th Ordinary General Meeting of Shareholders

Notice is hereby given that the 70th Annual General Meeting of Shareholders (the "Meeting") of Takachiho Koheki Co., Ltd. (the "Company") will be held as described hereunder.

Instead of coming to the venue on the day of the Meeting, you may exercise your voting rights in writing or via the Internet. Please review the attached reference documents and exercise your voting rights no later than 5:30 p.m. on Friday, June 24, 2021.

1. Date and Time: Friday, June 25, 2021, at 10:00 a.m. Opening at 9:30 a.m. (JST)

2. Venue: CO·MO·RE YOTSUYA TOWER CONFERENCE ROOM D·E, 3rd Floor, YOTSUYA TOWER, 1-6-1 Yotsuya, Shinjuku-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 70th fiscal year (from April 1, 2020 to March 31, 2021), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board

2. The Non-consolidated Financial Statements for the 70th fiscal year (from April 1, 2020 to March 31, 2021)

Matters to be resolved

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Introduction of Performance-linked Share-based Remuneration Plan for Directors

《 Reference Documents for the General Meeting of Shareholders 》

Proposal No. 1: Appropriation of Surplus

The Company considers the return of profits to its shareholders as an important management issue, and its basic policy is to pay stable dividends and distribute profits to shareholders according to business performance, that is, in principle, no less than 24 yen per share of its common stock will be paid annually and the consolidated dividend payout ratio will be set at 40% or higher.

Based on the amount of net income attributable to owners of the parent company for the current fiscal year, the annual dividend will be 25 yen per share, and the interim dividend of 12 yen per share has already been paid, the Company proposes that the year-end dividend to be paid be 13 yen per share as described below. The Company would like to ask its shareholders for their continued support.

1. Year-end dividends

(1) Matters concerning the allocation of dividend assets to shareholders

13 yen per share of our common stock

Total dividend 115,774,386 yen

(2) Effective date of dividends of surplus

June 28, 2021

2. Other appropriation of surplus

Not applicable.

Proposal No. 2: Introduction of Performance-linked Share-based Remuneration Plan for Directors

Subject to the approval of shareholders at the General Meeting of Shareholders, the Board of Directors of the Company has resolved to introduce a new performance-linked share-based remuneration plan “Board Benefit Trust (BBT)” (hereinafter referred to as the “Plan”) for Directors (excluding outside directors; the same shall apply hereinafter unless otherwise noted) of the Company, which intends to raise Directors’ awareness of contributing to the improvement of medium- to long-term business performance and the increase in corporate value by clarifying the link between the remuneration of Directors and the Company's business performance and stock value, and sharing with shareholders not only the benefits of rising stock prices but also falling stock prices, and decided to submit a proposal regarding the Plan to the General Meeting of Shareholders.

Since the resolution at the 56th Ordinary General Meeting of Shareholders held on June 26, 2007, the Company has applied the maximum amount of 30 million yen per year for stock acquisition rights to be allocated to directors (including outside directors) as stock options. However, subject to the approval of the proposal for the Plan at the General Meeting of Shareholders, the above stock option compensation allowance for the directors will be abolished, and new stock acquisition rights will not be allocated to directors (including outside directors) in the future. However, the stock acquisition rights already allocated to directors (including outside directors) will continue to exist.

In addition, to ensure the rationality of the Plan, most of the contribution amount of the Directors' monthly remuneration to cumulative stock investment, which intends to promote the acquisition of the Company shares, will be appropriated to the Plan and the additional amount will be fully linked to the performance of the Directors.

As mentioned above, the Plan intends to raise Directors' awareness of contributing to the improvement of medium- to long-term business performance and corporate value, and also ensures the rationality of the plan design. Therefore, the Company believes this proposal is appropriate.

This proposal requests for the approval of the amount of remuneration, etc. and specific details of the share-based remuneration based on the Plan to be provided to Directors of the Company, which is treated separately from the maximum amount of remuneration (200 million yen or less per year) which was approved at the 56th Ordinary General Meeting of Shareholders held on June 26, 2007.

The details of the Plan shall be decided by the Board of Directors within the framework of "Amount of Remuneration, etc. and Specific details" below.

The number of Directors eligible for the Plan is currently 4

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<Amount of Remuneration, etc. and Specific details>

(1) Overview of the Plan

The Plan is a performance-linked share-based remuneration plan, under which the Company's shares will be acquired by a trust (the trust to be established under the Plan is referred to hereinafter as the "Trust") using money that the Company will contribute as the financial funds, and the Company's shares and amount of money equivalent to the market price of the Company's shares (hereinafter the "Company's shares, etc.") will be provided to the Directors from the Trust in accordance with the Regulations for Provision of Shares to Officers established by the Company.

Directors will be provided with the Company's shares, etc. in principle after the end of each of the Plan Periods defined in (4) below.

However, only for the Initial Plan Period (defined in (4) below), taking into consideration the correspondence with the target period of the medium-term management plan, Directors will receive the Company's shares, etc. in two installments, one after the end of the current medium-term management plan (until the fiscal year ending on the end of March 2022) and one after the end of the next medium-term management plan (scheduled from the business year ending on the end of March 2023 to the business year ending on the end of March 2025).

In addition, retired Directors will receive the Company's shares, etc. at a predetermined time after retiring without waiting for the end of each Plan Period.

(2) Persons eligible for the Plan

Directors (excluding outside Directors and Audit & Supervisory Board Members) of the Company

(3) Trust period

The trust period shall be from August 2021 (planned) until the expiration of the Trust. (With regard to the trust period for the Trust, no specific expiration date will be set, and the Trust will continue as long as the Plan continues. The Plan will terminate due to reasons that include the delisting of the Company's shares and the abolition of the Regulations for Provision of Shares to Officers.)

(4) Trust amount (amount of remuneration, etc.)

Subject to the approval of this proposal, the Company will introduce the Plan for the period of four fiscal years from the fiscal year ending on the end of March 2022 to the fiscal year ending on the end of March 2025 (The period of these four fiscal years is hereinafter referred to as the "Initial Plan Period," and in principle, the periods of every three business years commencing after the lapse of the Initial Plan Period is referred to as the "Subsequent Plan Periods.") and for each of the Subsequent Plan Periods (The Initial Plan Period and the Subsequent Plan Periods are hereinafter collectively referred to as the "Plan Periods or the "Plan Period.").

In order to provide the Company's shares, etc. to Directors under the Plan, the Company will contribute money as outlined below to the Trust as the financial funds for the acquisition of the Company's shares by the Trust.

The Plan Period will be linked to the period of the Company's medium-term management plan, and if the period of the medium-term management plan is changed in the future, the Plan Period will also be changed according to the period (however, as described later, Only the Initial Plan Period is the period of the above four business years.)

The upper limit that the Company can contribute to the Trust for each Plan Period shall be the amount to be determined by multiplying 20 million yen by the number of fiscal years of each Plan Period. Therefore, when the Trust is established (scheduled for August 2021), the Company will contribute up to 80 million yen to the Trust as the necessary funds for the Initial Plan Period.

However, in case of making additional contributions for the Subsequent Plan Periods and if the Company's shares (excluding the Company's shares corresponding to the points granted and adjusted to Directors for each of the immediately preceding Plan Periods, for which provision of the Company's shares to Directors is not completed) and money remain in the Trust (hereinafter referred to as the "Remaining Shares, etc."), the maximum amount the Company can additionally contribute in the Subsequent Plan Periods shall be the above mentioned maximum amount less the amount of the Remaining Shares, etc. (the amount for the Company's shares shall be the book value on the final day of the immediately preceding Plan Period).

The upper limit of the amount of the contribution to the Trust (amount of remuneration, etc.) has been decided, based on (6) below, taking into comprehensive consideration the outlook for the number of points to be granted to Directors in the future and the trend of the stock price of the Company. Therefore, the Company have judged it is appropriate.

The reason why only the Initial Plan Period is set to four business years, and the Subsequent Plan Period is set to every three business years in principle is that, taking into consideration the remaining period of the current medium-term management plan (until the business year ending on the end of March 2022), the Company have judged it is appropriate to match the Initial Plan Period with the total period of the remaining period of the current medium-term management plan (1 business year) and the period of the next medium-term management plan (3 business years are planned).

The Company shall be able to contribute funds to the Trust in multiple times during the Plan Periods including the Initial Plan Period, provided that the accumulated amount of contribution in the Plan Period does not exceed the above-mentioned maximum amount. The Company will provide timely and appropriate disclosure when it decides to make additional contributions.

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

The acquisition of the Company's shares by the Trust will be implemented through the stock market on which the Company's shares are listed or by subscribing for treasury shares disposed of by the Company with the money contributed as in (4) above as the financial funds.

As described in (6) below, the upper limit of the number of points granted and adjusted to Directors is 23,500 points per business year, so the upper limit of the number of shares of the Company acquired by the Trust for the Initial Plan Period is 94,000 shares, and the upper limit of the number of shares to be acquired by the Trust for the Subsequent Plan Periods will be the number obtained by multiplying the upper limit of the number of adjusted points per business year by the number of business years related to the Plan Period (matching the period of the medium-term management plan).

The Company will provide timely and appropriate disclosure concerning the details of the acquisition of the Company's shares by the Trust.

(6) The upper limit of the number of the Company's shares, etc. to be provided to the Directors

Directors will be granted a number of points for each fiscal year, which is determined according to their position based on the Regulations for Provision of Shares to Officers. The points granted to Directors will be adjusted according to the level of performance achieved after the end of each Plan Period.

However, only during the Initial Plan Period, in consideration of the correspondence with the target period of the medium-term management plan, such adjustments will be made in two installments, one after the end of the current medium-term management plan (until the fiscal year ending on the end of March 2022) and one after the end of the next medium-term management plan (scheduled from the business year ending on the end of March 2023 to the business year ending on the end of March 2025).

In addition, for Directors who retired before the end of each Plan Period after receiving points, such adjustments will be made at the time of resignation according to level of performance achieved up to that point.

The total number of points granted and adjusted to Directors will be limited to the number obtained by multiplying business years required for each Plan Period by 23,500 points. Therefore, the maximum total number of points for Initial Plan Period will be 94,000 points.

This has been decided by comprehensively considering the current level of remuneration for officers, trends in the number of Directors, and future prospects. Therefore, the Company have judged it is appropriate.

Each point shall be converted into one common share of the Company upon the provision of the Company's shares, etc. as in (7) below (However, if there is a share split, allotment of shares without contribution, a consolidation of shares, etc., with regard to the Company's shares, after the approval of this proposal, the upper limit on the number of points, the number of points granted, and the conversion ratio shall be adjusted in a reasonable manner proportional to the relevant ratio, etc.).

The number of points for Directors, which is the basis for the provision of the Company's shares, etc. as described in (7) below, shall be the points granted and adjusted to the Directors for each Plan Period.

However, for a Director who retired before the end of the Initial Plan Period and each Plan Period, the number of points granted and adjusted to the Director by the time when the retired Director will receive the Company's shares described in (1) above shall be applied (hereinafter, the points calculated in this way are referred to as "Confirmed Number of Points").

(7) Provision of the Company's shares, etc.

The Directors who satisfy the beneficiary requirements will receive the number of shares of the Company from the Trust in accordance with the "Confirmed Number of Points" determined as described in (6) above, on each period described in (1) above, by executing the prescribed beneficiary determination procedure. However, if the Directors satisfy the requirements as prescribed in the Regulations for Provision of Shares to Officers, they will receive monetary provisions equivalent to the market price of the Company's shares instead of the Company's shares for a certain proportion of the points. The Trust may sell the Company's shares in order to make the monetary provisions.

Even a Director who has been awarded points will not be able to obtain the right to receive the Company's shares, etc. if the Director was dismissed at a general meeting of shareholders, retired due to certain non-conformity, or committed any inappropriate acts that damage the Company, during his / her tenure.

(8) Exercise of voting rights

Based on instructions from the trust administrator, none of the voting rights of the shares of the Company within the Trust account shall be exercised. By using this method, the Company intends to ensure neutrality toward management of the Company with regard to the exercise of the voting rights of the shares of the Company within the Trust account.

(9) Treatment of dividends

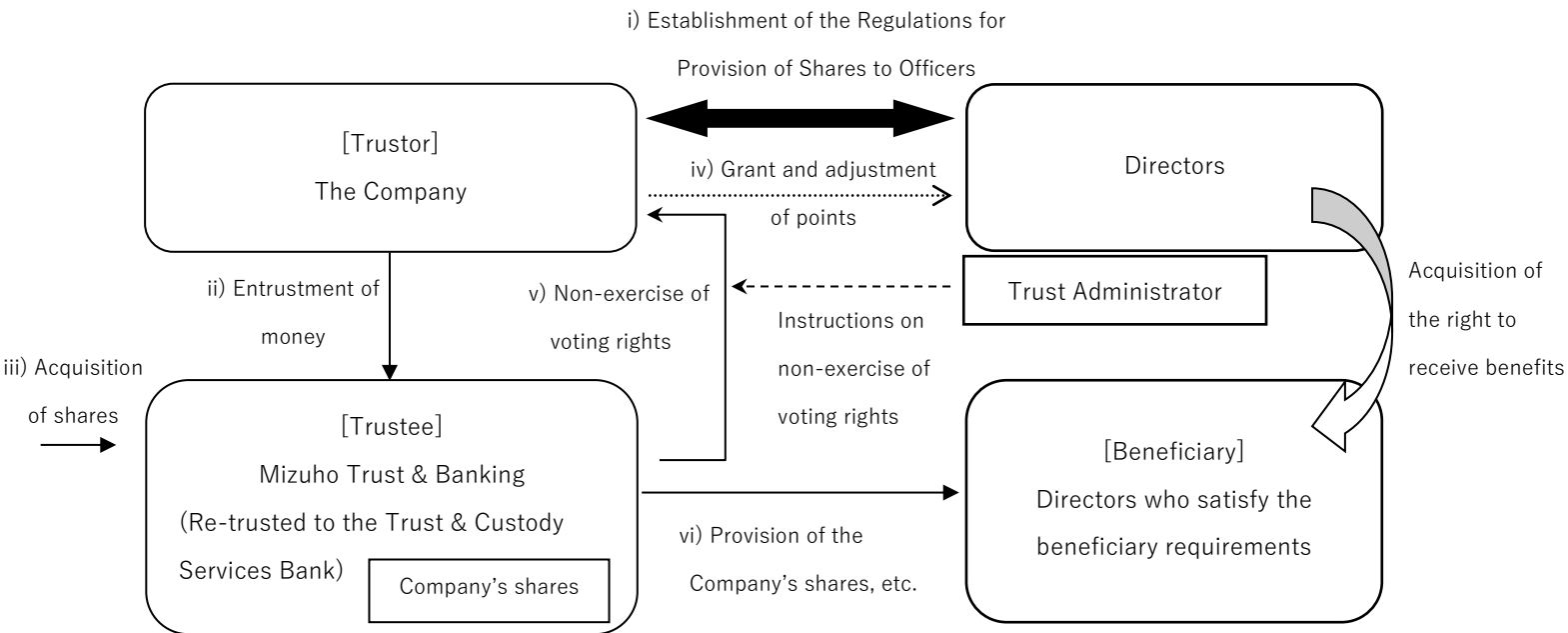
Dividends on the Company's shares in the Trust account will be received by the Trust, and mainly used for the acquisition of the Company's shares and fees payable to the trustee of the Trust. In case the Trust is terminated, dividends etc. remaining in the Trust shall be provided to the Directors then in office in proportion to the number of points that each of them holds in accordance with the Regulations for Provision of Shares to Officers.

(10) Treatment upon the termination of trust

The Trust will terminate for reasons such as the delisting of the Company's shares or the abolition of the Regulations for Provision of Shares to Officers, etc.

Of the residual assets in the Trust on its termination, it is planned that the Company will acquire all of the Company's shares without consideration, which will then be cancelled by resolution of the Board of Directors. Of the residual assets in the Trust on its termination, money, excluding the money provided to the Directors in accordance with (9) above, will be paid to the Company.

<Reference: Structure of the Plan>



- (i) The Company will establish the Regulations for Provision of Shares to Officers within the scope of the framework approved in this proposal.
- (ii) The Company will entrust money within the limit approved in this proposal.
- (iii) The Trust will acquire shares of the Company through the stock market on which the Company's shares are listed or by subscribing for treasury shares disposed of by the Company using the money entrusted as described in (ii) as the financial funds.
- (iv) The Company will grant points to the Directors in accordance with the Regulations for Provision of Shares to Officers. The points granted to directors will be adjusted and fixed according to the level of performance achieved, in principle after each Plan Period ends.
- (v) In accordance with the instruction of the trust administrator, which is independent of the Company, the Trust shall not exercise the voting rights of the shares of the Company within the Trust account.
- (vi) To those Directors who satisfy the beneficiary requirements defined in the Regulations for Provision of Shares to Officers (hereinafter referred to as the "Beneficiary"), the Trust provides the Company's shares corresponding to the number of points granted and adjusted to the Beneficiary, in principle after each Plan Period ends. However, if the Directors satisfy the requirements as prescribed in the Regulations for Provision of Shares to Officers, the Trust will provide them with amount of money equivalent to the market price of the Company's shares for a certain proportion of the points.