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Stock Code: 6890

June 14, 2022

To our shareholders:

XianHan He
Representative Director and President
Ferrotec Holdings Corporation
2-3-4, Nihonbashi, Chuo-ku, Tokyo

Notice of the 42nd Annual General Meeting of Shareholders

We are pleased to announce the 42nd Annual General Meeting of Shareholders of Ferrotec Holdings Corporation (the “Company”), which will be held as indicated below.

Please review the attached Reference Documents of the General Meeting of Shareholders and exercise your voting rights.

1. **Date and Time:** Wednesday, June 29, 2022, at 10:00 a.m. (JST)
(The reception will start at 9:10 a.m.)
2. **Place:** Main Hall, 6th Floor, Nomura Conference Plaza Nihonbashi
YUITO Nihonbashi Muromachi Nomura Building
2-4-3, Nihonbashimuromachi, Chuo-ku, Tokyo
3. **Purpose of the Meeting:**
Items to be reported:
 1. The Business Report, the Consolidated Financial Statements for the Company’s 42nd Fiscal Year (from April 1, 2021 to March 31, 2022) and the Accounting Auditor’s Report and the Audit & Supervisory Board’s Audit Report on the Consolidated Financial Statements
 2. The Non-consolidated Financial Statements for the Company’s 42nd Fiscal Year (from April 1, 2021 to March 31, 2022)

Items to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Amendment to the Articles of Incorporation |
| Proposal No. 3 | Election of Nine Directors |
| Proposal No. 4 | Election of Two Audit & Supervisory Board Members |
| Proposal No. 5 | Revision in Amount of Directors’ Stock Compensation with Transfer Restrictions |
- For those attending on the day, please present the enclosed voting form at the reception desk. We also ask that you bring this Notice of General Meeting of Shareholders for reference during the meeting.
 - If any revision is made with regard to the Reference Documents of the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements, the Company will post such revision on the Company’s website.
 - Among the documents which should be provided with this Notice of General Meeting of Shareholders, the items listed below are posted on the Company website pursuant to laws and regulations as well as

Article 15 of the Articles of Incorporation of the Company, and thus they are not described in the Attached Documents to this Notice of General Meeting of Shareholders. Accordingly, the Attached Documents to this Notice of General Meeting of Shareholders are part of the documents audited by the Accounting Auditor and the Audit & Supervisory Board in preparation for the Reports and Audit Report.

1. Share acquisition rights, etc.
2. Structure to ensure the appropriateness of business
3. Notes to the Consolidated Financial Statements
4. Notes to the Non-consolidated Financial Statements

The Company's website: (<https://www.ferrotec.co.jp/en/>)

Request for Cooperation to Prevent Further Spread of the Novel Coronavirus Disease (COVID-19)

■ Request to shareholders coming to the venue

- Please measure your temperature at the reception. Shareholders who are observed to be in a poor health condition, including having a fever, may be denied entry to the venue.
- Please wear face masks and disinfect your hands with alcohol disinfectant solutions.
- To avoid prolongation of the General Meeting of Shareholders, questions from shareholders will be limited to one question per person when called upon by the Chairperson.

■ Measures by the Company

- The operation staff of the General Meeting of Shareholders will wear face masks. Moreover, Officers attending the General Meeting of Shareholders will wear face masks as well.

The above details may be updated as conditions change and please refer to the Company's website for these updates.

The Company's website: (<https://www.ferrotec.co.jp/en/>)

Reference Documents of the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company performed well during the fiscal year under review, recording its highest sales and net income since its founding. We therefore propose a commemorative dividend of ¥9 to accompany the year-end ordinary dividend of ¥18 per share, bringing the total to ¥27. Accordingly, by adding the interim dividend of ¥23 per share that has already been paid, the annual dividend for the fiscal year will be ¥50 per share.

Year-end dividends

- (1) Type of dividend property

To be paid in cash.

- (2) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥27 (¥18 of ordinary dividend and ¥9 of commemorative dividend) per common share of the Company.

In this event, the total dividends will be ¥1,202,891,418.

- (3) Effective date of dividends of surplus

The effective date of dividends shall be June 30, 2022.

Proposal No. 2 Amendment to the Articles of Incorporation

1. Reasons for the Proposal

- (1) Change in the total number of authorized shares

To enable the Company to procure funds flexibly as it expands its operations going forward, the Company proposes to change the total number of authorized shares as provided for in Article 6. (Total Number of Authorized Shares) of the current Articles of Incorporation from 67 million shares at present to 100 million shares.

- (2) Introduction of system for providing informational materials for the General Meeting of Shareholders in electronic format

In conjunction with 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) being enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation given that the system for providing informational materials for the General Meeting of Shareholders in electronic format will be introduced.

 - (i) As it will become obligatory to stipulate in the Articles of Incorporation that the Company shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format, the Company proposes to newly establish Article 15. (Measures, etc. for Providing Information in Electronic Format), paragraph 1 in Proposed amendments.

 - (ii) Among items for which the measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format, the Company proposes to newly establish Article 15. (Measures, etc. for Providing Information in Electronic Format), paragraph 2 in Proposed amendments in order to make it possible to limit the scope of those items presented in the paper-based documents delivered to shareholders who requested the delivery of paper-based documents to the scope designated by the Ministry of Justice Order.

 - (iii) When the system for providing informational materials for the general meeting of shareholders in electronic format is introduced, the provisions of Article 15. (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. of the current Articles of Incorporation) will no longer be required, so they will be deleted.

 - (iv) Supplementary provisions regarding the effectiveness of the aforementioned establishment and deletion of provisions will be established. Note that these supplementary provisions will be deleted after the relevant dates have passed.

2. Details of the Amendment

The details of the amendment are as follows:

(Underlined parts denote amendments)

Current Articles of Incorporation	Proposed amendments
(Total Number of Shares Authorized to Be Issued) Article 6 The total number of shares authorized to be issued by the Company shall be 67,000,000.	(Total Number of Shares Authorized to Be Issued) Article 6 The total number of shares authorized to be issued by the Company shall be 100,000,000.

Current Articles of Incorporation	Proposed amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, etc.)</u></p>	<p>(Deleted)</p>
<p><u>Article 15</u></p> <p><u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or indicated in the reference documents of the general meeting of shareholders, business report, non-consolidated financial statements and/or consolidated financial statements through the internet in accordance with the provisions prescribed by the Ordinance of the Ministry of Justice, it may be deemed that the Company has provided this information to shareholders.</u></p>	
<p>(New)</p>	<p><u>(Measures, etc. for Providing Information in Electronic Format)</u></p>
<p>(New)</p>	<p><u>Article 15</u></p> <ol style="list-style-type: none"> <u>1. 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> <u>2. Among items for which the measures for providing information in electronic format will be taken, the Company need not present 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>(New)</p>	<p><u>(Supplementary Provisions)</u></p>
<p>(New)</p>	<p><u>(Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p>
<p>(New)</p>	<p><u>Article 1</u></p> <ol style="list-style-type: none"> <u>1. The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) in the Articles of Incorporation and the establishment of the new Article 15 (Measures, etc. for Providing Information in Electronic Format) in the Articles of Incorporation shall be effective from September 1, 2022.</u> <u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six months from September 1, 2022.</u> <u>3. The provisions of this article shall be deleted on the date when six months have elapsed from September 1, 2022 or three months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph, whichever is later.</u>

Proposal No. 3 Election of Nine Directors

At the conclusion of this meeting, the terms of office of all nine Directors will expire. Therefore, the Company proposes the election of nine Directors.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility in the Company	Candidate attributes
1	XianHan He	Representative Director, President, Group CEO	Reelection
2	Takeru Yamamura	Representative Director, Executive Vice President and Executive Officer for Administration	Reelection
3	Eiji Miyanaga	Director for US Business Operation	Reelection
4	Miyoko Namiki	Executive Officer, General Manager of Business Administration Office and General Manager of Business Administration Dept.	New election
5	Junichiro Oishi	Executive Officer and General Manager of Manufacturing Office	New election
6	Akira Takeda	Executive Officer, General Manager of Finance & Accounting Office and Treasurer	New election
7	Kuniaki Yanagisawa	Outside Director	Reelection Outside Independent
8	Tatsuo Okada	Outside Director	Reelection Outside Independent
9	Iku Shimooka	Outside Director	Reelection Outside Independent

Reelection: Candidate for Director to be reelected

New election: Candidate for Director to be newly elected

Outside: Candidate for outside Director

Independent: Candidate for independent officer

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
1	<p>XianHan He (October 14, 1957)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 35/35 (100%)</p>	<p>April 1993 Joined the Company</p> <p>June 2001 Director</p> <p>June 2004 Managing Director</p> <p>June 2011 Representative Director, Executive Vice President and Executive Officer for Business Management</p> <p>July 2020 Representative Director, President, Group CEO (current position)</p> <hr/> <p>[Significant concurrent positions outside the Company]</p> <p>Representative Director of Hangzhou Dahe Thermo-Magnetics Co., Ltd.</p> <p>Representative Director of Hangzhou Dahe New Material Technology Co., Ltd.</p> <p>Representative Director of Hangzhou Semiconductor Wafer Co., Ltd.</p> <p>Representative Director of Hangzhou Dunyuan Juxin Semiconductor Technology Co., Ltd.</p> <p>Representative Director of Shanghai Shenhe Investment Co., Ltd.</p> <p>Representative Director of Shanghai Hanhong Precision Machinery Co., Ltd.</p> <p>Representative Director of Ferrotec (Shanghai) Technology Co., Ltd.</p> <p>Representative Director of Shanghai Ferrotec Power Semiconductor Co., Ltd.</p> <p>Representative Director of Shanghai Semiconductor Wafer Co., Ltd.</p> <p>Representative Director of First Semiconductor Technology Holding Company Limited</p> <p>Representative Director of Ferrotec (Ningxia) Shenhe New Material Technology Co., Ltd.</p> <p>Representative Director of Ferrotec (Ningxia) Dunyuan Juxin Semiconductor Technology Co., Ltd.</p> <p>Representative Director of Ferrotec (Ningxia) Semiconductor Co., Ltd.</p> <p>Representative Director of Ferrotec (Tianjin) Technology Co., Ltd.</p> <p>Representative Director of Ferrotec (Sichuan) Technology Co., Ltd.</p> <p>Representative Director of Ferrotec (Dalian) Technology Co., Ltd.</p> <p>Representative Director of Ferrotec (Jiangsu) Semiconductor Technology Co., Ltd.</p> <p>Representative Director of Zhejiang Advanced Thermoelectric Technology Co., Ltd.</p> <p>Representative Director of Zhejiang Advanced Precision Machinery Co., Ltd.</p> <p>Representative Director of Zhejiang Hanheng Thermoelectric Technology Co., Ltd.</p> <p>Representative Director of Ferrotec (zhejiang) Quartz Technology Co., Ltd.</p> <p>Representative Director of Ferrotec (Anhui) Technology Development Co., Ltd.</p> <p>Representative Director of Ferrotec (Anhui) Changjiang Semiconductor Material Co., Ltd.</p>	98,263

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
		Representative Director of Anhui Weixin Changjiang Semiconductor Material Co., Ltd. Director of Ferrotec (USA) Corporation Representative Director of Hangzhou Bioer Technology Co. Ltd. Representative Director of Hangzhou Advanced Automation Technology Co., Ltd.	
<p>The special interest between the candidate XianHan He and the Company is as follows:</p> <ul style="list-style-type: none"> (i) The Company leases a company-owned property to him as employee housing. The lease fee is set based on the property's appraised amount from the seller's lease department and the opinion of a tax accounting corporation. (ii) He concurrently serves as Representative Director of Ferrotec (Ningxia) Semiconductor Co., Ltd., and the Company is engaged in purchase agency contracts, business consignment contracts, secondment contracts and moneylending contracts with Ferrotec (Ningxia) Semiconductor Co., Ltd. (iii) He concurrently serves as Representative Director of Hangzhou Semiconductor Wafer Co., Ltd., and the Company is engaged in purchase agency contracts and business consignment contracts with Hangzhou Semiconductor Wafer Co., Ltd. (iv) He concurrently serves as Representative Director of Shanghai Semiconductor Wafer Co., Ltd., and the Company is engaged in purchase agency contracts, business consignment contracts, and secondment contracts with Shanghai Semiconductor Wafer Co., Ltd. (v) He concurrently serves as Representative Director of Ferrotec (Ningxia) Dunyuan Juxin Semiconductor Technology Co., Ltd., and as Representative Director of Ferrotec (Jiangsu) Semiconductor Technology Co., Ltd., and the Company is engaged in purchase agency contracts and business consignment contracts with each of these companies. (vi) He concurrently serves as Representative Director of Ferrotec (Anhui) Changjiang Semiconductor Material Co., Ltd., and the Company is engaged in purchase agency contracts and secondment contracts with Ferrotec (Anhui) Changjiang Semiconductor Material Co., Ltd. (vii) He concurrently serves as Representative Director of Zhejiang Advanced Precision Machinery Co., Ltd., and the Company is engaged in purchase agency contracts and moneylending contracts with Zhejiang Advanced Precision Machinery Co., Ltd. (viii) He concurrently serves as Representative Director of Ferrotec (zhejiang) Quartz Technology Co., Ltd., and Representative Director of Zhejiang Advanced Thermoelectric Technology Co., Ltd., and the Company is engaged in purchase agency contracts and debt guarantees with each of these companies. (ix) He concurrently serves as Representative Director of Hangzhou Dunyuan Juxin Semiconductor Technology Co., Ltd., Representative Director of Shanghai Ferrotec Power Semiconductor Co., Ltd., and as Representative Director of Anhui Weixin Changjiang Semiconductor Material Co., Ltd., and the Company is engaged in purchase agency contracts with each of these companies. (x) He concurrently serves as Representative Director of Hangzhou Bioer Technology Co. Ltd., and the Company is engaged in business consignment contracts with Hangzhou Bioer Technology Co. Ltd. 			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
2	Takeru Yamamura (February 2, 1971) Reelection Attendance at Board of Directors meetings 35/35 (100%)	<p>April 1996 Joined the Company</p> <p>April 2004 General Manager of TE Dept., Electronic Device Business Div.</p> <p>April 2008 Assistant to the President</p> <p>June 2008 Director</p> <p>June 2008 Director for Business Improvement</p> <p>June 2009 Director and Executive Officer for Administration</p> <p>April 2011 Representative Director, Executive Vice President and Executive Officer for Corporate Administration (current position)</p>	48,500
		<p>[Significant concurrent positions outside the Company]</p> <p>Director of Ferrotec Material Technologies Corporation</p> <p>Director of Ferrotec (USA) Corporation</p> <p>CEO of Ferrotec Europe GmbH</p> <p>Chairman, Director of Ferrotec Nord Corporation</p> <p>Chairman, Director of RMT Ltd.</p> <p>Representative Director of Ferrotec Taiwan Co., Ltd.</p> <p>Representative Director of Ferrotec Korea Corporation</p> <p>Director of FERROTEC CORPORATION SINGAPORE PTE LTD</p> <p>Director and Chairman of FERROTEC AMC MALAYSIA SDN. BHD.</p>	
The candidate Takeru Yamamura is Representative Director and Chairman Akira Yamamura's eldest son.			
3	Eiji Miyanaga (July 15, 1970) Reelection Attendance at Board of Directors meetings 34/35 (97%)	<p>July 2001 Joined Ferrotec (USA) Corporation</p> <p>April 2002 Director (current position)</p> <p>January 2005 President and COO</p> <p>November 2010 President and CEO</p> <p>June 2015 Director for Europe & US Business operation of the Company</p> <p>April 2017 Director for US Business operation (current position)</p> <p>July 2017 CEO of Ferrotec (USA) Corporation (current position)</p>	20,000
		<p>[Significant concurrent positions outside the Company]</p> <p>Director and CEO of Ferrotec (USA) Corporation</p> <p>Director of Ferrotec Material Technologies Corporation</p>	
There is no special interest between the candidate Eiji Miyanaga and the Company.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
4	Miyoko Namiki (January 2, 1964) New election	<p>January 1996 Joined the Company</p> <p>January 2002 General Manager of Corporate Administration Dept., Corporate Administration Div.</p> <p>June 2011 Executive Officer, General Manager of Business Administration Dept. and Personnel Dept.</p> <p>April 2017 Executive Officer, General Manager of Administration Planning Office and Business Administration Dept.</p> <p>July 2019 Executive Officer, General Manager of Business Administration Office and Business Administration Dept. (current position)</p>	10,000
		<p>[Significant concurrent positions outside the Company]</p> <p>Director of ASAHI SEISAKUSHO CO., LTD.</p> <p>Director of Hangzhou Dahe Thermo-Magnetics Co., Ltd.</p> <p>Director of First Semiconductor Technology Holding Company Limited</p> <p>Director of Shanghai Ferrotec International Trading Co., Ltd.</p>	
There is no special interest between the candidate Miyoko Namiki and the Company.			
5	Junichiro Oishi (August 11, 1963) New election	<p>April 1988 Joined NEC Corporation</p> <p>January 2014 Joined Nitto Boseki Co., Ltd.</p> <p>April 2014 General Manager of Engineering Div. of Nitto Boseki</p> <p>October 2016 Joined the Company General Manager of Manufacturing Div.</p> <p>April 2017 Executive Officer and General Manager of Manufacturing Office (current position)</p>	3,000
		<p>[Significant concurrent positions outside the Company]</p> <p>Director of Ferrotec Material Technologies Corporation</p> <p>Director of ASAHI SEISAKUSHO CO., LTD.</p>	
There is no special interest between the candidate Junichiro Oishi and the Company.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
6	Akira Takeda (October 16, 1965) New election	<p>April 1989 Joined Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>July 2015 Deputy General Manager of International Credit Department</p> <p>April 2019 Seconded to the Company from MUFG Bank, Ltd. General Manager of Finance& Accounting Office of the Company</p> <p>August 2019 Joined the Company General Manager of Finance & Accounting Office</p> <p>June 2020 Executive Officer, General Manager of Finance & Accounting Office and Treasurer (current position)</p>	0
		<p>[Significant concurrent positions outside the Company] Director of Shanghai Shenhe Investment Co., Ltd.</p>	
		There is no special interest between the candidate Akira Takeda and the Company.	

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
7	Kuniaki Yanagisawa (January 20, 1954) Reelection Outside Independent Attendance at Board of Directors meetings 31/35 (89%)	<p>April 1974 Joined Fuji Electric Manufacturing Co., Ltd. (currently Fuji Electric Co., Ltd.)</p> <p>November 1998 Managing Director of Fuji Electric Hong Kong Co., Ltd. General Manager of Fuji Electric (ShenZhen) Co., Ltd.</p> <p>July 2004 General Manager of Business Plan & Administration Division, Information Devices Group of Fuji Electric Device Technology Co., Ltd.</p> <p>June 2006 Director and General Manager of Business Headquarters and Wafer Division, Semiconductor Group</p> <p>April 2008 Managing Executive Officer and Director, and General Manager of Production Division, Semiconductor Group</p> <p>October 2009 Director, Deputy General Manager of Semiconductor Group, and General Manager of Matsumoto Factory of Fuji Electric Systems Co., Ltd.</p> <p>April 2011 Executive Officer and Corporate General Manager of Electronic Devices Business Group of Fuji Electric Co., Ltd.</p> <p>April 2014 Managing Executive Officer and Corporate General Manager of Electronic Devices Business Group</p> <p>April 2016 Senior Managing Executive Officer and Corporate General Manager of Electronic Devices Business Group</p> <p>April 2018 Senior Adviser (current position)</p> <p>June 2018 Director of FUJI FURUKAWA ENGINEERING & CONSTRUCTION CO., LTD. (current position) (scheduled to retire on June 24, 2022)</p> <p>July 2018 Outside Auditor of Nabelin Co., Ltd. (current position)</p> <p>June 2019 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] Senior Adviser of Fuji Electric Co., Ltd. Director of FUJI FURUKAWA ENGINEERING & CONSTRUCTION CO., LTD. (scheduled to retire on June 24, 2022) Outside Auditor of Nabelin Co., Ltd.</p>	15,000
<p>[Reasons for nomination as candidate for outside Director and overview of expected roles] Kuniaki Yanagisawa is currently an outside Director of the Company, and his tenure as outside Director will have been three years at the conclusion of this Meeting. He has abundant experience and discernment as a person engaged in business execution of a business corporation and stands at an objective standpoint independent of management, who is engaged in the execution of business. The Company expects him to give advice from the perspective of governance based on his experience and discernment and facilitate the supervisory function, as well as deems that he will be able to greatly assist in the management of the Company. Accordingly, the Company nominates him as a candidate for outside Director. Regarding transactions within this fiscal year between the Fuji Electric Co., Ltd. group, where he was assigned, and the Group, net sales to the Fuji Electric Co., Ltd. group amounted to less than 1% of the Company's consolidated net sales, and the Group's purchases from the Fuji Electric Co., Ltd. group amounted to less than 1% of Fuji Electric Co., Ltd.'s consolidated net sales. Therefore, this has no impact on his independence.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company		Number of the Company's shares owned
8	Tatsuo Okada (January 19, 1953) Reelection Outside Independent Attendance at Board of Directors meetings 24/25 (96%)	June 1982	Joined KYOCERA Corporation	0
		February 1987	Joined Raykey Inc. Director of Raykey Inc.	
		November 1999	Established NPO Global Sports Alliance Standing Director of NPO Global Sports Alliance	
		April 2013	Established Sparking Life Japan Representative Director of Sparking Life Japan (current position)	
		June 2021	Outside Director of the Company (current position)	
		[Significant concurrent positions outside the Company]		
		Representative Director of Sparking Life Japan		
[Reasons for nomination as candidate for outside Director and overview of expected roles] Tatsuo Okada is currently an outside Director of the Company, and his tenure as outside Director will have been one year at the conclusion of this Meeting. He established an NPO which works on environment conservation through sports and he has worked on environmental issues across the world for many years, cooperating with the United Nations Environment Programme (UNEP). Thereafter, he has been engaged in activities as a social entrepreneur toward the development of a sustainable society, such as establishing an association that aims to develop and promote sport therapy programs targeting children with developmental disabilities. The Company has deemed that he will be able to greatly assist in the Company's business from a novel perspective with his abundant experience and discernment in relation with SDGs activities and ESG activities. Accordingly, the Company nominates him as a candidate for outside Director. The Company expects him to mainly make suggestions utilizing his experience in activities as a social entrepreneur and give advice regarding the Company's SDGs activities and ESG activities. Note that there is no special interest between the candidate Tatsuo Okada and the Company.				
9	Iku Shimooka (April 9, 1972) Reelection Outside Independent Attendance at Board of Directors meetings 25/25 (100%)	September 1998	Joined Tsuchiya Tax Accountant Office	0
		December 2005	Joined Grant Thornton Taiyo Tax Corporation	
		June 2017	Joined Grant Thornton Taiyo Advisors Co., Ltd. Partner, Grant Thornton Taiyo Advisors Co., Ltd. (current position)	
		June 2021	Outside Director of the Company (current position)	
		[Significant concurrent positions outside the Company]		
		Partner, Grant Thornton Taiyo Advisors Co., Ltd.		
[Reasons for nomination as candidate for outside Director and overview of expected roles] Iku Shimooka is currently an outside Director of the Company, and her tenure as outside Director will have been one year at the conclusion of this Meeting. She has long-term experience as an expert in accounting and tax affairs, as well as experience in management as a partner of an international accounting firm. Moreover, the Company has deemed that she will be able to greatly assist in the Company's business with her abundant experience and discernment engaging in a great number of cross-border corporate restructures between Japan and China. Accordingly, the Company nominates her as a candidate for outside Director. The Company expects her to mainly contribute to enhancement of the supervisory function in the Company's Board of Directors, as well as to give advice on listing of the Company's Chinese subsidiaries, which is one of the Company's major measures in business strategies, by utilizing her experience and discernment garnered so far. She has never been directly involved in the management of a company. However, the Company judges she will appropriately fulfill her duties as an outside Director based on the above reasons. Note that there is no special interest between the candidate Iku Shimooka and the Company.				

(Notes)

1. Kuniaki Yanagisawa, Tatsuo Okada and Iku Shimooka are candidates for outside Director. There are no special interests between them and the Company.
2. The Company has entered into Indemnity agreements with all Directors pursuant to the provisions of Article 430-2, paragraph (1) of the Companies Act, under which the Company shall indemnify the costs, provided for under item (i) of the same paragraph, and the loss, provided for under item (ii) of the same paragraph. If the reelection of XianHan He, Takeru Yamamura, Eiji Miyanaga, Kuniaki Yanagisawa, Tatsuo Okada and Iku Shimooka is approved, the Company plans to renew the aforementioned agreements with each of the reelected Directors. If the elections of Miyoko Namiki, Junichiro Oishi and Akira Takeda are approved, the Company plans to enter into the same Indemnity agreements with each of them.
3. The Company has entered into a directors and officers liability insurance policy with an insurance company. The policy will cover losses incurred in cases where an insured sustains a claim for damages and litigation expenses. If this proposal is approved as proposed, each candidate shall be insured under the policy and the Company plans to renew said insurance policy.
4. The Company has entered into limited liability agreements with Kuniaki Yanagisawa, Tatsuo Okada and Iku Shimooka pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation to limit the liability for damages as provided for in Article 423, paragraph (1) of the same act. The limitation of the liability for damages under the same agreement is the minimum liability amount set forth in Article 425, paragraph (1) of the Companies Act. If their reelections are approved, the Company plans to renew the aforementioned agreement with them.
5. The Company has submitted notification to the Tokyo Stock Exchange that Kuniaki Yanagisawa, Tatsuo Okada and Iku Shimooka have been designated as independent officers as provided for by the aforementioned exchange. If their reelections are approved, the Company plans for their appointment as independent officers to continue.

Proposal No. 4 Election of Two Audit & Supervisory Board Members

At the conclusion of this meeting, Audit & Supervisory Board Member Go Fujimoto will resign. Furthermore, the Company proposes election of two Audit & Supervisory Board Members, increasing the number of Audit & Supervisory Board Members by one, to enhance the auditing system.

Since the candidate for Audit & Supervisory Board Member Taku Matsumoto is proposed as a substitute for Audit & Supervisory Board Member Go Fujimoto, the term of office of Taku Matsumoto shall be until the term of office of the retiring Audit & Supervisory Board Member expires as provided for by the Articles of Incorporation of the Company.

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

The candidates for Audit & Supervisory Board Members are as follows:

Candidate No.	Name	Current position and responsibility in the Company	Candidate attributes
1	Hiroo Wakaki	Director and Executive Officer for Corporate Planning	New election
2	Taku Matsumoto		New election Outside Independent

Reelection: Candidate for Audit & Supervisory Board Member to be reelected

New election: Candidate for Audit & Supervisory Board Member to be newly elected

Outside: Candidate for outside Audit & Supervisory Board Member

Independent: Candidate for independent officer

Candidate No.	Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
1	Hiroo Wakaki (February 5, 1958) New election Attendance at Board of Directors meetings 35/35 (100%)	<p>April 2002 General Manager of General Affairs Dept., Corporate Administration Div.</p> <p>April 2004 General Manager of General Affairs Dept.</p> <p>June 2008 Executive Officer and General Manager of General Affairs Dept.</p> <p>April 2009 Executive Officer, General Manager of General Affairs Dept., and General Manager of President's Office</p> <p>July 2009 Executive Officer and General Manager of President's Office</p> <p>June 2014 Director, Executive Officer for Corporate Planning, and General Manager of President's Office</p> <p>April 2017 Director and Executive Officer for Corporate Planning (current position)</p> <p>[Significant concurrent positions outside the Company] -</p>	35,300
There is no special interest between the candidate Hiroo Wakaki and the Company.			
2	Taku Matsumoto (November 22, 1972) New election Outside Independent	<p>April 1999 Registered as a member of the Daini Tokyo Bar Association</p> <p>May 2001 Joined TMI Associates</p> <p>March 2006 Qualified as a lawyer in New York State, U.S.</p> <p>January 2007 Partner of TMI Associates</p> <p>April 2010 Visiting Associate Professor, Graduate Schools for Law and Politics, Faculty of Law, The University of Tokyo</p> <p>April 2014 Founding Partner of Yebisu Matsumoto Law Office (current position)</p> <p>September 2018 Outside Auditor of Every, Inc. (current position)</p> <p>June 2019 Outside Director of The Nippon Road Co., Ltd. (current position)</p> <p>June 2021 Outside Auditor of Zenhoren Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company] Founding Partner of Yebisu Matsumoto Law Office Outside Auditor of Every, Inc. Outside Director of The Nippon Road Co., Ltd. Outside Auditor of Zenhoren Co., Ltd.</p>	0
<p>[Reasons for nomination as candidate for outside Audit & Supervisory Board Member] Taku Matsumoto has never in the past been directly involved in the management of a company. However, he has a wealth of knowledge and experiences as an attorney-at-law. The Company judges that he is a suitable person to help to enhance transparency of the Board of Directors and strengthen supervision functions, from an objective and independent perspective of the company and society including laws and regulations. Therefore, the Company proposes his election as outside Audit & Supervisory Board Member.</p>			

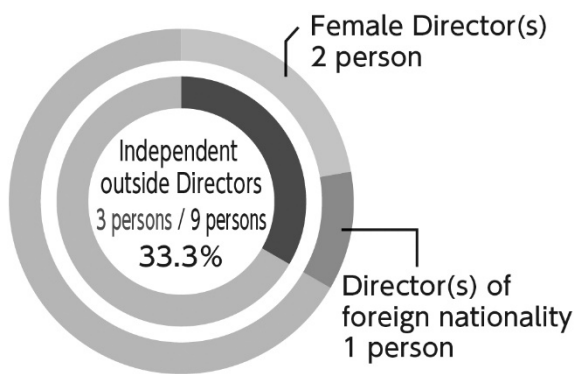
- Notes: 1. The candidate Taku Matsumoto is a candidate for outside Audit & Supervisory Board Member. There is no special interest between him and the Company.
2. The Company will enter into Indemnity agreements with all Audit & Supervisory Board Members pursuant to the provisions of Article 430-2, paragraph (1) of the Companies Act, under which the Company shall indemnify the costs, provided for under item (i) of the same paragraph, and the loss, provided for under item (ii) of the same

- paragraph. If this proposal is approved as proposed, and the candidates are elected, the Company plans to enter into indemnity agreements with Hiroo Wakaki and Taku Matsumoto.
3. The Company has entered into a directors and officers liability insurance policy with an insurance company. The policy will cover losses incurred in cases where an insured sustains a claim for damages and litigation expenses. If this proposal is approved as proposed, each candidate shall be insured under the policy and the Company plans to renew said insurance policy.
 4. The Company will enter into a limited liability agreement with the Audit & Supervisory Board Members pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation to limit the liability for damages as provided for in Article 423, paragraph (1) of the same act. If this proposal is approved as proposed, and the candidates are elected, the Company plans to enter into limited liability agreements with Hiroo Wakaki and Taku Matsumoto.
 5. If the election of candidate Taku Matsumoto is approved, the Company will submit notification to the Tokyo Stock Exchange that he has been designated as an independent officer as provided for by the aforementioned exchange.

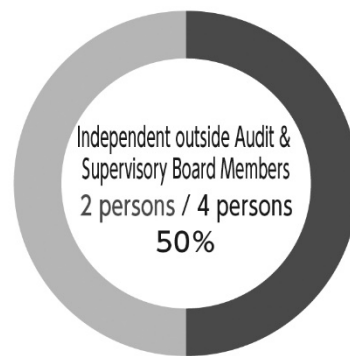
(Reference) Compositions of the Board of Directors and the Audit & Supervisory Board

If Proposal No. 3 and Proposal No. 4 are approved as proposed, the compositions of the Company's Board of Directors and Audit & Supervisory Board will be as follows:

Board of Directors



Audit & Supervisory Board



(Reference) Skill Matrix of Directors and Audit & Supervisory Board Members (Incumbents and Candidates)
 If Proposal No. 3 and Proposal No.4 are approved, the knowledge/experience of the Company's Directors and Audit & Supervisory Board Members will be as follows:

No.	Name of Director	Category	(i) Corporate management and sector knowledge	(ii) Manufacturing (production/quality)	(iii) Legal affairs and risk management	(iv) Technology and R&D	(v) Financial accounting and dialogue with capital markets	(vi) Sales and marketing	(vii) ESG and sustainability	(viii) Global experience
1	XianHan He	Director	●	●			●	●		●
2	Takeru Yamamura	Director	●		●				●	●
3	Eiji Miyanaga	Director	●					●		●
4	Miyoko Namiki	Director	●		●					●
5	Junichiro Oishi	Director	●	●		●				●
6	Akira Takeda	Director	●				●			●
7	Kuniaki Yanagisawa	Outside Director	●	●		●				●
8	Tatsuo Okada	Outside Director	●					●	●	●
9	Iku Shimooka	Outside Director			●		●		●	
10	Takayoshi Higuchi	Outside Audit & Supervisory Board Member	●		●				●	●
11	Masaru Yoshida	Audit & Supervisory Board Member			●		●			●
12	Hiroo Wakaki	Audit & Supervisory Board Member	●				●		●	
13	Taku Matsumoto	Outside Audit & Supervisory Board Member			●				●	●
No. of applicable persons / total no. of persons			10/13	3/13	6/13	2/13	5/13	3/13	6/13	11/13
Above ratio as a percentage			76.9%	23.0%	46.1%	15.3%	38.4%	23.0%	46.1%	84.6%

Note: If multiple types of knowledge/experience are required for one item, if the person possesses any of them, they are deemed as "able to contribute" (denoted by ●).

Proposal No. 5 Change in Amount of Directors' Stock Compensation with Transfer Restrictions

Compensation for Directors of the Company (excluding Outside Directors; below, "eligible Directors") comprises basic compensation (up to 500 million yen (or up to 20 million yen in the case of Outside Directors) per year, not including employee salary in the case of Directors who are also employees, as approved at the 27th Annual General Meeting of Shareholders of the Company held on June 26, 2007) and stock compensation with transfer restrictions, which is paid as performance-linked compensation and non-monetary compensation.

At the 39th Annual General Meeting of Shareholders of the Company held on June 27, 2019), approval was obtained to award eligible Directors up to 200 million yen in stock compensation with transfer restrictions each business year, with the maximum number of shares of the Company with transfer restrictions to be awarded to eligible Directors each business year to be up to 200,000 shares.

With the aim of enabling the eligible Directors to share the benefits and risks of share price fluctuations with shareholders, and providing them with more motivation to increase the price of the Company's shares and its value as an enterprise, the Company now wishes to increase the maximum stock compensation with transfer restrictions to one billion yen each business year, having comprehensively taken into account the recent price level of the Company's shares and the Medium-Term Management Plan, which was revised and announced on May 30, 2022. Note, however, that the maximum number of shares of the Company with transfer restrictions to be awarded to eligible Directors each business year will remain unchanged at up to 200,000 shares.

The Company's policy on determining the details of compensation of each individual Director is presented from page 39 to page 42 (in Japanese only). If this proposal is approved as proposed, the policy on determining the details of stock compensation with transfer restrictions and the methods of calculating the monetary amounts and quantities of shares will also be similarly altered.

The current number of Directors is nine (of whom three are Outside Directors), and if Proposal No. 3 (Election of Nine Directors) is approved as proposed, there will continue to be nine Directors (of whom three will be Outside Directors), and the number of eligible Directors will be six.

This proposal was determined by the Board of Directors following deliberations by the Compensation Committee and after comprehensively taking into account the policy on determining the details of compensation of Directors and the price level of the Company's shares. As such, the proposal is deemed to be reasonable.