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Securities Code: 6264

November 9, 2022

To Shareholders with Voting Rights:

Toshikazu Maeda  
President and Representative Director  
Marumae Co., Ltd.  
2141 Onohara, Izumi, Kagoshima  
899-0216, Japan

## Notice of the 35<sup>th</sup> Annual General Meeting of Shareholders

Dear Shareholders:

We are pleased to inform you that the 35<sup>th</sup> Annual General Meeting of Shareholders (the “Meeting”) of Marumae Co., Ltd. (the “Company”) will be held as follows.

**Voting may be conducted in writing or via the internet in lieu of in-person voting. Please review the Reference Materials for the General Meeting of Shareholders described hereinafter and cast your ballots by 5:30 p.m. on Thursday, November 24, 2022 (Japan Standard Time).**

1. **Date and Time:** Friday, November 25, 2022, at 3 p.m. (Japan Standard Time)
2. **Venue:** Marumae Co., Ltd. Head Office, 3rd floor,  
2141 Onohara, Izumi, Kagoshima 899-0216, Japan
3. **Meeting Agenda:**
  - Matters to be reported:** The Business Report and Financial Statements for the Company’s 35<sup>th</sup> Fiscal Year (from September 1, 2021, to August 31, 2022)
  - Matters to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2** Partial Amendments to the Articles of Incorporation
    - Proposal 3:** Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)
    - Proposal 4:** Election of One (1) Director who is an Audit and Supervisory Committee Member
    - Proposal 5:** Revision of Amount of Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)

- Proposal 6:** Revision of Remuneration Amount for Granting Restricted Shares to Directors
- Proposal 7:** Revision of Amount of Remuneration for Directors who are Audit and Supervisory Committee Members

Please submit the enclosed Form for the Exercise of Voting Rights to the reception desk if attending the Meeting in person.

If any changes have been made to the items in the Reference Materials for the Meeting, the Business Report, or the Financial Statements, such changes will be posted on the Company website (<https://www.marumae.com/>) (Japanese version only).

We request that you vote in writing or via the internet, if possible, to prevent the spread of novel coronavirus (COVID-19) infections. For shareholders who will be attending the Meeting in person, we request that you take precautions to prevent infections, such as wearing a mask, and consider refraining from attending, taking into account the situation of the pandemic and your own health condition on the day of the Meeting. Please note that we may take necessary measures at the Meeting venue to ensure the safety of the shareholders and to prevent the spread of infections. Your cooperation on these matters is most appreciated.

## Reference Materials for the General Meeting of Shareholders

### Proposal 1      Appropriation of Surplus

The Company recognizes that the return of profits to shareholders is an important management issue, and its basic policy is to strive to return profits to its shareholders through dividends while taking into consideration its business performance and financial position.

The Company proposes to pay year-end dividends for the fiscal year under review as follows, taking into consideration, among other factors, business performance in the fiscal year under review and the outlook for future business development.

(1) Type of dividend property:

Cash

(2) Matters concerning the appropriation of dividend property and its total amount:

26 yen per share of the Company's common stock

Total dividend amount: 328,300,674 yen

(3) Effective date of appropriation of surplus:

November 28, 2022

## Proposal 2 Partial Amendments to the Articles of Incorporation

### 1. Reasons for amendments

In accordance with the revision stipulated in the proviso of Article 1 of the Supplementary Provision of the Act Partially Amending the Companies Act (Act No. 70 of 2019), which came into effect on September 1, 2022, and the introduction of a system for the electronic provision of materials for general meetings of shareholders, the Company proposes the following amendments to the Articles of Incorporation of the Company.

- (1) Article 13, Paragraph 1 of the Proposed Amendment provides that the Company shall take measures to provide information that constitutes the contents of the Reference Materials for the General Meeting of Shareholders, etc., electronically.
- (2) Article 13, Paragraph 2 of the Proposed Amendment shall establish a provision to limit the scope of matters to be included in the document to be delivered to shareholders who have requested the delivery of the document.
- (3) The provision for Internet disclosure and the deemed provision of Reference Materials for the General Meeting of Shareholders, etc. (Article 13 of the current Articles of Incorporation) shall be deleted as it is no longer necessary.
- (4) In accordance with the establishment and deletion of the above, supplementary provisions regarding the effective date, etc., shall be added.

### 2. Details of the changes

The details of the changes are as follows.

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 13 (Internet Disclosure of Reference Materials for the General Meeting of Shareholders, etc.)</u>  <u>By disclosing information relating to all matters that shall be described or stated in any Reference Materials for the General Meeting of Shareholders, business report, and financial statements upon convening the General Meeting of Shareholders by a method utilizing the Internet as provided for by the Ordinance of the Ministry of Justice of Japan, the Company may be deemed to have provided such information to the shareholders.</u></p>	<Eliminated>

Current Articles of Incorporation	Proposed Amendments
<Newly established>	<p><u>Article 13 (Measures for Electronic Provision, etc.)</u></p> <ol style="list-style-type: none"> <li>1. <u>When convening the General Meeting of Shareholders, the Company shall take measures to provide information contained in reference materials, etc., for the General Meeting of Shareholders electronically.</u></li> <li>2. <u>The Company is permitted to not describe, in whole or in part, the matters to be provided by taking electronic provision measures, as stipulated by the Ordinances of the Ministry of Justice of Japan, in documents to be delivered to shareholders who requested the delivery of said documents by the record date of voting rights.</u></li> </ol>
<Newly established>	<p><u>(Supplementary Provisions)</u></p> <ol style="list-style-type: none"> <li>1. <u>Article 13 of the Articles of Incorporation (Internet Disclosure of Reference Materials for the General Meeting of Shareholders, etc.) shall remain in force with respect to the general meetings of shareholders that are held on a date within six months from September 1, 2022 (hereinafter referred to as the "Effective Date").</u></li> <li>2. <u>The supplementary provisions shall be deleted on the date on which six months have passed since the Effective Date, or on the date on which three months have passed since the date of the general meeting of shareholders in accordance with the previous paragraph, whichever is later.</u></li> </ol>

**Proposal 3 Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)**

The terms of office of all four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this Proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to increase the number of Directors by one (1) and to elect five (5) Directors in order to strengthen the management structure.

The Audit and Supervisory Committee has reviewed this Proposal and issued no opinion.

The candidates for Director are as follows:

No.	Name (Date of birth)	Past experience, current position and responsibilities in the Company (significant concurrent positions)		Number of the Company's shares owned by candidate
1	Toshikazu Maeda (November 20, 1966)	April 1987	Joined Marumae Kogyo (Private Company)	4,822,015
		October 1988	Established Marumae Kogyo Ltd. (current Marumae Co., Ltd.) Director	
		April 2001	Senior Managing Director, Marumae Co., Ltd.	
		August 2003	President and Representative Director, Marumae Co., Ltd.	
		April 2010	President and Representative Director and General Manager, Manufacturing Department, Marumae Co., Ltd.	
		December 2010	President and Representative Director, General Manager, Manufacturing Department, and General Manager, Administration Department, Marumae Co., Ltd.	
		June 2011	President and Representative Director and General Manager, Administration Department, Marumae Co., Ltd.	
		July 2011	President and Representative Director, Marumae Co., Ltd.	
		November 2019	President and Representative Director and General Manager, Administration Department, Marumae Co., Ltd. (current position)	

No.	Name (Date of birth)	Past experience, current position and responsibilities in the Company (significant concurrent positions)		Number of the Company's shares owned by candidate
2	Kota Kaizaki (February 18, 1973)	April 1993	Joined Iwasaki Giken Corporation	26,507
		December 1993	Joined Koto Manufacturing Corporation	
		August 1999	Joined Marumae Kogyo Ltd. (current Marumae Co., Ltd.)	
		April 2004	General Manager, Sales Department, Marumae Co., Ltd.	
		October 2004	Director and General Manager, Sales Department, Marumae Co., Ltd.	
		June 2005	Director and General Manager, Precision Machining Department, Marumae Co., Ltd.	
		November 2008	Director and General Manager, Sales Department, Marumae Co., Ltd.	
		April 2009	Director, General Manager, Sales Department, and Head, Kanto Factory, Marumae Co., Ltd.	
		April 2010	Director and General Manager, Sales Engineering Department, Marumae Co., Ltd.	
		June 2011	Director, General Manager, Sales Department, and Head, Kanto Factory, Marumae Co., Ltd.	
April 2018	Director and General Manager, Sales Department, Marumae Co., Ltd. (current position)			

No.	Name (Date of birth)	Past experience, current position and responsibilities in the Company (significant concurrent positions)		Number of the Company's shares owned by candidate
3	Hiroto Ando (May 25, 1979)	December 1997	Joined Top Corporation	2,907
		October 2000	Joined Miyokawa Paints	
		September 2004	Joined I-Tec Corporation	
		January 2008	Joined Paramodo Corporation	
		March 2008	Joined Marumae Co., Ltd.	
		November 2016	General Manager, Quality Assurance Department, Marumae Co., Ltd.	
		April 2018	Executive Officer and General Manager, Manufacturing & Technology Department, Marumae Co., Ltd.	
		November 2018	Director and General Manager, Manufacturing & Technology Department, Marumae Co., Ltd. (current position)	

No.	Name (Date of birth)	Past experience, current position and responsibilities in the Company (significant concurrent positions)		Number of the Company's shares owned by candidate
4	Akiko Kadota (August 6, 1968)	September 1995	Joined KXTV-10 (News10), Television Station, Sacramento, California	300
		February 2006	Joined Fuchigami Printing Corporation	
		December 2009	Director, Fuchigami Printing Corporation	
		December 2010	President and CEO, Fuchigami Printing Corporation	
		January 2011	Representative Director and Vice President, Minami Nippon Shimbun Offset Rinten Co., Ltd.	
		September 2012	Representative Director and President, Chuo Production Center Corporation (current CrossMedia Inc.)	
		April 2014	Director, The Yakushima Environmental and Cultural Foundation (current position)	
		April 2014	Director, Kagoshima City International Exchange Foundation (current position)	
		April 2016	Chairperson, Kagoshima Prefecture Women's Empowerment Promotion Conference (current position)	
		September 2016	Representative, Go! Kagoshima Corporation (current position)	
		November 2020	Outside Director, Marumae Co., Ltd. (current position)	

No.	Name (Date of birth)	Past experience, current position and responsibilities in the Company (significant concurrent positions)		Number of the Company's shares owned by candidate
5	*Kumiko Seko (September 7, 1972)	April 1995	Joined Biwako Broadcasting Co., Ltd.	-
		April 2003	Joined Koto Community Network	
		July 2004	Member of the House of Councilors	
		September 2010	Parliamentary Vice-Minister of Education, Culture, Sports, Science and Technology	
		August 2013	Chairperson of the House of Councilors General Affairs Committee	
		October 2013	Chairperson of the House of Councilors Special Committee on Okinawa and Northern Problems	
		January 2017	Representative Director, General Incorporated Association For The World (current position)	
		January 2017	Affiliation Contract (cultured person), YOSHIMOTO KOGYO CO., LTD. (current position)	
		February 2017	Advisor, Next Educational Environment Development Inc. (current position)	
		March 2017	Director, Exceed the Possibilities Inc. (current position)	
		March 2020	Advisor, Lily MedTech Inc.	
		April 2020	Councilor, Jinseki International School (current position)	
		March 2021	Member of Japan Vision for Future Value Creation Steering Committee (current position)	
		December 2021	Director, General Incorporated Association Bank for Smiles (current position)	

(Notes)

1. The candidate marked with an asterisk (\*) is a new candidate for the position of Director.

2. No special interests exist between any of the candidates and the Company.

3. Mr. Toshikazu Maeda is a major shareholder of the Company.

4. Ms. Akiko Kadota and Ms. Kumiko Seko are candidates for Outside Director.

5. Reasons for selection as a candidate for Outside Director and outline of expected roles:

Ms. Akiko Kadota possesses profound insights regarding the promotion of diversity, including the active participation of women in the workforce, in addition to her extensive career and profound insights as a manager. The Company expects her to utilize her experience to play a role in supervising the execution of operations. Her term of office as Outside Director of the Company will be two (2) years at the conclusion of the Meeting.

Ms. Kumiko Seko has a wealth of experience and broad insights gained through her involvement in national politics as a member of the Diet and Parliamentary Vice-Minister of Education, Culture, Sports, Science and Technology, as well as a high level of insight into the promotion of diversity, including the advancement of women. The Company expects her to play a role in supervising the execution of business operations based on her experience and other relevant factors.

6. Contracts for Limitation of Liability between the candidates

The Company has concluded a Liability Limitation Agreement with Ms. Akiko Kadota to limit her liability, as prescribed in the provision of Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the same Act. Under this agreement, her liability for damages shall be limited within the amount prescribed by laws and regulations. If the reelection of Ms. Akiko Kadota is approved as proposed, the Company intends to continue the said agreement with her. In addition, if the election of Ms. Kumiko Seko is approved, the Company plans to enter into a Liability Limitation Agreement with her under the same terms and conditions.

7. Ms. Akiko Kadota satisfies the requirements for independent directors as stipulated by the Tokyo Stock Exchange and the Company's criteria for determining the independence of outside directors and has been registered as an independent director with the Tokyo Stock Exchange, on which the Company is listed. If her reappointment is approved, she will continue to be an independent director. Ms. Kumiko Seko also satisfies the requirements for independent directors as stipulated by the Tokyo Stock Exchange and the Company's criteria for determining the independence of outside directors, and if her appointment is approved, the Company plans to register her as an independent director with the Tokyo Stock Exchange, on which the Company is listed.

8. The Company has concluded a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act. With the Directors of the Company (including Outside Directors and Directors who are Audit and Supervisory Committee Members) as the insured, the insurance will cover 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 responsibilities. If the candidates are elected as Members of the Board of Directors, the Company plans to continue to include each of them as an insured party under the insurance policy. In addition, the Company plans to renew the insurance contract with the same terms at the time of next renewal.

**Proposal 4 Election of One (1) Director who is an Audit and Supervisory Committee Member**

The terms of office of Mr. Keiji Hokanishi, Director, who is an Audit and Supervisory Committee Member, will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of one (1) Director who shall be an Audit and Supervisory Committee Member.

The consent of the Audit and Supervisory Committee has been obtained for this Proposal.

The candidate for Director who shall be an Audit and Supervisory Committee Member is as follows:

No.	Name (Date of birth)	Past experience, current position and responsibilities in the Company (Significant concurrent positions)		Number of the Company's shares owned by candidate
1	Keiji Hokanishi (May 7, 1964)	April 1983	Joined THE KAGOSHIMA BANK, LTD.	200
		June 2012	Manager, Yokogawa Branch, THE KAGOSHIMA BANK, LTD.	
		December 2013	Inspector, Audit Department, THE KAGOSHIMA BANK, LTD.	
		February 2014	Manager, Kanmachi Branch, THE KAGOSHIMA BANK, LTD.	
		May 2016	Inspector, Audit Department, THE KAGOSHIMA BANK, LTD.	
		November 2020	Director (Full-time Audit and Supervisory Committee Member), Marumae Co., Ltd. (current position)	

(Notes)

- No special interests exist between the candidate and the Company.
- The Company has concluded a Liability Limitation Agreement with Mr. Keiji Hokanishi, as prescribed in the provision of Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the same Act. Under this agreement, his liability for damages shall be limited within the amount prescribed by laws and regulations. If the reelection of Mr. Keiji Hokanishi is approved as proposed, the Company intends to continue the said agreement with him.
- The Company has concluded a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act. With the Directors of the Company (including Outside Directors and Directors who are Audit and Supervisory Committee Members) as the insured, the insurance will cover damages that may arise due to the insured assuming responsibility for the execution of his duties or receiving claims related to the pursuit of such responsibilities. If the candidate is elected as a Member of the Board of Directors, the Company plans to continue to include him as an insured party under the insurance policy. In addition, the Company plans to renew the insurance contract with the same terms at the time of next renewal.

**Proposal 5      Revision of Amount of Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)**

The maximum amount of remuneration, etc., for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this Proposal) was resolved at the 31<sup>st</sup> Annual General Meeting of Shareholders held on November 28, 2018, to be no more than 150 million yen per year, which has been in effect to this day. Considering the recent economic situation and other various circumstances, it is proposed that the amount of remuneration, etc., for Directors shall be set at 200 million yen or less per year and that the specific amount and timing of payment to each Director shall be determined by a resolution of the Board of Directors.

As in the past, the amount of remuneration, etc., of Directors shall not include the employee's salary of Directors who concurrently serve as employees.

This Proposal was decided by the Board of Directors after deliberation by the Advisory Committee, taking into consideration the Company's business scale, Directors' remuneration system and its payment level, the current number of Directors and future trends, and other factors, and is deemed appropriate.

In addition, the Company's policy for determining the details of remuneration, etc., of individual directors is as described on page 12 of the Business Report (Japanese only).

The current number of Directors is four (4) (including one (1) outside director), but if Proposal 3, "Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)," is approved as proposed, the number of Directors will be five (5) (including two (2) outside directors).

**Proposal 6      Revision of Remuneration Amount for Granting Restricted Shares to Directors**

At the 33<sup>rd</sup> Annual General Meeting of Shareholders held on November 27, 2020, the proposal entitled “Determination of Remuneration for Granting Restricted Shares to Directors” (hereinafter, the resolution regarding such proposal at the said Annual General Meeting of Shareholders is referred to as the “Initial Resolution”) was approved. The purpose of introducing this system is to provide an incentive to the Company’s Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as “Subject Directors”) to continuously improve the Company’s corporate value and to promote further value sharing between the Subject Directors and shareholders.

The Company requests approval to partially revise the contents of the Initial Resolution as follows and to increase the total amount of monetary compensation to be paid to the Subject Directors for the granting of restricted shares.

This revision was decided by the Board of Directors after deliberation by the Advisory Committee, the majority of whose members are independent outside directors, taking into consideration the progress of the medium-term management plan, changes in the Company’s stock price since the Initial Resolution, and other factors, and the Company believes that the content of the revision is appropriate.

If Proposal 3 is approved as proposed, the number of Subject Directors will be three (3).

**[Details of Revision]**

The maximum amount of remuneration for the Subject Directors of the Company was approved at the 31<sup>st</sup> Annual General Meeting of Shareholders held on November 28, 2018, as an annual amount not exceeding 150 million yen. If Proposal 5, “Revision of Amount of Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)” is approved as proposed, the annual amount will be 200 million yen or less. Furthermore, in the Initial Resolution, the total amount of monetary compensation to be paid to the Subject Directors for the granting of restricted shares under this system, which is separate from the maximum amount of compensation mentioned above, was approved as an annual amount not exceeding 40 million yen, which has been approved to date.

Under this system, monetary compensation claims are paid to the Subject Directors for the granting of restricted shares, and the restricted shares are allocated by having all of the said monetary compensation claims delivered by the method of contribution in kind. The Company proposes to increase the total amount of monetary compensation claims to be paid to the Subject Directors from the Initial Resolution to an annual amount of 60 million yen or less.

Except for the above revisions, there are no changes to the contents of the Initial Resolution, but the revised system will be as follows (underlined parts indicate changes).

**[System Overview]**

Under this system, in order to allocate the granting of restricted shares to Directors (excluding

Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as “Subject Directors”), each fiscal year of the Company is set as the period subject to evaluation, and an amount determined based on the Subject Director’s position (hereinafter referred to as the “Base Amount by Position”) multiplied by the performance payment rate is granted as a monetary compensation claim. All such monetary compensation claims are contributed in kind to the Company as assets contributed in kind, thereby causing the Subject Directors to be issued or disposed of shares of common stock of the Company and to hold such shares.

The total amount of monetary compensation claims to be granted to the Subject Directors under this system shall not exceed 60 million yen per year. Moreover, the total number of shares of common stock to be issued or disposed of by the Company under the system shall not exceed 60,000 shares per year (provided, however, that in the event of a stock split of the Company’s common stock, a gratis allotment of shares of common stock or a reverse stock split of the Company’s common stock after the date of resolution at the Shareholders Meeting, this maximum total number shall be changed proportionally in accordance with the relevant split ratio, allotment ratio or reverse stock split ratio). The paid-in amount per share 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 each Board resolution (or the closing price of the immediately preceding trading day if no trading was concluded on that date). The specific timing and allocation of payments to each Subject Director shall be determined by the Board of Directors based on the report of the Advisory Committee.

<Calculation method of the number of shares to be delivered>

Number of shares to be delivered = Base Amount by Position (\*1) x Performance payment ratio (\*2) / Paid-in amount per share

(\*1) To be determined by the Board of Directors in accordance with the position of the Subject Director.

(\*2) The ratio shall vary between 0% and 200% depending on the actual consolidated operating margin for the period under evaluation.

By the date of the first Annual General Meeting of Shareholders to be held after the end of the period subject to evaluation (including such date), if the Subject Director retires from the position of Director due to the expiration of his/her term of office or other justifiable reasons, the Company shall grant him/her an amount calculated in the same manner as above (the amount shall be within the above maximum amount of monetary compensation under this system) as a monetary compensation claim and have him/her contribute the same amount in kind, thereby issuing or disposing of the number of shares of the unrestricted transferable common stock calculated using the same formula as above (the number shall be within the maximum number of shares above). However, if the Subject Director resigns from his/her position as Director during the period subject to evaluation or in the event of certain misconduct, compensation under this system shall not be paid for the relevant period subject to evaluation.

In addition, during the period subject to evaluation, if matters relating to the Reorganization, etc., are approved at a general meeting of shareholders of the Company (or the Board of Directors of the Company in the event that the Company's General Meeting of Shareholders is not required to approve the Reorganization, etc.; provided, however, that the effective date of the Reorganization, etc., is scheduled to come before the date of share issuance under the system), compensation under the system shall not be paid.

The issuance or disposal of shares of common stock of the Company under the system shall, in principle, be made after the end of the evaluation period, and upon such issuance or disposal, a restricted share allotment agreement (the "Allotment Agreement") shall be executed between the Company and the Subject Directors (provided, however, by the date of the first Annual General Meeting of Shareholders to be held after the end of the period subject to evaluation (including such date), those who have retired from the position of Director by the expiration of their term of office or for other justifiable reasons (hereinafter referred to as "Retiree")). The following items are included in the contents of the Agreement.

1. The Subject Directors shall not transfer, grant a security interest in, or otherwise dispose of the shares of common stock of the Company allotted under the Allotment Agreement during the period from the day they retire from the office of the Directors.
2. In the event of certain misconduct, etc., or in the event of retirement from office for reasons other than (i) and (ii) in 3. below, the Company shall acquire such shares of common stock without compensation.
3. Cancellation of the transfer restriction at the time of retirement of the Subject Directors, provided that the Subject Director's retirement is either (i) due to resignation for justifiable reasons or for reasons deemed unavoidable by the Company, or (ii) due to death.

There shall be no restrictions on transfer in the Allotment Agreement that the Company enters into with the Retirees.

Furthermore, shares allocated to the Subject Directors under this system (excluding shares allocated to the Retirees) shall be managed in an exclusive account opened by the Subject Directors at a securities company determined by the Company during the restricted transfer period so that the Subject Directors may not transfer, create a security interest in, or otherwise dispose of the shares during the restricted transfer period.

**Proposal 7      Revision of Amount of Remuneration for Directors who are Audit and Supervisory Committee Members**

The amount of remuneration for Directors who are Audit and Supervisory Committee Members of the Company was resolved at the 28<sup>th</sup> Annual General Meeting of Shareholders held on November 28, 2015, to be no more than 30 million yen per year and has remained so to this day. Considering the recent economic situation and other various circumstances, it is proposed that the amount of remuneration for Directors who are Audit and Supervisory Committee Members be set at 40 million yen or less per year and that the specific amount and timing of payment to each Director who is an Audit and Supervisory Committee Member be determined through discussions among the Directors who are Audit and Supervisory Committee Members.

This Proposal was determined with reference to various circumstances, including the Company's business scale, the Directors' remuneration system and its payment level, the current number of Directors and future trends, and it is deemed to be appropriate.

If Proposal 4, "Election of One (1) Director who is an Audit and Supervisory Committee Member," is approved as proposed, the number of Directors who are Audit and Supervisory Committee Members will be four (4) (including three (3) Outside Directors).

[Reference] Skill Matrix of the Board of Directors after the Meeting

If Proposals 3 and 4 are approved as proposed, the skill matrix of the Board of Directors will be as follows:

No.	Name	Attributes			Knowledge and experience that the Company expects							
		Audit and Supervisory Committee	Advisory Committee	Independent (Outside)	Corporate Management / Business Strategy	Development / Technology / Quality	Planning / Sales	Finance / Accounting	Risk Management / Legal Affairs	Global Experience	Administrative Experience	
1	Toshikazu Maeda		●		●	●	●	●	●			
2	Kota Kaizaki				●		●					
3	Hiroto Ando				●	●						
4	Akiko Kadota			●	●					●		
5	Kumiko Seko			●	●						●	
6	Keiji Hokanishi	●						●				
7	Satoshi Momokino	●	●	●					●	●		
8	Takaaki Yamamoto	●	●	●	●				●			
9	Hirotsugu Miyakawa	●	●	●				●				