

Securities Code: 8011

May 12, 2021

To our shareholders:

Shinji Oe, Representative Director and President

**SANYO SHOKAI LTD.**

6-14 Yotsuyahonshio-cho, Shinjuku-ku, Tokyo

## **Notice of the 78th Annual General Meeting of Shareholders**

We hereby inform you of the 78th Annual General Meeting of Shareholders of SANYO SHOKAI LTD. (the “Company”), which will be held as indicated below.

In light of the novel coronavirus (COVID-19) pandemic, we will strive to prevent infections and take every safety precaution in running this General Meeting of Shareholders. We ask Shareholders who are considering attending the meeting in person to pay attention to the status of the spread of the infection and their own health condition on the day of this General Meeting of Shareholders, and consider not attending in person.

To exercise your voting rights at this General Meeting of Shareholders, instead of attending the meeting in person, you are able to exercise them in writing or via the Internet. We therefore request that you review the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights.

- 1. Date and Time:** Friday, May 28, 2021, at 10:00 a.m. (JST) (Reception: from 9:00 a.m.)
- 2. Venue:** SANYO SHOKAI LTD., Headquarters Annex, BLUE CROSS bldg., 3rd floor  
12-19 Yotsuyahonshio-cho, Shinjuku-ku, Tokyo

### **3. Purpose of the Meeting**

#### **Matters to be reported:**

1. The Business Report and the Consolidated Financial Statements for the 78th fiscal year (from March 1, 2020 to February 28, 2021), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 78th fiscal year (from March 1, 2020 to February 28, 2021)

#### **Matters to be resolved:**

- |                 |                            |
|-----------------|----------------------------|
| <b>Proposal</b> | Election of Nine Directors |
|-----------------|----------------------------|

### **4. Handling of votes**

- (1) If a voting right is exercised both in writing and via the Internet or other means, the online vote shall be deemed effective.
  - (2) If a voting right is exercised via the Internet more than once, the last vote shall be deemed effective.
  - (3) For the proposal, if there is no indication of approval or disapproval, the Company will treat the vote as “approve.”
- If you are attending the meeting in person, you are kindly requested to submit the enclosed voting form at the reception desk.
  - Of the documents to be provided with the notice, pursuant to laws and regulations and Article 16 of the Articles of Incorporation of the Company, information concerning matters to be disclosed in the “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” is published on the Company’s website. Therefore, they are not printed in the attached documents of this notice.
  - In the event that any revisions should be made to the content of Reference Documents for General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, or Consolidated Financial Statements by one day prior to the General Meeting of Shareholders, the Company will notify such revisions in writing by post or by posting to its website.  
**The Company’s website: <https://www.sanyo-shokai.co.jp/>**
  - “Notes to the Consolidated Financial Statements” and “Notes to the Non-consolidated Financial Statements” --- The Company’s web site → COMPANY → IR INFO → CONVOCATION NOTICE.

(<https://www.sanyo-shokai.co.jp/company/ir/notice.html>)

- In the event that any revisions should be made to the content by one day prior to the General Meeting of Shareholders, the Company will notify such revisions in writing by post or by posting to its website. --- The Company's web site → COMPANY → IR INFO → IR News.

(<https://www.sanyo-shokai.co.jp/company/ir/news.html>)

■ Forgoing the dividend of surplus (year-end) for the 78th fiscal year

As announced on April 14, 2021, we regret to say that the Company decided at the Board of Directors meeting for April, held on the same day, to forgo the dividend of surplus (year-end) for the 78th fiscal year in light of the severe management environment. We offer our sincere apologies to our shareholders.

Preventing the spread of COVID-19

The Company will make efforts to prevent the spread of COVID-19 and focus on safety upon holding the Annual General Meeting of Shareholders. Shareholders considering attending the meeting are requested to always wear a mask and use an alcohol disinfectant. We appreciate your cooperation.

Please consider exercising your voting rights at this General Meeting of Shareholders in writing (by mail) or via the Internet, etc. instead of attending the meeting on the day. (for details, please refer to pages 6 to 8, in Japanese only)

## Reference Documents for General Meeting of Shareholders

### Proposal Election of Nine Directors

The terms of office of all nine Directors will expire at the conclusion of this meeting. In this regard, the Company proposes the election of nine Directors.

The candidates for Director are as follows.

Candidate No.	Name	Current position, responsibility in the Company, etc.	Category
1	Shinji Oe	Representative Director and President & Chief Operating Officer General Manager of Corporate Management Headquarters	Reelection
2	Masayuki Nakayama	Representative Director and Executive Vice President	Reelection
3	Ikuro Kato	Director, Executive Managing Officer, General Manager of Business Headquarters, and General Manager of Digital Marketing Strategy Headquarters	Reelection
4	Yu Okazawa	Outside Director Outside Director of Cool Japan Fund Inc. Outside Audit & Supervisory Board Member of Nippon Paint Co., Ltd.	Reelection Outside Independent
5	Motoyoshi Shiina	Outside Director	Reelection Outside Independent
6	Hisao Takahashi	Outside Director Representative Director and President of Logifactoring. Co., Ltd.	Reelection Outside Independent
7	Chihiro Nihashi	Outside Director Special Advisor of TOKYU DEPARTMENT STORE CO., LTD. Special Advisor of TimeAge Inc.	Reelection Outside Independent
8	Ikuo Yasuda	Outside Director Representative Director, Chairman and President & CEO of Pinnacle Inc.	Reelection Outside Independent
9	Asako Yano	Outside Director Outside Director of YAKO Co., Ltd. Outside Director of Mitsubishi Pencil Co., Ltd.	Reelection Outside Independent

Reelection: Candidate for Directors to be reelected

Outside: Candidate for Outside Director

Independent: Independent Director as specified by Tokyo Stock Exchange, Inc.

The Board of Directors of the Company has nominated candidates for executive Directors who have knowledge of corporate management and of the business of the Company, and candidates for outside Directors who have diverse knowledge, experience, and skills. The Company's management structure is thus optimal for realizing business reforms.

■Expertise and characteristics (skill matrix) of candidates for Director

Names of candidates for Director	Category	Execution of business	Supervisory function	Area of experience			
				Corporate Management	Knowledge of the Company's Business	M&A and Operational Restructuring	Branding and Marketing
Shinji Oe		●		✓	✓	✓	✓
Masayuki Nakayama		●		✓	✓		✓
Ikuro Kato		●		✓	✓		✓
Yu Okazawa	Outside		●	✓		✓	✓
Motoyoshi Shiina	Outside		●	✓	✓		
Hisao Takahashi	Outside		●	✓	✓		
Chihiro Nihashi	Outside		●	✓	✓		✓
Ikuo Yasuda	Outside		●	✓		✓	
Asako Yano	Outside		●	✓	✓		✓

Names of candidates for Director	Area of experience					
	Product Planning, Production and Technology	E-commerce / Overall web	Logistics	International Experience and Overseas Business	Governance, Risk Management and Legal	Finance, Tax, Accounting, Monetary and Capital Markets
Shinji Oe	✓			✓	✓	✓
Masayuki Nakayama	✓			✓	✓	
Ikuro Kato	✓	✓		✓		
Yu Okazawa				✓	✓	
Motoyoshi Shiina	✓			✓	✓	
Hisao Takahashi			✓			
Chihiro Nihashi		✓			✓	
Ikuo Yasuda		✓		✓	✓	✓
Asako Yano		✓		✓		

\* The contents above do not represent all of the knowledge, experience, and skills of the candidates for Director.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
1	<p>Shinji Oe (August 27, 1947)</p> <p>Reelection</p> <p>Number of years in office as a Director: 1 year</p> <p>Attendance at meetings of the Board of Directors: 16/16 (100%)</p>	<p>Apr. 1971      Joined Mitsui &amp; Co., Ltd.</p> <p>July 1997      General Manager of Textile Department 3, Head Office</p> <p>Apr. 2004      Administrative Officer, Deputy General Manager of Consumer Service Business Headquarters</p> <p>June 2007      Director, Senior Managing Director and General Manager of Corporate Planning Headquarters of GOLDWIN INC.</p> <p>Apr. 2010      Director, Vice President, General Manager of Corporate Planning Headquarters and General Manager of Business Management Headquarters</p> <p>Apr. 2014      Director, Vice President and Assistant to the President</p> <p>June 2016      Director and Advisor</p> <p>June 2018      Advisor</p> <p>Apr. 2019      Senior Adviser</p> <p>Mar. 2020      Joined the Company, Executive Vice President</p> <p>Apr. 2020      Executive Vice President and General Manager of Corporate Management Headquarters</p> <p>May 2020      Representative Director, President &amp; Chief Operating Officer, and General Manager of Corporate Management Headquarters (current position)</p>		3,816 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Shinji Oe has a wealth of experience in the textiles and apparel industry, having been involved for many years in the textiles department of a trading company and restructuring the business of a listed company in the textile and apparel industry. As a corporate manager, he possesses extensive knowledge of finance, tax, accounting, etc., and, as mentioned above, he has a wealth of track record in business and knowledge in the textile and apparel industry. The Company has determined that he has the suitable qualifications for leading the business restructuring of the Company's business. Accordingly, the Company again nominated him as a candidate for Director. We also expect him to continue to be a member of the Nomination and Compensation Committee (an optional committee) after his election.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
2	Masayuki Nakayama (June 15, 1961)  Reelection  Number of years in office as a Director: 3 years and 2 months  Attendance at meetings of the Board of Directors: 21/21 (100%)	Apr. 1984 July 2003 Feb. 2004 Jan. 2006 Jan. 2008 July 2012 July 2014 Jan. 2017 Mar. 2018 Jan. 2020 May 2020	Joined the Company General Manager of Men's Attire Third Planning Department General Manager of Men's Burberry London Division, First Business Department General Manager of Operation Office, Men's Attire Business Department, Business Headquarters General Manager of Paul Stuart Division, Men's Attire Business Department, Business Headquarters General Manager of Men's Attire Planning Department, Private Product Management Business Department, Business Headquarters General Manager of Men's Attire Business Department, Business Headquarters Managing Officer and General Manager of Personnel & Administration Headquarters and Administration Department Director, Executive Managing Officer, and General Manager of Personnel & Administration Headquarters Representative Director and President & Chief Operating Officer Representative Director and Executive Vice President (current position)	5,792 shares
	[Reasons for nomination as candidate for Director] Since joining the Company, Masayuki Nakayama has been involved as the person responsible for the planning, business administration, and human resources and general affairs departments and is thoroughly familiar with practice in these areas. Having been in charge of branding, product planning, production, sales, human resources and general affairs, and dealing with stakeholders, he possesses extensive knowledge of the Company's business. In addition, he has a wealth of knowledge gained through his involvement in multiple licensed brands, his international experience, and his experience with overseas business. Currently, as Representative Director of the Company, he is executing business and appropriately fulfills his roles such as making decisions on important management matters and supervising the execution of business. In addition to being expected to greatly contribute to the restructuring of the Company's business by maintaining and strengthening relationships with employees and business partners, from the perspective of maintaining the continuity of our business, the Company decided that his reelection as executive Director is necessary and significant. Accordingly, the Company again nominated him as a candidate for Director. We also expect him to continue to be a member of the Nomination and Compensation Committee (an optional committee) after his election.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
3	<p>Ikuro Kato (January 4, 1961)</p> <p>Reelection</p> <p>Number of years in office as a Director: 1 year</p> <p>Attendance at meetings of the Board of Directors: 16/16 (100%)</p>	Apr. 1985	Joined the Company	1,842 shares
		July 2008	General Manager of EVEX DIV, Women's Attire Second Business Department, Business Headquarters	
		July 2010	General Manager of First Planning DIV, Women's Attire Business Department, Business Headquarters	
		Jan. 2012	Managing Officer and General Manager of Women's Attire Planning Department, Private Product Management Business Department, Business Headquarters	
		July 2014	Managing Officer and General Manager of Business Development Department, Business Headquarters	
		July 2016	Managing Officer and General Manager of Women's Attire Planning Department, Planning Management Business Department, Business Headquarters	
		Jan. 2017	Managing Officer and General Manager of Brand Business Department, Business Headquarters	
		Jan. 2019	Managing Officer and General Manager of Second Business Headquarters	
		Apr. 2020	Executive Managing Officer and General Manager of Business Headquarters	
		May 2020	Director, Executive Managing Officer, and General Manager of Business Headquarters	
		Apr. 2021	Director, Executive Managing Officer, General Manager of Business Headquarters, and General Manager of Digital Marketing Strategy Headquarters (current position)	
<p>[Reasons for nomination as candidate for Director]</p> <p>Since joining the Company, Ikuro Kato has served in the planning department, and has been involved in branding, product planning, production, and technology of the Company's major brands. He has the necessary experience and broad knowledge as a person in charge of the management of apparel companies. As the current Executive Managing Officer and General Manager of Business Headquarters of the Company, he has performed his duties with his well-versed knowledge in the business of the Company, such as the promotion of brand business and the expansion of business domains responding to diversified markets. Based on this, the Company has determined that he can contribute to the restructuring of the Company's business. Accordingly, the Company again nominated him as a candidate for Director.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
4	<p>Yu Okazawa (May 18, 1957)</p> <p>Reelection Outside Independent</p> <p>Number of years in office as an outside Director: 1 year</p> <p>Attendance at meetings of the Board of Directors: 15/16 (94%)</p>	<p>Apr. 1981      Joined Shiseido Company, Limited</p> <p>Dec. 2001      Director and President of Shiseido Deutschland GmbH</p> <p>Apr. 2010      Corporate Officer, General Manager of International Sales Department of Shiseido Company, Limited, and President of Shiseido Europe S.A.S</p> <p>Apr. 2012      Executive Corporate Officer, General Manager of China Business Department, and General Manager of Asia Pacific Sales Department</p> <p>June 2013      Director and Executive Corporate Officer</p> <p>Apr. 2015      Outside Director of Tokyo Bay Hilton Co., Ltd.</p> <p>July 2015      Advisor of Shiseido Company, Limited</p> <p>June 2017      Outside Director of Cool Japan Fund Inc. (current position)</p> <p>Mar. 2018      Outside Audit &amp; Supervisory Board Member of Nippon Paint Holdings Co., Ltd.</p> <p>Mar. 2020      Outside Audit &amp; Supervisory Board Member of Nippon Paint Co., Ltd. (current position)</p> <p>May 2020      Outside Director of the Company (current position)</p>		—
	<p>[Reasons for nomination as candidate for outside Director and expected role, etc.]</p> <p>Yu Okazawa has many years of international experience, as well as abundant experience and broad knowledge as a corporate manager. He has contributed to the improvement of the transparency and objectivity of the Company's management based on this knowledge. The Company has determined that he is an appropriate person who can provide useful opinions and again nominated him as a candidate for outside Director.</p> <p>After his election, we expect him to appropriately perform his duties, such as making decisions on important management matters and supervising the execution of business as a Director of the Company.</p>			



Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned		
5	Motoyoshi Shiina (August 12, 1949)  Reelection Outside Independent  Number of years in office as an outside Director: 1 year  Attendance at meetings of the Board of Directors: 16/16 (100%)	Apr. 1973	Joined Mitsui & Co., Ltd.			
		May 1999	General Manager of Textile & Fashion Division I, Textile & Fashion Unit			
		Mar. 2003	President of Mitsui & Co. Italia S.p.A.			
		Oct. 2005	Deputy Chief Operating Officer of Lifestyle Business Unit of Mitsui & Co., Ltd.			
		Apr. 2006	Deputy Chief Operating Officer of Foods & Retail Business Unit			
		Apr. 2008	Executive Managing Officer of Mikuni Coca-Cola Bottling Co., Ltd.			
		Mar. 2009	Representative Director and President			
		Apr. 2014	Trustee of Saitama Prefectural University			
		Mar. 2017	Outside Director of the Company			
		Mar. 2019	Retired from office as Outside Director			
		May 2020	Outside Director of the Company (current position)			
		[Reasons for nomination as candidate for outside Director and expected role, etc.] Motoyoshi Shiina possesses extensive experience and broad knowledge as a corporate manager. He has contributed to improving the transparency and objectivity of the Company's management based on this experience. The Company has determined that he is an appropriate person as a supervisor of business execution, and again nominated him as a candidate for outside Director. After his election, we expect him to appropriately perform his duties, such as making decisions on important management matters and supervising the execution of business as an outside Director of the Company. We also expect him to continue to be the Chairman of the Board of Directors and the Chairman of the Nomination and Compensation Committee (an optional committee) after his election.				
6	Hisao Takahashi (October 5, 1948)  Reelection Outside Independent  Number of years in office as an outside Director: 1 year  Attendance at meetings of the Board of Directors: 16/16 (100%)	Apr. 1972	Joined SENKO Co., Ltd.			
		June 2004	Executive Officer and General Manager of East Japan Sales Headquarters			
		Apr. 2006	Managing Executive Officer			
		Oct. 2006	Representative Director and President of Logifactoring. Co., Ltd. (current position)			
		June 2007	Director of SENKO Co., Ltd.			
		Apr. 2008	Senior Managing Executive Officer			
		Apr. 2011	Director and Chairman of Logi Solution Co., LTD.			
		Apr. 2011	Director and Chairman of Senko A Line Amano Co., Ltd.			
		June 2016	Outside Director of ATSUGI CO., LTD.			
		May 2020	Outside Director of the Company (current position)			
		[Reasons for nomination as candidate for outside Director and expected role, etc.] Hisao Takahashi has a high level of insight in the logistics field, and has extensive experience and broad knowledge as a corporate manager. He has contributed to improving the transparency and objectivity of the Company's management based on this experience. The Company has determined that he is an appropriate person as a supervisor of business execution, and again nominated him as a candidate for outside Director. After his election, we expect him to appropriately perform his duties, such as making decisions on important management matters and supervising the execution of business as an outside Director of the Company.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
7	<p>Chihiro Nihashi (January 26, 1954)</p> <p>Reelection Outside Independent</p> <p>Number of years in office as an outside Director: 1 year</p> <p>Attendance at meetings of the Board of Directors: 16/16 (100%)</p>	<p>Apr. 1976      Joined Isetan Co., Ltd.</p> <p>June 2002      Executive Officer and General Manager in charge of women's attire sales, MD Administration Department, Department Store Business Planning &amp; Operation Headquarters</p> <p>June 2004      Executive Managing Officer and General Manager of MD Administration Department, Department Store Business Planning &amp; Operation Headquarters</p> <p>Feb. 2006      Senior Managing Executive Officer and General Manager of Department Store Business Planning &amp; Operation Headquarters</p> <p>June 2006      Director, Senior Managing Executive Officer and General Manager of Department Store Business Planning &amp; Operation Headquarters</p> <p>Apr. 2008      Director of Isetan Mitsukoshi Holdings Ltd.</p> <p>June 2008      Director, Senior Managing Executive Officer and General Manager of Department Store Business Planning &amp; Operation Headquarters of Isetan Co., Ltd.</p> <p>Jan. 2010      Senior Managing Executive Officer</p> <p>Jan. 2010      Representative Director and Executive President of TOKYU DEPARTMENT STORE CO., LTD.</p> <p>Apr. 2011      Senior Managing Executive Officer of Isetan Mitsukoshi Holdings Ltd.</p> <p>Feb. 2018      Director and Chairman of TOKYU DEPARTMENT STORE CO., LTD.</p> <p>Apr. 2019      Director and Advisor of TOKYU DEPARTMENT STORE CO., LTD.</p> <p>Apr. 2020      Special Advisor of TOKYU DEPARTMENT STORE CO., LTD. (current position)</p> <p>May 2020      Outside Director of the Company (current position)</p> <p>Mar. 2021      Special Advisor of TimeAge Inc. (current position)</p>		—
<p>[Reasons for nomination as candidate for outside Director and expected role, etc.]</p> <p>Chihiro Nihashi has an abundant experience and broad knowledge serving as a corporate manager for many years in the retail and department store industry. He has contributed to the improvement of the transparency and objectivity of the Company's management based on this insight. The Company has determined that he is an appropriate person who can provide useful opinions and again nominated him as a candidate for outside Director.</p> <p>After his election, we expect him to appropriately perform his duties, such as making decisions on important management matters and supervising the execution of business as an outside Director of the Company.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
8	<p>Ikuo Yasuda (April 28, 1953)</p> <p>Reelection Outside Independent</p> <p>Number of years in office as an outside Director: 1 year</p> <p>Attendance at meetings of the Board of Directors: 16/16 (100%)</p>	<p>Apr. 1977      Joined The Long-Term Credit Bank of Japan, Limited</p> <p>July 1998      Joined General Electric International Inc.</p> <p>Jan. 2000      Representative of Lehman Brothers Japan Inc.</p> <p>May 2003      Visiting Professor of Tama University Renaissance Center</p> <p>Sept. 2004      Established Pinnacle Inc., Representative Director and Chairman</p> <p>May 2005      Director of TAY TWO., LTD.</p> <p>Apr. 2006      Specially Appointed Professor of Kyushu University</p> <p>Nov. 2009      Representative Director, Chairman and President &amp; CEO of Pinnacle Inc. (current position)</p> <p>Mar. 2012      Director of The Tokyo New Business Conference</p> <p>Sept. 2015      Outside Director of HOUSE DO Co., Ltd.</p> <p>Oct. 2017      Advisor of Tokai Tokyo Financial Holdings, Inc. (current position)</p> <p>Apr. 2018      Senior Director of The Tokyo New Business Conference (current position)</p> <p>Apr. 2018      Member of Japan Association of Corporate Executives (current position)</p> <p>Dec. 2018      Director and Chairman of Pinnacle TT Solution Inc. (current position)</p> <p>Mar. 2019      Advisor of TKP Corporation</p> <p>May 2020      Outside Director of the Company (current position)</p> <p>Dec. 2020      Representative Director and President of MAfolova inc. (current position)</p>	—
<p>[Reasons for nomination as candidate for outside Director and expected role, etc.]</p> <p>Ikuo Yasuda possesses extensive experience and broad knowledge as a corporate manager, having been engaged in areas such as finance, as well as M&amp;A for many years. He has contributed to improving the transparency and objectivity of the Company's management based on this experience. The Company has determined that he is an appropriate person as a supervisor of business execution, and again nominated him as a candidate for outside Director. After his election, we expect him to appropriately perform his duties, such as making decisions on important management matters and supervising the execution of business as an outside Director of the Company. We also expect him to continue to be a member of the Nomination and Compensation Committee (an optional committee) after his election.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
9	<p>Asako Yano (February 21, 1968)</p> <p>Reelection Outside Independent</p> <p>Number of years in office as an outside Director: 1 year</p> <p>Attendance at meetings of the Board of Directors: 15/16 (94%)</p>	<p>Apr. 1990      Joined Mercedes-Benz Japan Co., Ltd.</p> <p>Sept. 1997    Joined Boston Consulting Group</p> <p>Mar. 2000      Joined Louis Vuitton Japan K.K.</p> <p>June 2002      COO (Chief Operating Officer) of Celux Co., Ltd.</p> <p>Oct. 2008      Representative Director and President of Dramatic Co., Ltd.</p> <p>June 2015      Outside Director of YAOKO Co., Ltd. (current position)</p> <p>Aug. 2015      Director of Cogito Education and Management Inc.</p> <p>June 2018      Outside Director of WATABE WEDDING CORPORATION</p> <p>Mar. 2019      Outside Director of Mitsubishi Pencil Co., Ltd. (current position)</p> <p>May 2020      Outside Director of the Company (current position)</p> <p>Nov. 2020      Outside Director of CIRCULATION Co., Ltd. (current position)</p> <p>Nov. 2020      Established BLOOM Co., Ltd. Representative Director (current position)</p>	—
<p>[Reasons for nomination as candidate for outside Director and expected role, etc.]</p> <p>Asako Yano has extensive knowledge and a track record in marketing and branding, in addition to extensive experience and insight as a corporate manager. The Company has determined that she is an appropriate person who can help further revitalize the management of the Company by providing useful opinions and again nominated her as a candidate for outside Director.</p> <p>After her election, we expect her to appropriately perform her duties, such as making decisions on important management matters and supervising the execution of business as an outside Director of the Company. We also expect her to continue to be a member of the Nomination and Compensation Committee (an optional committee) after her election.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
  2. All the candidates are candidates for Director to be reelected.
  3. The "Number of the Company's shares owned" by candidates Shinji Oe, Masayuki Nakayama and Ikuro Kato indicates the effective number of shares, including equities in the SANYO SHOKAI LTD. Officers' Shareholding Society.
  4. Attendance at meetings of the Board of Directors for candidates Shinji Oe, Ikuro Kato, Yu Okazawa, Motoyoshi Shiina, Hisao Takahashi, Chihiro Nihashi, Ikuo Yasuda and Asako Yano shows the status since their appointments on May 26, 2020.
  5. Candidates Yu Okazawa, Motoyoshi Shiina, Hisao Takahashi, Chihiro Nihashi, Ikuo Yasuda and Asako Yano are candidates for outside Director.
  6. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with candidates Yu Okazawa, Motoyoshi Shiina, Hisao Takahashi, Chihiro Nihashi, Ikuo Yasuda and Asako Yano to limit their liability for damages as outside Directors to the extent stipulated by laws and regulations. If their reelection is approved at this meeting, the Company plans to renew the respective agreements with each of them.
  7. The Company has submitted notification to Tokyo Stock Exchange, Inc. that candidates Yu Okazawa, Motoyoshi Shiina, Hisao Takahashi, Chihiro Nihashi, Ikuo Yasuda and Asako Yano have been appointed as independent officers as provided for by the aforementioned exchange. If their reelection is approved at this meeting, the Company plans for their appointment as independent officers to continue.
  8. The officially registered name of candidate Asako Yano is Asako Saito.
  9. The Company has entered into a directors and officers liability insurance policy with Directors, Audit & Supervisory Board Members, executive officers and management employees of the Company and the Company's subsidiaries as the insureds. The policy covers losses that may arise from the insured's assumption of liability incurred in the course of their performance of duties or receipt of claims pertaining to the pursuit of such liability. If the respective candidates are appointed as Director, they will continue to be covered by this insurance policy. The Company also plans to renew the insurance policy with the same details during their terms of office.