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Securities Code: 7917

June 3, 2021

To our shareholders:

Eishi Fuyama
Representative Director, President
FUJIMORI KOGYO CO., LTD.
1-1-1 Koishikawa, Bunkyo-ku, Tokyo

Notice of the 91st Annual General Meeting of Shareholders

You are cordially informed of the 91st Annual General Meeting of Shareholders of FUJIMORI KOGYO CO., LTD. (the “Company”). The meeting will be held as described below.

In order to prevent the spread of the novel coronavirus disease (COVID-19), the meeting will also be available as an online livestream. We therefore recommend that you refrain from attending the meeting in person and, if at all possible, exercise your voting rights in advance via the internet or in writing.

Please examine the attached “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights by 5:15 p.m. on Thursday, June 17, 2021 (JST).

- 1. Date and Time:** Friday, June 18, 2021, at 10:00 a.m. (JST)
(Reception will open at 9:20 a.m.)
- 2. Venue:** 3F Shinjuku First West
1-23-7 Nishi-Shinjuku, Shinjuku-ku, Tokyo

3. Purpose of the Meeting:

Matters to be reported:

1. Business Report, Consolidated Financial Statements, and Audit Reports for Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee, for the 91st fiscal year (from April 1, 2020 to March 31, 2021)
2. Non-consolidated Financial Statements for the 91st fiscal year (from April 1, 2020 to March 31, 2021)

Matters to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 3:** Election of One Substitute Director Who Is an Audit and Supervisory Committee Member
- Proposal No. 4:** Determination on the Amount of Remuneration, etc. and Details Concerning the Grant of Shares With Transfer Restrictions to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members, Outside Directors and Part-time Directors)

4. Handling of votes:

- (1) If shareholders duplicate the vote, such as by exercising the voting rights both via the Internet and in writing, we will consider only the Internet vote to be valid.
- (2) If you exercise voting rights several times via the Internet, only your final vote shall be deemed effective.

- If you attend the meeting, we request that you submit the enclosed voting form to the reception at the meeting.
- If any revisions are made to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements, the Company will post such revisions on the Company's website in Japanese only.

[Company's website]

<https://www.zacros.co.jp>

Measures to Prevent the Spread of COVID-19
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| <ul style="list-style-type: none"> ● In order to avoid the risk of infection, we recommend that you refrain from attending the meeting this year, if at all possible, and exercise your voting rights in advance via the internet or in writing. The General Meeting of Shareholders will also be livestreamed via the internet with prior registration, so that shareholders can watch the proceedings even if they do not attend the meeting in person. ● Those who have high temperature and appear to be unwell may be approached by the meeting staff members and asked to refrain from entering the venue or refused entry. We appreciate your understanding. ● Please be sure to wear a face mask to protect yourself and the shareholders around from infection. ● We will provide alcohol-based liquid hand sanitizer and ask for your cooperation in disinfecting your hands. ● The seating in the venue will be arranged with wider space between seats compared with typical years. It will be well ventilated inside the venue, and measures will be taken to disinfect the reception, seats and microphones, etc. ● The officers and meeting staff members will all wear masks at the venue including taking their temperature and checking their physical health. ● To shorten the time required to hold the meeting, questions will be limited to one asking, one question per person. ● Please check the Company's website (https://www.zacros.co.jp) as necessary, as there may be changes in the way the General Meeting of Shareholders is held due to future changes in circumstances. We ask you to excuse any inconvenience and for your understanding under these circumstances. |
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Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company regards improving the return of profit to shareholders and return on equity as one of its top priorities and, concerning profit distribution, has a basic policy of paying dividends in a stable and continuous manner while taking into account the dividend payout ratio, dividend on equity ratio, etc. according to the growth in business performance.

In accordance with this policy, the Company proposes to pay year-end dividends for the 91st fiscal year as follows: As the Company has already paid an interim dividend of ¥35 per share, the annual dividend will be ¥75 per share.

Year-end dividends

(1) **Type of dividend property**

cash

(2) **Allotment of dividend property and their aggregate amount**

¥40 per common share of the Company

Total dividends: ¥761,285,160

(3) **Effective date of dividends of surplus**

June 21, 2021

Proposal No. 2: Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all eight Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) will expire upon the conclusion of this General Meeting of Shareholders.

Therefore, the Company proposes the election of eight Directors.

As for this proposal, the Audit and Supervisory Committee of the Company has judged that all the candidates for Directors are eligible.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility in the Company	Attendance at Board of Directors meetings
1	Akihiko Fujimori	Representative Director, Chairman Reelection	100% (14/14)
2	Nobuhiko Fujimori	Representative Director, Vice Chairman Reelection	100% (14/14)
3	Eishi Fuyama	Representative Director, President Reelection	100% (14/14)
4	Kimihiko Shiomi	Director and Managing Executive Officer General Manager of Information Electronics Business Head Office Reelection	100% (14/14)
5	Tetsuro Oe	Director and Managing Executive Officer General Manager of Life Science Business Head Office Reelection	100% (14/14)
6	Yukihiko Fujimori	Director Reelection	100% (14/14)
7	Hiroshi Saga	Director and Senior Executive Officer General Manager of President Office Reelection	100% (14/14)
8	Taku Shimoda	Executive Officer General Manager of Advanced Medical Business Promotion Department New election	—

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	<p>Akihiko Fujimori (January 2, 1944)</p> <p>Reelection</p> <p>Number of years in office as a Director 35 years</p> <p>Attendance at Board of Directors meetings 14/14 (100%)</p>	<p>Aug. 1969 Joined the Company</p> <p>Jan. 1977 Representative Senior Managing Director of FUJIMORI SANGYO CO., LTD.</p> <p>June 1983 Representative Director, President of KYOWA KOGYO CO., LTD.</p> <p>June 1986 Managing Director and General Manager of Planning Head Office of the Company</p> <p>June 1988 Senior Managing Director and General Manager of Sales Head Office</p> <p>June 1990 Representative Senior Managing Director</p> <p>June 1991 Representative Director, President</p> <p>Jan. 1999 General Manager of Functional Materials Division</p> <p>Apr. 2002 General Manager of Business Planning Department</p> <p>Oct. 2013 Representative Director, Chairman (current position)</p>	453,000 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Akihiko Fujimori has served as Representative Director, President of the Company and has extensive experience and achievements as a corporate manager. Furthermore, since assuming office as Representative Director, Chairman, he has led the management of the Group and made every effort to enhance corporate value of the Company. Therefore, the Company believes that he will continue contributing to the management of the Company and has nominated him as a candidate for Director.</p>			
2	<p>Nobuhiko Fujimori (July 31, 1959)</p> <p>Reelection</p> <p>Number of years in office as a Director 33 years</p> <p>Attendance at Board of Directors meetings 14/14 (100%)</p>	<p>Jan. 1987 Joined Nikka Ltd. Director and General Manager of Management Planning Office</p> <p>June 1988 Director of the Company</p> <p>Apr. 1989 Managing Director of Nikka Ltd.</p> <p>Mar. 1991 Representative Director, President of KYOWA KOGYO CO., LTD.</p> <p>Apr. 1992 Representative Director, President of Nikka Ltd.</p> <p>Apr. 1994 Representative Director, President of Fujimori PlaChemical Co., Ltd.</p> <p>June 2002 Director and Chairman</p> <p>June 2002 Representative Director, Vice President in charge of Overseas Business of the Company</p> <p>Apr. 2003 General Manager of International Department</p> <p>Oct. 2013 Representative Director in charge of Overseas Department</p> <p>June 2014 Representative Director, Vice Chairman (current position)</p>	528,000 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Nobuhiko Fujimori has served as Representative Director, Vice President of the Company and has extensive experience and achievements as a corporate manager. Furthermore, since assuming office as Representative Director, Vice Chairman, he has led the management of the Group and made every effort to enhance corporate value of the Company. Therefore, the Company believes that he will continue contributing to the management of the Company and has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	<p>Eishi Fuyama (February 4, 1954)</p> <p>Reelection</p> <p>Number of years in office as a Director 13 years</p> <p>Attendance at Board of Directors meetings 14/14 (100%)</p>	<p>Apr. 1977 Joined the Company</p> <p>Apr. 1998 General Manager of Numata Plant, Functional Materials Division</p> <p>Feb. 2003 General Manager of R&D Center</p> <p>Apr. 2003 Executive Officer and General Manager of R&D Center</p> <p>June 2005 Representative Director, President of MATSUYA CELLOPHANE CO., LTD.</p> <p>June 2007 Executive Officer and General Manager of Healthcare Supply Business Division of the Company</p> <p>Apr. 2008 General Manager of Life Science Business Division</p> <p>June 2008 Director</p> <p>Apr. 2009 General Manager of Life Science Business Head Office</p> <p>June 2011 General Manager of Packaging Division</p> <p>Oct. 2011 Managing Director</p> <p>June 2012 Senior Managing Director</p> <p>Oct. 2013 Representative Director, President (current position)</p>	7,715 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Eishi Fuyama has contributed to the growth of the Group in the Life Science Business Division and other areas of the Company for many years. Furthermore, since assuming office as Representative Director, President, he has led the management of the Group and made every effort to enhance corporate value of the Company. Therefore, the Company believes that he will continue contributing to the management of the Company and has nominated him as a candidate for Director.</p>			
4	<p>Kimihiko Shiomi (December 24, 1959)</p> <p>Reelection</p> <p>Number of years in office as a Director 9 years</p> <p>Attendance at Board of Directors meetings 14/14 (100%)</p>	<p>Apr. 1982 Joined the Company</p> <p>Apr. 2004 General Manager of Electronics & Optics Sales Department, Functional Materials Division</p> <p>June 2008 Executive Officer, General Manager of Protect Film Business Division and General Manager of Protect Film Sales Department</p> <p>May 2012 General Manager of Information Electronics Business Head Office (current position)</p> <p>June 2012 Director</p> <p>June 2014 Managing Director</p> <p>Mar. 2016 General Manager of Adhesive Materials Solution Division</p> <p>June 2016 Director and Managing Executive Officer (current position)</p> <p>Dec. 2016 General Manager of Functional Materials Division</p>	5,877 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Kimihiko Shiomi has contributed to the growth of the Group in the Information Electronics Business Division and other areas of the Company for many years. Furthermore, he has made every effort to enhance corporate value of the Company, such as by making key management decisions and supervising business execution. Therefore, the Company believes that he will continue contributing to the management of the Company and has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	<p>Tetsuro Oe (January 27, 1962)</p> <p>Reelection</p> <p>Number of years in office as a Director 4 years</p> <p>Attendance at Board of Directors meetings 14/14 (100%)</p>	<p>Apr. 1984 Joined the Company</p> <p>Sept. 2005 General Manager of Marketing Planning Office</p> <p>Feb. 2013 General Manager of Protect Film Business Division, Information Electronics Business Head Office</p> <p>Apr. 2013 General Manager of Adhesive Materials Solution Division, Information Electronics Business Head Office</p> <p>June 2013 Executive Officer</p> <p>Mar. 2016 General Manager of Packaging Division, Life Science Business Head Office</p> <p>Aug. 2016 Acting General Manager of Life Science Business Head Office and General Manager of Advanced Medical Business Promotion Department</p> <p>Mar. 2017 General Manager of Life Science Business Head Office (current position) and General Manager of Advanced Medical Business Promotion Department</p> <p>June 2017 Director and Senior Executive Officer</p> <p>June 2019 Director and Managing Executive Officer (current position)</p>	1,561 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Tetsuro Oe has contributed to the growth of the Group in the Life Science Business, Information Electronics Business Division and other areas of the Company for many years. Furthermore, he has made every effort to enhance corporate value of the Company, such as by making key management decisions and supervising business execution. Therefore, the Company believes that he will continue contributing to the management of the Company and has nominated him as a candidate for Director.</p>			
6	<p>Yukihiko Fujimori (February 16, 1949)</p> <p>Reelection</p> <p>Number of years in office as a Director 33 years</p> <p>Attendance at Board of Directors meetings 14/14 (100%)</p>	<p>Nov. 1974 Joined the Company</p> <p>May 1982 General Manager of U.S. Representative Office</p> <p>Oct. 1983 Retired from the Company Representative Senior Managing Director of FUJIMORI SANGYO CO., LTD.</p> <p>June 1985 Representative Director, President</p> <p>June 1988 Director of the Company (current position)</p> <p>June 2011 Representative Director, Chairman of FUJIMORI SANGYO CO., LTD. (current position)</p> <p>June 2015 Representative Director, President (current position)</p>	518,000 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Yukihiko Fujimori has extensive experience and achievements as a corporate manager. Furthermore, as Representative Director, President and Chairman of FUJIMORI SANGYO CO., LTD., which is a Group company, he has led the management of the Group and contributed to the consolidated business performance of the Group. Therefore, the Company believes that he will continue contributing to the management of the Company and has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)		Number of the Company's shares owned
7	<p>Hiroshi Saga (March 14, 1959)</p> <p>Reelection</p> <p>Number of years in office as a Director 7 years</p> <p>Attendance at Board of Directors meetings 14/14 (100%)</p>	<p>Apr. 1981</p> <p>Apr. 2003</p> <p>Apr. 2004</p> <p>June 2009</p> <p>June 2014</p> <p>June 2016</p> <p>Jan. 2018</p>	<p>Joined the Company</p> <p>General Manager of Management System Administrative Department, Management Planning Department</p> <p>General Manager of Management Planning Department</p> <p>Executive Officer</p> <p>Director</p> <p>Director and Senior Executive Officer (current position)</p> <p>General Manager of President Office (current position) and General Manager of Information System Department</p>	3,689 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Hiroshi Saga has contributed to the growth of the Management Planning Department and Information System Department of the Company for many years. Furthermore, he has made every effort to enhance corporate value of the Company, such as by making key management decisions and supervising business execution. Therefore, the Company believes that he will continue contributing to the management of the Company and has nominated him as a candidate for Director.</p>				
8	<p>Taku Shimoda (August 12, 1972)</p> <p>New election</p> <p>Number of years in office as a Director -</p> <p>Attendance at Board of Directors meetings -</p>	<p>Aug. 2010</p> <p>Aug. 2018</p> <p>June 2019</p>	<p>Joined the Company</p> <p>General Manager of Business Planning Department, Advanced Medical Business Promotion Department, Life Science Business Head Office</p> <p>Executive Officer and General Manager of Advanced Medical Business Promotion Department (current position) and General Manager of Business Planning Department, Life Science Business Head Office</p>	4,600 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Taku Shimoda has extensive experience in new business planning and overseas business, and has demonstrated outstanding leadership in enhancing corporate value in the Company's life science divisions and international divisions, particularly through the expansion of the advanced medical business on a global basis. Therefore, the Company believes that going forward, he will further contribute to the overall management and has nominated him as a candidate for new Director.</p>				

- (Notes) 1. Yukihiro Fujimori serves concurrently as Representative Director, Chairman and President of FUJIMORI SANGYO CO., LTD., which has a business relationship with the Company that includes the sale of products. There is no special interest between any of the other candidates and the Company.
2. In accordance with Article 430-3, paragraph (1) of the Companies Act, the Company has entered into a directors and officers liability insurance policy whose content is summarized below. Each of the candidates for Director is already an insured under the policy. If each candidate is elected and assumes the office as Director, they will continue to be the insureds of the policy. The policy is scheduled to be renewed in October 2021.

[Summary of the Policy]

(i) Scope of insureds

Officers of the Company and affiliated companies in which the Company holds more than 50% of their shares (including Directors, Directors who are Audit and Supervisory Committee Members, Auditors, etc. and those appointed after the policy was issued)

(ii) Actual portion of insurance premiums borne by the insureds

Insurance premiums are borne in full by the Company, and the insureds do not bear any of the premiums.

(iii) Summary of insurance incidents covered

The policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as a Director, or receipt of claims pertaining to the pursuit of such liability.

(iv) Measures to ensure that the proper performance of duties of officers, etc., is not impaired

However, there are certain reasons for coverage exclusion, such as performance of an illegal act with full knowledge of its illegality of the insureds.

Proposal No. 3 Election of One Substitute Director Who Is an Audit and Supervisory Committee Member

The validity of the election of Toyo Tanaka who was elected as a Substitute Director who is an Audit and Supervisory Committee Member at the 89th Annual General Meeting of Shareholders held on June 20, 2019 will expire at the beginning of this meeting. Accordingly, the Company requests approval for the election of one Substitute Director who is an Audit and Supervisory Committee Member in order to prepare for a lack in the number of Directors who are Audit and Supervisory Committee Members required by laws and regulations.

In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

Candidates for the role of Substitute Director who is an Audit and Supervisory Committee Member are as follows:

Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
<p style="text-align: center;">Toyo Tanaka (January 12, 1971) Reelection</p>	Oct. 2003 Registered as an attorney and joined AKEBONO LAW OFFICE	0 shares
	July 2007 Visiting professor of Graduate School of Laws (criminal-related subjects), Toin University of Yokohama	
	Jan. 2011 Judicial Commissioner (Tokyo Summary Court)	
	Oct. 2011 Civil Conciliator (Tokyo Summary Court)	
	June 2016 Auditor of Nihon Dengyo Kosaku Co., Ltd. (current position)	
	Sept. 2017 Joined Ocean Law Offices (current position)	
	Apr. 2020 Domestic Relations Conciliation Commissioner (Tokyo Family Court) (current position)	
<p>[Reasons for nomination as candidate for Substitute Outside Director who is an Audit and Supervisory Committee Member and expected role]</p> <p>Toyo Tanaka has a high level of expertise gained as an attorney, and the Company expects that such expertise will be reflected in the management, audits, etc. of the Company. Although Mr. Tanaka has never in the past been involved in the management of a company except as an outside officer, the Company believes that he will be able to play a sufficient role in supervising and auditing the execution of duties by Directors as a Director who is an Audit and Supervisory Committee Member based on the above reasons. Accordingly, the Company has nominated him as a candidate for Substitute Director who is an Audit and Supervisory Committee Member.</p>		

- (Notes)
1. There is no special interest between the candidate and the Company.
 2. Toyo Tanaka is a candidate for Substitute Outside Director. He satisfies the requirements for an independent officer as prescribed by the Tokyo Stock Exchange. If his reelection is approved and assumes the office of Outside Director who is an Audit and Supervisory Committee Member, the Company plans to notify the said exchange of his appointment as independent officer.
 3. If Toyo Tanaka assumes the office of Director who is an Audit and Supervisory Committee Member, pursuant to Article 427, paragraph (1) of the Companies Act and Article 31 of the Company's Articles of Incorporation, the Company plans to enter into an agreement to limit his liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act.
 4. In accordance with Article 430-3, paragraph (1) of the Companies Act, the Company has entered into a directors and officers liability insurance policy whose content is summarized below. Regarding the candidate for Director in this proposal, if the candidate is elected and assumes the office as Substitute Director who is an Audit and Supervisory Committee Member, he will become an insured of the policy as Director who is an Audit and Supervisory Committee Member.

[Summary of the policy]

(i) Scope of insureds

Officers of the Company and affiliated companies in which the Company holds more than 50% of their shares (including Directors, Directors who are Audit and Supervisory Committee Members, Auditors, etc. and those appointed after the policy was issued)

(ii) Actual portion of insurance premiums borne by the insureds

Insurance premiums are borne in full by the Company, and the insureds do not bear any of the premiums.

(iii) Summary of insurance incidents covered

The policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as a Director, or receipt of claims pertaining to the pursuit of such liability.

(iv) Measures to ensure that the proper performance of duties of officers, etc., is not impaired

There are certain reasons for coverage exclusion, such as performance of an illegal act with full knowledge of its illegality of the insureds.

Proposal No. 4 Determination on the Amount of Remuneration, etc. and Details Concerning the Grant of Shares With Transfer Restrictions to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members, Outside Directors and Part-time Directors)

The amount of remuneration payable to Directors other than Directors who are Audit and Supervisory Committee Members was agreed to be not more than ¥400 million per year (excluding employee salaries of Directors who concurrently serve as employees) at the 86th Annual General Meeting of Shareholders held on June 17, 2016. Separately from the said remuneration frame, the amount of share option remuneration frame was also agreed to be not more than ¥100 million per year at the 80th Annual General Meeting of Shareholders held on June 23, 2010.

In order to provide Directors other than Directors who are Audit and Supervisory Committee Members (excluding Outside Directors and Part-time Directors; “Eligible Directors”) with an incentive to sustainably increase the Company’s corporate value and to further promote shared value between shareholders and them, the Company hereby requests your approval for the grant of new shares with transfer restrictions to Eligible Directors, in place of the share option remuneration frame, separately from the aforementioned remuneration frame.

The number of Directors is currently seven, excluding Directors who are Audit and Supervisory Committee Members, Outside Directors and Part-time Directors. Subject to the approval and adoption of Proposal No. 2, the number of Eligible Directors will be seven.

1. Method of issuance or disposal of shares with transfer restrictions

The issuance or disposal of shares with transfer restrictions based on this proposal shall be made with a method of issuing or disposing of the Company’s common shares without requiring payment of money or provision of property contributed in kind as remuneration, etc. payable to Eligible Directors.

2. Maximum number and amount of shares with transfer restrictions to be granted to Eligible Directors

The total number of common shares issued or disposed of as shares with transfer restrictions based on this proposal shall not be more than 60,000 shares per year (if, on or after the day on which this proposal is approved and adopted, the Company performs a share split (including allotment of shares without contribution) or a reverse share split of its common shares, the relevant total number shall be adjusted in accordance with the share split or reverse share split ratio) and shall not be more than ¥100 million per year. In addition, the specific allotment to each Eligible Director shall be determined by the Board of Directors.

Although no payment of money, etc. is required in connection with the said issuance or disposal, the amount of remuneration to Eligible Directors shall be calculated within the extent of the aforementioned remuneration limit, based on the closing price per share of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day) and/or other fairly assessed value.

3. Overview of shares with transfer restrictions to be granted to Eligible Directors

When shares with transfer restrictions is granted based on this proposal, the Company and each Eligible Director shall enter into an agreement on allotment of shares with transfer restrictions (the “Allotment Agreement”) that includes the following contents:

(1) Eligible Directors shall not transfer, set a security interest on, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (the “Allotted Shares”) for a period from the allotment date of the Allotted Shares through the day on which the Eligible Director retires from the position of the Company’s Director (provided, however, if he/she resigns or retires by the time three months have elapsed after the fiscal year containing the date of issuance of the Allotted Shares, and if there is a date separately determined by the Company’s Board of Directors within six months after the end of the relevant fiscal year, the relevant date) (the “Restriction Period”) (such restriction is hereinafter referred to as the “Transfer Restrictions.”)

(2) If an Eligible Director retires from the position of the Company's Director before the expiration of the period designated by the Company's Board of Directors (the "Service Period"), the Company shall automatically acquire such Allotted Shares without contribution, unless there is a reason the Company's Board of Directors deems justifiable.

(3) The Company shall lift the Transfer Restrictions of all of the Allotted Shares upon expiration of the Restriction Period, on the condition that the Eligible Director has continuously been in the position of the Company's Director throughout the Service Period. However, if the Eligible Director resigns or retires from the position of the Company's Directors specified in (1) above before the expiration of the Service Period due to the reason the Company's Board of Directors deems justifiable, which is designated in (2) above, the Company shall rationally adjust as needed the number of the Allotted Shares on which the Transfer Restrictions are to be lifted.

(4) The Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted at the expiration of the Restriction Period in accordance with the provision of (3) above.

(5) The Company shall automatically acquire without contribution the Allotted Shares, if the case falls under a violation of laws and regulations, internal rules or the Allotment Agreement, or reasons specified by the Company's Board of Directors as other grounds for which acquiring the Allotted Shares without contribution is appropriate.

(6) Notwithstanding the provision of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall, by resolution of the Company's Board of Directors, lift the Transfer Restrictions on the Allotted Shares with the number of shares that is reasonably determined, considering the period from the start date of the Service Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective.

(7) In cases specified in (6) above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted pursuant to the provision of (6) above.

4. Reasons why granting shares with transfer restrictions is appropriate

In order to provide Eligible Directors with an incentive to sustainably increase the Company's corporate value and to further promote shared value between shareholders and them, the Company shall grant shares with transfer restrictions to Eligible Directors as remuneration, etc.

At the Board of Directors meeting held on April 15, 2021, the Company established a policy on determining the details of remuneration, etc. for individual Directors, and the Company plans to grant the shares with transfer restrictions to Executive Directors as share-based remuneration that are a medium- to long-term incentive in this policy. Accordingly, granting of shares with transfer restrictions under this proposal is in accordance with this policy. In addition, the Company determines that the amount obtained by assessing the value of shares with transfer restrictions under this proposal based on the market value as of the date of resolution of the Board of Directors for the allotment shall not exceed the maximum annual amount shown in 2. above. The Company also deems that granting shares with transfer restrictions under this proposal is appropriate because the ratio of shares with transfer restrictions to be granted based on this proposal to the total number of shares issued is 0.3%, which is a minor dilution rate.