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(Stock Exchange Code 6617)  
June 11, 2021

**To Shareholders with Voting Rights:**

Toshiro Takebe  
President and Representative Director  
TAKAOKA TOKO CO., LTD.  
5-6-36, Toyosu, Koto-ku, Tokyo, Japan

**NOTICE OF CONVOCATION OF  
THE 9TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

You are cordially notified of the 9th Annual General Meeting of Shareholders of TAKAOKA TOKO CO., LTD. (the “Company”). The meeting will be held for the purposes as described below.

Recently, we face a situation that requires us to continue taking various measures in response to the spread of the coronavirus disease (COVID-19) infection, with the aim of preventing it. In response to this situation, we have decided to hold the 9th Annual General Meeting of Shareholders by implementing appropriate measures to prevent infection.

From the viewpoint of preventing the spread of infection, you are kindly requested to refrain from attending the General Meeting of Shareholders and to exercise your voting rights preliminarily in writing or via Internet, etc., insofar as possible.

If you exercise your voting rights preliminarily in writing or via Internet, etc., please kindly review the attached Reference Documents for the General Meeting of Shareholders in the following pages and exercise your voting rights by no later than 5:00 p.m. on Friday, June 25, 2021, Japan time, according to the guidance for exercising voting rights described in pages 4 to 5 (Japanese original version).

Please note that the venue is different from last year. Please refer to the “Location of the venue for the 9th Annual Meeting of Shareholders” attached at the end of this document to check the location.

**1. Date and Time:** Monday, June 28, 2021 at 10:00 a.m. Japan time

**2. Place:** Conference room, 2nd floor, GAKUSHIKAIKAN  
3-28 Kandanishiki-cho, Chiyoda-ku, Tokyo, Japan

**3. Meeting Agenda:**

**Matters to be reported:** The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company’s 9th Fiscal Year (April 1, 2020 - March 31, 2021), and report on results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements

**Proposals to be resolved:**

**Proposal 1:** Distribution of Surplus

**Proposal 2:** Election of 7 Directors (excluding those who are Audit and Supervisory Committee members)

**Proposal 3:** Revision of the Framework for Compensation under the Performance-linked Stock Compensation Plan for Directors (excluding those who are Audit and Supervisory Committee members)

(Request)

When attending the meeting, please hand in the enclosed Voting Rights Exercise Form at the reception desk.

(Notes)

- ◎ From among the documents to be provided with this Notice, the following are posted on the Company's website (<https://www.tktk.co.jp/>) in accordance with laws and regulations as well as the provisions of Article 16 of the Company's Articles of Incorporation, and therefore are not provided herein. Please note that the Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements provided with this Notice are part of the Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements audited by the Accounting Auditor and the Audit and Supervisory Committee during the preparation of their respective Audit Reports.
  - (1) Systems for ensuring that the directors perform their duties in accordance with laws, regulations, and the Article of Incorporation and other systems for ensuring the properness of business activities and the outline of the operation of the systems
  - (2) Consolidated Statements of Changes in Net Assets of the Consolidated Financial Statements
  - (3) Notes to the Consolidated Financial Statements of the Consolidated Financial Statements
  - (4) Non-consolidated Statements of Changes in Net Assets of the Non-consolidated Financial Statements
  - (5) Notes to the Non-consolidated Financial Statements of the Non-consolidated Financial Statements
- ◎ Any revisions will be promptly disclosed on the Company's website at <https://www.tktk.co.jp/>.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal 1:** Distribution of Surplus

The Company believes that the payment of a stable dividend is a basic prerequisite for meeting shareholder expectations. Therefore, we make it a policy to make continuous dividend payments, while endeavoring to secure a stable management base such as reinforced financial conditions.

With respect to the dividend for the current fiscal year, in consideration of the business results, business environment, and other factors, the Company proposes the following:

1. Type of dividend property  
Cash
2. Allocation of dividend property to shareholders and the total amount thereof  
25 yen per share for common stock  
Total amount of dividend: 405,431,175 yen
3. Effective date of distribution of surplus  
June 29, 2021

(Notes) 1. In accordance with Article 453 of the Companies Act, the total dividend amount is calculated by deducting 59,058 treasury shares from the total number of issued shares.

2. The total annual dividend will be 50 yen per share, inclusive of the interim dividend of 25 yen per share. The total dividend amount will be 810,873,550 yen, inclusive of the total interim dividend amount of 405,442,375 yen.

**Proposal 2:** Election of 7 Directors (excluding those who are Audit and Supervisory Committee members)

The terms of office of all Directors (excluding those who are Audit and Supervisory Committee members) (7 persons) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 7 Directors (excluding those who are Audit and Supervisory Committee members) is proposed.

The Company confirmed that the Audit and Supervisory Committee has no particular opinions on this proposal.

The candidates are as follows:

(Japanese syllabary order)

No.	Name	Current positions and responsibilities in the Company
1	(New appointment) Takashi Ichinose	Managing Executive Officer
2	(Reappointment) Akira Uemura	Outside Director Independent Director Director
3	(Reappointment) Yoshinori Kaneko	Outside Director Director
4	(Reappointment) Harunobu Kameyama	Outside Director Independent Director Director
5	(Reappointment) Takenori Fujii	Director and Managing Executive Officer In charge of Internal Audit Department, Corporate Affairs Department, Employee Relations & Human Resources Department, Finance & Accounting Department and Applied Optics Inspection System Business Division
6	(Reappointment) Yasuhiro Mishima	Outside Director Independent Director Director
7	(New appointment) Tatsuya Wakayama	Managing Executive Officer General Manager of Corporate Planning Department

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held [Number of other shares to be distributed based on the stock compensation plan]
1	<p>Takashi Ichinose (September 27, 1962)</p> <p>&lt;New appointment&gt;</p>	<p>July 2010 General Manager of Facilities Department, Tokyo Branch, Tokyo Electric Power Company, Incorporated</p> <p>September 2011 General Manager of Shibuya Sub-Branch, Tokyo Branch, Tokyo Electric Power Company, Incorporated</p> <p>June 2014 President, Tepco Town Planning Co., Ltd. (Seconded from Tokyo Electric Power Company, Incorporated)</p> <p>June 2017 General Manager of Internal Audit Department, Tokyo Electric Power Company Holdings, Incorporated</p> <p>April 2018 Executive Officer, General Manager of Internal Audit Department, Tokyo Electric Power Company Holdings, Incorporated</p> <p>April 2019 Executive Officer, General Manager of Organization, Employee Relations &amp; Human Resources Office, Strategic Unit for Human Resources Empowerment, Tokyo Electric Power Company Holdings, Incorporated</p> <p>April 2021 Managing Executive Officer of the Company (to present)</p>	<p>-</p> <p>[200]</p>
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Takashi Ichinose has extensive experience and broad knowledge gained through his career as a corporate manager, including his years of service as President of Tepco Town Planning Co., Ltd. He has also a high level of expertise in the power industry, having served as Executive Officer at Tokyo Electric Power Company Holdings, Incorporated. For the above reasons, he is well qualified to promote "Takaoka Toko Group 2030 Vision &amp; Mid-term Management Plan 2023" with his strong leadership. Therefore, we propose his election as a Director.</p>			
2	<p>Akira Uemura (September 19, 1954)</p> <p>&lt;Reappointment&gt;</p> <p>&lt;Outside Director&gt;</p> <p>&lt;Independent Director&gt;</p>	<p>April 2008 Executive Officer and General Manager of Industrial Business Division, Hitachi Software Engineering Co., Ltd. (currently Hitachi Solutions, Ltd.)</p> <p>April 2009 Executive Officer and General Manager of Telecommunications and Industrial Business Division, Hitachi Software Engineering Co., Ltd. (currently Hitachi Solutions, Ltd.)</p> <p>April 2010 Vice-President Executive Officer, Nippon Securities Technology Co., Ltd.</p> <p>May 2010 President, Nippon Securities Technology Co., Ltd.</p> <p>June 2019 Adviser, Nippon Securities Technology Co., Ltd.</p> <p>June 2020 Director of the Company (to present)</p>	<p>-</p> <p>[-]</p>
<p>[Reason for nomination as candidate for Outside Director and Outline of Expected Roles]</p> <p>Mr. Akira Uemura has a high level of expertise in the IT industry, extensive experience and broad knowledge gained through his career as a corporate manager, including his years of service as President of Nippon Securities Technology Co., Ltd. If he is elected as Outside Director, he is expected to provide advice and supervision on corporate management based on his expertise, etc. noted above. We therefore propose his re-election as an Outside Director.</p> <p>His term of office as an Outside Director of the Company will be 1 year at the conclusion of this General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held [Number of other shares to be distributed based on the stock compensation plan]
3	Yoshinori Kaneko (May 17, 1963)  <Reappointment> <Outside Director>	October 2011 General Manager of Facilities Department, Saitama Branch, Tokyo Electric Power Company, Incorporated July 2013 General Manager of Musashino Sub-Branch, Tama Branch, Tokyo Electric Power Company, Incorporated July 2015 General Manager of Corporate Planning Office, Power Grid Company; Corporate Planning Office, Corporate Management & Planning Unit, Tokyo Electric Power Company, Incorporated April 2016 Director and Vice President in charge of management reform; General Manager of Business Planning Office, TEPCO Power Grid, Incorporated June 2016 Director and Vice President in charge of management reform, TEPCO Power Grid, Incorporated June 2017 Director and Nominating Committee Member of Tokyo Electric Power Company Holdings, Incorporated (to present) Representative Director and President, TEPCO Power Grid, Incorporated (to present) Director of the Company (to present)  [Significant concurrent position(s)] Representative Director and President, TEPCO Power Grid, Incorporated	- [-]
<p>[Reason for nomination as candidate for Outside Director and Outline of Expected Roles]</p> <p>Mr. Yoshinori Kaneko currently serves as Representative Director and President of TEPCO Power Grid, Incorporated. He has a high level of expertise in the power industry and extensive experience and broad knowledge as a corporate manager. If he is elected as Outside Director, he is expected to provide advice and supervision on corporate management based on his expertise, etc. noted above. We therefore propose his re-election as an Outside Director.</p> <p>His term of office as an Outside Director of the Company will be 4 years at the conclusion of this General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held [Number of other shares to be distributed based on the stock compensation plan]
4	Harunobu Kameyama (May 15, 1959)  <Reappointment> <Outside Director> <Independent Director>	April 1992 Registered as attorney-at-law (Dai-Ichi Tokyo Bar Association) April 1997 Opened Kameyama-Harunobu Law Office (currently Kameyama General Law Office) (to present) June 2005 Auditor of KYORITSU INTERNATIONAL FOUNDATION (to present) June 2007 Corporate Auditor of Komori Corporation April 2010 Civil Conciliation Committee Member of Tokyo Summary Court (to present) October 2012 Director of the Company (to present) June 2013 Director of Komori Corporation (to present) October 2013 Corporate Auditor of SOMAR Corporation (to present) March 2021 Corporate Auditor of YAMABIKO CORPORATION (to present)  [Significant concurrent position(s)] Attorney-at-law at Kameyama General Law Office Outside Director of Komori Corporation Outside Corporate Auditor of SOMAR Corporation Outside Corporate Auditor of YAMABIKO CORPORATION	1,300 [-]
[Reason for nomination as candidate for Director and Outline of Expected Roles] Mr. Harunobu Kameyama has extensive experience and broad knowledge in legal affairs as an attorney-at-law. If he is elected as Outside Director, he is expected to provide advice and supervision on corporate management based on his expertise, etc. noted above. We therefore propose his re-election as an Outside Director. His term of office as Outside Director will be 8 years and 9 months at the conclusion of this General Meeting of Shareholders.			

No.	Name (Date of birth)	Career summary and positions		Number of shares of the Company held [Number of other shares to be distributed based on the stock compensation plan]
5	Takenori Fujii (September 17, 1956)  <Reappointment>	April 1979 June 2010 June 2011 June 2012 October 2012 June 2016  [Responsibilities in the Company]	Joined TAKAOKA ELECTRIC MFG. CO., LTD. Managing Director; General Manager of Technology Development Division, TAKAOKA ELECTRIC MFG. CO., LTD. Managing Director (Representative Director); General Manager of Technology Development Division, TAKAOKA ELECTRIC MFG. CO., LTD. Standing Statutory Auditor of TAKAOKA ELECTRIC MFG. CO., LTD. Standing Statutory Auditor of the Company Director and Managing Executive Officer of the Company (to present)	6,100 [3,900]
[Reason for nomination as candidate for Director] Mr. Takenori Fujii has extensive experience and broad knowledge gained over many years through his acquaintance with all business areas, including technology development. He also has a personality appropriate for performing duties for the management of the Company. In view of the superb management skills he has cultivated through his experience, we propose his re-election as a Director.				
6	Yasuhiro Mishima (October 11, 1950)  <Reappointment> <Outside Director> <Independent Director>	January 1999 January 2002 May 2009 June 2009 June 2016	General Manager of Molding Department, Tsutsumi Plant, Toyota Motor Corporation Senior Vice-President of Toyota Motor Thailand Co., Ltd. Standing Advisor of Futaba Industrial Co. Ltd. Representative Director and President of Futaba Industrial Co. Ltd. Advisor of Futaba Industrial Co. Ltd. Director of the Company (to present)	1,800 [-]
[Reason for nomination as candidate for Director and Outline of Expected Roles] Mr. Yasuhiro Mishima has extensive experience and broad knowledge gained through his career as a corporate manager in the manufacturing industry, including his years of service as Representative Director and President of Futaba Industrial Co., Ltd. If he is elected as Outside Director, he is expected to provide advice and supervision on corporate management based on his expertise, etc. noted above. We therefore propose his re-election as an Outside Director. His term of office as an Outside Director of the Company will be 5 years at the conclusion of this General Meeting of Shareholders.				



No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held [Number of other shares to be distributed based on the stock compensation plan]
7	Tatsuya Wakayama (August 25, 1961)  <New appointment>	April 1986      Joined TAKAOKA ELECTRIC MFG. CO., LTD. June 2013      General Manager of Kyushu Branch, TAKAOKA ELECTRIC MFG. CO., LTD. April 2014      General Manager of Kyushu Branch, Social Infrastructure Power Equipment Sales Group Manager of Kyushu Branch, TAKAOKA ELECTRIC MFG. CO., LTD. June 2015      General Manager of Chubu Branch of the Company June 2017      General Manager of Corporate Planning Department of the Company June 2018      Executive Officer, General Manager of Corporate Planning Department of the Company June 2020      Managing Executive Officer, General Manager of Corporate Planning Department of the Company (to present)	2,183 [2,300]
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Tatsuya Wakayama has extensive experience and broad knowledge gained through his acquaintance with the corporate planning area in addition to the front-line sales field as a branch manager. He also has a personality appropriate for performing duties for the management of the Company. In view of the superb management skills he has cultivated through his experience, we propose his election as a Director.</p>			

(Notes)

1. Mr. Takashi Ichinose, a candidate for Director, is planned to concurrently serve as Chairman of Toshiba Toko Meter Systems Co., Ltd., a subsidiary of the Company, with which the Company has a business relationship in the sales of equipment, etc.
2. Mr. Yoshinori Kaneko, a candidate for Outside Director, has served as an executive (currently Representative Director and President) of TEPCO Power Grid, Incorporated, a specified associated service provider for the Company with which the Company has a business relationship in the sales of power equipment and equipment, etc. since April 2016. In addition, he once served as a non-executive Director of Toshiba Toko Meter Systems Co., Ltd., which is a subsidiary of the Company.
3. No special interests exist between the Company and the candidates for Directors other than 1 and 2 of these Notes.
4. The Company has reported to the Tokyo Stock Exchange Mr. Akira Uemura, Mr. Harunobu Kameyama and Mr. Yasuhiro Mishima as independent officers unlikely to have conflicts of interest with the general shareholders in accordance with its regulations.
5. Liability limitation agreements with Directors  
 In accordance with Article 427, Paragraph 1 of the Companies Act, the Company stipulates in its Articles of Incorporation that the Company may conclude liability limitation agreements with its Directors (excluding Executive Directors and the like) and that the maximum amount of liability shall be the amount stipulated by laws and regulations.  
 The Company has concluded liability limitation agreements with Mr. Akira Uemura, Mr. Yoshinori Kaneko, Mr. Harunobu Kameyama and Mr. Yasuhiro Mishima, candidates for Outside Directors. If their re-election is approved as proposed, the Company will reenter into the same agreements with them.
6. Directors and officers liability insurance contract  
 In accordance with Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance with an insurance company. If the appointment of each candidate is approved as proposed, each of them will be the insured under the insurance contract, which is to be renewed during their terms of office.  
 This insurance contract covers damages (legal damages and litigation expenses) in the event that a claim against the insured is made by shareholders or other third parties for damages arising from acts and non-intentional actions by the insured in the course of duties as directors and officers of the Company during the term of the contract. The insurance also covers any costs that are required for the insured Directors to address a situation in which a claim is not currently filed but may be filed in the future.  
 As a measure to prevent the appropriateness of execution of their duties as Director from being impaired, the insurance contract does not cover damages arising from the insured's unlawful acts for personal gain or benefit, criminal acts, and acts committed with the knowledge that they violate laws and regulations.

**Proposal 3:** Revision of the Framework for Compensation under the Performance-linked Stock Compensation Plan for Directors (excluding those who are Audit and Supervisory Committee members)

(1) Reasons for the Proposal and deeming it appropriate

The introduction of the Performance-linked Stock Compensation plan, the “Board Benefit Trust” for Directors (excluding Outside Directors) and Executive Officers of the Company (hereinafter referred to as the “Plan”) was approved at the 5th Annual General Meeting of Shareholders (held on June 26, 2017). Subsequently, in accordance with our transition into a company with an audit and supervisory committee, the amount of the Plan for Directors of the Company (excluding those who are Audit and Supervisory Committee members and Outside Directors; the same applies hereinafter unless otherwise noted) was approved at the 8th Annual General Meeting of Shareholders (held on June 29, 2020; the resolution at the 8th Annual General Meeting of Shareholders is hereinafter referred to as the “Original Resolution”), and the Plan accordingly has been in effect since. With the enforcement of the Act Partially Amending the Companies Act (Act No.70 of 2019) on March 1, 2021, we propose that a framework for the maximum number of shares (number of points) for Directors in the Plan in addition to a framework for maximum amount of trust for Directors in the Plan to be set, and hereby seek shareholders’ approval.

The proposal is a procedural measure in accordance with the amendment of the Act. This proposal, as is the case with the Original Resolution, aims to clarify the interconnection between Directors’ compensation and the Company’s business performance, and to raise awareness of Directors about contributing to improvement of medium- to long-term business performance and an increase in corporate value by sharing with shareholders not only benefits from rising share prices but also risks of stock price decline. We believe that the content of this proposal is deemed as appropriate as it is consistent with the policy for determining the details of compensation for individual Directors (see below).

This proposal is submitted for shareholders’ approval of the amount of remuneration under the Plan and the details of the Plan for the purpose of providing remuneration to the Company’s Directors separately from the amount of remuneration for Directors (excluding those who are Audit and Supervisory Committee members) (180 million yen at maximum per year (including 30 million yen at maximum for Outside Directors)) that was approved at the 8th Annual General Meeting of Shareholders (held on June 29, 2020). Decisions on the details of the Plan shall be delegated to the Board of Directors within the framework described in the following Paragraph (2).

The number of Directors (excluding those who are Audit and Supervisory Committee members and Outside Directors) who are covered by the Plan will be 3 if Proposal 2 is approved by resolution as proposed.

The Company confirmed that the Audit and Supervisory Committee has no particular opinions on this proposal.

(2) Amount of compensation and the like in the Plan and specific details

Under the Plan, money contributed by the Company is used as funds to acquire the Company’s shares through a trust (“Trust”), and the Company’s shares and money equivalent to the value of the Company’s shares converted at market value (“Company Shares and the Like”) at the time of their retirements are to be provided to Directors and the Like (Note 1) through the Trust at the time of their respective retirements.

(Note 1) Directors and the Like shall mean the Directors (excluding Outside Directors) and Executive Officers before the amendment by this proposal, and shall mean Directors (excluding those who are Audit and Supervisory Committee members and Outside Directors) and Executive Officers after the amendment by this proposal. The same shall apply hereinafter.

i) Individuals covered by the Plan	Directors (excluding those who are Audit and Supervisory Committee members and Outside Directors) and Executive Officers
ii) Amount of the Trust	<p>65 million yen for Directors in each Applicable Period (three fiscal years) (total of 252 million yen, including compensation for Executive Officers, in each Applicable Period) (Note 2) (Note 3)</p> <p>(Note 2) The Company has introduced the Plan for the period of three fiscal years from the fiscal year ended March 31, 2018 to the fiscal year ended March 31, 2020 (“Initial Applicable Period”; Initial Applicable Period and its subsequent three fiscal year periods are collectively called “Applicable Period”) and for each subsequent applicable period. The Company contributed the necessary amount of money (total of 180 million yen including that for Executive Officers) to acquire the Company’s shares for the purpose of providing the Company shares and the Like to Directors under the Plan and the Like for the Initial Applicable Period and established the Trust for retired Directors and the Like who fulfil the certain requirements as beneficiary. The Trust acquired 95,700 shares of the Company with funds contributed by the Company during Initial Applicable Period.</p> <p>(Note 3) With regard to additional contribution in the future; if there are residual shares of the Company (excluding the Company’s shares equivalent to the number of points granted to Directors and the Like and not yet provided to Directors and the Like with the Company’s shares and the Like) and money (“Residual Shares and the Like”) in the trust assets, the Residual Shares and the Like shall be applied to the fund for benefits. The total amount of Residual Shares and the Like (in the case of the Company’s shares, the book value of the shares on the last day of the most recent Applicable Period) and money to be paid as additional contribution shall be within the upper limit approved at the 8th General Meeting of Shareholders. Any decisions by the Company about additional contributions shall be disclosed in a timely and proper manner.</p>
iii) Maximum number of Company Shares and the Like to be provided	<p>Points, the number of which is to be determined in consideration of their respective positions, degrees of achievement and the like, shall be granted every fiscal year based on the stock benefit rules for Officers. The points granted shall be converted at the rate of one share of common stock of the Company for one point when Company Shares and the Like are provided in accordance with Item 5) below. (Note 4)</p> <p>The total number of points to be granted to Directors per fiscal year shall be limited to 10,000 points (40,000 points in total, including those for Executive Officers). (Note 5)</p> <p>(Note 4) If a stock split, gratis allotment of shares or consolidation of shares and the like is conducted with respect to the Company’s shares after this proposal is approved, the maximum number of points and the points granted or the conversion rate shall be reasonably adjusted according to the ratio and the like of such change.</p> <p>(Note 5) The number of shares equivalent to the maximum number of points per fiscal year to be granted to Directors and the Like (40,000 shares in total, including those for Executive Officers) is approximately 0.24% of the total number of issued shares (as of March 31, 2021, after deduction of treasury shares).</p>
iv) Method of acquiring the Company’s Shares and the number of shares to be acquired	<p>The Trust shall acquire the Company’s shares through stock markets or by purchasing treasury shares the Company has disposed of, using the funds contributed as per Item ii above. (Note 6)</p> <p>The maximum number of points to be granted to Directors and the Like is 10,000 points per fiscal year (40,000 points in total, including those for Executive Officers). Therefore, the maximum number of the Company’s shares for Directors to be acquired by the Trust during each Applicable Period shall be 30,000 shares (120,000 shares in total, including those for Executive Officers).</p> <p>(Note 6) An acquisition of the Company’s shares by this Trust is not specifically planned at this stage. If the Company decides to make an additional contribution to acquire the Company’s shares using funds from this Trust in the future, the details shall be disclosed in a timely and proper manner.</p>

v) Provision of the Company Shares and the Like	<p>If Directors and the Like retire and meet the requirements for beneficiaries as prescribed in the stock benefit rules for Officers, those Directors and the Like shall, after their respective retirements, receive benefits from the Trust in the form of Company's shares calculated according to Item 3) above, by completing the prescribed procedures for the determination of beneficiaries. (Note 7)</p> <p>(Note 7) If Directors and the Like meet the requirements for beneficiaries as prescribed in the stock benefit rules for Officers, the Company shall provide money equivalent to the value of the Company's shares converted at market value at the time of their retirements for a certain percentage of the number of points granted to relevant Directors and the Like in lieu of provision of Company's shares.</p> <p>Even Directors and the Like who have been granted points may not be able to receive the benefits if their dismissal is approved at the General Meeting of Shareholders, they step down due to illegal acts during their terms of office, or they engage in inappropriate behavior, etc. that could cause damages for the Company.</p> <p>The amount of compensation and the like to be provided to Directors and the Like shall be based on the amount calculated by multiplying the total number of points granted to Directors and the Like by the book value per share of the Company's shares held by the Trust. (However, if a stock split, gratis allotment of shares or consolidation of shares and the like is conducted with respect to the Company's shares, the points granted shall be reasonably adjusted according to the ratio and the like of such change.) When exceptional provision of money is deemed as appropriate in accordance with the stock benefit rules for Directors established by the Company, such amount shall be added.</p>
vi) Treatment of dividends	<p>Dividends from the Company's shares held in the trust account shall be received by the Trust and shall be appropriated for the acquisition of the Company's shares and the payment of trust fees and the like for the trustee of the Trust. Any dividends and the like remaining in the Trust upon termination of the Trust shall be distributed to Directors and the Like in office at that time in proportion to the number of points they respectively hold, in accordance with the provisions of the stock benefit rules for Directors.</p>

■ Outline of the Policy for Determining the Details of Compensation and the Like for Individual Directors (effective from June 28, 2021)

The Company has stipulated the policy for determining the details of compensation and the like for individual Directors (excluding those who are Audit and Supervisory Committee members) (hereinafter referred to as the "Policy") in accordance with the resolution by the Board of Directors. The outline of the Policy is as follows:

Compensation for Directors (excluding those who are Audit and Supervisory Committee members and Outside Directors) consists of three types of compensation: fixed monetary compensation (non-performance-linked compensation), variable monetary compensation (performance-linked compensation), and stock-based compensation. Compensation for Outside Directors is fixed monetary compensation.

With respect to monetary compensation for Directors (excluding those who are Audit and Supervisory Committee members and Outside Directors), the Company has set the base amounts of compensation by position group (President, Senior Managing Executive Officer, Managing Executive Director). Approximately 70% of the base amount is guaranteed as the minimum amount by fixed monetary compensation. The Company determined the amount of fixed monetary compensation for Outside Directors according to their duties.

Approximately 30% of the base amount, variable portion of compensation other than fixed monetary compensation, is set as variable monetary compensation. The Company has developed a system in which the amount of variable monetary compensation increases or decreases depending on results of the Company-wide and individual performance, with the aim of using variable monetary compensation as short-term incentives for consistent achievement of business plans and expansion of earnings, etc. in each fiscal year.

The Company's performance is evaluated based on changes in consolidated net sales, consolidated operating profit and the current net profit attributable to shareholders of the parent Company compared to the initial plan and the previous fiscal year.

Individual performance is evaluated based on performance rating for performance targets set by each Director. Stock-based compensation is provided as medium- to long-term incentives for sustainable growth, enhancement of corporate value, etc., and for the purpose of sharing a sense of profit with shareholders.

The Company's shares and money equivalent to the value of the Company's shares converted at market value (hereinafter referred to as "Company Shares and the Like") are to be provided to Directors (excluding those who are Audit and Supervisory Committee members and Outside Directors) at the time of their respective retirements. Points, the number of which is to be

determined in consideration of their respective positions (Directors holding a responsible position, Senior Managing Executive Officers, Managing Executive Officers), coefficients calculated based on performance indicators compared to the initial plan and the previous years, shall be granted every fiscal year based on the stock benefit rules for Officers. The points granted shall be converted at the rate of one share of common stock of the Company shares and the like are provided.

For each position group (President, Managing Executive Officers, Managing Executive Officers), the composition of compensation shall be approximately 60% fixed monetary compensation, 30% variable monetary compensation, and 10% stock-based compensation. The ratio shall vary depending on business performance and other factors.

## Location of the venue for the 9th Annual General Meeting of Shareholders

Place **Conference room, 2nd floor,  
GAKUSHIKAIKAN**

3-28 Kandanishiki-cho, Chiyoda-ku, Tokyo, Japan  
TEL: 03-3292-5936

*\*Please note that the venue is different from last year.*



Access to  
the venue

**1-minute walk from Jimbocho Station (Exit A9), Toei Mita line**

**3-minute walk from Jimbocho Station (Exit A7), Toei Shinjuku line/Tokyo Metro Hanzomon line**

**5-minute walk from Takebashi Station (Exit 3a), Tokyo Metro Tozai line**

株式会社 東光高岳

**UD  
FONT**

The Company has adopted  
universal design font designed  
to increase readability and  
prevent misreading.

