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(Stock Exchange Code 4404)
March 9, 2021

To Shareholders with Voting Rights:

Itsuro Miki
President and Representative Director
& Executive Officer
MIYOSHI OIL & FAT CO., LTD.
4-66-1 Horikiri, Katsushika-ku, Tokyo

NOTICE OF CONVOCAION OF THE 95th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

We are holding the 95th Annual General Meeting of Shareholders of MIYOSHI OIL & FAT CO., LTD. (the “Company”). The meeting will be held for the purposes as described below.

Instead of attending the meeting, you may exercise your voting rights by either of the following methods. Please exercise your voting rights after reviewing the attached Reference Documents for the General Meeting of Shareholders.

[Exercising Voting Rights by Mail]

Please indicate your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form, and return the form to us so that it arrives by 5:30 p.m. Japan time on Thursday, March 25, 2021.

[Exercising Voting Rights via the Internet]

Please access the website for exercising voting rights (<https://evote.tr.mufg.jp/>) designated by the Company and exercise your voting rights by 5:30 p.m. Japan time on Thursday, March 25, 2021.

Please refer to the “Procedures for Exercising Voting Rights by the Internet” (available in Japanese only) when exercising your voting rights via the Internet.

- 1. Date and Time:** Friday, March 26, 2021 at 10:00 a.m. Japan time
- 2. Place:** Auditorium of the Company’s Headquarters located at 4-66-1 Horikiri, Katsushika-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 95th Fiscal Year (January 1, 2020 - December 31, 2020) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 95th Fiscal Year (January 1, 2020 - December 31, 2020)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendment to the Articles of Incorporation
 - Proposal 3:** Election of Eight Directors
 - Proposal 4:** Election of Two Audit & Supervisory Board Members
 - Proposal 5:** Revision to Amounts and Details of Performance-linked Stock Compensation for Directors

- Reception is scheduled to start at 9 a.m.
- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Should the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<http://www.miyoshi-yushi.co.jp/ir/index.html/>).
- If you are unable to attend the General Meeting of Shareholders, you may designate another shareholder with voting rights as your proxy. In such case, you must submit a document evidencing the authority of the proxy.
- Of the documents to be included in this Notice, Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements are posted on the Company's website (<http://www.miyoshi-yushi.co.jp/ir/index.html/>) in accordance with provisions of laws and regulations as well as Article 15 of the Company's Articles of Incorporation and therefore are not provided in this Notice. The Consolidated Financial Statements and Non-consolidated Financial Statements that are provided in the Attached Documents of this Notice are part of the consolidated financial statements and non-consolidated statements that were audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing the audit reports.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Regarding the year-end dividend for the 95th term, considering the business results for the current fiscal year and the continuation of stable distribution of dividends to shareholders, the Company proposes the following payment.

Matters regarding year-end dividend

(1) Type of dividend property

Cash

(2) Distribution of dividend property, and the total amount thereof

¥40 per share of common stock of the Company

The total amount of dividend is ¥412,065,480.

(3) Effective date of distribution of surplus

March 29, 2021

Proposal 2: Partial Amendment to the Articles of Incorporation

1. Reasons for the proposal

To further enhance the corporate governance system and accelerate decision-making by the management, the Company plans to introduce the CxO system and strengthen the supervisory function of execution of operations by the Board of Directors.

With this, Directors can no longer concurrently serve as Executive Officers, and therefore the purpose of this proposal is to set forth in Article 23 (Representative Directors and Directors with Special Titles) of the current Articles of Incorporation that the Board of Directors can appoint a few Senior Managing Directors and Managing Directors.

2. Details of the amendment

(Amendment parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Representative Directors and Directors with Special Titles) Article 23 The Board of Directors may appoint Representative Directors by its resolution. The Board of Directors may appoint one Chairman and Representative Director, <u>and</u> one President and Representative Director.	(Representative Directors and Directors with Special Titles) Article 23 The Board of Directors may appoint Representative Directors by its resolution. The Board of Directors may appoint one Chairman and Representative Director, one President and Representative Director, <u>and a few Senior Managing Directors and Managing Directors.</u>

Proposal 3: Election of Eight Directors

The terms of office of 12 Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of eight Directors (including two Outside Directors) is proposed.

The candidates are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares held
1	Itsuro Miki June 7, 1975	March 2005 Director of Tamanohada Soap Corporation March 2006 Director of Miyoshi Soap Co., Ltd. April 2011 Joined the Company January 2016 Executive Officer, General Manager of Management Planning Dept. March 2016 Director & Executive Officer, General Manager of Management Planning Dept. March 2017 Director & Managing Executive Officer, General Manager of Management Planning Dept. March 2018 Representative Director & Senior Managing Executive Officer, General Manager of Management Planning Dept., and Supervisor of Foods Division and Oil Chemicals Division March 2019 President and Representative Director & Executive Officer (current position)	60,800
[Reason for nomination as Director candidate] Mr. Itsuro Miki has been supervising the Company's management and moving the business forward with his strong leadership as President and Representative Director & Executive Officer of the Company since March 2019. The Company renominated Mr. Miki as a Director candidate since it believes that he can contribute to a sustainable growth in corporate value of the Company, based on his abundant experience, achievements, and insight into overall management as well as his attitude to aim for sustainable growth of the Company and always seek innovative changes.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares held
2	Fumio Yamashita (May 18, 1954)	<p>April 1977 Joined the Company</p> <p>March 2007 General Manager of Accounting Dept.</p> <p>March 2009 Executive Officer, General Manager of Accounting Dept. of the Company</p> <p>March 2012 Director & Executive Officer, General Manager of Accounting Dept.</p> <p>March 2013 Director & Executive Officer in charge of General Affairs, Accounting, Information Systems, General Manager of Accounting Dept.</p> <p>April 2014 Director & Executive Officer in charge of General Affairs & Personnel, Accounting and Information Systems, General Manager of Accounting Dept.</p> <p>April 2015 Director & Executive Officer, Deputy Executive General Manager of Administration Unit, and General Manager of Accounting & Financial Dept.</p> <p>April 2016 Director & Executive Officer, Executive General Manager of Administration Division</p> <p>March 2018 Director & Managing Executive Officer, General Manager of Administration Division</p> <p>March 2019 Director & Senior Managing Executive Officer, General Manager of Administration Division, and Supervisor of Affiliated Companies (current position)</p>	3,800
<p>[Reason for nomination as Director candidate]</p> <p>Mr. Fumio Yamashita has abundant experience and knowledge of business strategies as well as the administration unit as a whole as he has been involved in management, focused on supervising the entire administration unit of the Group and is currently playing an important role as a management team member. The Company renominated Mr. Yamashita as a Director candidate since it believes he can utilize his abundant experience in deciding the consolidated management policy and appropriately pursuing business administration broadly in the Group's management.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares held
3	Mitsuaki Matsumaru (June 26, 1955)	<p>April 1979 Joined the Company</p> <p>September 2008 General Manager of Oil Chemicals Sales Dept., Oil Chemicals Division</p> <p>March 2010 Executive Officer, General Manager of Oil Chemicals Sales Dept., Oil Chemicals Division</p> <p>April 2012 Executive Officer, Deputy General Manager of Oil Chemicals Division (in charge of sales), and General Manager of Oleo & Chemicals Sales Dept.</p> <p>March 2014 Director & Executive Officer, Deputy General Manager of Oil Chemicals Division (in charge of sales), and General Manager of Oleo & Chemicals Sales Dept.</p> <p>April 2015 Director & Executive Officer, Deputy Executive General Manager of Sales and Production of Oil Chemicals Division</p> <p>April 2016 Director & Executive Officer, Executive General Manager of Oil Chemicals Division, and Deputy Executive General Manager of Sales</p> <p>April 2017 Director & Executive Officer, Executive General Manager of Oil Chemicals Division</p> <p>March 2019 Director & Managing Executive Officer, Executive General Manager of Oil Chemicals Division (current position)</p>	2,500
<p>[Reason for nomination as Director candidate]</p> <p>Mr. Mitsuaki Matsumaru is engaged in corporate management as a Director and has been fulfilling his role and duties. At the same time, he has served a series of important positions in the sales unit and has abundant experience and insight into the oil chemicals business. The Company renominated Mr. Matsumaru as a Director candidate since it believes that he can play a suitable role in the Group's overall management, given his many years of experience in sales and his track record.</p>			
4	Shoichi Takeshita (August 14, 1958)	<p>April 1977 Joined the Company</p> <p>April 2015 General Manager of Sales Dept., Oil Chemicals Division</p> <p>April 2016 General Manager of Sales Dept., Oil Chemicals Division, General Manager of Planning & Operation Dept., Oil Chemicals Division</p> <p>April 2017 Deputy Executive General Manager of Sales, General Manager of Planning & Operation Dept. of Oil Chemicals Division</p> <p>March 2018 Executive Officer, Deputy Executive General Manager of Sales and General Manager of Planning & Operation Dept. of Oil Chemicals Division</p> <p>March 2019 Director & Executive Officer, Deputy Executive General Manager of Sales and General Manager of Planning & Operation Dept. of Oil Chemicals Division</p> <p>March 2020 Director & Executive Officer, General Manager of Operation Dept. of Oil Chemicals Division, and Deputy General Manager of Oil Chemicals Division (current position)</p>	1,800
<p>[Reason for nomination as Director candidate]</p> <p>Mr. Shoichi Takeshita has experience from an accurate perspective and knowledge regarding the Company's business activities and has been leading the sales unit through his duties as the person in charge of the sales unit of the oil chemicals business. The Company renominated Mr. Takeshita as a Director candidate since it believes that he can play a suitable role in the Group's overall management, given his abundant experience and his track record.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of the Company's shares held
5	Motoo Sudo (April 22, 1963)	April 1986 April 2015 July 2016	Joined the Company Factory Manager of Tokyo Factory General Manager of Production Control Dept., Production Division, Factory Manager of Tokyo Factory Executive Officer, Executive General Manager of Production Division Director & Executive Officer, Executive General Manager of Production Division (current position)	2,100
[Reason for nomination as Director candidate] Mr. Motoo Sudo has abundant experience and high-level knowledge regarding the Company's business activities as well as strong communication skills and has been leading the production floor through his duty as the general manager of the production unit. The Company renominated Mr. Sudo as a Director candidate since it believes that he is a suitable person for playing an important role in execution of operations of the Group.				
6	Ryoichi Yoshidaya (March 31, 1954)	April 1978 March 2007 August 2009 July 2011 March 2012 March 2013 July 2014 March 2016 March 2017 November 2018 June 2019 (Significant concurrent positions)	Joined Yamazaki Baking Co., Ltd. (Yamazaki Baking) General Manager of Bread No. 1 Department, Bread No. 1 Division of Yamazaki Baking Executive Officer, General Manager of Anjo Plant of Yamazaki Baking Executive Officer, General Manager of Production Planning Office of Yamazaki Baking Director, General Manager of Production Planning Office of Yamazaki Baking Director of the Company (current position) Director, General Manager of Production Planning Division and General Manager of Production Planning Department of Yamazaki Baking Standing Statutory Auditor of Yamazaki Baking Director, General Manager of Production Management Division of Yamazaki Baking Director, General Manager of Production Management Division, General Manager of Production Planning Division and General Manager of Production Planning Department, Production Control Unit, and in charge of Japanese Sweets Division and Western Sweets Division of Production Control Unit of Yamazaki Baking (current position) Director, Nichiryo Baking Co., Ltd. (current position) (current position) Director of Yamazaki Baking Director of Nichiryo Baking Co., Ltd.	0
[Reason for nomination as Director candidate] Mr. Ryoichi Yoshidaya serves in key positions primarily in the production management and production planning units of Yamazaki Baking Co., Ltd., a business partner of the Company, and has abundant experience and broad knowledge as a corporate manager of the foods business. The Company renominated Mr. Yoshidaya as a Director candidate since it believes that he can leverage his experience and knowledge to further strengthen the Company's food business.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares held
7	<div> <div>New</div> <div>Outside Director</div> <div>Independent Director</div> </div> Kenji Murayama (October 21, 1954)	March 1988 Registered as Certified Public Accountant July 2003 Representative Partner of ChuoAoyama Audit Corporation August 2007 Senior Partner of Ernst & Young ShinNihon LLC July 2017 Established Murayama Certified Public Accountants Office (current position) June 2018 Outside Director, Naigai TEC Corporation (current position) June 2019 Outside Audit & Supervisory Board Member of J-WAVE Inc. (current position) (Significant concurrent positions) Representative of Murayama Certified Public Accountants Office Outside Director of Naigai TEC Corporation Outside Audit & Supervisory Board Member of J-WAVE Inc.	0
[Reason for nomination as Outside Director candidate] Mr. Kenji Murayama has been active in the front lines as a certified public accountant by holding key senior positions such as a representative partner of an accounting firm and has specialized knowledge and abundant experience in finance and accounting, although his involvement in corporate management so far has been limited to serving as an outside director and outside audit and supervisory board member. The Company newly nominated Mr. Murayama as an Independent Outside Director candidate since it believes that he is expected to appropriately play the role of supervising the management's decision-making of key matters and execution of operations.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares held
8	<div>New</div> <div>Outside Director</div> <div>Independent</div> <div>Director</div> Kanako Kuroda (August 2, 1980)	February 2012 Director of Japan CIS November 2012 Representative Director of Progress Co., Ltd. January 2016 Representative Director of Dorest Co., Ltd. (currently WOMAN COLLEGE Co., Ltd.) (current position) (current position) (Significant concurrent position) Representative Director of WOMAN COLLEGE Co., Ltd.	0
[Reason for nomination as Outside Director candidate] Ms. Kanako Kuroda has abundant experience and deep insight acquired in management consulting in diverse industries and is involved in business management from the perspective of diversity, actively engaging in support for advancement of women. The Company newly nominated Ms. Kuroda as an Independent Outside Director candidate since it believes that she can provide appropriate advice to the Company's management as its first female Director.			

- (Notes)
1. Mr. Ryoichi Yoshidaya concurrently serves as Director of Yamazaki Baking Co., Ltd., which has a business relationship involving the sale of products with the Company.
 2. Mr. Ryoichi Yoshidaya concurrently serves as Director of Nichiryo Baking Co., Ltd., which has a business relationship involving the sale of products with the Company.
 3. There are no special interests between the other candidates and the Company.
 4. The Company has concluded an agreement with Mr. Ryoichi Yoshidaya which limits his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of liability under the said agreement shall be the minimum liability amount as provided in law and regulations. If the election of Mr. Saito is approved, the said agreement with him will be continued.
 5. Mr. Kenji Murayama and Ms. Kanako Kuroda are Outside Director candidates.
 6. The Company intends to submit an Independent Directors/Auditors Notification to the Tokyo Stock Exchange to register Mr. Kenji Murayama and Ms. Kanako Kuroda as Independent Directors.
 7. If the election of Mr. Kenji Murayama and Ms. Kanako Kuroda is approved, the Company intends to enter into an agreement with each of them which limits their liability for damages set forth in Article 423, Paragraph 1 of the Companies Act. The limit of liability under the said agreement shall be the minimum liability amount as provided in laws and regulations.
 8. The Company shall conclude the directors and officers liability insurance contracts with an insurance company and compensate damages from liability related to securities as well as damages related to shareholder derivative suits to be paid by the insured person with the said insurance contracts. The candidates will be included in the insured persons of the said insurance contracts.

Proposal 4: Election of Two Audit & Supervisory Board Members

Audit & Supervisory Board Members Kaoru Saito and Seiichi Hirota will resign at the conclusion of this General Meeting of Shareholders. Accordingly, the election of two Audit & Supervisory Board Members (including one Outside Audit & Supervisory Board Member) is proposed as substitutes.

The term of office of the Audit & Supervisory Board Members to be appointed at this General Meeting of Shareholders will be until the expiration of the retiring Audit & Supervisory Board Members, in accordance with the Company's Articles of Incorporation.

The consent of the Audit & Supervisory Board has been obtained with respect to this proposal.

The candidates are as follows:

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of the Company's shares held
1	<div>New</div> Hideaki Shizukuishi (November 30, 1956)	February 1991 Joined the Company March 2012 Executive Officer, General Manager of Personnel Dept. March 2013 Executive Officer, General Manager of General Affairs Dept., General Manager of Personnel Dept. March 2013 President and Representative Director of Miyoshi Insurance Service Co., Ltd. (currently Miyoshi Factory Co., Ltd.) April 2014 Executive Officer, General Manager of General Affairs & Personnel Dept. March 2017 Director & Executive Officer, General Manager of General Affairs & Personnel Dept., Administration Division (current position)	2,900
[Reason for nomination as Audit & Supervisory Board Member candidate] Mr. Hideaki Shizukuishi is familiar with the management of the Group as he had led the Company's general affairs, legal, and personnel units for many years and was a member of the management team of a group company. Considering his track record and abundant experience, the Company newly nominated him as an Audit & Supervisory Board Member candidate since it believes that he is essential for the appropriate auditing of the Group.			

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of the Company's shares held
2	<div>New</div> <div>Outside Audit & Supervisory Board Member</div> <div>Independent Auditor</div> <div>Tetsuya Miyakoshi (September 11, 1962)</div>	<div>April 1986 Joined The Mitsubishi Trust and Banking Corporation (currently Mitsubishi UFJ Trust and Banking Corporation)</div> <div>June 2009 General Manager of CS Promotion Department, Mitsubishi UFJ Trust and Banking Corporation</div> <div>December 2010 General Manager of Shizuoka Branch of Mitsubishi UFJ Trust and Banking Corporation</div> <div>November 2016 Director and General Manager of Financial Department, Ryoshin Holdings Co., Ltd. (current position)</div>	0
<p>[Reason for nomination as Outside Audit & Supervisory Board Member candidate]</p> <p>Mr. Tetsuya Miyakoshi has many years of experience at a financial institution and has wide-ranging knowledge and insight in the financial field. The Company newly nominated him as an Independent Outside Audit & Supervisory Board Member candidate since it believes that he can use his experience to audit the Group appropriately.</p>			

- (Notes)
1. There are no special interests between the candidates and the Company.
 2. Mr. Tetsuya Miyakoshi is scheduled to retire from Ryoshin Holdings Co., Ltd. on March 25, 2021.
 3. Mr. Tetsuya Miyakoshi is a candidate for Outside Audit & Supervisory Board Member.
 4. The Company has submitted an Independent Directors/Auditors Notification to the Tokyo Stock Exchange to register Mr. Tetsuya Miyakoshi as Independent Auditor.
 5. If the election of Mr. Hideaki Shizukuishi and Mr. Tetsuya Miyakoshi is approved, the Company intends to enter into an agreement with them which limits their liability for damages set forth in Article 423, Paragraph 1 of the Companies Act. The limit of liability under the said agreement shall be the minimum liability amount as provided in law and regulations.
 6. The Company shall conclude the directors and officers liability insurance contracts with an insurance company and compensate damages from liability related to securities as well as damages related to shareholder derivative suits to be paid by the insured person with the said insurance contracts. The candidates will be included in the insured persons of the said insurance contracts.

Proposal 5: Revision to Amounts and Details of Performance-linked Stock Compensation for Directors

1. Reasons for the proposal and reasons justifying such compensation

At the 92nd Annual General Meeting of Shareholders held on March 28, 2018, the Company received approval for the introduction of the Performance-linked Stock Compensation Plan (hereinafter referred to as the “Plan”) for its Directors (limited to President and Representative Director and Executive Directors, and excluding Outside Directors). The Company will now introduce the CxO system to strengthen the function to supervise the execution of operations by the Board of Directors so as to further enhance its corporate governance structure and accelerate decision-making by the management. For this purpose, the Company would like to change the target of the Plan from the Company’s Directors (limited to President and Representative Director and Executive Directors, and excluding Outside Directors) to the Company’s Directors who are concurrently serving as CxO and are Delegated Executive Officers (hereinafter referred to as “CxOs, etc.” and the Company’s Directors and Delegated Executive Officers are referred to as “Directors, etc.”), and seeks shareholders’ approval for the partial revision of the Plan.

The purpose of revising the content of the Plan is to further clarify the link between compensation of Directors, etc. and the Company’s performance as well as shareholder value, and to encourage Directors to contribute to the improvement of the medium- to long-term performance and the enhancement of corporate value. Therefore, the Company believes that the revision of the content of the Plan is justified.

This proposal seeks shareholders’ approval to provide stock compensation to CxOs, etc. separately from the maximum compensation for Directors (within ¥310 million per year), which was approved at the 84th Annual General Meeting of Shareholders held on March 26, 2010.

If Proposal 3 “Election of Eight Directors” is approved as originally proposed, the number of CxOs, etc. subject to the Plan will be seven (five Directors concurrently serving as CxO and two Delegated Executive Officers).

2. Amounts of compensation and details of the Plan

(1) Outline of the Plan

The Plan is a stock compensation plan under which the Company’s shares are acquired through a trust using compensation for CxOs, etc. contributed by the Company, and the Company’s shares and money equivalent to the converted value of the Company’s shares (collectively the “Company’s shares, etc.”) are granted or paid out to CxOs, etc. (hereinafter “Grant, etc.”). (Details follow in (2) and subsequent sections.)

1) Persons eligible for the Grant, etc., of the Company’s shares, etc., under this proposal	- Among Directors, those who concurrently serve as CxO and those who are Delegated Executive Officer.
2) Impact of the Company’s shares subject to this proposal on the total number of shares issued	
Maximum amount of money to be contributed by the Company (as described in (2) below)	- ¥200 million for the three-fiscal-year period covered by the Plan
Method of acquiring the Company’s shares (as described in (2) below) and the maximum number of the Company’s shares, etc., to be Granted, etc., to CxOs, etc. (as described in (3) below)	- The maximum number of the Company’s shares, etc., to be Granted, etc., to CxOs, etc. per fiscal year is 50,000 shares. Accordingly, the maximum number of the Company’s shares, etc., to be Granted, etc., to CxOs, etc. over the three-fiscal-year period is 150,000 shares. - The maximum number of the Company’s shares, etc., to be Granted, etc., to CxOs, etc. per fiscal year is equivalent to approximately 0.5% of the Company’s total shares issued (as of December 31, 2020, after deduction of treasury shares). - The Company’s shares will be acquired from the stock market and there will be no dilution of shares.
3) Details of conditions for achievement of performance target (as described in (3) below)	- Linked to consolidated operating income for each fiscal year.
4) Timing of the Grant, etc., of the Company’s shares, etc. to CxOs, etc. (as described in (4) below)	- At the time of CxOs, etc. retiring from the position of Director, etc.

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

The Plan will cover three consecutive fiscal years (the initial three-fiscal-year period will be from the fiscal year ended December 31, 2018 to the fiscal year ended December 31, 2020, and if the period of the trust is to be extended this time, it shall be the three-fiscal-year period from the fiscal year ending December

31, 2021 to the fiscal year ending December 31, 2023; if the trust period is extended at a later date, it shall be the three-fiscal-year period thereafter; hereinafter the “Target Period”).

In each Target Period, the Company will contribute up to ¥200 million as CxOs, etc. compensation and establish a trust (hereinafter the “Trust”) for the benefit of CxOs, etc. who meet beneficiary requirements, with a trust period of three years. Under the instructions of the trust administrator, the Trust will acquire the Company’s shares from the stock market using the entrusted money.

During the Trust Period, the Company will award points to CxOs, etc. (as described in (3) below). Upon retirement of the CxO, etc. (or upon death of the CxO, etc.), the Director will be Granted, etc., from the Trust the Company’s shares, etc., in proportion to the respective cumulative value of the points awarded.

At the expiry of the Trust Period, the Company may continue the Trust by amending the trust agreement and entrusting additional money to the Trust. In such cases, the Trust Period will be extended for an additional three years, and the three fiscal years after the extension of the Trust Period will become the new Target Period. For each extended Trust Period, the Company will make additional contributions of up to ¥200 million, and during such extended Trust Period, the Company will continue to award points to CxOs, etc., and the Trust will continue to Grant, etc., the Company’s shares, etc. However, when making such additional contributions, if the Company’s shares (excluding those that have not yet been Granted, etc. but correspond to the points already awarded) and money remain in the Trust at the end of the Trust Period before such extension (hereinafter collectively “Residual shares, etc.”), the sum of the value of the Residual shares, etc. and the additional contributions must be within ¥200 million. The Trust Period may be extended in a similar manner more than once.

If the trust agreement is not amended and additional money is not entrusted at the expiry of the Trust Period, no decisions will be made thereafter on awarding points to CxOs, etc. However, if CxOs, etc. who meet the beneficiary requirements are in office at that time, the Trust Period may be extended for a maximum of ten years, until such CxOs, etc. retire from the position of Director, etc. and the Grant, etc., of the Company’s shares is completed.

(3) Method of calculating the number of the Company’s shares to be Granted, etc., to CxOs, etc. and maximum number thereof

At a specified time after the end of each fiscal year during the Trust Period, the Company will award Directors fixed points and performance-linked points calculated using the formula below, in accordance with their positions and the level of achievement of performance targets during the year. CxOs, etc., upon retirement from the position of Director, etc., will be Granted, etc. the Company’s shares, etc., in proportion to the cumulative value of the fixed points and the performance-linked points awarded (hereinafter “cumulative number of points”).

One point is equivalent to one share of the Company. However, during the Trust Period, if the Company’s shares are subject to a share split or share consolidation, or other events that justify adjustments, the Company will adjust the number of the Company’s shares per point in accordance with the ratio of such split, consolidation or other factors.

(Point calculation formula)

Fixed points = (Stock compensation amount based on position ÷ Average acquisition cost by the Trust)

Performance-linked points = (Stock compensation amount based on position ÷ Average acquisition cost by the Trust) × Performance coefficient*

* The performance coefficient will vary within a range of 0 to 2.00 depending on the achievement level of the targeted consolidated operating income for each fiscal year.

The total number of the Company’s shares, etc., to be Granted, etc., by the Trust to CxOs, etc. during the Trust Period will be up to 50,000 shares per fiscal year, and the total number of the Company’s shares, etc. to be Granted, etc., to CxOs, etc. during the Target Period will be up to 150,000 shares. The upper limit of the total number of the Company’s shares, etc., to be Granted, etc., to CxOs, etc. has been set by taking into account the maximum amount of trust money in (2) above, and by referencing historical stock prices and other factors.

(4) Timing and method of Grant, etc. of the Company’s shares, etc., to CxOs, etc.

CxOs, etc. who meet the beneficiary requirements will be Granted, etc. the Company’s shares, etc. in proportion to the cumulative number of points calculated based on (3) above upon their retirement from the position of Director, etc. In such cases, the CxOs, etc. will receive the Company’s shares equivalent to 70%

of the cumulative number of points (fractional shares of less than one unit will be disregarded), and the remaining shares will be converted into money within the Trust and the resulting amount of money equivalent to the converted value of the shares will be paid to Directors.

In the event of death of a CxO, etc. in office who meet the beneficiary requirements, all the Company's shares corresponding to the cumulative number points, which have been calculated in accordance with (3) above, will be converted into money within the Trust and the resulting amount of money equivalent to the converted value of the shares will be paid to the heirs of the CxO, etc.

(5) Exercise of voting rights related to the Company's shares in the Trust

Voting rights related to the Company's shares in the Trust will not be exercised during the Trust Period to ensure neutrality in the management of the Company.

(6) Treatment of Residual shares, etc., at the expiry of the Trust

If Residual shares, etc. arise as a result of underachievement of the performance targets or other factors at the expiry of the Trust (if the Trust Period has been extended in accordance with (2) above, at the expiry of the extended Trust Period), the Trust will transfer the Residual shares, etc., to the Company without payment as a shareholder return measure, and the Company will cancel the said shares by a resolution of the Board of Directors. Any residual dividends on the Company's shares in the Trust that arise at the expiry of the Trust Period will be utilized as funds to acquire the Company's shares in the case where the Trust will be continued. However, in cases where the Trust is terminated due to the expiry of the Trust Period, the portion exceeding the reserves for trust expenses will be donated to organizations that have no interest with the Company and its CxOs, etc.

(7) Other details of the Plan

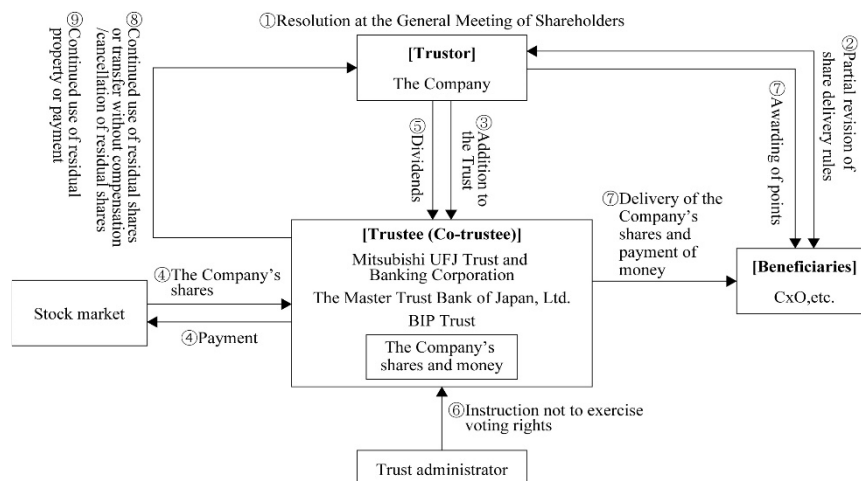
Other details of the Plan including the establishment of the Trust, amendments to the trust agreement and additional contributions will be determined by a resolution of the Board of Directors as necessary.

(Reference) Excerpt from the press release dated February 12, 2021, "Notice Regarding the Continuation of Performance-linked Stock Compensation Plan"

1. Continuation of Performance-linked Stock Compensation Plan and Its Partial Revision

- (1) The Company, at the 92nd Annual General Meeting of Shareholders held on March 28, 2018 (hereinafter referred to as the "General Meeting of Shareholders"), received approval for the introduction of the Plan and has been implementing it. The Company would like to continue with the Plan upon making partial revision to it and seeks shareholders' approval.
- (2) The Plan uses a structure referred to as the Board Incentive Plan (BIP) Trust (hereinafter referred to as "BIP Trust"). The Company would like to introduce the CxO system and strengthen the function to supervise execution of operations by the Board of Directors so as to further enhance its corporate governance structure and accelerate decision-making by the management. For this purpose, the Company will change the target of the Plan from the Company's Directors (limited to President and Representative Director and Executive Directors, and excluding Outside Directors) to the Company's Directors who are concurrently serving as CxO and are Delegated Executive Officers (hereinafter referred to as "CxOs, etc." and the Company's Directors and Delegated Executive Officers are referred to as "Directors, etc.").

2. Outline of the Plan



- (1) The Company will obtain approval for the compensation of officers regarding the continuation and partial revision of the Plan at this General Meeting of Shareholders.
- (2) The Company will resolve to partially revise share delivery rules relating to the Plan at the Board of Directors' meeting.
- (3) The Company will entrust additional money within the maximum amount approved by a resolution of this General Meeting of Shareholders in (1) to the trustee to be used as compensation of CxOs, etc. and extend the Trust Period of a trust (the Trust) for the benefit of CxOs, etc. who meet beneficiary requirements.
- (4) The Trust, under the instructions of the trust administrator, will acquire the Company's shares from the stock market using the money additionally contributed in (3). The number of shares to be acquired by the Trust will be within the maximum amount as approved by this General Meeting of Shareholders in (1).
- (5) Dividends on the Company's shares in the Trust will be paid in the same manner as for other shares of the Company.
- (6) Voting rights for the Company's shares in the Trust will not be exercised throughout the Trust Period.
- (7) During the Trust Period, CxOs, etc. will receive a certain number of points each year, in accordance with their positions, the level of achievement of performance targets and other factors during the year. The CxOs, etc., who meet certain beneficiary requirements will be Granted, etc. the Company's shares, etc., in proportion to the cumulative number of points upon their retirement from the position of Director, etc.
- (8) If residual shares arise at the expiry of the Trust Period as a result of underachievement of the performance targets or other factors, the Trust may be continued as the Plan or as a similar stock compensation plan by amending the trust agreement and making additional contributions. If the Trust is terminated, the Trust will transfer the said residual shares to the Company without payment as a shareholder return measure, and the Company will cancel the said shares by a resolution of the Board of Directors.
- (9) Any residual dividends on the Company's shares in the Trust that arise at the expiry of the Trust Period will be utilized as funds to acquire the Company's shares in the case where the Trust will be continued. However, in cases where the Trust is terminated, the portion exceeding the reserves for trust expenses (funds contributed by the Company to be used as trust fees and expenses, etc.) will be donated to organizations that have no interest with the Company and its CxOs, etc.

(Note) In the case where no shares of the Company remain in the Trust due to having Granted, etc. the Company's shares, etc. to CxOs, etc. who meet the beneficiary requirements, the Trust will be terminated prior to the expiry of the Trust Period. The Company may entrust additional money to the Trust, to be used in acquiring the Company's shares to be Granted, etc. to CxOs, etc., to the extent approved at this General Meeting of Shareholders.