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(Securities code 9260)
March 15, 2021

To Shareholders with Voting Rights:

Yoshiro Susaki
Chairman & President
Nishimoto Co., Ltd.
(Head office) 3-2-1, Nihonbashi Muromachi, Chuo-ku,
Tokyo, Japan
(Registered main office) 4-1-38 Isobe-dori, Chuo-ku,
Kobe-shi, Hyogo Prefecture, Japan

NOTICE OF THE 74TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

You are hereby notified that the 74th Annual General Meeting of Shareholders of Nishimoto Co., Ltd. (the “Company”) will be held for the purposes as described below.

In lieu of attending the meeting in person, you can exercise your voting rights either in writing or by electronic means (via the Internet or other means). Please review the attached Reference Documents for the General Meeting of Shareholders (pages 3 to 13) and exercise your voting rights in reference to the attached Guidance on Exercising Voting Rights (pages 3 to 4 of the Japanese version).

- 1. Date and Time:** Tuesday, March 30, 2021 at 10:00 a.m. Japan time
(Reception will open at 9:00 a.m.)
- 2. Place:** Hall at Muromachi Mitsui Hall & Conference on the third floor of Nihonbashi Muromachi Mitsui Tower located at 3-2-1, Nihonbashi Muromachi, Chuo-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 74th Fiscal Year (January 1, 2020 - December 31, 2020) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 74th Fiscal Year (January 1, 2020 - December 31, 2020)
- Proposals to be resolved:**
- Proposal No. 1:** Election of Four (4) Directors who are not Audit & Supervisory Committee Members
- Proposal No. 2:** Final Payment of Retirement Benefits in Association with Abolition of Retirement Benefit Plan for Directors
- Proposal No. 3:** Revision of Amount of Remuneration for Directors
- Proposal No. 4:** Determination of Post-delivery Type Stock Remuneration for Directors

<Notes to Shareholders>

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception. Please also bring this Notice of Convocation with you to conserve resources.
- Of the documents that need to be attached to this Notice of Convocation, the “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are posted on the Company’s website (<https://www.wismettac.com/ja/ir/stock/meeting.html>) in accordance with provisions of laws and regulations as well as Article 15 of the Company’s Articles of Incorporation and therefore are not provided in this Notice of Convocation. Accordingly, the documents attached to this Notice of Convocation are a part of those that were audited by the Audit & Supervisory Committee and the Accounting Auditor in preparing their audit reports.

- Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.wismettac.com/ja/ir/stock/meeting.html>).
- A business policy briefing is scheduled to be held after the General Meeting of Shareholders. A part of the content of the meeting as well as the content of the business policy briefing will be posted on the Company's website at a later date.

<Request for Your Cooperation in Taking Measures to Prevent the Spread of COVID-19>

- If you are attending the meeting in person, please bring and wear a mask, have your body temperature checked, and apply alcohol-based sanitizers at the reception.
- Please note that a shareholder who has a fever or otherwise appears unwell or is uncooperative in taking measures to prevent the spread of COVID-19, including wearing a mask and sanitizing hands, may not be admitted to the venue.
- Officers and administrative staff attending the meeting will check their health conditions, including taking body temperature, in advance and wear masks in the meeting.
- The measures described above are subject to change, depending on the status of the spread of COVID-19 and announcements made by the government or other relevant organizations during the period leading up to the meeting. If any operational changes are made, announcements will be posted on the Company's website (<https://www.wismettac.com/ja/ir/stock/meeting.html>). Therefore, please check the website before attending the meeting in person.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Election of Four (4) Directors who are not Audit & Supervisory Committee Members

The terms of office of all four (4) Directors who are not Audit & Supervisory Committee Members will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, we hereby propose the election of four (4) Directors who are not Audit & Supervisory Committee Members.

There were no objections with respect to this Proposal as a result of deliberation in the Audit & Supervisory Committee.

The candidates for Directors who are not Audit & Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions
1	<p style="text-align: center;">Yoshiro Susaki (January 18, 1958)</p> <p style="text-align: center;">[Reappointment]</p> <p style="text-align: center;">Number of shares of the Company held 2,910,000</p>	<p>September 1980 Joined Morgan Bank, N.A., Tokyo Branch</p> <p>September 1988 Director, the Company</p> <p>May 1994 President</p> <p>October 2000 Chairman, IPM Nishimoto Co., Ltd. (currently Wismettac Foods, Inc.)</p> <p>March 2012 Chairman, Nishimoto Trading Co., Ltd. (currently Wismettac Foods, Inc.) (current position)</p> <p>March 2017 Chairman & CEO, the Company</p> <p>January 2019 Director, Wismettac Asian Foods, Inc. (current position)</p> <p> Director, Wismettac Asian Foods, Inc. (Canada) (current position)</p> <p>March 2020 Chairman & President CEO, the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Chairman, Wismettac Foods, Inc.</p> <p>Director, Wismettac Asian Foods, Inc.</p> <p>Director, Wismettac Asian Foods, Inc. (Canada)</p>
<p>[Reason for nomination as candidate for Director who is not an Audit & Supervisory Committee Member]</p> <p>Mr. Yoshiro Susaki was appointed Director of the Company in 1988 and has led the management of the Group and its business expansion as President from 1994 to 2017, as Chairman & CEO thereafter, and as Chairman & President CEO since March 2020, and is fulfilling his duties and responsibilities properly in overall management. He is expected to make contributions to enhancing the Group's corporate value by capitalizing on his many years of experience and insight in managing the Group to date. Therefore, the Company requests his reelection as a Director who is not an Audit & Supervisory Committee Member.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions
2	<p>Hiroshi Tsujikawa (February 20, 1960)</p> <p>[Reappointment]</p> <p>Number of shares of the Company held —</p>	<p>April 1984 Joined Morgan Bank, N.A., Tokyo Branch</p> <p>January 1990 Joined Continental Bank, N.A., Tokyo Branch</p> <p>October 1993 Joined Nishimoto Trading Co., Ltd. (currently Wismettac Foods, Inc.)</p> <p>October 2000 Transferred to IPM Nishimoto Co., Ltd. (currently Wismettac Foods, Inc.)</p> <p>April 2002 Director</p> <p>March 2006 Managing Director</p> <p>March 2009 Director & President, Shanghai IPM Co., Ltd.</p> <p>March 2017 President, Wismettac Foods, Inc. (current position)</p> <p>April 2017 Executive Officer, the Company</p> <p>August 2017 Chairman & President, Shanghai IPM Co., Ltd. (current position)</p> <p>March 2019 Director, the Company (current position)</p> <p>March 2020 Director, Wismettac Foods Shanghai Co., Ltd. (current position)</p> <p>March 2020 Director, NTC Wismettac Singapore Pte. Ltd. (current position)</p> <p>March 2020 Director, Wismettac Nippon Foods Co, Ltd. (current position)</p> <p>March 2020 Director, NTC Wismettac Australia Pty Ltd. (current position)</p> <p>March 2020 Director, NTC Wismettac Europe B.V. (current position)</p> <p>March 2020 Director, Wismettac Harro Foods Limited (current position)</p> <p>May 2020 Director, SSP Konsumgüter TRADE & CONSULT GmbH (current position)</p> <p>July 2020 Director, COMPTOIRS DES 3 CAPS (current position)</p> <p>[Significant concurrent positions]</p> <p>President, Wismettac Foods, Inc.</p> <p>Chairman & President, Shanghai IPM Co., Ltd.</p> <p>Director, Wismettac Foods Shanghai Co., Ltd.</p> <p>Director, NTC Wismettac Singapore Pte. Ltd.</p> <p>Director, Wismettac Nippon Foods Co, Ltd.</p> <p>Director, NTC Wismettac Australia Pty Ltd.</p> <p>Director, NTC Wismettac Europe B.V.</p> <p>Director, Wismettac Harro Foods Limited</p> <p>Director, SSP Konsumgüter TRADE & CONSULT GmbH</p> <p>Director, COMPTOIRS DES 3 CAPS</p>
<p>[Reason for nomination as candidate for Director who is not an Audit & Supervisory Committee Member]</p> <p>Mr. Hiroshi Tsujikawa joined the Group in October 1993, and has engaged mainly in sales divisions. He has abundant experience and achievements in the Group's business. Furthermore, after being appointed President of Wismettac Foods, Inc., a principal Group company, in March 2017, he has contributed to expansion of the Group's business. Based on his experience and achievements, the Company judges that he is qualified to be a Director who is not an Audit & Supervisory Committee Member. Therefore, the Company requests his reelection as a Director who is not an Audit & Supervisory Committee Member.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions
3	<p>Yuji Sasa (October 11, 1962)</p> <p>[Reappointment]</p> <p>Number of shares of the Company held 1,800</p>	<p>April 1985 Joined The Nippon Credit Bank, Ltd. (currently Aozora Bank, Ltd.)</p> <p>November 2011 Director, Nishimoto Trading Co., Ltd. (currently Wismettac Foods, Inc.)</p> <p>April 2015 Director, Nishimoto Trading Group Foodstuffs Shanghai Co., Ltd. (currently Wismettac Foods Shanghai Co., Ltd.)</p> <p>March 2016 Deputy General Manager, Group Administration Headquarters, the Company</p> <p>April 2016 Executive Officer</p> <p>May 2017 Director & Officer, Vice President, Wismettac Asian Foods, Inc.</p> <p>February 2018 Officer, Vice President, Wismettac Asian Foods, Inc.</p> <p>March 2019 Director (Full-time Audit & Supervisory Committee Member), the Company</p> <p>March 2020 Corporate Auditor, Wismettac Foods, Inc. Director, the Company (current position) Director, Wismettac Asian Foods, Inc. (current position) Director, NTC Wismettac Singapore Pte. Ltd. (current position) Director, Wismettac Nippon Foods Co, Ltd. (current position) Director, NTC Wismettac Australia Pty Ltd. (current position) Director, NTC Wismettac Europe B.V. (current position) Director, Wismettac Harro Foods Limited (current position)</p> <p>May 2020 Director, SSP Konsumgüter TRADE & CONSULT GmbH (current position)</p> <p>July 2020 Director, COMPTOIRS DES 3 CAPS (current position)</p> <p>[Significant concurrent positions] Director, Wismettac Asian Foods, Inc. Director, NTC Wismettac Singapore Pte. Ltd. Director, Wismettac Nippon Foods Co, Ltd. Director, NTC Wismettac Australia Pty Ltd. Director, NTC Wismettac Europe B.V. Director, Wismettac Harro Foods Limited Director, SSP Konsumgüter TRADE & CONSULT GmbH Director, COMPTOIRS DES 3 CAPS</p>
<p>[Reason for nomination as candidate for Director who is not an Audit & Supervisory Committee Member] Mr. Yuji Sasa joined the Group in November 2011, and engaged mainly in administrative divisions as Executive Officer and Director at the Company and its Group companies. Since March 2019, he had been in charge of duties as a Director who is an Audit & Supervisory Committee Member such as the audit and supervision of business execution. Since March 2020, he has overseen the overall administrative divisions of the Group as a whole as a Director who is not an Audit & Supervisory Committee Member. Based on his experience and achievements, he is expected to execute significant duties in the administrative divisions of the Group as a whole. Therefore, the Company requests his reelection as a Director who is not an Audit & Supervisory Committee Member.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions
4	<p data-bbox="209 521 411 584">Celso Guiotoko (January 3, 1959)</p> <p data-bbox="209 611 411 645">[Reappointment]</p> <p data-bbox="193 669 427 732">Number of shares of the Company held —</p>	<p data-bbox="453 286 639 315">December 1983</p> <p data-bbox="453 320 608 349">January 1985</p> <p data-bbox="453 353 592 383">March 1996</p> <p data-bbox="453 409 635 439">December 1997</p> <p data-bbox="453 465 571 495">May 2004</p> <p data-bbox="453 499 576 528">April 2006</p> <p data-bbox="453 533 576 562">April 2014</p> <p data-bbox="453 566 571 595">June 2017</p> <p data-bbox="453 600 592 629">March 2019</p> <p data-bbox="453 745 592 775">March 2020</p> <p data-bbox="453 801 571 831">July 2020</p> <p data-bbox="453 835 831 864">[Significant concurrent positions]</p> <p data-bbox="453 869 999 898">Director & Officer, Wismettac Asian Foods, Inc.</p> <p data-bbox="453 902 879 931">Director, COMPTOIRS DES 3 CAPS</p> <p data-bbox="453 936 1445 987">Outside Director (Audit & Supervisory Committee Member), Coca-Cola Bottlers Japan Holdings Inc.</p> <p data-bbox="667 286 1350 405">Joined Banco Bradesco SA Senior Manager, Andersen Consulting (currently Accenture) Information Systems Director, Toshiba America Electronic Components, Inc.</p> <p data-bbox="667 409 1398 472">Vice President for Solution Services, i2 Technologies Japan, Inc. (currently JDA Software Japan Co., Ltd.)</p> <p data-bbox="667 477 1310 506">Chief Information Officer (CIO), Nissan Motor Co., Ltd.</p> <p data-bbox="667 510 1034 539">Corporate Vice President & CIO</p> <p data-bbox="667 544 1114 573">Senior Corporate Vice President & CIO</p> <p data-bbox="667 577 863 607">Statutory Auditor</p> <p data-bbox="667 611 1358 674">Executive Officer & Global Chief Digital Officer (CDO), the Company</p> <p data-bbox="667 678 1358 741">Officer, Wismettac Asian Foods, Inc.</p> <p data-bbox="667 745 1358 775">Outside Director (Audit & Supervisory Committee Member), Coca-Cola Bottlers Japan Holdings Inc. (current position)</p> <p data-bbox="667 779 1286 808">Director, Global CDO, the Company (current position)</p> <p data-bbox="667 813 1414 842">Director & Officer, Wismettac Asian Foods, Inc. (current position)</p> <p data-bbox="667 846 1294 875">Director, COMPTOIRS DES 3 CAPS (current position)</p>
<p data-bbox="193 992 1398 1021">[Reason for nomination as candidate for Director who is not an Audit & Supervisory Committee Member]</p> <p data-bbox="193 1025 1461 1169">Mr. Celso Guiotoko has long and abundant experience in the field of information systems, as well as global management experience. Since joining the Company in March 2019, he has promoted the digital transformation (DX) of the Company's business as Global CDO. Based on his experience and achievements, he is expected to execute significant duties in the transformation of the Company's business. Therefore, the Company requests his reelection as a Director who is not an Audit & Supervisory Committee Member.</p>		

(Notes)

1. There are no special interests between the candidates and the Company.
2. Mr. Yoshiro Susaki qualifies as "parent company, etc." under Article 2, item (iv)-2 of the Companies Act. He serves as Managing Director of Tatsumi Sangyo Co., Ltd., which is his subsidiary company, etc.
3. The Company has entered into a directors and officers liability insurance contract under which each of the candidates for reappointment is insured. The contract shall cover any loss or damage that may arise due to the insured person assuming responsibilities for the execution of his duties or receiving a claim pertaining to the pursuit of such responsibilities (coverage limit under the master contract: uniformly 2 billion yen for all insured persons). If the candidates assume the office of Directors who are not Audit & Supervisory Committee Members, the Company will continue to insure them under the said insurance contract. As the term of the contract will expire during their terms of office, the Company intends to enter into an equivalent directors and officers liability insurance contract that continues to cover them as insured persons.

Reference: Overview of the Company's New Director Remuneration Plan

The Company resolved at its Board of Directors' meeting held on February 12, 2021, to revise the remuneration plan for the Group's senior management executives, including the directors of the Company and its subsidiaries (including overseas subsidiaries) for 2021 and onwards.

The overview of the new director remuneration plan is as follows.

1. Basic policy

■ Approach to remuneration

Remuneration is designed to sufficiently increase the awareness and morale of the Group's senior management executives, including directors of the Company and its subsidiaries (including overseas subsidiaries), for performance improvement and is designed in a way that can be reasonably explained to internal and external stakeholders.

Remuneration is designed so that the Group's senior management executives that are diversified in nationality and other aspects will have a sense of unity and contribute to the sustainable growth of corporate value for the Group as a whole.

■ Levels of remuneration

The levels of remuneration shall be comparable to market standards in each country, by taking into account global competitiveness in accordance with the responsibilities and experience of the Group's senior management executives, business performance, and other factors.

■ Overview of remuneration structure

The remuneration plan consists of basic remuneration, annual deferral for retirement remuneration, short-term incentive bonus, and long-term incentive (stock-based remuneration).

■ Remuneration governance

In view of ensuring an appropriate level and structure of remuneration, the Company will deliberate on and monitor the system of director remuneration and individual remunerations for Directors who are not Audit & Supervisory Committee Members on an ongoing basis by establishing the Remuneration Advisory Committee whose majority members are Outside Directors.

2. Remuneration structure

We introduce a short-term incentive bonus as an incentive for activities that contribute to higher annual performance and corporate value in each fiscal year, as well as a long-term incentive as an incentive for higher corporate value and alignment with shareholders. By having both short-term and long-term incentives, the structure is designed to function as healthy incentives.

In addition, based on the fact that directors of the overseas subsidiaries are covered by the retirement benefit plan that is in place at each subsidiary, which is similar to that for its employees, we introduce annual deferral for retirement remuneration for directors in Japan as well, setting aside a percentage of basic remuneration equivalent to that for employees (10% of basic remuneration). In association with this, we abolish the existing retirement benefit plan for directors.

- (1) Basic remuneration: An amount based on job responsibilities is paid monthly. The total amount of remunerations stated in Proposal 3 (400 million yen for the Directors who are not Audit & Supervisory Committee Members, and 80 million yen for the Directors who are Audit & Supervisory Committee Members) shall not be exceeded.
- (2) Annual deferral for retirement remuneration: An amount equivalent to 10% of basic remuneration is set aside as consideration for the performance of duties, and the accumulated amount is calculated and paid when a Director retires. If the Director has caused significant damage to the Group or committed a serious violation of the mandate agreement or the like, or any other event of similar nature has happened, the Company may, by resolution of the Board of Directors or by deliberation of the Directors who are Audit & Supervisory Committee Members, reduce the amount or decide not to pay the amount. The total amount of remunerations stated in Proposal 3 (400 million yen for the Directors who are not Audit & Supervisory Committee Members, and 80 million yen for the Directors who are Audit & Supervisory Committee Members) shall not be exceeded.

- (3) Short-term incentive bonus: Incentive bonuses based on achievement of performance targets are paid to Directors who are not Audit & Supervisory Committee Members from the perspective of maintaining a competitive level of remuneration in the market. Standard bonus amount is set at around 20% to 50% of basic remuneration according to their respective job responsibilities, and the amount of actual bonus is decided based on each annual performance within a range of a minimum of 0% and a maximum of 200% of the standard bonus amount. The performance of the company, division (under the relevant Director's charge), and individual is set by job responsibility in ranges of 20% to 100%, 0% to 60%, and 0% to 20%, respectively, and the performance results and bonus amounts are deliberated by the Remuneration Advisory Committee. The performance results cover not only the single-year performance of the subject fiscal year but also the subject fiscal year's activity contributing to higher corporate value from the medium- to long-term viewpoints. The total amount of remunerations stated in Proposal 3 (400 million yen for the Directors who are not Audit & Supervisory Committee Members) shall not be exceeded.
- (4) Long-term incentive (stock-based remuneration): This is post-delivery type stock remuneration with no performance achievement conditions attached, which is linked to corporate value and drive the sharing of interest with shareholders regardless of the stock price and business standing. From a viewpoint that it is a long-term incentive aimed at contributing to increasing medium- to long-term corporate value, the stock-based remuneration is designed to be vested after three years from the date of grant. The total amount of remuneration stated in Proposal 4 (300 million yen for the Directors who are not Audit & Supervisory Committee Members, and 20 million yen for the Directors who are Audit & Supervisory Committee Members) shall not be exceeded.

In association with the establishment of the director remuneration plan described above, we submit Proposal 2 "Final Payment of Retirement Benefits in Association with Abolition of Retirement Benefit Plan for Directors," Proposal 3 "Revision of Amount of Remuneration for Directors," and Proposal 4 "Determination of Post-delivery Type Stock Remuneration for Directors" described in the following pages.

Proposal No. 2: Final Payment of Retirement Benefits in Association with Abolition of Retirement Benefit Plan for Directors

As part of the revision of the director remuneration plan, the Company resolved at its Board of Directors' meeting held on February 12, 2021, to abolish the retirement benefit plan for Directors at the conclusion of this meeting.

In association with this, we propose that, subject to the approval of Proposal 1, final retirement benefits of up to 200 million yen in total be paid in accordance with certain standards of the Company to three (3) Directors, Mr. Yoshiro Susaki, Mr. Hiroshi Tsujikawa, and Mr. Yuji Sasa, among Directors who are not Audit & Supervisory Committee Members to be reappointed, to reward their service during their terms of office until the conclusion of this meeting. We also request that the specific amounts, timing, and method of the payments be left to the Board of Directors.

The career summary of the subject Directors who are not Audit & Supervisory Committee Members is as follows:

Name	Career Summary	
Yoshiro Susaki	September 1988 May 1994 March 2017 March 2020	Director, the Company President Chairman & CEO Chairman & President CEO (current position)
Hiroshi Tsujikawa	March 2019	Director, the Company (current position)
Yuji Sasa	March 2020	Director, the Company (current position)

In addition, we propose that final retirement benefits of up to 5 million yen in total be paid in accordance with certain standards of the Company to Mr. Atsuhiko Kimura, a Director who is Audit & Supervisory Committee Member in office, to reward his service during his term of office until the conclusion of this meeting. We also request that the specific amount, timing, and method of the payment be left to the deliberation by the Directors who are Audit & Supervisory Committee Members.

The career summary of Mr. Atsuhiko Kimura is as follows:

Name	Career Summary	
Atsuhiko Kimura	March 2020	Director (Full-time Audit & Supervisory Committee Member), the Company (current position)

Proposal No. 3: Revision of Amount of Remuneration for Directors

At the Company's 70th Annual General Meeting of Shareholders held on March 30, 2017, the total amount of remunerations, bonuses, and other property benefits to be received by the Directors of the Company in consideration of their performance of duties ("Remunerations") was approved to be up to 300 million yen per year (excluding employee salaries and bonuses of Directors who concurrently serve as employees) for the Directors who are not Audit & Supervisory Committee Members and up to 50 million yen per year for the Directors who are Audit & Supervisory Committee Members.

We have recently decided to revise the director remuneration plan with the aim of driving sustainable growth of the Company's medium- to long-term corporate value and further sharing of value with shareholders for Directors who are not Audit & Supervisory Committee Members, and in view of the increased responsibility and broadened scope of work for Directors who are Audit & Supervisory Committee Members to enhance the governance structure with the establishment of the Remuneration Advisory Committee.

*For the overview of the new director remuneration plan, see pages 7 to 8.

In connection with the revision of the remuneration plan, we propose that the total amount of remunerations for the Directors who are not Audit & Supervisory Committee Members be revised to not more than 400 million yen per year (excluding employee salaries and bonuses of Directors who concurrently serve as employees), which will cover basic remuneration, short-term incentive bonus, and annual deferral for retirement remuneration, and to not more than 80 million yen per year for the Directors who are Audit & Supervisory Committee Members, which will cover basic remuneration and annual deferral for retirement remuneration.

We also request that the remuneration amounts of individual Directors who are not Audit & Supervisory Committee Members be left to the Board of Directors as before, and the remuneration amounts of individual Directors who are Audit & Supervisory Committee Members be left to the deliberation of the Directors who are Audit & Supervisory Committee Members as before. The amounts for Directors who are not Audit & Supervisory Committee Members will undergo the process of deliberation at the Remuneration Advisory Committee, which will be newly established, prior to determination by resolution of the Board of Directors.

If Proposal 1 is approved as proposed, the number of Directors who are not Audit & Supervisory Committee Members will become four (4). We currently have three (3) Directors who are Audit & Supervisory Committee Members. Two (2) Outside Directors who are Audit & Supervisory Committee Members will continue to receive fixed amounts of basic remuneration only.

In addition, separately from the total amounts of remunerations stated in this proposal, we would like to introduce a post-delivery type stock remuneration plan as medium- to long-term stock price-linked stock-based remuneration, which is proposed as the following Proposal 4.

Proposal No. 4: Determination of Post-delivery Type Stock Remuneration for Directors

In connection with the revision of the remuneration plan for Directors and separately from the new remuneration limits for Directors pertaining to Proposal 3, we propose to introduce a post-delivery type stock remuneration plan (the “Plan”) under which shares of the Company’s common stock (“Company Stock”) and money are allotted and provided after a specified period, the details of which are provided below, to Directors who are not Audit & Supervisory Committee Members with the aim of providing them with incentives to sustainably increase the Company’s corporate value and promoting further sharing of value between Directors and our shareholders, and to Directors who are Audit & Supervisory Committee Members (excluding Outside Directors) as consideration for their provision of advice that contributes to higher corporate value. Also, we propose that the total amount of monetary remuneration claims and money to be provided to Directors under the Plan for allotment of Company Stock be set at up to 300 million yen per year for Directors who are not Audit & Supervisory Committee Members and up to 20 million yen per year for Directors who are Audit & Supervisory Committee Members (excluding Outside Directors).

If Proposal 1 is approved as proposed, the number of Directors who are not Audit & Supervisory Committee Members and are subjects of this proposal will become four (4). The number of Directors who are Audit & Supervisory Committee Members and are subjects of this proposal is one (1), namely, Mr. Atsuhiko Kimura.

Overview of the Plan and upper limits on the number of Company Stock

1. Allotment of Company Stock and payments therefor

The Company provides its Directors (excluding Outside Directors, the “Eligible Directors”) with units corresponding to a specified period predetermined by the Board of Directors, in the case of Directors who are not Audit & Supervisory Committee Members, and by deliberation by the Directors who are Audit & Supervisory Committee Members, in the case of Directors who are Audit & Supervisory Committee Members. After expiration of a specified period that is three (3) years or more (the “Service Period”), monetary remuneration claims and money that do not exceed the total amounts stated above are provided based on resolution of the Board of Directors in the case of Directors who are not Audit & Supervisory Committee Members, and based on deliberation by the Directors who are Audit & Supervisory Committee Members in the case of Directors who are Audit & Supervisory Committee Members, respectively. By delivering all the monetary remuneration claims by way of contribution in kind, each Eligible Director shall receive the allotment of Company Stock in a number calculated based on the number of units granted by the Company in advance. The amount to be paid in for Company Stock shall be decided by the Board of Directors based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Company’s Board of Directors on the issuance or disposal of the Company Stock (if no trades are executed on that day, the closing price of the most recent trading day prior to that date), within a price range not particularly advantageous to the Directors who are to underwrite the Company Stock.

The above-mentioned monetary remuneration claims are provided on condition that Eligible Directors have given their consent to the contribution in kind described above.

2. Calculation method of the number of Company Stock to be allotted and the amount of money to be provided to each Eligible Director under the Plan

The Company calculates the number of Company Stock to be allotted and the amount of money to be provided to each Eligible Director based on the following formulas.

(1) Number of units to be granted to each Eligible Director

Base amount (*1) ÷ Stock price at the time of grant (*2)

Any fraction of less than 100 units resulting from the calculation will be rounded up to the nearest 100 units. The number of Company Stock to be allotted according to the number of units is one share of Company Stock per unit.

(2) Number of Company Stock to be allotted to each Eligible Director

(Number of units granted as calculated in (1) above) × 50%

Any fraction of less than 100 shares of Company Stock resulting from the calculation will be rounded up

to the nearest 100 shares.

(3) Amount of money to be provided to each Eligible Director

{(Number of units granted as calculated in (1) above) – Number of Company Stock calculated in (2) above} × Stock price at the time of delivery (*3)

Any fraction of less than one yen resulting from the calculation will be rounded up to the nearest one yen.

(*1) The base amount shall be decided for each Eligible Director at the Board of Directors in the case of Directors who are not Audit & Supervisory Committee Members or by deliberation by the Directors who are Audit & Supervisory Committee Members in the case of Directors who are Audit & Supervisory Committee Members, in accordance with the level of job responsibility of each Eligible Director.

(*2) The stock price at the time of grant shall be the average closing price of the Company's common stock on the Tokyo Stock Exchange during the one-month period preceding the day immediately before the date of the Annual General Meeting of Shareholders in the year of grant.

(*3) The stock price at the time of delivery shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Company's Board of Directors pertaining to the issuance or disposal of stock to be provided under the Plan (if no trades are executed on that day, the closing price of the most recent business day prior to that date).

3. Total number of Company Stock

The total maximum number of Company Stock to be allotted to Eligible Directors under the Plan shall be 66,000 shares per year for Directors who are not Audit & Supervisory Committee Members and 4,000 shares per year for Directors who are Audit & Supervisory Committee Members.

However, after the date of the resolution of this proposal, in the event of a stock split of the Company's common stock (including allotment of shares of the Company's common stock without contribution) or a reverse stock split, or in other similar cases where the total number of Company Stock to be allotted otherwise needs to be adjusted, the Company may reasonably adjust the total number of Company Stock.

4. Details of the Plan

(1) Details of the Plan

Under the Plan, a certain number of Company Stock and an amount of money calculated based on the number of units granted by the Company in advance shall be allotted and provided, on condition that Eligible Directors are continuously in a position of either director, executive officer, or employee of the Company or its subsidiaries during the Service Period and satisfy other requirements predetermined by the Board of Directors, in the case of Directors who are not Audit & Supervisory Committee Members, or by deliberation by the Directors who are Audit & Supervisory Committee Members, in the case of Directors who are Audit & Supervisory Committee Members.

However, if the amount of monetary remuneration claims and money to be provided to Eligible Directors for the allotment of Company Stock in the number described above is likely to exceed the total amount described above, the Company shall reduce the number of Company Stock to be allotted and the amount of money to be provided, by a reasonable method such as pro-rata distribution, within a scope not exceeding the total amount.

In addition, if an Eligible Director retires or resigns from all of the positions of director, executive officer, and employee of the Company and its subsidiaries before the expiration of the Service Period due to grounds that are found justifiable by the Board of Directors, in the case of Directors who are not Audit & Supervisory Committee Members, or by deliberation by the Directors who are Audit & Supervisory Committee Members, in the case of Directors who are Audit & Supervisory Committee Members, the number of Company Stock to be allotted and the amount of money to be provided as well as the timing of providing them shall be reasonably adjusted as necessary.

(2) Handling upon reorganization, etc.

If a proposal on a merger agreement under which the Company becomes the disappearing company, a stock exchange agreement or stock transfer plan or any other plans related to reorganization, etc. under which the Company becomes a wholly-owned subsidiary is approved by a general meeting of shareholders of the Company (or resolution by the Board of Directors if approval of such reorganization, etc. by a general meeting of shareholders of the Company is not required) during the Service Period, the Company

shall allot Company Stock and provide money to Eligible Directors, prior to the effective date of such reorganization, etc. in the number and amount reasonably determined by resolution of the Board of Directors, in the case of Directors who are not Audit & Supervisory Committee Members, and by deliberation by the Directors who are Audit & Supervisory Committee Members, in the case of Directors who are Audit & Supervisory Committee Members, based on the period from the start date of the Service Period to the date of approval of such reorganization, etc.

(3) Other

If an Eligible Director retires or resigns from all of the positions of director, executive officer, and employee of the Company and its subsidiaries before the expiration of the Service Period (excluding cases that are found justifiable by the Board of Directors in the case of Directors who are not Audit & Supervisory Committee Members or by deliberation by the Directors who are Audit & Supervisory Committee Members in the case of Directors who are Audit & Supervisory Committee Members) or if an Eligible Director has engaged in certain misconduct or illegal acts predetermined by the Company's Board of Directors, the Company shall not allot Company Stock or provide money, nor shall the Company provide monetary remuneration claims for the allotment of Company Stock.

(Reference)

After the conclusion of this meeting, the Company intends to allot Company Stock and provide money under plans similar to the Plan described above to the Company's Executive Officers and certain employees specified by the Company, as well as directors, executive officers, and certain employees specified by the Company, of the Company's subsidiaries.