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(Securities Code: 6210)

June 9, 2021

To Shareholders with Voting Rights:

Yoshiaki Tabata
President and Director
Toyo Machinery & Metal Co., Ltd.
523-1 Aza Nishinoyama, Fukusato,
Futami-cho, Akashi-shi, Hyogo, JAPAN

NOTICE OF THE 147TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 147th Annual General Meeting of Shareholders of Toyo Machinery & Metal Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

In lieu of attending the meeting, we would like to ask you to exercise your voting rights either by in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 4:45 p.m. on Thursday, June 24, 2021, Japan time.

[If exercising voting rights by postal mail]

Please indicate your approval or disapproval of each of the proposals on the enclosed Voting Rights Exercise Form, and return it so that it arrives by the deadline mentioned above.

[If exercising voting rights via the Internet]

Please read the “Procedures for exercising voting rights via the Internet” (pages 14 and 15), access the Website for exercising voting rights designated by the Company (<https://evote.tr.mufg.jp/>), and input your approval or disapproval of each of the proposals by the deadline mentioned above.

- 1. Date and Time:** Friday, June 25, 2021 at 10:00 a.m. Japan time
- 2. Venue:** Banquet Hall “Shofuku” on the 3rd floor of Hotel Castle Plaza
2-2 Matsunouchi, Akashi-shi, Hyogo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company’s 147th Fiscal Year (April 1, 2020 - March 31, 2021)
 2. Results of audits of the Consolidated Financial Statements for the Company’s 147th Fiscal Year (April 1, 2020 - March 31, 2021) by the Accounting Auditor and the Board of Corporate Auditors

Proposals to be resolved:

- Proposal 1:** Election of Six (6) Directors
- Proposal 2:** Election of One (1) Corporate Auditor
- Proposal 3:** Election of Two (2) Substitute Corporate Auditors
- Proposal 4:** Revision of Compensation Amount for Granting Restricted Stock to Directors (Excluding Outside Directors) and Details Thereof

4. Information on Exercise of Voting Rights

In the event that no indication of “approval” or “disapproval” has been made for each proposal, this shall be treated as the intent of “approval.”

5. Other Matters related to this Notice of the Meeting

Of the documents required to be provided with this notice, the “Notes to the Consolidated Financial Statements” and “Notes to the Non-consolidated Financial Statements” have been posted on the Company’s website

(<http://www.toyo-mm.co.jp/fia/data.html>) in accordance with laws and regulations and the Company's Articles of Incorporation, and are therefore not included in the documents attached to this notice.

The audits by Corporate Auditors and the Accounting Auditor include items contained in the "Notes to the Consolidated Financial Statements" and "Notes to the Non-consolidated Financial Statements," aside from the documents attached to this notice.

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- * If you are attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception. To conserve resources, please bring this notice with you. The meeting will be held in light attire ("Cool Biz").
 - * If you are attending the meeting by proxy, please have the proxy present your Voting Rights Exercise Form along with written proof of his/her right of proxy at the reception. The proxy must be another shareholder of the Company having voting rights.
 - * Please note that any amendments to the matters to be disclosed in the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements and Reference Documents for the General Meeting of Shareholders will be posted on the Company's website (<http://www.toyo-mm.co.jp/fia/data.html>).

Measures against the Novel Coronavirus Infection

There are concerns about the spread of the novel coronavirus infection. Shareholders planning to attend the meeting are kindly requested to confirm the infection status as well as your own health condition on the day of the meeting, and take preventive measures against the spread of infection including wearing masks. Shareholders who do not feel well are requested to make cautious decisions.

- * Please note that no souvenir will be distributed to shareholders attending the meeting this year. We ask for your kind understanding in advance.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of Six (6) Directors

The current terms of office of all six (6) Directors are to expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, the Company proposes the election of six (6) Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
1	Yoshiaki Tabata (October 30, 1961)	<p>April 1985 Joined the Company</p> <p>April 2002 General Manager of China Department, Overseas Sales Division</p> <p>October 2003 General Manager of Asia Department, Overseas Sales Division</p> <p>June 2011 Executive Officer, Deputy General Manager of Sales Division, General Manager of South Asia Sales Department and General Manager of Europe & U.S. Sales Department</p> <p>January 2013 Executive Officer, Deputy General Manager of Sales Division</p> <p>June 2014 Director, General Manager of Overseas Sales Division</p> <p>January 2015 Director, General Manager of Sales Administrative Division and General Manager of Overseas Sales Division</p> <p>June 2018 Managing Director, General Manager of Sales Administrative Division</p> <p>June 2019 President and Representative Director (current position)</p>	26,400
<p>[Reasons for nomination as a candidate for Director]</p> <p>Since assuming the office of Representative Director in June 2019, Mr. Yoshiaki Tabata has been appropriately engaged in the supervision of management and determination of important matters based on his wealth of overseas experience and advanced insight accumulated through serving as the leader of the sales divisions for many years. The Company proposes his reelection as it has judged that he is capable of contributing to improving corporate value by drawing on these experiences and insight.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
2	Kenji Takatsuki (June 8, 1963)	<p>April 1986 Joined the Company</p> <p>March 2010 General Manager of Manufacturing Department</p> <p>April 2016 General Manager of General Affairs Department and General Manager of Environment Management Center</p> <p>June 2016 General Manager of General Affairs Department, General Manager of CSR Office and General Manager of Environment Management Center</p> <p>June 2017 Executive Officer, General Manager of Export Management Division, General Manager of General Affairs Department, General Manager of CSR Office and General Manager of Environment Management Center</p> <p>May 2019 Executive Officer, General Manager of Manufacturing & Procurement Division</p> <p>June 2019 Director, General Manager of Manufacturing & Procurement Division</p> <p>April 2021 Director, General Manager of Management Division (current position)</p>	19,600
		<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Kenji Takatsuki has gained abundant experience in the manufacturing-related area, which is a core area of manufacturers, and he also has been cultivating experience as a leader of the general affairs division. The Company proposes his reelection as Director as it has judged that he is capable of contributing to the strengthening and enhancement of management structure, and the improvement of corporate value by drawing on broad perspective based on these experiences.</p>	
3	Yasuhiro Miwa (March 14, 1966)	<p>April 1990 Joined the Company</p> <p>May 2011 Deputy President, Toyo Machinery (Changshu) Co., Ltd.</p> <p>January 2013 President, Toyo Machinery (Changshu) Co., Ltd.</p> <p>June 2018 Executive Officer, General Manager of Overseas Sales Division</p> <p>June 2019 Director, General Manager of Overseas Sales Division</p> <p>November 2019 Director, General Manager of Overseas Sales Division and General Manager of European Sales Department</p> <p>April 2021 Director, General Manager of Manufacturing & Procurement Division (current position)</p>	13,000
		<p>[Reasons for nomination as a candidate for Director]</p> <p>Although Mr. Yasuhiro Miwa is from the design division, he has a wealth of knowledge and insights in overseas sales activities and also as a manager of an overseas manufacturing company. The Company proposes his reelection as Director as it has judged that he is capable of contributing to decision-making on important management matters and improving corporate value by drawing on his insight and experiences.</p>	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
4*	Hiroyuki Yamamoto (April 3, 1967)	<p>April 1990 Joined the Company</p> <p>July 2009 General Manager of Marketing Department</p> <p>May 2012 General Manager of Overseas Die-Casting Machine Sales Promotion Department</p> <p>January 2013 General Manager of East Asia Sales Department and General Manager of Overseas Die-Casting Machine Sales Promotion Department</p> <p>April 2016 General Manager of Sales Planning Department and General Manager of East Asia Sales Department</p> <p>April 2018 General Manager of Sales Planning Department and General Manager of Sales Engineering Department</p> <p>June 2019 Executive Officer, General Manager of Sales Planning Department and General Manager of Sales Engineering Department</p> <p>April 2020 Executive Officer, General Manager of General Affairs Department</p> <p>April 2021 Executive Officer, General Manager of Sales Division (current position)</p>	1,600
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Hiroyuki Yamamoto is from the sales division, and also possesses experience in marketing, sales planning, sales engineering, etc. in addition to customer service and thus has a wealth of knowledge on all areas in sales. He was also engaged in numerous kinds of operations in the general affairs division. The Company proposes his election as Director as it has judged that he is capable of contributing to decision-making on important management matters and improving corporate value by drawing on these broad experiences and insight.</p>			
5	Masaki Aoyama (September 29, 1953)	<p>April 1976 Joined The Mitsui Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>October 1999 General Manager, Otsu Branch</p> <p>July 2001 General Manager of Loan Department, The Chuo Mitsui Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>April 2004 Head of Finance Group, Sanyo Chemical Industries, Ltd.</p> <p>September 2005 General Manager of Casualty Insurance Department of Osaka Branch, Sanshin Shinko Co., Ltd.</p> <p>June 2007 Director and General Manager of Osaka Branch</p> <p>October 2012 Director and Executive Officer, Sansen Trust Insurance Service Co., Ltd.</p> <p>June 2015 Director of the Company (current position)</p>	0
<p>[Reasons for nomination as a candidate for Outside Director]</p> <p>Mr. Masaki Aoyama has actively made statements and recommendations at the Board of Directors meetings drawing on his wealth of knowledge and experience, fostered through his career at financial institutions, etc. The Company proposes his reelection as Outside Director as it has judged that the enhancement of the Company's corporate value can be expected through his involvement in decision-making on important management matters on the basis of his knowledge on corporate governance, etc. and his supervision on business execution from an external standpoint. At the conclusion of this meeting, his tenure as Outside Director of the Company will have been six (6) years.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
6	Mitsuo Yamada (January 11, 1956)	<p>April 1980 Joined Nippon Paint Co., Ltd.</p> <p>April 2009 General Manager of Electro-Deposition Paint Engineering Department, Automotive Coating Business Division</p> <p>April 2012 Executive Officer, Deputy General Manager of Automotive Coating Business Division</p> <p>April 2013 Senior Executive Officer, General Manager of Automotive Coating Business Division</p> <p>April 2015 Managing Executive Officer, Nippon Paint Holdings Co., Ltd., President and Representative Director of the Board, Nippon Paint Automotive Coatings Co., Ltd.</p> <p>January 2018 Senior Managing Executive Officer, Nippon Paint Holdings Co., Ltd., President and Representative Director of the Board, Nippon Paint Automotive Coatings Co., Ltd.</p> <p>January 2019 Standing Advisor, Nippon Paint Automotive Coatings Co., Ltd.</p> <p>June 2020 Director of the Company (current position)</p> <p>July 2020 Senior Managing Director, Entrepot Inc. (current position)</p> <p>[Significant concurrent positions outside the Company] Senior Managing Director, Entrepot Inc.</p>	0
<p>[Reasons for nomination as a candidate for Outside Director] The Company proposes the reelection of Mr. Mitsuo Yamada as Outside Director as it has judged that the enhancement of the Company's corporate value can be expected through his involvement in decision-making on important management matters on the basis of his broad knowledge fostered through his engineering and corporate management experience at manufacturers and his supervision on business execution from an external standpoint. At the conclusion of this meeting, his tenure as Outside Director of the Company will have been one year.</p>			

- (Notes)
1. The nominee with an asterisk (*) is a newly selected candidate for Director.
 2. There are no special interests between each candidate and the Company.
 3. While Mr. Masaki Aoyama is from the Sumitomo Mitsui Trust Bank, Limited, which is a subsidiary of the Sumitomo Mitsui Trust Holdings, Inc., the Sumitomo Mitsui Banking Corporation, a lender for the Company, is a subsidiary of the Sumitomo Mitsui Financial Group, Inc., which is a different corporate group. Therefore, he has no experience of working for a lender for the Company, which ensures his independence.
 4. Messrs. Masaki Aoyama and Mitsuo Yamada are candidates for Outside Director and the Company has registered them to the Tokyo Stock Exchange as independent officers.
 5. As stipulated in Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Messrs. Masaki Aoyama and Mitsuo Yamada, candidates for Outside Director, to limit their liabilities for damages under Article 423, paragraph (1) of the Companies Act. The liability amount prescribed under the agreement is a minimum liability amount stipulated in Article 425, paragraph (1) of the Companies Act. If the reelection of Messrs. Masaki Aoyama and Mitsuo Yamada is approved, the Company plans to continue the aforementioned liability limitation agreement with them.
 6. The Company has entered into a directors and officers liability insurance ("D&O insurance") policy with an insurance company, thereby covering losses and costs incurred by Directors, Corporate Auditors and/or certain others in cases where they are liable for damages arising from their performance of duties (unless a coverage exclusion in the insurance policy is applied). The full amount of the insurance premiums for D&O insurance is borne by the Company. If each candidate is elected and assumes the office as Director, the Company plans to include every such Director as an insured in the D&O insurance policy. The term of the D&O insurance policy is one (1) year, and the Company plans to renew the policy with the same details before the expiration of that term by resolution of the Board of Directors.

[Criteria for judgment of independence]

The Company has established the Standards for Selecting Independent Outside Officers to ensure independence of Outside Directors and Outside Corporate Auditors.

1. A candidate is not and has never been involved in business execution of the Company and its Group companies.
2. A candidate is neither a major shareholder of the Company with 10% or more of the total voting rights, nor its important executive (Director, Executive, and Executive Officer).
3. A candidate is not an important executive of the Company's major trading partner (amount of consideration paid to the Company during transactions with the Company exceeding 2% of consolidated net sales of the Company in the most recent business year).
4. A candidate is not an executive of a person for whom the Company is a major trading partner (amount of consideration paid by the Company during transactions with the Company exceeding 2% of consolidated net sales of the said person in the most recent business year).
5. A Candidate is not an important executive of the Company's main financial institution (from which the Company is borrowing the amount exceeding 2% of its consolidated net assets in the past three years).
6. A candidate is neither an individual nor an important executive of a corporation that has received a large sum of compensation or contribution (an annual sum of ¥10 million or more, or a sum exceeding 2% of consolidated assets annually in the most recent business year) from the Company in forms other than executive compensation.
7. A candidate is not a relative (within the third degree of kinship) of an executive of the Company or its Group companies.
8. A candidate is not a person who falls under any of the items above (2 to 7) in the last three years.

Proposal 2: Election of One (1) Corporate Auditor

The term of office of Corporate Auditor, Mr. Takayuki Fujimoto is to expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of one (1) Corporate Auditor is proposed. The Board of Corporate Auditors has given its prior consent to this proposal. The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
Takayuki Fujimoto (June 17, 1957)	April 1981 Joined the Company October 2007 General Manager of Quality Assurance Department November General Manager of Procurement Department 2010 October 2013 Deputy General Manager of Quality Assurance Division August 2014 General Manager of Quality Assurance Division June 2015 Executive Officer, General Manager of Quality Assurance Division and General Manager of Export Management Division June 2017 Full-time Corporate Auditor (current position)	11,600
[Reasons for nomination as candidate for Corporate Auditor] Mr. Takayuki Fujimoto, who has been engaged in quality assurance operations for many years, has insight, experience, etc. fostered through work. The Company proposes his reelection as Corporate Auditor as it has judged that he can audit the execution of duties by Directors from an objective and fair perspective in light also of his past track record as Full-time Corporate Auditor.		

- (Notes)
1. There is no special interest between the candidate and the Company.
 2. As stipulated in Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Mr. Takayuki Fujimoto, a candidate for Corporate Auditor, to limit his liabilities for damages under Article 423, paragraph (1) of the Companies Act. The liability amount prescribed under the agreement is a minimum liability amount stipulated in Article 425, paragraph (1) of the Companies Act. If the reelection of Mr. Takayuki Fujimoto is approved, the Company plans to continue the aforementioned liability limitation agreement with him.
 3. The Company has entered into a D&O insurance policy with an insurance company, thereby covering losses and costs incurred by Directors, Corporate Auditors and/or certain others in cases where they are liable for damages arising from their performance of duties (unless a coverage exclusion in the insurance policy is applied). The full amount of the insurance premiums for D&O insurance is borne by the Company. If the candidate is elected and assumes the office as Corporate Auditor, the Company plans to include him as an insured in the D&O insurance policy. The term of the D&O insurance policy is one (1) year, and the Company plans to renew the policy with the same details before the expiration of that term by resolution of the Board of Directors.

Proposal 3: Election of Two (2) Substitute Corporate Auditors

To prepare for cases where the number of Corporate Auditors falls below statutory requirements, the election of two (2) substitute Corporate Auditors is proposed. Of the candidates for substitute Corporate Auditor, Mr. Shiro Miyamoto is proposed to be nominated as a candidate for Corporate Auditor who will substitute for Corporate Auditors other than Outside Corporate Auditors, and Mr. Hironori Igawa is proposed to be nominated as a candidate for Corporate Auditor who will substitute for Outside Corporate Auditors. The Board of Corporate Auditors has given its prior consent to this proposal.

The candidates for substitute Corporate Auditors are as follows.

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
1	Shiro Miyamoto (March 23, 1962)	<p>April 1984 Joined the Company</p> <p>April 2009 General Manager of PLASTAR Sales Engineering Department, Sales Engineering Division</p> <p>January 2010 General Manager of PLASTAR Technology Department, Development Technology Division</p> <p>June 2011 General Manager of China Technical Support Center, China and East Asia Sales Administrative Department, Sales Division</p> <p>April 2013 General Manager of PLASTAR Technology Department, Sales Division</p> <p>April 2017 General Manager of Intellectual Property Rights Department</p> <p>May 2019 General Manager of Intellectual Property Department (current position)</p>	2,800
<p>[Reasons for nomination as candidate for substitute Corporate Auditor]</p> <p>Mr. Shiro Miyamoto, since joining the Company, has been engaged in a broad range of business operations, including design, sales engineering as well as intellectual property-related area in recent years. The Company has judged that he can appropriately perform the duties of Corporate Auditor based on his wealth of knowledge and experience.</p>			
2	Hironori Igawa (May 20, 1975)	<p>November 1999 Joined Osaka Office of Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>September 2003 Registered as certified public accountant</p> <p>January 2006 Established Hironori Igawa Certified Public Accountant Office (current position)</p> <p>October 2006 Registered as certified tax accountant</p> <p>August 2018 Partner, Seiyu Audit Corporation (current position)</p>	0
<p>[Reasons for nomination as candidate for substitute Outside Corporate Auditor]</p> <p>Mr. Hironori Igawa has specialized knowledge and experience, etc., as a certified public accountant and certified tax accountant. The Company proposes his election as substitute Outside Corporate Auditor as it has judged that he can draw on these knowledge and experience in the audit system of the Company. Mr. Igawa has no experience in corporate management in the past other than serving as an outside corporate officer. The Company, however, believes that he can appropriately fulfill the duties of Outside Corporate Auditor based on the aforementioned experience.</p>			

- (Notes)
1. There are no special interests between each candidate and the Company.
 2. Mr. Hironori Igawa is a candidate for Outside Corporate Auditor.
 3. If Mr. Hironori Igawa assumes the position of Corporate Auditor, the Company plans to register him to the Tokyo Stock Exchange as an independent officer.
 4. If Messrs. Shiro Miyamoto and Hironori Igawa assume the office of Corporate Auditor, the Company plans, as stipulated in Article 427, paragraph (1) of the Companies Act, to enter into the liability limitation agreements with them. The liability amount prescribed under the agreement is to be a minimum liability amount stipulated in Article 425, paragraph (1) of the Companies Act.

5. The Company has entered into a D&O insurance policy with an insurance company, thereby covering losses and costs incurred by Directors, Corporate Auditors and/or certain others in cases where they are liable for damages arising from their performance of duties (unless a coverage exclusion in the insurance policy is applied). The full amount of the insurance premiums for D&O insurance is borne by the Company. If Messrs. Shiro Miyamoto and Hironori Igawa assume the office as Corporate Auditors, the Company plans to include them as insureds in the D&O insurance policy. The term of the D&O insurance policy is one (1) year, and the Company plans to renew the policy with the same details before the expiration of that term by resolution of the Board of Directors.

Proposal 4: Revision of Compensation Amount for Granting Restricted Stock to Directors (Excluding Outside Directors) and Details Thereof

Whereas the amount of compensation for Directors of the Company was approved to be no more than ¥200 million per annum (of which up to ¥20 million for Outside Directors, not including employee salaries and bonuses for Directors who serve concurrently as employees) at the 143rd Annual General Meeting of Shareholders held on June 23, 2017 and whereas the total amount of monetary compensation claims to be paid to Directors of the Company (excluding Outside Directors) for granting restricted stock to them, apart from the above amount of compensation, was approved to be no more than ¥100 million per annum at the 144th Annual General Meeting of Shareholders held on June 22, 2018, it is presently intended to abolish the existing stock compensation program and newly introduce Restricted Stock Program (hereinafter referred to as “Program I”), whereby a certain number of restricted stock is delivered each fiscal year, and Performance Share Unit Program (hereinafter referred to as “Program II,” with Program I and Program II to be collectively referred to as “Programs”), whereby restricted stock is delivered in accordance with the degree of achievement of performance goals specified in advance. The purpose of the introduction of these new stock compensation programs is promoting further sharing of value between Directors of the Company (excluding Outside Directors, hereinafter referred to as “Eligible Directors”) and shareholders and providing Eligible Directors with an incentive to contribute to the achievement of goals of the Company’s medium-term management plan by allotting restricted stock to Eligible Directors.

Therefore, as a part of transition from the current stock compensation program to Programs, it is proposed to revise the compensation ceiling pertaining to restricted stock and newly pay monetary compensation claims to Eligible Directors for granting restricted stock pertaining to Program I and Program II to them, in accordance with a resolution of the Board of Directors of the Company, on the condition that they be in the position of Director of the Company on the date of resolution of the subscription requirements for restricted stock.

The total amount of monetary compensation claims paid to Eligible Directors under Programs in accordance with this proposal is to be revised appropriately as follows in light of the aforementioned purpose: no more than ¥10 million per annum for monetary compensation claims pertaining to Program I and no more than ¥90 million for three business years (¥30 million per annum) for monetary compensation claims pertaining to Program II. The specific timing and allocation of payment to each Eligible Director shall be determined by the Board of Directors.

There are presently six (6) Directors, two (2) of whom are Outside Directors, and, if Proposal 1 is approved and adopted, there will be six (6), two (2) of which are Outside Directors.

Eligible Directors shall pay in as property contributed in kind all of the monetary compensation claims paid from the Company based on the resolution of the Board of Directors and in return receive the issuance or disposal of common stock of the Company. The total number of shares of common stock of the Company to be issued or disposed of thereby shall be revised to 25,000 shares or less for Program I and 75,000 shares or less for three business years (25,000 shares per annum) for Program II (provided, however, that, if a stock split or consolidation of common stock of the Company (including the gratis allotment of common stock of the Company) is conducted with an effective date on or after the day on which this proposal is approved and adopted, the said total number shall be adjusted to a reasonable extent as required in accordance with the split or consolidation ratio or other measures.) The amount to be paid per share shall be equal to the closing price of common stock of the Company at the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (or the most recent preceding trading day if no trade is made on that day).

1. Outline of Program I (Restricted Stock Program)

Program I is intended to allot common stock of the Company issued or disposed of by the Company to Eligible Directors and let them own such shares by paying monetary compensation claims for the allotment of restricted stock to Eligible Directors every business year, in principle, and having them contribute the said monetary compensation claims in kind. In thereby issuing or disposing of common stock of the Company, the Company will enter into a restricted stock allotment agreement (hereinafter referred to as the “Allotment Agreement”) with Eligible Directors whose outline is described below (common stock of the Company allotted under the Allotment Agreement to be hereinafter referred to as “Stock”).

- (1) Transfer restriction period
Eligible Directors may not transfer, create a security interest on, or otherwise dispose of Stock during the period from the payment date of Stock (hereinafter referred to as the “Payment Date”) to the point of time when they resign from the position of Director of the Company (hereinafter referred to as the “Transfer Restriction Period”).
- (2) Conditions for removal of transfer restriction
Transfer restriction shall be removed for all of the Stock upon the expiration of the Transfer Restriction Period on the condition that an Eligible Director has remained in the position of Director of the Company throughout the Transfer Restriction Period.
- (3) Reasons for acquisition without consideration
The Company shall acquire all of the Stock without consideration if any of certain events specified in the Allotment Agreement occurs including the finalized resignation of an Eligible Director from the position of Director of the Company for any reason other than death, expiration of the term of office and other justifiable reasons.
- (4) Handling of death and resignation during the term of office
Notwithstanding the provision of (2) above, if an Eligible Director dies or resigns from the position of Director of the Company for any other justifiable reason during and before the end of the period from the day following the Annual General Meeting of Shareholders in the year in which the Payment Date falls to the date of the next Annual General Meeting of Shareholders, transfer restriction shall be removed for such a number of Stock as will be reasonably determined in light of his or her years of service during the said period. In addition, in the case specified above, the Company necessarily acquires the Stock without consideration for which transfer restriction remains unremoved at the point of time immediately after transfer restriction is removed.
- (5) Handling upon organizational restructuring, etc.
Notwithstanding the provisions of (1) and (2) above, if a merger agreement whereby the Company becomes a non-surviving company, a stock exchange agreement or stock transfer plan whereby the Company becomes a wholly owned subsidiary or any other matter pertaining to organizational restructuring, etc. is approved by the General Meeting of Shareholders of the Company (or the Board of Directors of the Company if an approval by the General Meeting of Shareholders of the Company is not required for the said organizational restructuring, etc.), the Company shall remove, by a resolution of the Board of Directors, the transfer restriction for such a number of Stock as will be reasonably determined in light of the period from the month following the Annual General Meeting of Shareholders in the year in which the Payment Date falls to the date of the said approval, prior to the effective date of the said organizational restructuring, etc. In addition, in the case specified above, the Company necessarily acquires the Stock without consideration for which transfer restriction remains unremoved at the point of time immediately after transfer restriction is removed.
- (6) Other matters
Any other matters pertaining to the Allotment Agreement shall be determined by the Board of Directors of the Company.

2. Outline of Program II (Performance Share Unit Program)

Program II is intended to allot common stock of the Company issued or disposed of by the Company to Eligible Directors and let them own such shares by paying monetary compensation claims for the allotment of restricted stock to Eligible Directors in accordance with the degree of achievement of goals in performance, etc. during the three business years of the medium-term management plan of the Company and having them contribute the said monetary compensation claims in kind. In issuing or disposing of common stock of the Company to Eligible Directors in accordance with Program II, the Company will enter into a restricted stock

allotment agreement with Eligible Directors corresponding, mutatis mutandis, to the Allotment Agreement described in the “1. Outline of Program I (Restricted Stock Program)” above.

(1) Method of computing the amount of monetary compensation claims

The amount shall be obtained by multiplying the finalized number of shares to be delivered calculated in accordance with the computation formula given below by the closing price of common stock of the Company at the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors pertaining to the issuance or disposal of common stock of the Company (or the most recent preceding trading day if no trade is made on that day).

(Formula for computing the finalized number of shares to be delivered)

Finalized Number of Shares to be Delivered =		
Standard Number of Shares Awarded ×	Award Ratio Pertaining to Performance Goals ×	Service Year Ratio
(i)	(ii)	(iii)

- (i) The standard number of shares awarded shall be determined in accordance with the position of an Eligible Director.
- (ii) The award ratio pertaining to performance goals is computed in the range from 0% to 150% in accordance with the degree of achieving goals in the cumulative amount of consolidated operating income for the three business years of the medium-term management plan of the Company and the degree of achieving ROE goals in the final business year of the medium-term management plan.
- (iii) The service year ratio is computed by dividing the number of months in the service period by 12.

(2) Conditions of award

If any of the conditions for forfeiture specified in the Company’s regulations applies to an Eligible Directors, including his or her finalized resignation from the position of Director of the Company for reasons other than the expiration of term of office or any other justifiable reasons, neither monetary compensation claims nor restricted stock shall be awarded.

(3) Handling upon organizational restructuring, etc.

If, during the period of service by an Eligible Director, a merger agreement whereby the Company becomes a non-surviving company, a stock exchange agreement or stock transfer plan whereby the Company becomes a wholly owned subsidiary or any other matter pertaining to organizational restructuring, etc. is approved by the General Meeting of Shareholders of the Company (or the Board of Directors of the Company if an approval by the General Meeting of Shareholders of the Company is not required for the said organizational restructuring, etc.), a sum of money in the amount obtained by multiplying the finalized number of shares to be delivered indicated in the “(1) Method of computing the amount of monetary compensation claims” above by the closing price of common stock of the Company at the Tokyo Stock Exchange on the date of the said approval (or the most recent preceding trading day if no trade is made on that day) shall be awarded.

3. Reasons for the appropriateness of the allotment of restricted stock in accordance with Programs

As described above, Programs are intended to promote further sharing of value between Eligible Directors and shareholders and to provide Eligible Directors with an incentive to contribute to the achievement of goals of the Company’s medium-term management plan, and the Personnel and Compensation Committee chaired by an Outside Director also reported its finding to the effect that Programs are appropriate in content. Therefore, they are considered appropriate in content. The allotment of restricted stock in accordance with Programs is also considered to be appropriate because the resulting dilution ratio will be slight since the dilution ratio after this revision (the dilution ratio on the total number of issued shares (excluding treasury shares) at the end of the business year under review on the assumption for the next ten years that (i) the maximum number of shares under Program I (25,000 shares) will be delivered each business year and that (ii) the maximum number of shares under Program II (75,000 shares) will be delivered every three business years) will be no more than 2.5%.

<Procedures for exercising voting rights via the Internet>

Please check the instructions below before exercising your voting rights via the Internet.

If you are attending the General Meeting of Shareholders, there is no need for you to exercise your voting rights via postal mail (Voting Rights Exercise Form) or via the Internet.

1. Website for exercising voting rights

- (1) When exercising voting rights via the Internet, your voting rights may be exercised only by using the website for exercising voting rights designated by the Company (<https://evote.tr.mufg.jp/>) which may be accessed from a computer, smartphone or mobile phone. (Please note that the website is not available from 2:00 a.m. to 5:00 a.m., Japan time, daily).
- (2) Depending on the Internet connection environment, you may not be able to exercise your voting rights through your computer or smartphone. Such environment includes cases where a firewall is used for the Internet connection, antivirus software has been installed, a proxy server is used, or TLS encrypted communication has not been designated.
- (3) When exercising voting rights using your mobile phone, please note that mobile phones that are incompatible with TLS encrypted communication or transmission of mobile phone information, cannot be used for security reasons.
- (4) Exercise of voting rights via the Internet will be accepted until 4:45 p.m. on Thursday, June 24, 2021, Japan time, but we ask you to exercise your voting rights at your earliest convenience. Should you have any questions, please contact the help desk.

2. How to exercise your voting rights via the Internet

- (1) Through your computer or mobile phone
 - On the website for exercising voting rights (<https://evote.tr.mufg.jp/>), enter the “Login ID” and “Temporary Password” printed on the Voting Rights Exercise Form and follow the instructions on the screen to indicate your approval or disapproval for each proposal.
 - In order to prevent unauthorized access (“spoofing”) by a third party other than the shareholder and falsification of the contents of your votes, you will be requested to change your “Temporary Password” on the website for exercising voting rights.
 - A new “Login ID” and “Temporary Password” will be issued each time the General Meeting of Shareholders is convened.
- (2) Through your smartphone
 - Scanning “QR code for login” printed on the Voting Rights Exercise Form using your smartphone lets you automatically access the website for exercising voting rights where you can exercise your rights. (Entering “Login ID” and “Temporary Password” is not necessary.)
 - For security purposes, exercising voting rights with a QR code is available only once. If you scan a QR code for the second time and thereafter, you will be asked to enter “Login ID” and “Temporary Password.” Login using a QR code may be not available for certain smartphones. If you cannot login with a QR code, please exercise voting rights through your computer or mobile phone as in (1).

* QR code is a registered trademark of DENSO WAVE INCORPORATED.

3. Handling of voting rights exercised multiple times

- (1) Please be advised that where voting rights have been exercised in duplicate both by postal mail and via the Internet, the vote submitted via the Internet will be deemed the valid vote.
- (2) If voting rights have been exercised multiple times via the Internet, the last vote will be deemed the valid vote. Similarly, where voting rights have been exercised in duplicate from a computer, smartphone or mobile phone, the last vote will be deemed the valid vote.

4. Costs incurred for accessing the website for exercising voting rights

Costs incurred for accessing the website for exercising voting rights (Internet connection fees, etc.) shall be borne by the shareholder. Similarly, if a mobile phone is used, packet communication fees and other mobile phone usage fees shall also be borne by the shareholder.

HELP DESK

Inquiries about system, etc.

Stock Transfer Agency Department of
Mitsubishi UFJ Trust and Banking Corporation

Telephone: 0120-173-027

(inquiries accepted from 9:00 to 21:00 JST, toll free)

<For institutional investors>

Nominee shareholders (including standing proxies), such as custodian trust banks, may use the voting rights electronic exercise platform operated by ICJ Inc., if application is made in advance.