

Note: This document is an English Translation of the “Notice of the 8th Ordinary General Meeting of Shareholders (Dai-8-ki Teiji Kabunushi Sokai Shoshu Go-Tsuchi),” and prepared solely for the convenience of shareholders who are non-Japanese speakers. In the event of any discrepancy between this translated document and the Japanese original document, the Japanese original text shall prevail. UACJ Corporation does not guarantee the accuracy and/or the completeness of the translation and shall have no liability for any errors or omissions therein.

Notice Concerning the Novel Coronavirus (COVID-19)

We will take your temperature at the reception, and shareholders with temperature higher than 37.5°C will be refused entry. In addition, there may be additional measures in place at the venue to prevent the spread of infection, and your cooperation with such measures is requested.

If there are any changes in the way the General Meeting of Shareholders will be run, shareholders will be informed via the Company’s website (<https://www.uacj.co.jp/>). Please check before attending.

(Securities Code: 5741)

May 31, 2021

Dear shareholders:

Miyuki Ishihara, Member of the Board President
UACJ Corporation
1-7-2 Otemachi, Chiyoda-ku, Tokyo

Notice of the 8th Ordinary General Meeting of Shareholders

- 1. Date and Time:** Tuesday, June 22, 2021, at 10:00 a.m. (JST)
2. Venue: 3rd Floor, Tokyo Sankei Building (Rooms 301-303, Otemachi Sankei Plaza)
1-7-2 Otemachi, Chiyoda-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported:

1. Reports on Business Report, Consolidated Financial Statements, and Report on Audit Results of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 8th fiscal term (from April 1, 2020 to March 31, 2021)
2. Reports on Non-consolidated Financial Statements for the 8th fiscal term (from April 1, 2020 to March 31, 2021)

Matters to be resolved:

- Proposal No. 1** Election of Ten (10) Directors
Proposal No. 2 Election of One (1) Audit & Supervisory Board Member
Proposal No. 3 Revision of Remuneration for Directors (Excluding Outside Directors) under the Medium-To Long-Term Performance-Linked Remuneration System

If you opt not to attend the meeting in person, you may exercise your voting rights via electronic means, such as the internet, or by mail. Please review the “Reference Documents for the General Meeting of Shareholders” attached to this notice, and make sure that your votes are submitted no later than 5:45 p.m. on Monday, June 21, 2021 (JST).

4. Matters Related to the Exercise of Voting Rights

If you exercise your voting rights redundantly by voting via electronic means, such as the internet, and by mailing of the voting form, the electronic vote will be counted as the valid vote.

If you vote electronically, such as via the internet, multiple times, the last vote will be counted as the valid vote.

- If you attend the meeting in person, you are kindly requested to submit the enclosed voting form at the reception desk.
- Please be advised that the reception desk will be crowded immediately prior to the start of the meeting (the reception will begin at 9:00 a.m.).

- If you require sign language interpretation or use of a wheelchair, please notify UACJ Corporation (the “Company”) in advance so that arrangements can be made (please call +81-3-6202-2601).
- Of the documents to be included with this notice, “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements and “Notes to Non-Consolidated Financial Statements” in the Non-consolidated Financial Statements are not included in the attachments related to the matters to be reported because they are posted on the Company’s website (<https://www.uacj.co.jp/>) based on provisions under laws and Article 15 of the Company’s Articles of Incorporation. The Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing the audit report and the accounting audit report, respectively, include information provided in the attachments to this notice that needs to be presented as the “Notes to Consolidated Financial Statements” and “Notes to Non-Consolidated Financial Statements.”
- Any modification or change that may be required in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-consolidated Financial Statements will be notified on the Company’s website. (https://www.uacj.co.jp)

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Election of Ten (10) Directors

At the conclusion of this meeting, the terms of office of all ten (10) Directors will expire. Therefore, the Company proposes the election of ten (10) Directors based on the opinion from the Nomination and Remuneration Advisory Committee.

The candidates for Directors are as follows:

Candidate No.	Name	Current position and responsibilities in the Company	Notes
1	Miyuki Ishihara	Representative Director & President	Reelection
2	Hironori Tsuchiya	Director and Executive Vice President Assisting the President with overall management	Reelection
3	Katsuyasu Niibori	Director and Senior Managing Executive Officer In charge of affiliated operating companies	Reelection
4	Teruo Kawashima	Director and Managing Executive Officer In charge of Chief Executive of Finance and Accounting Division	Reelection
5	Seiichi Hirano	Director and Managing Executive Officer In charge of Chief Executive of Research & Development Division and advancing digital transformation	Reelection
6	Shinji Tanaka	Executive Officer In charge of Chief Executive of Corporate Strategic Restructuring Office, Vice Chief Executive of Business Support Division and Vice Chief Executive of Finance and Accounting Division	New election
7	Toshio Suzuki	Outside Director	Reelection Outside Independent
8	Ryoko Sugiyama	Outside Director	Reelection Outside Independent
9	Takahiro Ikeda	Outside Director	Reelection Outside Independent
10	Akio Sakumiya	Outside Director	Reelection Outside Independent

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company		Number of the Company's shares held
1	Miyuki Ishihara (July 9, 1957) Reelection Tenure as Director 6 years Record of attendance at Board of Directors meetings 18/18	Apr. 1981 Oct. 2012 Oct. 2013 June 2015 Apr. 2017 Apr. 2018 June 2018	Joined Sumitomo Light Metal Industries, Ltd. Executive Officer Executive Officer of the Company Director and Executive Officer Director and Managing Executive Officer Director Representative Director & President (current position)	4,841 shares
	<p>[Reasons for nomination as a candidate for Director] As Representative Director & President of the Company, Mr. Ishihara has exercised strong leadership and exhibited outstanding business execution capabilities in his management of the Company and the Group. Along with the extensive experience in the Company's business, he has accurately identified complex events from a broad standpoint and has made appropriate judgment. Consequently, the Company has determined that he is qualified to continue serving as Director and nominates him as a candidate for Director.</p>			
2	Hironori Tsuchiya (October 5, 1956) Reelection Tenure as Director 7 years Record of attendance at Board of Directors meetings 15/15 (After his appointment as Director)	Apr. 1980 June 2011 June 2013 Apr. 2017 June 2017 Apr. 2020 June 2020	Joined Furukawa Electric Co., Ltd. Director of the Company Director and Managing Executive Officer Director and Senior Managing Executive Officer Senior Managing Executive Officer Executive Vice President Director and Executive Vice President (current position)	6,900 shares
	<p>[Reasons for nomination as a candidate for Director] Mr. Tsuchiya has long been active in production division and overseas business operations and has exercised strong leadership in establishing the global production structure of the Company and the Group as Director and Executive Vice President of the Company. Along with the extensive experience described above, he has strongly promoted reforms in the overseas business, centered on manufacturing. Consequently, the Company has determined that he is qualified to continue serving as Director and nominates him as a candidate for Director.</p>			
3	Katsuyasu Niibori (August 9, 1958) Reelection Tenure as Director 4 years Record of attendance at Board of Directors meetings 18/18	Apr. 1982 June 2012 June 2013 Apr. 2017 June 2018 Apr. 2021	Joined Furukawa Electric Co., Ltd. Director of the Company Executive Officer Managing Executive Officer Director and Managing Executive Officer Director and Senior Managing Executive Officer (current position)	5,300 shares
	<p>[Reasons for nomination as a candidate for Director] Mr. Niibori has long been active in planning division and sales division operations, has exercised strong leadership in formulating and promoting management plans of the Company and the Group as Director and Senior Managing Executive Officer, and has been in charge of affiliated operating companies since April 2021. Along with the extensive experience described above, he has led the organization by cultivating the environment that allows employees to utilize their different talents and involving surrounding people with his unifying force. Consequently, the Company has determined that he is qualified to continue serving as Director and nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company		Number of the Company's shares held
4	Teruo Kawashima (December 21, 1959) Reelection Tenure as Director 2 years Record of attendance at Board of Directors meetings 18/18	Apr. 1982 Apr. 2013 Oct. 2013 Apr. 2019 June 2019	Joined Sumitomo Light Metal Industries, Ltd. Executive Officer Executive Officer of the Company Managing Executive Officer Director and Managing Executive Officer (current position)	4,173 shares
	Significant concurrent positions outside the Company CEO of UACJ North America Inc. [Reasons for nomination as a candidate for Director] Mr. Kawashima has long been active in accounting and finance division operations and has exercised strong leadership in overseeing financial strategies of the Company and the Group as Director and Managing Executive Officer, Chief Executive of Finance and Accounting Division. Along with the extensive experience described above, he has effectively identified core businesses issues, and based on performances that he has brought changes by creative thinking, the Company has determined that he is qualified to continue serving as Director and nominates him as a candidate for Director.			
5	Seiichi Hirano (April 4, 1959) Reelection Tenure as Director 1 year Record of attendance at Board of Directors meetings 15/15 (After his appointment as Director)	Apr. 1984 Apr. 2019 June 2020 Apr. 2021	Joined Sumitomo Light Metal Industries, Ltd. Executive Officer of the Company Director and Executive Officer Director and Managing Executive Officer (current position)	7,138 shares
	[Reasons for nomination as a candidate for Director] Mr. Hirano has long been active in R&D and production division operations and has exercised strong leadership in overseeing technological and information systems of the Company and the Group as Director, Managing Executive Officer and Chief Executive of Research & Development Division. Along with the extensive experience described above, he has strongly promoted the Group's R&D and digital reforms. Consequently, the Company has determined that he is qualified to continue serving as Director and nominates him as a candidate for Director.			
6	Shinji Tanaka (January 17, 1963) New election	Apr. 1987 Oct. 2013 Jan. 2016 Apr. 2018 Apr. 2021	Joined Sumitomo Light Metal Industries, Ltd. General Manager of Manufacturing Department, Nagoya Works, Production Division Director of UACJ (Thailand) Co., Ltd. Executive Officer of the Company and Executive Vice President of UACJ (Thailand) Co., Ltd. Executive Officer, Chief Executive of Corporate Strategic Restructuring Office, Vice Chief Executive of Business Support Division, Vice Chief Executive of Finance and Accounting Division (current position)	3,362 shares
	Significant concurrent positions outside the Company President of UACJ Australia Pty. Ltd. [Reasons for nomination as a candidate for Director] Mr. Tanaka has long been active in production division and overseas business operations and has exercised strong leadership in promoting structural restructurings, including the selection and concentration of the Company's and the Group's businesses and the strengthening of corporate functions, and has served as Chief Executive of Corporate Strategic Restructuring Office since April 2021. Along with the extensive experience described above, he has been identifying the core of issues and involving surrounding people with his unifying force toward achieving the targets. Consequently, the Company has determined that he is qualified to serve as Director and nominates him as a candidate for Director.			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
7	<p>Toshio Suzuki (May 19, 1947) Reelection Outside Independent</p> <p>Tenure as Director 7 years and 9 months Record of attendance at Board of Directors meetings 18/18</p>	<p>Apr. 1988 Assistant Professor of University of Tokyo June 1994 Professor Apr. 1995 Professor of Graduate School Mar. 2012 Retired from University of Tokyo June 2012 Professor Emeritus of University of Tokyo (current position) Oct. 2013 Outside Director of the Company (current position)</p>	2,500 shares
<p>[Reasons for nomination as a candidate for outside Director and outline of expected roles] Mr. Suzuki does not have corporate managerial experience, but the Company expects that he will continue to provide valuable advice from an objective perspective in areas such as the Group's R&D and digital reforms based on abundant academic experience in metal engineering and appropriately fulfill its supervisory function through the Board of Director, and therefore, nominates him as a candidate for outside Director. Furthermore, the Company has judged that Mr. Suzuki is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
8	<p>Ryoko Sugiyama (July 27, 1955) Reelection Outside Independent</p> <p>Tenure as Director 6 years Record of attendance at Board of Directors meetings 18/18</p>	<p>May 1996 Established Sugiyama & Kurihara Environmental Consultants, Inc., Representative Director</p> <p>Dec. 1997 Director of Gifu Shimbun</p> <p>Dec. 1999 Director of Gifu Broadcasting System, Inc.</p> <p>Aug. 2007 Director of Sugiyama & Kurihara Environmental Consultants, Inc. (current position)</p> <p>Dec. 2009 Owner of Gifu Shimbun</p> <p>Apr. 2010 Professor, Fuji Tokoha University (currently Tokoha University) Faculty of Social and Environmental Studies (resigned in March 2017)</p> <p>June 2010 Outside Director of Lecip Holdings Corporation</p> <p>May 2014 Owner, Director and Chairman of Gifu Shimbun</p> <p>June 2015 Outside Director of the Company (current position)</p> <p>Jan. 2016 Representative Director of non-government incorporated foundation (currently public interest incorporated foundation) Gifu Sugiyama Memorial Foundation (current position)</p> <p>June 2016 Outside Director and Audit & Supervisory Committee Member of Lecip Holdings Corporation (current position)</p> <p>June 2017 Outside Director of Kurita Water Industries Ltd. (current position)</p> <p>Dec. 2018 Owner and Representative Director of Gifu Shimbun (current position)</p> <p>Dec. 2019 Director and Chairman of Gifu Broadcasting System, Inc. (current position)</p> <p>Significant concurrent positions outside the Company Representative Director of public interest incorporated foundation Gifu Sugiyama Memorial Foundation Outside Director and Audit & Supervisory Committee Member of Lecip Holdings Corporation Outside Director of Kurita Water Industries Ltd. Owner and Representative Director of Gifu Shimbun Director and Chairman of Gifu Broadcasting System, Inc.</p>	3,600 shares
<p>[Reasons for nomination as a candidate for outside Director and outline of expected roles] The Company expects that Ms. Sugiyama will continue to provide valuable advice from an objective perspective in areas such as the promotion of ESG, sustainability, and diversity in the Group based on extensive academic experience in environmental issues and experience as a director involved in corporate management and appropriately fulfill its supervisory function through the Board of Directors, and therefore, nominates her as a candidate for outside Director. Furthermore, the amounts of transactions with public interest incorporated foundation Gifu Sugiyama Memorial Foundation, Lecip Holdings Corporation, Kurita Water Industries Ltd., Gifu Shimbun, and Gifu Broadcasting System, Inc. (collectively, the "Concurrent Entities") are less than 0.1% of total consolidated sales of the Company and of the Concurrent Entities, respectively. For that reason, neither of the Concurrent Entities falls upon the specified associated service provider, and therefore, the Company has judged that Ms. Sugiyama is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
9	<p style="text-align: center;">Takahiro Ikeda (July 9, 1951) Reelection Outside Independent</p> <p style="text-align: center;">Tenure as Director 3 years Record of attendance at Board of Directors meetings 18/18</p>	<p>Apr. 1975 Joined Mitsubishi Chemical Industries Limited (currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2006 Executive Officer and Deputy Division General Manager of Polymer Division of Mitsubishi Chemical Corporation (currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2007 Executive Officer and General Manager of Chemical Division</p> <p>July 2008 Director and President of Dia Chemical Co., Ltd.</p> <p>June 2010 Managing Executive Officer of Mitsubishi Rayon Co., Ltd. (currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2013 Director of the Board and Managing Executive Officer</p> <p>Apr. 2015 Advisor (resigned in March 2016)</p> <p>Apr. 2016 Executive Advisor of ITOCHU CHEMICAL FRONTIER Corporation (resigned in March 2018)</p> <p>May 2016 Representative Director of TI Associate Co., Ltd. (current position)</p> <p>June 2018 Outside Director of the Company (current position)</p> <p>Significant concurrent positions outside the Company Representative Director of TI Associate Co., Ltd.</p>	1,500 shares
<p>[Reasons for nomination as a candidate for outside Director and outline of expected roles]</p> <p>Mr. Ikeda has served as a director of a major chemical manufacturer, and has gained extensive experience through his involvement in the management of said company as well as the management of the group companies of said company. The Company expects that he will continue to provide valuable advice from an objective perspective in areas such as the Group's business development in Japan and overseas and risk management, utilizing his extensive perspectives on management that have been acquired over the course of his career, and appropriately fulfill its supervisory function through the Board of Directors, and therefore, nominates him as a candidate for outside Director. Furthermore, the amounts of transactions with ITOCHU CHEMICAL FRONTIER Corporation, and TI Associate Co., Ltd. (collectively, the "Concurrent Entities") are less than 0.1% of total consolidated sales of the Company and of the Concurrent Entities, respectively. For that reason, neither of the Concurrent Entities falls upon the specified associated service provider, and therefore, the Company has judged that Mr. Ikeda is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
10	Akio Sakumiya (September 10, 1952) Reelection Outside Independent Tenure as Director 3 years Record of attendance at Board of Directors meetings 18/18	Apr. 1975 Joined Tateisi Electronics Manufacturing Company (currently OMRON Corporation) June 2003 Executive Officer, General Manager of Amusement Equipment Business Division of OMRON Corporation, and President and CEO of OMRON Ichinomiya Co., Ltd. (currently OMRON AMUSEMENT CO., Ltd.) Apr. 2009 Executive Officer, Company President of Electronic Components Business Company of OMRON Corporation June 2010 Managing Executive Officer, Company President of Electronic and Mechanical Components Company June 2011 Senior Managing Director June 2014 Director and Executive Vice President (resigned in June 2017) Mar. 2018 Outside Audit & Supervisory Board Member of Asahi Glass Co., Ltd. (currently AGC Inc.) (current position) June 2018 Outside Director of the Company (current position) Significant concurrent positions outside the Company Outside Audit & Supervisory Board Member of AGC Inc.	700 shares
<p>[Reasons for nomination as a candidate for outside Director and outline of expected roles]</p> <p>Mr. Sakumiya has served as a director and executive vice president of a major electronic components manufacturer, and has gained extensive experience and knowledge in corporate governance through his involvement in the management of said company and the group companies of said company, as well as through serving as a committee member and vice chairperson of various advisory committees relating to human resources and remuneration for directors and the like of said company. The Company expects that he will continue to provide valuable advice from an objective perspective in areas such as the Group's management strategy and corporate governance and appropriately fulfill its supervisory function through the Board of Directors, and therefore, nominates him as a candidate for outside Director. Furthermore, the amounts of transactions with OMRON Corporation and AGC Inc. (collectively, the "Concurrent Entities") are less than 0.1% of total consolidated sales of the Company and of the Concurrent Entities, respectively. For that reason, neither of the Concurrent Entities falls upon the specified associated service provider, and therefore, the Company has judged that Mr. Sakumiya is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.</p>			

- Notes:
- There are no special interests between any of the candidates and the Company.
 - The Company has entered into a directors and officers liability insurance policy as stipulated in Article 430-3, paragraph 1 of the Companies Act, which includes each candidate as an insured. Under this insurance policy, the Company will cover the damages that may arise due to the insured assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility, and the Company bears the full amount of the insured's insurance premiums. However, there are certain coverage exemptions, such as not being covered for damages caused by actions taken with the knowledge that such actions are in violation of laws and regulations. If each candidate is elected and assumes office as a director, he or she will continue to be included as an insured under the relevant insurance policy. The Company plans to renew the policy with the same terms and conditions at the next renewal.
 - In the event that each of the candidates is elected and assumes office as a Director, the Company plans to enter into an indemnification agreement with each of the candidates as provided in Article 430-2, paragraph 1 of the Companies Act. The content of said indemnification agreement is that the Company will indemnify the candidates for the expenses set forth in Article 430-2, paragraph 1, item 1 of the Companies Act and the losses set forth in Article 430-2, paragraph 1, item 2 of the Companies Act to the extent provided by law.
 - Matters regarding candidates for outside Director
 - Mr. Toshio Suzuki, Ms. Ryoko Sugiyama, Mr. Takahiro Ikeda and Mr. Akio Sakumiya are candidates for outside Director.
 - The Company has provided notice to the Tokyo Stock Exchange for appointing Mr. Toshio Suzuki, Ms. Ryoko Sugiyama, Mr. Takahiro Ikeda and Mr. Akio Sakumiya as independent directors of the Company. If re-elected, they will remain independent directors.

- (3) Mr. Toshio Suzuki, Ms. Ryoko Sugiyama, Mr. Takahiro Ikeda and Mr. Akio Sakumiya are currently outside Directors of the Company. At the conclusion of this meeting, their tenures since assuming office as outside Directors will have been seven years and nine months, six years, three years and three years, respectively.
- (4) The Company has entered into limited liability agreements with Mr. Toshio Suzuki, Ms. Ryoko Sugiyama, Mr. Takahiro Ikeda and Mr. Akio Sakumiya pursuant to the Articles of Incorporation limiting their liability to pay compensation for damage to the total amount specified in Article 425, paragraph 1 of the Companies Act. If they are re-elected, the Company plans to maintain this agreement.

Proposal No. 2 Election of One (1) Audit & Supervisory Board Member

At the conclusion of this meeting, Audit & Supervisory Board Member Mr. Nobuhiro Ishihara will resign. Therefore, the Company proposes the election of Mr. Atsushi Sakaue as Audit & Supervisory Board Member. Since Mr. Atsushi Sakaue will be elected as a substitute for Mr. Nobuhiro Ishihara, his term of office will serve only for the unexpired term of such Audit & Supervisory Board Member who will vacate the office, as set out in the Articles of Incorporation.

It should be noted that the consent of the Audit & Supervisory Board has been obtained for this Proposal.

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
<p style="text-align: center;">Atsushi Sakaue (February 3, 1963) New election</p>	<p>Apr. 1985 Joined Sumitomo Light Metal Industries, Ltd. Nov. 2010 General Manager of Finance and Accounting Department, Corporate Administrative Division Apr. 2014 General Manager of Accounting Department of the Company Apr. 2015 General Manager of Purchasing Department Apr. 2018 Executive Officer Apr. 2020 Vice Chief Executive of Finance and Accounting Division and General Manager of Accounting Department Apr. 2021 Vice Chief Executive of Finance and Accounting Division (current position)</p>	<p style="text-align: center;">1,000 shares</p>

[Reasons for nomination as a candidate for Audit & Supervisory Board Member]

Mr. Sakaue has long been active in accounting and finance division operations of the Company and has extensive experience and knowledge in finance and accounting. In light of the fact that he has acquired a deep understanding of finance and accounting practices of the Company and the Group, the Company has determined that he is qualified to serve as Audit & Supervisory Board Member and nominates him as a candidate for Audit & Supervisory Board Member.

- Notes:
1. There are no special interests between the candidate and the Company.
 2. The Company has entered into a directors and officers liability insurance policy as stipulated in Article 430-3, paragraph 1 of the Companies Act, which includes the candidate as an insured. Under this insurance policy, the Company will cover the damages that may arise due to the insured assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility, and the Company bears the full amount of the insured's insurance premiums. However, there are certain coverage exemptions, such as not being covered for damages caused by actions taken with the knowledge that such actions are in violation of laws and regulations. If the candidate is elected and assumes office as an Audit & Supervisory Board Member, he will continue to be included as an insured under the relevant insurance policy. The Company plans to renew the policy with the same terms and conditions at the next renewal.
 3. In the event that the candidate is elected and assumes office as an Audit & Supervisory Board Member, the Company plans to enter into an indemnification agreement with the candidate as provided in Article 430-2, paragraph 1 of the Companies Act. The content of said indemnification agreement is that the Company will indemnify the candidates for the expenses set forth in Article 430-2, paragraph 1, item 1 of the Companies Act and the losses set forth in Article 430-2, paragraph 1, item 2 of the Companies Act to the extent provided by law.

[Reference]

The members and expertise of the Board of Directors, if Proposal No. 1 and Proposal No. 2 are approved as originally proposed at this Ordinary General Meeting of Shareholders, will be as follows.

	Name	Internal/ Outside	Corpo- rate manage- ment/ Strategy	Finance/ Account- ing	Sales/ Market- ing	Over- seas business	Devel- opment/ Manu- facturing	Legal/ Gover- nance	IT/ Digital	CSR/ Sustain- ability	Knowl- edge in other indus- tries/ Academ- ic expe- rience
Director	Miyuki Ishihara	Internal	○				○	○		○	
	Hironori Tsuchiya	Internal	○			○	○				
	Katsuyasu Niibori	Internal	○		○	○					
	Teruo Kawashima	Internal	○	○		○					
	Seiichi Hirano	Internal	○			○	○		○		
	Shinji Tanaka	Internal				○	○		○		
	Toshio Suzuki	Outside					○		○		○
	Ryoko Sugiyama	Outside	○					○		○	○
	Takahiro Ikeda	Outside	○		○	○					○
	Akio Sakumiya	Outside	○					○			○
Audit & Supervi- sory Board Member	Kiyoshi Tanaka	Internal	○		○						
	Atsushi Sakaue	Internal		○							
	Akari Asano	Outside	○					○		○	○
	Yuki Iriyama	Outside	○			○		○			○
	Hiroyuki Yamasaki	Outside	○	○				○			○
	Yoshiro Motoyama	Outside	○			○	○				○

*The above list does not indicate all of the knowledge and experience of each person.

Proposal No. 3 Revision of Remuneration for Directors (Excluding Outside Directors) under the Medium-To Long-Term Performance-Linked Remuneration System

With regard to the medium- to long-term performance-linked remuneration system (hereinafter the “System”) for Directors of the Company (excluding Outside Directors; hereinafter the “Subject Directors”), the 5th Ordinary General Meeting of Shareholders, held on June 21, 2018, resolved the following: to introduce a performance share unit system (hereinafter “PSU”) for delivery of common shares of the Company and payment of cash; that the total value of monetary remuneration receivables and cash to be paid to the Subject Directors as medium-to long-term performance-linked remuneration for each applicable term (the applicable term of the Company’s medium-term management plan; the first applicable term being from the fiscal terms ended March 31, 2019 to the fiscal term ended March 31, 2021, and even after the ending of the initial applicable term, the System may be implemented continuously by setting the three (3) consecutive fiscal terms following the fiscal term that begins immediately after the end of each applicable term as a new applicable term, within the range approved at the General Meeting of Shareholders, and the same applies below) shall be an amount no greater than the total obtained by multiplying 180,000 shares by the share price at the time of delivery (defined in 1. (2) 1) (iii) below, and the same applies below); and that the total number of the Company’s common shares to be delivered to the Subject Directors shall be no more than 90,000 shares in each applicable term.

As part of the review of the remuneration system for directors and officers, based on the Company’s concepts on remuneration for directors & officers, and after deliberations by the Nomination and Remuneration Advisory Committee, the Company has come to the conclusion that the Company should revise it and adopt a medium- to long-term performance-linked remuneration system that always shares the benefits and risks of share price fluctuations with shareholders and more appropriately reflects the degree of contribution over the medium- to long-term. Therefore, we would like to introduce the restricted stock unit system (hereinafter “RSU”) and conduct delivery of common shares of the Company related to the PSU and RSU and payment of cash within the upper limit of the monetary remuneration receivables and the total amount of cash and the upper limit on the number of common shares of the Company approved at the 5th Ordinary General Meeting of Shareholders, and at the same time, we would like to make the necessary amendments to the PSU.

The delivery of common shares of the Company and payment of cash under the System is determined by comprehensively taking into consideration various matters such as the degree of contribution of the Subject Directors to the Company. Since the maximum number of common shares of the Company to be delivered each three fiscal terms will be approximately 0.19% of the total number of issued shares (the ratio of the total number of the Company’s common shares delivered to the total number of issued shares if the Company issues the maximum number of the Company’s common shares over a period of ten years will be around 0.63%), the dilution ratio is insignificant, and the Company therefore believes that the content of the System is reasonable.

The delivery of the Company’s common shares and payment of cash under this proposal is in line with “The Policy for Determining the Content of Remuneration for Directors & Officers, etc.”

At the present time there are ten (10) Directors (of which four (4) are outside Directors), however if Proposal No. 1 is approved as originally proposed, there will be ten (10) Directors (of which four (4) will be outside Directors).

1. Outline of the System

(1) Categories of the System

The System is classified into the following two categories.

1) RSU

This is a share-based remuneration system in which a number of units determined by the Board of Directors of the Company are allotted annually to the Subject Directors, and provided that they have continued their service during the three fiscal terms from the fiscal term of initial allotment, at the end of the third fiscal term a number of the Company’s common shares and an amount of cash determined in advance by the Board of Directors of the Company are delivered and paid.

2) PSU

This is a share-based remuneration system in which the number of the units determined by the Board of Directors of the Company will be allocated to the Subject Directors in the first fiscal year commencing in three consecutive fiscal years (the initial period shall be from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024, and after the initial period, PSU may be implemented for three consecutive fiscal years, with the first fiscal year beginning immediately after

the end of each period.), and the number of shares of common stock of the Company and cash will be delivered and paid to the Subject Directors after the end of said three fiscal years in accordance with the rate of achievement, etc. of numerical targets for the said three fiscal years set in advance by the Board of Directors of the Company.

(2) Structure of the System

1) RSU

- (i) The Board of Directors of the Company will determine the base amount and the number of units to be allotted to each Subject Director in accordance with the importance of his or her responsibilities, etc., and will allot units to each Subject Director each year.
- (ii) The Company will determine the number of shares of common stock of the Company to be delivered and the amount of money to be paid to each Subject Director based on the number of units allocated to each Subject Director after the end of three consecutive fiscal years, with the fiscal year in which the units were allocated as the first fiscal year.
- (iii) The Company will issue monetary remuneration receivables, the amounts of which are determined in accordance with the number of shares of the Company's common stocks to be issued to each Subject Director as determined in the above (ii), for each Subject Director for the purpose of contributing them in kind, and such Subject Director will receive the allotted shares of common stock by paying all the concerned monetary remuneration receivables in kind to the Company. The paid-in amount for such shares shall be determined by the Board of Directors of the Company, to the extent that it is unduly favorable to each Subject Director who is receiving the shares, based on the closing price of shares of the Company's common stocks on the Tokyo Stock Exchange on the business day before the date of the resolution of the Board of Directors of the Company on said issuance or disposal (if transaction is not completed on the same day, the closing price of the most recent trading day before that; hereinafter referred to as the "Share Price at Time of Issue").
- (iv) To secure the funds the Subject Directors need for tax obligations in connection with the allotment of the shares mentioned in (iii) above, in addition to the monetary remuneration receivables described in the above (iii), the Company will pay the amount of cash decided in accordance with the above (ii) to the Subject Directors.

2) PSU

- (i) The Board of Directors of the Company shall determine the base amount and the number of units to be allotted to each Subject Director in accordance with the importance of his or her responsibilities, etc., and allot units to each Subject Director in the first of three consecutive fiscal years beginning with the fiscal year determined by the Board of Directors of the Company.
- (ii) The Company shall determine, at the Board of Directors of the Company, each of the numerical targets used in PSU, calculation methods of payment rate in accordance with the achievement rate of the targets, and calculation formulas that are required for specifically calculating the number of shares of the Company's common stocks to be issued and the amount of cash to be provided to the Subject Directors.
The numerical targets to be used for the fiscal years ending on March 31, 2022 through March 31, 2024 as determined by the Board of Directors of the Company are consolidated ROIC, consolidated adjusted EBITDA, and consolidated D/E ratio.
- (iii) The Company will determine the number of shares of common stock of the Company to be delivered to each Subject Director and the amount of money to be paid to each Subject Director based on the payment rate, etc. calculated in accordance with the achievement rate of each numerical target determined by the Board of Directors of the Company after the end of three consecutive fiscal years, with the fiscal year in which the unit is allocated as the first fiscal year.
- (iv) The Company will issue monetary remuneration receivables, the amounts of which are determined in accordance with the number of shares of the Company's common stocks to be issued to each Subject Director as determined in the above (iii), for each Subject Director for the purpose of contributing them in kind, and such Subject Director will receive the allotted shares of common stocks by paying all the concerned monetary remuneration receivables in

kind to the Company. The amount to be paid in for the shares of common stock of the Company shall be determined by the Board of Directors of the Company based on the share price at the time of delivery to the extent that it is not particularly favorable to each of the Subject Directors who will receive the shares of common stock of the Company.

- (v) To secure the funds the Subject Directors need for tax obligations in connection with the allotment of the shares mentioned in (iv) above, in addition to the monetary remuneration receivables described in the above (iv), the Company will pay the amount of cash decided in accordance with the above (iii) to the Subject Directors.

(3) Calculation methods to determine the number of shares of the Company's common stocks to be issued and cash amount to be provided to each Subject Director under the System

The Company will calculate the number of shares of the Company's common stocks to be issued and cash amount to be provided to each Subject Director in accordance with the following.

1) RSU

- (i) Every year, each Subject Director is allotted units to the number obtained by dividing the base amount (*1) by the market share price at the time of the allotment of units (*2) (however, in the event of the calculation resulting in a fraction of less than one (1) unit, this shall be rounded off).
- (ii) After the end of three consecutive fiscal years, with the fiscal year in which the units are allocated as the first fiscal year, each unit allocated to each Subject Director in (i) above shall be converted to the number of shares at the rate of one (1) share per unit, and the remaining half shall be converted to cash in accordance with the market stock price at time of issuance and paid to each Subject Director. The Company will calculate the number of shares of the Company's common stocks to be issued and cash amount to be paid in accordance with the following.
 - (a) Number of shares of the Company's common stocks to be issued

$\text{Base Amount} \div \text{Share Price at Time of Allotment of Units} \times 50\%$

- (b) Amount of cash to be paid

$\{\text{Base Amount} \div \text{Share Price at Time of Allotment of Units} \times 50\%\} \times \text{Share Price at Time of Issue}$

*1 The Base Amount will be determined individually by the Board of Directors of the Company based on standard amount of the RSU for each position.

*2 The Share Price at Time of Allotment of Units is the average closing share price for the one (1) month period directly prior to the day before the meeting of the Board of Directors at which the agenda for the ordinary general meeting of shareholders to be held in the fiscal year in which the units were allocated. Further, the Share Price at Time of Allotment of Units for the current Applicable Period is ¥2,588 which is the average closing price for the period from April 12, 2021 until May 11, 2021.

2) PSU

- (i) In the first fiscal year of three consecutive fiscal years determined by the Board of Directors of the Company, each Subject Director is allotted units to the number obtained by dividing the base amount (*3) by the market share price at the time of the allotment of units (*4) (however, in the event of the calculation resulting in a fraction of less than one unit, this shall be rounded off).
- (ii) After the end of three consecutive fiscal years, with the fiscal year in which the units are allocated as the first fiscal year, the number of units held by each Subject Director will be determined by multiplying the number of units allocated to each Subject Director in (i) above by the payment rate (ranging from 0% to 200%) calculated in accordance with the achievement rate of each numerical target determined by the Board of Directors of the Company, and then determining the final payment rate in the range of 0% to 200% by using the method of evaluation based on the total shareholder return ratio.
- (iii) Each unit held by each Subject Director to the number confirmed in (ii) above shall be converted to the number of shares at the rate of one (1) share per unit. Half of these shall be issued in the form of shares of the Company's common stocks, and the remaining half shall be

converted to cash in accordance with the market stock price at time of issuance and paid to each Subject Director. The Company will calculate the number of shares of the Company's common stocks to be issued and cash amount to be paid in accordance with the following.

(a) Number of shares of the Company's common stocks to be issued

$\text{Base Amount} \div \text{Share Price at Time of Allotment of Units} \times \text{Payment Rate} \times 50\%$

(b) Amount of cash to be paid

$\{\text{Base Amount} \div \text{Share Price at Time of Allotment of Units} \times \text{Payment Rate} \times 50\% \} \times \text{Share Price at Time of Issue}$

*3 This Base Amount will be determined individually by the Board of Directors of the Company based on an amount equivalent to three years' worth of standard value of the PSU for each position.

*4 The Share Price at Time of Allotment of Units is the average closing share price for the one-month period directly prior to the day before the meeting of the Board of Directors at which the agenda for the ordinary general meeting of shareholders to be held in the first of the three consecutive fiscal years beginning with the fiscal year determined by the Board of Directors of the Company. Further, the Share Price at Time of Allotment of Units for the current Applicable Period is ¥2,588 which is the average closing price for the period from April 12, 2021 until May 11, 2021.

(4) Conditions for issuing the shares of the Company's common stocks and providing cash to Subject Directors

Under the System, the Company will provide the shares of the Company's common stocks and cash to Subject Directors if the following conditions are fulfilled. The shares of the Company's common stocks will be provided to the Subject Directors through the issuance of shares or the disposal of treasury stock. The Subject Directors who will receive these shares and the subscription requirements for such issuance of the shares or disposal of treasury stock will be decided by the Board of Directors of the Company after three fiscal years has passed since the allotment of units in accordance with the requirements stated in (i) or (iii) below and calculation method described in (3) above.

(i) The Subject Director has continuously served as a Director or Executive Officer of the Company for three consecutive fiscal years since the first fiscal year in which the units were allocated

(ii) There was no misconduct as defined by the Board of Directors of the Company

(iii) Other requirements that are determined by the Board of Directors of the Company as necessary to achieve the objectives of the System are fulfilled

*Notwithstanding (i) above, in the event that a Subject Director loses his or her position as both a Director and Executive Officer of the Company during the three consecutive fiscal years following the first fiscal year in which the units were allocated, the Company will deliver shares of common stock of the Company and pay cash to him or her in proportion to his or her period of service based on a reasonable method at the time previously determined by the Board of Directors of the Company. (However, as a system transition measure in connection with the revision of the System, with respect to RSU units to be allocated from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024, even if a Subject Director loses his or her position as both a Director and Executive Officer of the Company before the expiration of three years after the unit is allocated, the units will not be prorated in accordance with the period of service, and the Company will deliver shares of common stock of the Company or pay cash in accordance with the method previously determined by the Board of Directors of the Company at the time previously determined by the Board of Directors of the Company.)

In addition, with respect to PSU, the units shall be allocated to each Director who newly assumes office during three consecutive fiscal years as determined by the Board of Directors of the Company, prorated in accordance with his or her term of office from the date of said assumption of office during said three consecutive fiscal years, and after the end of said three consecutive fiscal years, the number of units held by each Subject Director will be determined in accordance with (3) 2) (ii) above, and the Company will deliver shares of common stock of the Company and pay cash to the Subject Directors in accordance with (3) 2) (iii) above.

2. Other

(1) Reasons for loss of units (so-called malus and clawback clause)

In the event that a Subject Director commits certain acts of misconduct as determined by the Board of Directors of the Company, or falls under any other circumstances as determined by the Board of Directors of the Company, the Subject Director shall lose all or part of the units prior to confirming the number of units held.

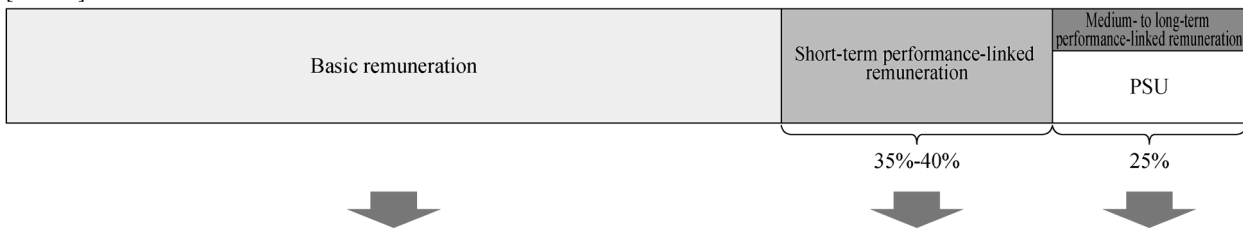
(2) Treatment during reorganization, etc.

If, prior to the delivery of shares of the Company’s common stock under the System, a merger agreement in which the Company will become a disappearing company, a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, or any other proposal concerning organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or, if such organizational restructuring, etc. does not require approval at a General Meeting of Shareholders of the Company, at a meeting of the Board of Directors of the Company), the Company shall, by a resolution of the Board of Directors of the Company, grant a number of shares of the Company’s common stock and provide an amount of cash calculated based on a reasonable method to the Subject Directors prior to the effective date of such organizational restructuring, etc.

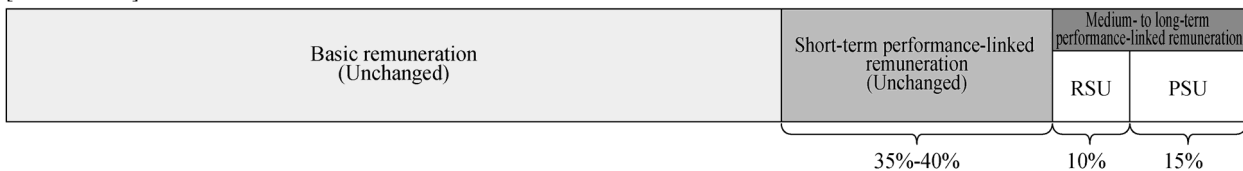
[Reference]

1. The remuneration system of the Company’s Directors (excluding Outside Directors) and the ratio of each performance-linked remuneration (in case that the payment rate is 100%) to the basic remuneration are as follows.

[Current]



[After revision]



2. On the condition that this Proposal is approved at this General Meeting of Shareholders, the Company is planning to introduce an RSU similar to this Proposal and make the necessary amendments to the PSU to Executive Officers of the Company who are not concurrently serving as Directors.
3. The Company has established shareholding guidelines in which Directors (excluding outside Directors) and Executive Officers are recommended to hold an amount of the Company’s shares, etc. with a value equivalent to 25% of basic remuneration (annual) during the five-year period from the day appointed as officer