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(Securities Code: 5659)

June 9, 2022

To our shareholders:

Motoshi Shinkai
President and CEO
Nippon Seisen Co., Ltd.
4-1-1 Koraibashi, Chuo-ku, Osaka, Japan

Notice of the Annual General Meeting of Shareholders

We are pleased to announce the 92nd (fiscal year ended March 31, 2022) Annual General Meeting of Shareholders of Nippon Seisen Co., Ltd. (hereinafter the “Company”), which will be held as indicated below.

As to this meeting, we respectfully ask, from the perspective of preventing the spread of novel coronavirus disease (COVID-19), that shareholders exercise your voting rights in writing or via the Internet, etc. prior to the meeting as much as possible and refrain from attending the meeting on the day, taking various circumstances into consideration.

This meeting will be live streamed. Shareholders who do not attend the meeting will be able to watch the proceedings via the Internet. Please utilize our service.

1. Date and Time: Wednesday, June 29, 2022, at 10:00 a.m. (JST)

2. Venue: Palffy 7F Hotel Monterey Osaka
3-3-45 Umeda, Kita-ku, Osaka, Japan

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 92nd fiscal year (from April 1, 2021 to March 31, 2022), 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 92nd fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

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| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 3 | Election of One Director |
| Proposal No. 4 | Election of One Audit & Supervisory Board Member |
| Proposal No. 5 | Election of One Substitute Audit & Supervisory Board Member |
| Proposal No. 6 | Final Payment of Retirement Benefits in Conjunction with Abolition of Retirement Benefit Plan for Directors |
| Proposal No. 7 | Introduction of Share-Based Remuneration Plan for Directors, Etc. |
| Proposal No. 8 | Payment of Bonuses to Officers |

4. Guidance on Online Disclosure

In accordance with laws and regulations and Article 18 of the Company's Articles of Incorporation, the Company posts the following matters on its website (<https://www.n-seisen.co.jp/>) among the attached documents. Therefore, the Company does not state those matters in the attached documents of this notice. The attached documents of this notice form a part of the Consolidated and Non-consolidated Financial Statements audited by the Financial Auditor and Audit & Supervisory Board Members in preparing their audit reports.

- (1) "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements
- (2) "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" of the Non-consolidated Financial Statements

5. Other Matters Decided upon Convocation

- (1) For votes submitted in writing, when there is no indication of approval or disapproval of a proposal, it is treated as an approval.
- (2) If you have voted in writing via postal mail and via the Internet, etc., your vote made via the Internet shall be valid. Furthermore, if you vote more than once via the Internet, your most recent vote shall be valid.

Countermeasures, etc. against the spread of novel coronavirus disease (COVID-19)

To help prevent the spread of COVID-19, we respectfully ask that shareholders refrain from attending the meeting this year, taking various circumstances into consideration, and consider exercising your voting rights in writing or via the Internet, etc. prior to the meeting as much as possible.

Shareholders who intend to attend the meeting in person are kindly requested to check the status of infection on the date of the meeting and your health conditions and take measures to prevent the infection including wearing a face mask. Please note that we may take countermeasures against the infection at the venue. We appreciate your cooperation.

If future developments necessitate a major change in the way the general meeting of shareholders will be run, shareholders will be informed via the Company's website (<https://www.n-seisen.co.jp/>).

* No souvenirs will be provided to the shareholders attending the general meeting of shareholders.
Your kind understanding is highly appreciated.

- If attending the meeting in person, please present the enclosed voting form at the reception desk.
- Any amendment to the Reference Documents for General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, or Consolidated Financial Statements will be posted on the Company's website (<https://www.n-seisen.co.jp/>).

Reference Documents for 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

In regard to profit distribution, informed by a comprehensive consideration to factors including consolidated business performance and the financial position, the Company looks to meet its shareholders' expectations with a consolidated dividend payout ratio at a level of approximately 40%.

Furthermore, the Company will allocate funds from internal reserves to be utilized as funds for "further improvement of corporate value," which includes capital investments, research and development activities, and new business development necessary for future long-term strategies.

In regard to the year-end dividends for the 92nd fiscal year, while taking into consideration the consolidated business performance and the policy mentioned above, the Company proposes to pay a dividend of ¥110 per common share of the Company, as follows. In this event, the consolidated dividend payout ratio, which is the percentage of dividends to profit attributable to owners of parent, will be 40.5%.

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property to shareholders and their aggregate amount

The Company proposes to pay a dividend of ¥110 per common share of the Company.

In this event, the total dividends will be ¥674,634,180.

Note: Including the interim dividend (¥100 per share), the annual dividend for this fiscal year will total ¥210 per share.

(3) Effective date of dividends of surplus

June 30, 2022

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reasons for the amendment

The system for providing informational materials for the general meeting of shareholders in electronic format will be introduced in line with the enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) on September 1, 2022. Accordingly, the Company proposes to make the following changes to its Articles of Incorporation.

- (1) The Company proposes to newly establish Article 18 (Measures, etc. for Providing Information in Electronic Format), paragraph 1 in “Proposed amendments,” since it will be required to stipulate in the Articles of Incorporation that the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- (2) The Company proposes to newly establish Article 18 (Measures, etc. for Providing Information in Electronic Format), paragraph 2 in “Proposed amendments.” This amendment will be made for the purpose of allowing for limiting the scope of the matters stated in the documents to be delivered to the shareholders who requested the delivery of paper-based documents, to the scope prescribed by the Ministry of Justice Order among the matters for which measures are taken for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- (3) After the system for providing informational materials for the general meeting of shareholders in electronic format is introduced, the provisions for Article 18 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) will be deleted since these provisions will no longer be required.
- (4) The Company proposes to establish supplementary provisions regarding the effect of the aforementioned provisions newly established or deleted. These supplementary provisions shall be deleted after the term elapses.

2. Details of the amendment

Details of the amendment are as follows:

(Underlined parts are to be amended.)

Current Articles of Incorporation	Proposed amendments
<p><u>Article 18</u> <u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the Internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u> (Newly established)</p>	<p>(Deleted)</p> <p><u>Article 18</u> <u>(Measures, etc. for Providing Information in Electronic Format)</u> 1. <u>When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> 2. <u>Of items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>(Newly established)</p>	<p><u>(Supplementary Provisions)</u></p> <p><u>Article 1</u></p> <p><u>1. The deletion of Article 18 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) in the pre-amended Articles of Incorporation and the establishment of the new Article 18 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p> <p><u>2. Notwithstanding the provision of the preceding paragraph, Article 18 of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p><u>3. These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal No. 3 Election of One Director

At the conclusion of this meeting, Director Takeshi Watanabe will resign. Therefore, the Company proposes the election of one Director.

The candidate for Director is as follows:

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 (As of March 31, 2022)
Candidate for outside Director Yuki Uchiyama (October 31, 1959) [New election]	Apr. 1983 Joined Burroughs Corporation Apr. 1988 Joined Moroccan National Tourism Office Apr. 1997 Registered as attorney at law Joined Ohmizu & Partners Apr. 2012 Partner of Omizu Sogo Law Office June 2018 Counsel of TMI Associates Osaka Office (current position) June 2019 Outside Auditor of Maruichi Steel Tube LTD. (current position)	0

The reasons Yuki Uchiyama is a candidate for outside Director are that she possesses an abundance of experience and achievements as an attorney at law over many years and management experience as outside auditor of another company, and that the Company expects that her experience and insight would be reflected especially in the management measures for ensuring compliance and strengthening risk management.

The Company has judged that her monitoring and supervision of the Company's management based on her broad experience and advanced insight will contribute to ensuring the fairness of the Company's management, and therefore proposes her election as outside Director.

- Notes:
1. Yuki Uchiyama is a candidate for outside Director. She satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and if she is elected as Director, the Company plans to submit notification to the Exchange that she has been designated as an independent officer.
 2. Yuki Uchiyama maintains concurrent positions as Counsel of TMI Associates Osaka Office and Outside Auditor of Maruichi Steel Tube LTD. There are no special interests between the office, the company, and the Company.
 3. If Yuki Uchiyama is elected as Director, pursuant to the provisions of the Company's Articles of Incorporation and Article 427, paragraph 1 of the Companies Act, the Company plans to enter into an agreement with her to limit her liability for damages under Article 423, paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.
 4. Yuki Uchiyama will be elected as a substitute Director. Therefore, in accordance with the provisions of the Company's Articles of Incorporation, her term of office will be until the terms of office of the other currently serving Directors expire.

- Notes:
1. There is no special interest between the candidate and the Company.
 2. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act, under which all Directors of the Company are insureds. 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.
If the candidate is elected and assumes office as a Director, the Company plans to make her an insured under the insurance policy, and the policy will be renewed with the same terms at the next renewal.

Proposal No. 4 Election of One Audit & Supervisory Board Member

At the conclusion of this meeting, the term of office of Audit & Supervisory Board Member Soichi Wakamatsu will expire. Therefore, the Company proposes the election of one Audit & Supervisory Board Member.

In addition, the consent of the Audit & Supervisory Board has been obtained for the submission of this proposal. The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth) (Tenure)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned (As of March 31, 2022)
Soichi Wakamatsu (October 31, 1957) (Tenure: 4 years)	Apr. 1980 Joined the Company June 2007 General Manager of Finance & Accounting Department Oct. 2011 General Manager of Planning and Management Department Apr. 2013 General Manager of General Affairs Department and General Manager of Planning and Management Department Dec. 2014 Part-time Audit & Supervisory Board Member of Nissei Techno Co., Ltd. (current position) Apr. 2015 General Manager of General Affairs Department Apr. 2016 Deputy Factory Manager of Hirakata Factory June 2018 Full-time Audit & Supervisory Board Member (current position)	300
Soichi Wakamatsu has many years of experience working primarily in the Finance & Accounting Department since joining the Company in 1980, serving as General Manager of Finance & Accounting Department from June 2007, and possesses extensive experience and broad knowledge of finance and accounting. The Company has judged that he is appropriate as Audit & Supervisory Board Member of the Company.		

- Notes:
1. There is no special interest between the candidate and the Company.
 2. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act, under which all Audit & Supervisory Board Members of the Company are insureds. The policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an Audit & Supervisory Board Member, or receipt of claims pertaining to the pursuit of such liability.
If the candidate is elected and assumes office as an Audit & Supervisory Board Member, the Company plans to make him an insured under the insurance policy, and the policy will be renewed with the same terms at the next renewal.

(Reference) Skills matrix of Directors and Audit & Supervisory Board Members after the conclusion of this General Meeting of Shareholders

If Proposal 3 and Proposal 4 are approved as originally proposed, the skills matrix of Directors and Audit & Supervisory Board Members will be as follows:

	Name	Corporate management	Insight and expertise in the stainless industry	Manufacturing technology	New product/business development	Sales / Marketing	Overseas business	Finance / Accounting	Human resource / Legal risk management
Directors	Motoshi Shinkai	○	○	○		○		○	○
	Ichiro Takahashi	○	○	○	○		○		
	Yasushi Kato		○			○			○
	Takeshi Hanai	○				○	○	○	○
	Masaaki Takizawa	○				○	○		○
	Masayasu Nukushina	○	○			○			
	Yuki Uchiyama	○					○		○
Audit & Supervisory Board Members	Soichi Wakamatsu		○					○	
	Toshiyuki Tsuda		○			○		○	
	Nobuo Suzui	○		○	○		○	○	
	Tadashi Hasegawa	○	○					○	○

Proposal No. 5 Election of One Substitute Audit & Supervisory Board Member

The Company proposes the election of one substitute Audit & Supervisory Board Member to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations.

In addition, the consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and significant concurrent positions outside the Company	Number of the Company's shares owned (As of March 31, 2022)
Candidate for outside Audit & Supervisory Board Member Shosaku Minami (June 8, 1972)	Apr. 2000 Registered with Osaka Bar Association, joined Midosuji Legal Profession Corporation Sept. 2007 Retired from Midosuji Legal Profession Corporation Oct. 2007 Established Legal Solution Law Office (to present) July 2021 Outside Director of UMENOHANA Co., Ltd. (current position)	0

The reasons Shosaku Minami is a candidate for substitute outside Audit & Supervisory Board Member are that he has an abundance of experience and achievements as an attorney at law over many years and management experience as outside director of another company, and that the Company has judged that he would be able to appropriately fulfill the duties as outside Audit & Supervisory Board Member, utilizing his experience and insight.

- Notes:
1. There is no special interest between Shosaku Minami and the Company.
 2. Shosaku Minami is a candidate for substitute outside Audit & Supervisory Board Member. He satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and the Company plans to submit notification to the Exchange that he has been designated as an independent officer if he assumes the office of Audit & Supervisory Board Member.
 3. There is no advisory contract between Legal Solution Law Office and the Company. Nor are there any regular transactions between them.
 4. Shosaku Minami maintains a concurrent position as outside Director of UMENOHANA Co., Ltd. There is no special interest between the company and the Company.
 5. If Shosaku Minami assumes the office of Audit & Supervisory Board Member, pursuant to the provisions of the Company's Articles of Incorporation and Article 427, paragraph 1 of the Companies Act, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.
 6. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act, under which all Audit & Supervisory Board Members of the Company are insureds. The policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an Audit & Supervisory Board Member, or receipt of claims pertaining to the pursuit of such liability. In the event that the said candidate is elected and assumes office as an Audit & Supervisory Board Member, the Company plans to make him an insured under the insurance policy, and the policy will be renewed with the same terms at the next renewal.

Proposal No. 6 Final Payment of Retirement Benefits in Conjunction with Abolition of Retirement Benefit Plan for Directors

At the Board of Directors meeting held on May 12, 2022, the Company resolved to abolish the retirement benefit plan for Directors as of the conclusion of this meeting.

Accordingly, the Company proposes the final payment of retirement benefits to currently serving full-time Directors within the limit of the amount stipulated in the standard criteria established by the Company, as compensation for their services during their tenures from assuming their offices until the conclusion of this meeting. The timing of the payments shall be the time of the retirement of each Director, and the specific amounts and method of the payment to each Director shall be entrusted to the Board of Directors.

As stated on pages 20 to 22 of this notice (in Japanese only), the Company has established a policy for determining the details of remuneration, etc. of individual Directors, and this proposal is in line with the policy. The contents of this proposal have been deliberated at the Corporate Governance Committee and determined by the Board of Directors. The Company believes that the contents are appropriate.

Their career summary is as follows:

Name	Career summary	
Motoshi Shinkai	June 2016	Director of the Company (to present)
Ichiro Takahashi	June 2019	Director of the Company (to present)
Yasushi Kato	June 2021	Director of the Company (to present)

Proposal No. 7 Introduction of Share-Based Remuneration Plan for Directors, Etc.

1. Reasons for this proposal and the grounds for its appropriateness

This proposal requests shareholders to approve the introduction of the share-based remuneration plan, “Board Benefit Trust (BBT)” (hereinafter the “Plan”), as a substitute for the retirement benefit plan for officers that is to be abolished, for the Company’s Directors (excluding outside Directors; the same applies hereinafter in this proposal unless otherwise stated) and Executive Officers (hereinafter collectively the “Eligible Officers”).

The proposal aims to increase awareness for contributing to medium- to long-term performance increase as well as corporate value increase, by more clearly linking Eligible Officers’ remuneration with share value, and by allowing Eligible Officers to share not only the benefits of share price increases but also the risks of share price decreases with shareholders. Since this purpose is consistent with the Company’s policy for determining the details of remuneration, etc. of individual Directors as stated on pages 20 to 22 of this notice (in Japanese only), the Company believes that the contents are appropriate. This proposal requests shareholders to approve the specific calculation method of and the specific details of remuneration, etc. for remuneration to the Company’s Eligible Officers based on the Plan, separate from the remuneration amount for Directors approved at the 62nd Annual General Meeting of Shareholders held on June 26, 1992 (up to ¥15 million per month; however, excluding the employee salary portion for Directors concurrently serving as employees). In addition, the details of the Plan are proposed to be entrusted to the Board of Directors within the range described in 2. below.

At present, three Directors will be eligible for the Plan.

2. Specific calculation method and specific details of remuneration, etc. under the Plan

(1) Overview of the Plan

The Plan is a share-based remuneration plan under which, using the money the Company contributes as funds, the Company’s shares are acquired by a trust (hereinafter the trust that is established based on the Plan is referred to as the “Trust”), and the Company’s shares and money equivalent to the amount of the Company’s shares converted at market price (hereinafter the “Company’s Shares, etc.”) are provided through the Trust to Eligible Officers in accordance with the Share-Based Board Benefit Regulations stipulated by the Company. The timing the Eligible Officers receive the Company’s Shares, etc. shall be, in principle, the time of the retirement of the Eligible Officers.

(2) Those who are eligible for the Plan

Directors (outside Directors and Audit & Supervisory Board Members are not eligible for the Plan) and Executive Officers

(3) The period of the trust

From August 2022 (scheduled) to the termination of the Trust (No specific termination dates have been determined regarding the period of the Trust, and the Trust will be continued as long as the Plan continues. The Plan will be terminated in events such as delisting of the Company’s shares or the abolition of the Share-Based Board Benefit Regulations.)

(4) The amount of the trust

Subject to approval of this proposal, the Company shall introduce the Plan covering the following periods: the three fiscal years starting from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025 (hereinafter such period of three fiscal years shall be referred to as the “Initial Evaluation Period,” and the Initial Evaluation Period and each of the subsequent periods of three fiscal years, which commence after the elapse of the Initial Evaluation Period, shall hereinafter be individually referred to as the “Evaluation Period”) and each of Evaluation Periods that follow. In order to provide the Eligible Officers with the Company’s Shares, etc., the Company shall contribute the following money as funds for the acquisition of the Company’s shares by the Trust. First, at the time of establishing the Trust (scheduled in August 2022), the Company will contribute a considerable amount of money that is expected to be necessary corresponding to the Initial Evaluation Period. Since the maximum points to be granted to Eligible Officers based on the Plan are 18,600 points per one fiscal year as stated in (6) below, the Company will, in establishing the Trust, contribute to the Trust the funds that are reasonably expected to be necessary for the acquisition of up to 55,800 shares, taking into consideration the last closing price of the Company’s common shares in ordinary transactions on the Tokyo Stock Exchange. For reference,

the necessary funds will amount to approximately ¥227.7 million using the closing price as of May 11, 2022, of ¥4,080.

After the elapse of the Initial Evaluation Period until the time when the Plan is terminated, the Company shall, in principle, reasonably estimate the number of shares necessary to provide to Eligible Officers under the Plan for each Evaluation Period, and make additional contributions to the Trust in the amount deemed necessary for the Trust to acquire such shares in advance. Provided, however, if, at the time of such additional contributions, there remain the Company's shares (excluding the Company's shares corresponding to the points, which were granted to Eligible Officers for each of the Evaluation Periods to date, but have not been provided yet) and money (hereinafter collectively the "Remaining Shares, etc.") in the trust assets, such Remaining Shares, etc. shall be appropriated for the funds of benefits based on the Plan in the subsequent Evaluation Period, and therefore the amount of the Remaining Shares, etc. shall be taken into account when calculating the amount for additional contributions.

Note: The money which the Company practically contributes to the Trust includes the estimated necessary expenses such as trust fees, in addition to the above funds contributed for the purpose of acquiring the Company's shares.

Upon determination of additional contributions, the Company shall make appropriate disclosure in a timely manner.

- (5) Method for acquiring the Company's shares and number of shares to be acquired by the Trust
The Trust shall acquire the Company's shares through a securities exchange market or by underwriting the disposition of the Company's treasury shares using the money contributed by the Company in the manner set forth in (4) above as funds. Since the maximum points to be granted to Eligible Officers are 18,600 points per one fiscal year, the maximum number of the Company's shares to be acquired by the Trust for each Evaluation Period is 55,800 shares. The Company shall disclose the details of the acquisition of the Company's shares by the Trust in a timely and appropriate manner.
- (6) Maximum number of the Company's Shares, etc. granted to Eligible Officers
For each fiscal year, Eligible Officers shall be granted points that are decided by taking into consideration their respective positions and others in accordance with the Share-Based Board Benefit Regulations. The total maximum points to be granted to Directors per one fiscal year shall be 9,000 points, and the total maximum points to be granted to Executive Officers per one fiscal year shall be 9,600 points. These numbers were decided by comprehensively considering the current level of officers' remuneration as well as the trends and outlook in the number of Eligible Officers, and therefore are deemed appropriate.
Each point granted to Eligible Officers shall be converted into one share of the Company's common shares at the time of the provision of the Company's Shares, etc. as described in (7) below (provided, however, if, with regard to the Company's shares, a share split, gratis allotment of shares, or consolidation of shares, etc. is carried out after the approval of this proposal, then the maximum number of points and the number of points already granted, or the conversion ratio shall be adjusted in a reasonable manner in proportion to the relevant ratios, etc.).
The number of shares equivalent to the number of maximum points to be granted to Eligible Officers per one fiscal year (18,600 shares) accounts for approximately 0.3% of the total number of outstanding shares (6,133,038 shares as of March 31, 2022, net of treasury shares).
In principle, the points for Eligible Officers that will be the basis for the provision of the Company's Shares, etc. in (7) below, shall be defined as the number of points granted to the Eligible Officers until their retirement. (Points calculated in such manner shall be hereinafter referred to as "defined number of points.")
- (7) Provision of the Company's Shares, etc. and specific calculation method of the remuneration, etc.
When an Eligible Officer retires and has satisfied the beneficiary requirements stipulated in the Share-Based Board Benefit Regulations, such Eligible Officer shall, in principle, receive the Company's shares from the Trust after his/her retirement, in the number corresponding to the defined number of points set forth in (6) above, by carrying out beneficiary certification procedures as required. Provided, however, if such Eligible Officer satisfies the requirements stipulated in the Share-Based Board Benefit Regulations, he/she shall receive a certain portion of the benefit in money in lieu of the Company's shares, in the amount equivalent to the market value of the shares. The Trust may sell the Company's shares in order to provide benefit in money.

Note that if an Eligible Officer is dismissed by the resolution of a general meeting of shareholders, retires in connection with certain illegal act, or has engaged in misconduct or other act that causes damage to the Company, then such Eligible Officer, whether he/she has been granted points or otherwise, shall not be given rights to receive the benefit.

The amount of remuneration, etc., that the Eligible Officers receive shall be based on the amount calculated by multiplying the number of total points to be granted to the Eligible Officers by the carrying amount per share of the Company's share held by the Trust at the time when points are granted (provided, however, if, with regard to the Company's shares, a share split, gratis allotment of shares, or consolidation of shares, etc. is carried out, there shall be reasonable adjustments based on relevant ratios, etc.). In cases where money is provided as benefit exceptionally in accordance with the Share-Based Board Benefit Regulations, such amount shall be added if deemed appropriate.

(8) Exercise of voting rights

The voting rights of the Company's shares in the Trust's account shall not be exercised uniformly based on the instructions of the trust administrator. The Company intends to ensure the neutrality of the management of the Company with respect to the exercise of the voting rights attached to the Company's shares in the Trust's account through this arrangement.

(9) Treatment of dividends

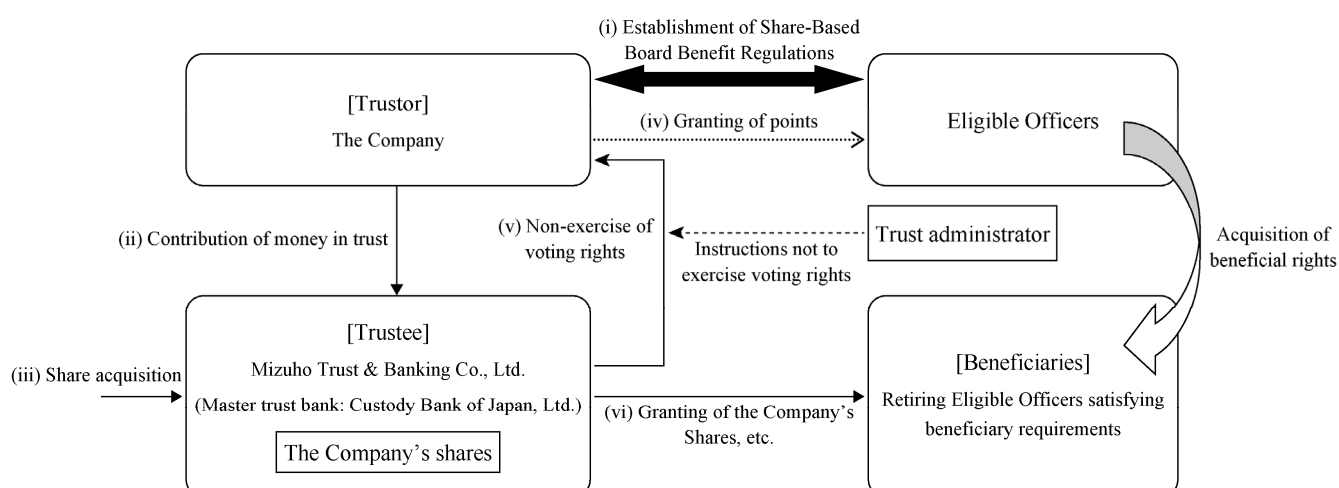
The Trust will receive the dividends of the Company's shares held in the Trust's account and allot such dividends to the payment of the acquisition price of the Company's shares, the trust fees for the trustee of the Trust, and others. If the Trust is terminated, the dividends, etc. remaining in the Trust shall be distributed to the Eligible Officers then in office in proportion to the number of points held by each Eligible Officer in accordance with the provisions of the Share-Based Board Benefit Regulations.

(10) Treatment upon termination of the trust

The Trust will terminate upon events such as delisting of the Company's shares or the abolition of the Share-Based Board Benefit Regulations.

All of the Company's shares in the residual assets of the Trust at the time of termination will be acquired by the Company free of charge and cancelled in accordance with the resolution of the Board of Directors. Any money in the residual assets of the Trust at the time of termination shall be distributed to the Company excluding the portion that will be distributed to the Eligible Officers in accordance with (9) above.

(Reference: Mechanism of the Plan)



- (i) The Company establishes the Share-Based Board Benefit Regulations within the scope approved by this proposal.
- (ii) The Company trusts money to a trustee within the scope approved by this proposal.
- (iii) The Trust acquires the Company's shares through a securities exchange market or by underwriting the disposition of the Company's treasury shares using the money contributed as funds by the Company in (ii).

- (iv) The Company grants points to Eligible Officers in accordance with the Share-Based Board Benefit Regulations.
- (v) In accordance with the instructions by a trust administrator independent from the Company, the Trust will not exercise any voting rights attached to the Company's shares in the Trust's account.
- (vi) The Trust provides the Company's shares to Eligible Officers who retired and satisfy the beneficiary requirements stipulated in the Share-Based Board Benefit Regulations (hereinafter the "beneficiaries") based on the number of points granted to such beneficiaries. Provided, however, Eligible Officers who satisfy the requirements stipulated in the Share-based Board Benefit Regulations shall receive a certain portion of the point benefit in money, in the amount equivalent to the market value of the Company's shares.

Proposal No. 8 Payment of Bonuses to Officers

In consideration of the business results of this fiscal year, the Company proposes the payment of bonuses to officers totaling ¥36,000,000, to the three full-time Directors as of the end of this fiscal year.

Furthermore, the amounts to be paid to each Director are proposed to be entrusted to the Board of Directors.

As stated on pages 20 to 22 of this notice (in Japanese only), the Company has established a policy for determining the details of remuneration, etc. of individual Directors, and this proposal is in line with the policy. The contents of this proposal have been deliberated at the Corporate Governance Committee and determined by the Board of Directors. The Company believes that the contents are appropriate.