This document has been translated from the Japanese original for the convenience of non-Japanese shareholders. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Securities identification code: 6332
June 3, 2021

To our shareholders:

Yoshiyuki Fukuzawa
President, Representative Director
Tsukishima Kikai Co., Ltd.
3-5-1, Harumi, Chuo-ku, Tokyo

NOTICE OF THE 159TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to notify you that the 159th Ordinary General Meeting of Shareholders of Tsukishima Kikai Co., Ltd. (the "Company") will be held as described below.

If you do not attend the meeting in person, you may exercise your voting rights either by postal mail or via the Internet, etc.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:05 p.m. on Wednesday, June 23, 2021 (Japan Standard Time).

Meeting Details

1. Date and time: Thursday, June 24, 2021 at 10:00 a.m. (Japan Standard Time)
(Reception desk opens at 9:00 a.m.)

2. Place: Hotel Mariners' Court Tokyo
Meeting room "Hakuho" on the 4th floor
4-7-28, Harumi, Chuo-ku, Tokyo, Japan
(Please refer to the map to the hall for the General Meeting of Shareholders at the end of this notice.)

3. Meeting Agenda:

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 159th Term (from April 1, 2020 to March 31, 2021), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors.
2. Non-Consolidated Financial Statements for the 159th Term (from April 1, 2020 to March 31, 2021)

Matters to be resolved:

Proposal 1: Election of Eight (8) Directors

Proposal 2: Election of Two (2) Statutory Auditors

Proposal 3: Election of One (1) Substitute Statutory Auditor

Guidance for exercising your voting rights:

- **Exercise of voting rights by postal mail**
  Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it to us so that it arrives no later than 5:05 p.m. on Wednesday, June 23, 2021 (Japan Standard Time).
- **Exercise of voting rights via the Internet, etc.**
  Please access the designated Website to Exercise Voting Rights (https://evote.tr.mufg.jp/) and exercise your voting rights no later than 5:05 p.m. on Wednesday, June 23, 2021 (Japan StandardTime).
  To vote via the Internet, please review the "Guidance for exercising your voting rights via the Internet" shown on page 3.
  Institutional investors can exercise their voting rights using the Electronic Voting Platform operated by ICJ, Inc.

Other matters related to this notice

- If you attend the meeting in person, please submit the enclosed voting form at the reception when you arrive. In addition, please bring this Notice of the Ordinary General Meeting of Shareholders with you in order to conserve resources.
- Pursuant to the Company's Articles of Incorporation, if you are exercising your voting rights by proxy, please select a shareholder with voting rights of the Company as your proxy. Only one (1) proxy may be used.
- If it becomes necessary to amend the Reference Documents for the General Meetings of Shareholders, Business Reports, Consolidated Financial Statements or Non-Consolidated Financial Statements, any such amendments will be posted on the Company's website (https://www.tsk-g.co.jp).

Matters Concerning Disclosure on the Internet

Of the documents that should be provided with this Notice of the Ordinary General Meeting of Shareholders, Consolidated Statement of changes in Net Assets, Notes to the Consolidated Financial Statements, Non-consolidated Statement of changes in Net Assets and Notes to the Non-Consolidated Financial Statements are provided to shareholders on the Company's website (https://www.tsk-g.co.jp) pursuant to the laws, regulations, and provisions in Article 15 of the Articles of Incorporation.

The Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Statutory Auditors and Accounting Auditor consist of the documents described in the documents accompanying this Notice of the Ordinary General Meeting of Shareholders, as well as the above mentioned documents posted on the Company's website.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of Eight (8) Directors

As the term of office will expire for all eight (8) Directors at the conclusion of this meeting, the Company proposes the election of eight (8) Directors.

The candidates for Directors are as follows. In nominating these candidates, the Company has, in accordance with a report by the Nomination and Remuneration Advisory Committee chaired by an Outside Director, nominated individuals with discernment, experience and capabilities that achieve effective corporate governance and contribute to the Company's sustainable growth as well as medium to long-term enhancement of its corporate value.

Candidate No.	Name	Position and responsibilities in the Company	Attendance at the board of directors meetings
1	Reappointment Kazuhiko Yamada	Chairman, Representative Director	100% (11/11)
2	Reappointment Yoshiyuki Fukuzawa	President, Representative Director	100% (11/11)
3	Reappointment Keita Takatori	Senior Managing Executive Officer, Representative Director Corporate General Manager, Environmental Business Division	100% (11/11)
4	Reappointment Jun Kawasaki	Director, Senior Managing Executive Officer In charge of corporate performance management (domestic Group), reform of Group's manufacturing , Group corporate ethics, and Affiliate Management Sec.	100% (11/11)
5	Reappointment Naoya Fujita	Director, Managing Executive Officer Corporate General Manager, Industrial Business Division In charge of overseas operations management, corporate performance management (overseas Group), Industrial Business Management Dept. and Industrial Sales Dept.	100% (11/11)
6	Reappointment Takeshi Odagi Outside Independent	Outside Director	100% (11/11)
7	Reappointment Michiyoshi Mazuka Outside Independent	Outside Director	100% (11/11)
8	Reappointment Norio Katsuyama Outside Independent	Outside Director	100% (9/9)

Notes:

1. In addition to the number of board of directors meetings held as stated in the attendance at the board of directors meetings above, there were two resolutions in writing that were deemed to be resolutions by the Board of Directors pursuant to the provisions of Article 370 of the Companies Act and Article 25 of the Company's Articles of Incorporation.
2. The status of attendance at the board of directors meetings for Norio Katsuyama is for the period since his assumption of office as Director on June 24, 2020.

<table>
<tr><th>No.</th><th>Name (Date of birth)</th><th colspan="2">Career summary, position and responsibilities
(significant concurrent positions outside the Company)</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">1</td><td>Kazuhiko Yamada
(January 1, 1947)

[Reappointment]
Attendance at 11 out of 11 board of directors meetings</td><td>April 1969
April 1998
June 2000
June 2002
June 2003

June 2005

April 2020</td><td>Joined the Company.
Executive Officer (Riji) of the Company
Director of the Company
Managing Director of the Company
Senior Managing Director, Representative Director of the Company
President & CEO, Representative Director of the Company
Chairman, Representative Director of the Company (present position)</td><td>122,200</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director
Since his appointment as President & CEO and Representative Director in 2005, Kazuhiko Yamada has pursued company-wide operational reforms, and has developed the environmental and energy business and expanded the overseas business to build a foundation for the Company’s sustainable growth. Since his appointment as Chairman and Representative Director in April 2020, he has demonstrated great ability in effective and efficient operation of board of directors and enhancement of the Group’s corporate governance. Given his strong discernment, and abundant experience and achievements, we ask that his reappointment as Director be approved.</td></tr>
</table>

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Yoshiyuki Fukuzawa (July 15, 1964) [Reappointment] Attendance at 11 out of 11 board of directors meetings	April 1990 Joined the Company. July 2004 Senior General Manager, Research & Development Dept. of the Company April 2006 Senior General Manager, Solution Technology Dept. of the Company April 2013 Executive Officer of the Company April 2017 Managing Executive Officer of the Company Deputy Corporate General Manager, Environmental Business Division of the Company April 2018 Corporate General Manager, Research & Development Division of the Company April 2019 Deputy Corporate General Manager, Industrial Business Division of the Company Deputy Corporate General Manager, Procurement Management Division of the Company June 2019 Director of the Company April 2020 President, Representative Director of the Company (present position)	24,900
	Reasons for nomination as candidate for Director Yoshiyuki Fukuzawa has acquired abundant experience and a proven performance record of development and plant planning/design, and has been fulfilling his duties of Director as executive manager in the technology divisions of the Company. Since his appointment as President, Representative Director in April 2020, he has fully demonstrated great ability as top management of the Group. Accordingly, we ask that his reappointment as Director be approved.		

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)		Number of the Company's shares owned
3	Keita Takatori (July 29, 1965) [Reappointment] Attendance at 11 out of 11 board of directors meetings	April 1988 July 2004 June 2007 October 2008 June 2009 December 2014 April 2017 April 2018 June 2018 April 2019	Joined the Company. Senior General Manager, Environmental Business Dept. of the Company President and Representative Director, Samukawa Water Service Co., Ltd. Senior General Manager, Corporate Management Planning Dept. of the Company Executive Officer of the Company President and Representative Director, Owari Water & Energy Co., Ltd. Managing Executive Officer of the Company Deputy Corporate General Manager, Environmental Business Division of the Company Corporate General Manager, Environmental Business Division of the Company (present position) Director of the Company Senior Managing Executive Officer, Representative Director of the Company (present position)	27,000
	Reasons for nomination as candidate for Director As executive manager in the environmental business of the Company, Keita Takatori has, for many years, been committed to the development of the business through promotion of active business expansion not only in Japan but also overseas. He also has abundant experience and a proven performance record in management including his service as executive manager in the corporate management planning division. Accordingly, we ask that his reappointment as Director be approved.			

<table>
<tr><th>No.</th><th>Name (Date of birth)</th><th colspan="2">Career summary, position and responsibilities
(significant concurrent positions outside the Company)</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">4</td><td>Jun Kawasaki
(July 29, 1971)

[Reappointment]
Attendance at 11 out of 11 board of directors meetings</td><td>April 1992
December 2003

January 2006

June 2009

April 2010

April 2014

April 2015
April 2017

April 2019

June 2019
May 2020

April 2021</td><td>Joined the Company.
General Manager, TBR Promotion Sec. of the Company
General Manager, Secretary Sec. of the Company
General Manager, Executive Secretary Office of the Company
Senior General Manager, Personnel and Administration Dept. of the Company
Senior General Manager, Corporate Management Planning Dept. of the Company
Executive Officer of the Company
Managing Executive Officer of the Company
Deputy Corporate General Manager, Corporate Planning and Administration Division of the Company
Corporate General Manager, Corporate Administration Division of the Company
Director of the Company (present position)
President & CEO, PRIMIX HOLDINGS, Inc. (present position)
President and CEO, PRIMIX Corporation (present position)
Senior Managing Executive Officer of the Company (present position)</td><td>19,000</td></tr>
<tr><td colspan="4">Areas in charge
Corporate performance management (domestic Group), reform of Group's manufacturing, Group corporate ethics, and Affiliate Management Sec.

Reasons for nomination as candidate for Director
Jun Kawasaki has acquired abundant experience and a proven performance record as executive manager in the administration divisions such as operational reforms, personnel and corporate management planning, and has striven to increase corporate management quality in positions of responsibility in the Company's administration divisions in general. He also plays a leading role in growth strategies of the Group by way of promoting M&As and real estate development. Accordingly, we ask that his reappointment as Director be approved.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name (Date of birth)</th><th colspan="2">Career summary, position and responsibilities
(significant concurrent positions outside the Company)</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">5</td><td>Naoya Fujita
(February 5, 1964)

[Reappointment]
Attendance at 11 out of 11 board of directors meetings</td><td>April 1987
November 2002

July 2012

January 2016

April 2017

June 2017
April 2018

June 2018</td><td>Joined MITSUI & CO., LTD.
President and Chief Executive Officer, Bussan Packaging Service Co., Ltd.
President and Chief Executive Officer, Retail System Service Co., Ltd.
General Manager of Retail Business Division, Food Products & Services Business Unit, MITSUI & CO., LTD.
Managing Executive Officer of the Company (present position)
Deputy Corporate General Manager, Industrial Business Division of the Company
Director of the Company (present position)
Corporate General Manager, Industrial Business Division of the Company (present position)
Chairman of TSUKISHIMA KANKYO ENGINEERING Ltd. (present position)</td><td>21,100</td></tr>
<tr><td colspan="4">Areas in charge
Overseas operations management, corporate performance management (overseas Group), Industrial Business Management Dept. and Industrial Sales Dept.

Reasons for nomination as candidate for Director
Naoya Fujita has acquired abundant experience and a proven performance record at home and abroad, primarily in the food and chemical industry business at a general trading company, and has been involved in management in positions of responsibility in the Company’s industrial business division. In order to make use of such experience and achievements in the Company’s management, we ask that his reappointment as Director be approved.</td></tr>
</table>

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)		Number of the Company's shares owned
6	Takeshi Odagi (September 14, 1942) [Reappointment] [Outside Director Candidate] Attendance at 11 out of 11 board of directors meetings	April 1970 April 1980 September 1986 November 1990 June 2002 June 2011 June 2017 October 2020	Completed Judicial Apprenticeship Training program. Registered as an attorney, Joined ISHII Law Office Partner of ISHII Law Office Statutory Auditor, Invesco MIM Investment Advisory Co., Ltd. Statutory Auditor, Invesco MIM Investment Trust Management Co., Ltd. Outside Statutory Auditor, Snow Brand Milk Products Co., Ltd. (currently MEGMILK SNOW BRAND Co., Ltd.) Outside Statutory Auditor, TOKYO ROPE MFG. CO., LTD. (present position) Outside Director of the Company (present position) Representative of Odagi Law Office (present position)	-
	Reasons for nomination as candidate for Outside Director and overview of expected roles As an attorney, Takeshi Odagi is well-versed in corporate legal affairs, and has made points and shared opinions that have been valuable for enhancing the transparency and objectivity of the Company's management. Accordingly, we expect that he will continue to provide appropriate advice based on his high level of expertise and impressive knowledge of corporate legal affairs and ask that his reappointment as Outside Director be approved. Other than serving as Outside Officer in the past, he does not have experience with corporate management, but for the reasons stated above we believe that he can fulfill his responsibilities satisfactorily as an Outside Director.			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
7	Michiyoshi Mazuka (October 17, 1943) [Reappointment] [Outside Director Candidate] Attendance at 11 out of 11 board of directors meetings	April 1968 Joined Fujitsu FACOM Co., Ltd. April 1971 Joined FUJITSU LIMITED. June 2001 Member of the Board and Head of East Japan Sales Business Unit, FUJITSU LIMITED June 2005 Member of the Board, Corporate Executive Vice President, FUJITSU LIMITED June 2006 Corporate Senior Executive Vice President and Representative Director, FUJITSU LIMITED June 2008 Chairman and Representative Director, FUJITSU LIMITED September 2009 Chairman, President and Representative Director, FUJITSU LIMITED April 2010 Chairman and Representative Director, FUJITSU LIMITED June 2012 Chairman and Director, FUJITSU LIMITED June 2014 Advisor and Director, FUJITSU LIMITED June 2015 Outside Director, NIPPON CONCRETE INDUSTRIES CO., LTD. (present position) June 2016 Advisor, FUJITSU LIMITED Outside Director, AMADA HOLDINGS CO., LTD. (currently AMADA CO., LTD.) (present position) April 2018 Senior Advisor, FUJITSU LIMITED June 2018 Outside Director of the Company (present position)	2,500
	Reasons for nomination as candidate for Outside Director and overview of expected roles Michiyoshi Mazuka has made points and given opinions that are valuable for the management of the Group, based on his impressive experience and knowledge built up during his long career as a corporate manager. Accordingly, we expect that he will continue to provide appropriate advice based on his strong discernment in corporate management and ask that his appointment as Outside Director be approved.		

<table>
<tr><th>No.</th><th>Name (Date of birth)</th><th colspan="2">Career summary, position and responsibilities
(significant concurrent positions outside the Company)</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">8</td><td>Norio Katsuyama
(May 3, 1949)

[Reappointment]
[Outside Director Candidate]
Attendance at 9 out of 9 board of directors meetings</td><td>April 1975

June 2005
June 2006
April 2009

April 2011

June 2011

June 2013

June 2016

June 2017

June 2020</td><td>Joined Nippon Steel Corporation. (currently NIPPON STEEL CORPORATION)
Director, Nippon Steel Corporation
Executive Officer, Nippon Steel Corporation
Managing Executive Officer, Nippon Steel Corporation
Executive Vice President, Nippon Steel Corporation
Executive Vice President and Representative Director, Nippon Steel Corporation
Representative Director and President, Nippon Steel & Sumikin Chemical Co., Ltd. (currently NIPPON STEEL Chemical & Material Co., Ltd,)
Director, Member of the Board and Senior Advisor, Nippon Steel & Sumikin Chemical Co., Ltd.
Senior Advisor, Nippon Steel & Sumikin Chemical Co., Ltd.
Outside Director of the Company (present position)</td><td>1,000</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Outside Director and overview of expected roles
Norio Katsuyama has made points and given opinions that are valuable for the management of the Group, based on his impressive experience and knowledge built up during his long career as a corporate manager. Accordingly, we expect that he will continue to provide appropriate advice based on his strong discernment in corporate management and ask that his appointment as Outside Director be approved.</td></tr>
</table>

Notes:

1. There is no conflict of interest between any of the candidates and the Company.
2. Takeshi Odagi, Michiyoshi Mazuka and Norio Katsuyama are Outside Director candidates.
3. Takeshi Odagi, Michiyoshi Mazuka and Norio Katsuyama will have served in their positions four years, three years and one year, respectively, as of the conclusion of this general meeting of shareholders.
4. Takeshi Odagi, Michiyoshi Mazuka and Norio Katsuyama meet the Criteria for Assessing the Independence of Independent Outside Officers that the Company has established. The Company has registered Takeshi Odagi, Michiyoshi Mazuka and Norio Katsuyama with the Tokyo Stock Exchange as independent officers as stipulated by the rules of the Tokyo Stock Exchange.
5. The Company has a limited liability agreement with Takeshi Odagi, Michiyoshi Mazuka and Norio Katsuyama which limits their liabilities to the minimum total liability stipulated by laws and regulations. In the event that the aforementioned individuals are reappointed, the Company plans to continue the limited liability agreement with them.
6. The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise due to insured directors and officers assuming liability for the exercise of their duties or receiving a claim for the pursuit of such liability. However, there are some exemption clauses, such as no compensation being given for liability attributable to acts of the insured in violation of laws or regulations that were carried out with full knowledge of their illegality. The insurance premiums, including those of riders, are fully borne by the Company and the insured essentially bears no premiums. In the event that the candidates for Directors are appointed as Director, each of them will be insured under this insurance contract. The Company plans to renew the insurance contract with the same contents at the next renewal.
7. Michiyoshi Mazuka served as Director at FUJITSU LIMITED ("FUJITSU") until June 2016. FUJITSU was found to have violated the Antimonopoly Act in connection with transactions related to equipment for electric power security communication ordered by Tokyo Electric Power Company in July 2016, and received a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission. Also in February 2017, FUJITSU was found by the Japan Fair Trade Commission to have violated the Antimonopoly Act concerning transactions of hybrid optical communication equipment and transmission-path equipment ordered by CHUBU Electric Power Co., Inc. Regarding this case, FUJITSU applied to the Japan Fair Trade Commission for immunity from or reduction of surcharge. Since the application was approved, FUJITSU was exempted from the cease and desist order and from payment of the surcharge.
   The administrative measures and violations found above apply to business activities during the period in which

Michiyoshi Mazuka served as Director. However, he was not directly involved in any of these cases, and after becoming aware of these cases, he worked to further strengthen initiatives related to compliance and thoroughly prevent recurrence of such cases, thus fully performing his duties.

Proposal 2: Election of Two (2) Statutory Auditors

The term of office of Statutory Auditor Masamichi Ouchi will expire at the conclusion of this meeting. The Company also intends to strengthen its audit system by increasing the number of Statutory Auditors by one from the current three, which include Masamichi Ouchi.

For these reasons, the Company proposes the election of two (2) Statutory Auditors.

The Board of Statutory Auditors has given its consent to this proposal.

The candidates for Statutory Auditors are as follows. In nominating the candidates, the Company has, in accordance with a report by the Nomination and Remuneration Advisory Committee chaired by an Outside Director, nominated the candidates.

No.	Name (Date of birth)	Career summary and position (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Masamichi Ouchi (June 15, 1942) [Reappointment] [Outside Statutory Auditor Candidate] Attendance at 11 out of 11* board of directors meetings Attendance at 8 out of 8 board of statutory auditors meetings	September 1975 Registered as a certified public accountant June 1977 Registered as a tax accountant January 1978 Representative of Ouchi Certified Public Accountant Office (present position) Representative of Tax Accountant Ouchi Masamichi Office August 1983 Guest Researcher, Mitsubishi Research Institute, Inc. July 2003 Contract Researcher, Waseda Accounting Institute, Waseda University July 2007 Deputy President, The Japanese Institute of Certified Public Accountants July 2010 Auditor, The Japanese Institute of Certified Public Accountants June 2013 Outside Statutory Auditor of the Company (present position) January 2015 Representative Partner, MO Partners Public Tax Accountant Corporation June 2015 External Director, Nitto Boseki Co., Ltd. (present position)	1,000
	Reasons for nomination as candidate for Outside Statutory Auditor As a certified public accountant and tax accountant, Masamichi Ouchi is highly knowledgeable in finance and accounting. As our Outside Statutory Auditor, he has performed his duties, making points and sharing opinions that have been valuable for the Group based on his particular expertise and abundant insight, in an effort to conduct the highly transparent and fair monitoring of the management. Accordingly, we ask that his reappointment as Outside Statutory Auditor be approved. Other than serving as Outside Officer in the past, he does not have experience with corporate management, but for the reasons stated above we believe that he can fulfill his responsibilities satisfactorily as an Outside Statutory Auditor.		

* In addition to the number of board of directors meetings held as stated in the attendance at the board of directors meetings above, there were two resolutions in writing that were deemed to be resolutions by the Board of Directors pursuant to the provisions of Article 370 of the Companies Act and Article 25 of the Company's Articles of Incorporation.

No.	Name (Date of birth)	Career summary (significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Hidehiro Tsukano (March 21, 1958) [New Candidate] [Outside Statutory Auditor Candidate]	April 1981 Joined FUJITSU LIMITED May 2011 Corporate Vice President President, Corporate Planning and Business Strategy Office, FUJITSU LIMITED April 2014 Corporate Senior Vice President, CFO, Head of Group Pension Management Office, FUJITSU LIMITED June 2015 Director, CFO & EVP, FUJITSU LIMITED April 2016 Director, CFO & SEVP, FUJITSU LIMITED June 2017 Representative Director, CFO & SEVP, FUJITSU LIMITED June 2019 SEVP, Vice Chairman, FUJITSU LIMITED May 2020 Advisor, NTT Advanced Technology Corporation (present position) Advisor, DKK Co., Ltd. (present position) June 2020 Outside Director, Kyoritsu Holdings Co., Ltd. (present position)	-
	Reasons for nomination as candidate for Outside Statutory Auditor The Company expects that Hidehiro Tsukano will share opinions that are valuable for the Group based on his impressive experience and knowledge built up during his long career as a corporate manager and his high level of expertise in finance and accounting, in an effort to conduct the highly transparent and fair monitoring of the management. Therefore, we ask that his appointment as Outside Statutory Auditor be approved.		

Notes:

1. Hidehiro Tsukano is a new candidate for Statutory Auditor.
2. There is no conflict of interest between the candidates and the Company.
3. Masamichi Ouchi and Hidehiro Tsukano are Outside Statutory Auditor candidates.
4. Masamichi Ouchi will have served in his position eight years as of the conclusion of this general meeting of shareholders.
5. Masamichi Ouchi and Hidehiro Tsukano meet the Criteria for Assessing the Independence of Independent Outside Officers that the Company has established. The Company has registered Masamichi Ouchi with the Tokyo Stock Exchange as an independent officer as stipulated by the rules of the Tokyo Stock Exchange. In the event that Hidehiro Tsukano is appointed as Statutory Auditor, the Company intends to register him with the Tokyo Stock Exchange as an independent officer as stipulated by the rules of the Tokyo Stock Exchange.
6. The Company has a limited liability agreement with Masamichi Ouchi which limits his liability to the minimum total liability stipulated by laws and regulations. In the event that Masamichi Ouchi is reappointed, the Company plans to continue the limited liability agreement with him. In the event that Hidehiro Tsukano is appointed as Statutory Auditor, the Company plans to enter into the same limited liability agreement with him.
7. The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise due to insured directors and officers assuming liability for the exercise of their duties or receiving a claim for the pursuit of such liability. However, there are some exemption clauses, such as no compensation being given for liability attributable to acts of the insured in violation of laws or regulations that were carried out with full knowledge of their illegality. The insurance premiums, including those of riders, are fully borne by the Company and the insured essentially bears no premiums. In the event that the candidates for Statutory Auditors are appointed as Statutory Auditor, each of them will be insured under this insurance contract. The Company plans to renew the insurance contract with the same contents at the next renewal.
8. During the period in which Masamichi Ouchi served as Outside Statutory Auditor, Tsukishima Technology Maintenance Service Co., Ltd., a wholly-owned subsidiary of the Company, underwent an onsite inspection by the Japan Fair Trade Commission on October 30, 2018 on suspicion of having violated the Antimonopoly Act in connection with operation and maintenance of drainage treatment facilities at water purification plants ordered by Tokyo Metropolitan Government, and received a cease and desist order and a surcharge payment order from the said Commission on July 11, 2019. The aforementioned individual was not aware of the fact concerning the violation of the Antimonopoly Act as stated above until it came to light, but he had provided advice at board of directors meetings, board of statutory auditors meetings, etc. on a regular basis from the viewpoint of legal compliance as Outside Statutory Auditor of the Company. After the case came to light, he has been performing his duties by directing a thorough investigation on the matter, as well as appropriate measures that should be

taken to prevent a recurrence.

9. Hidehiro Tsukano served as Director at FUJITSU LIMITED (“FUJITSU”) until June 2019. FUJITSU was found to have violated the Antimonopoly Act in connection with transactions related to equipment for electric power security communication ordered by Tokyo Electric Power Company in July 2016, and received a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission. Also in February 2017, FUJITSU was found by the Japan Fair Trade Commission to have violated the Antimonopoly Act concerning transactions of hybrid optical communication equipment and transmission-path equipment ordered by CHUBU Electric Power Co., Inc. Regarding this case, FUJITSU applied to the Japan Fair Trade Commission for immunity from or reduction of surcharge. Since the application was approved, FUJITSU was exempted from the cease and desist order and from payment of the surcharge.
   The administrative measures and violations found above apply to business activities during the period in which Hidehiro Tsukano served as Director. However, he was not directly involved in any of these cases, and after becoming aware of these cases, he worked to further strengthen initiatives related to compliance and thoroughly prevent recurrence of such cases, thus fully performing his duties.

Proposal 3: Election of One (1) Substitute Statutory Auditor

The Company proposes that one (1) substitute Statutory Auditor be elected to prepare for a case where the number of Statutory Auditors falls below the number stipulated by laws and regulations.

The Board of Statutory Auditors has given its consent to this proposal.The candidate for substitute Statutory Auditor is as follows:

Name (Date of birth)	Career summary (Significant concurrent positions outside the Company)		Number of the Company's shares owned
Nobuya Masuda (October 30, 1947)	April 1974	Prosecutor, Tokyo District Public Prosecutors Office	-
	November 2001	Prosecutor, Supreme Public Prosecutors Office	
	August 2002	Director-General, Immigration Bureau, Ministry of Justice	
	September 2004	General Manager, Trial Department, Supreme Public Prosecutors Office	
	August 2006	Chief Prosecutor, Chiba District Public Prosecutors Office	
	July 2008	Chief Prosecutor, Yokohama District Public Prosecutors Office	
	January 2009	Superintending Prosecutor, Sendai High District Public Prosecutors Office	
	March 2012	Member, National Offenders Rehabilitation Commission	
	October 2018	Registered as an attorney (Masuda Law Office)	
Reasons for nomination as candidate for substitute Outside Statutory Auditor Nobuya Masuda is a candidate for substitute Outside Statutory Auditor because he has served as Prosecutor for many years and we expect that his high level of legal expertise and insight into organizational management in general will be reflected in our audit system. He does not have experience with corporate management, but for the reasons stated above we believe that he can fulfill his responsibilities satisfactorily as an Outside Statutory Auditor.			

Notes:

1. There is no conflict of interest between Nobuya Masuda and the Company.
2. Nobuya Masuda is a candidate for the position of substitute Outside Statutory Auditor.
3. Nobuya Masuda meets the Criteria for Assessing the Independence of Independent Outside Officers that the Company has established, and if Nobuya Masuda becomes an Outside Statutory Auditor, the Company intends to register him with the Tokyo Stock Exchange as an independent officer as stipulated by the rules of the Tokyo Stock Exchange.
4. If Nobuya Masuda becomes an Outside Statutory Auditor, the Company plans to enter into a limited liability agreement with him. The limit of the liability based on the agreement is the minimum total liability stipulated by laws and regulations.
5. The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise due to insured directors and officers assuming liability for the exercise of their duties or receiving a claim for the pursuit of such liability. However, there are some exemption clauses, such as no compensation being given for liability attributable to acts of the insured in violation of laws or regulations that were carried out with full knowledge of their illegality. The insurance premiums, including those of riders, are fully borne by the Company and the insured essentially bears no premiums. In the event that Nobuya Masuda is appointed as Statutory Auditor, he will be insured under this insurance contract. The Company plans to renew the insurance contract with the same contents at the next renewal.

Reference

Management Structure Expected After Proposal 1 and Proposal 2 Are Approved

Name		Areas of expertise and experience							Independence	Nomination & Remuneration Advisory Committee
		Corporate Management	Manufacturing, Engineering, R&D	Finance & Accounting	Personnel & Labor Relations	Legal Affairs	Sales	Information Systems		
Director	Kazuhiko Yamada	●		●	●			●		●
	Yoshiyuki Fukuzawa	●	●							
	Keita Takatori	●					●			
	Jun Kawasaki	●		●	●			●		
	Naoya Fujita	●					●			
	Takeshi Odagi					●			●	●
	Michiyoshi Mazuka	●					●		●	●
	Norio Katsuyama	●	●						●	
Statutory Auditor	Torahiko Maki	●				●				
	Satoshi Yoshika	●		●					●	
	Masamichi Ouchi			●					●	●
	Hidehiro Tsukano	●		●					●	

Criteria for Assessing the Independence of Independent Outside Officers
Augmenting the criteria for independence stipulated by the Tokyo Stock Exchange, the Company has established the following criteria for assessing the independence of Outside Officers.

1. The individual is not a business executor for the Company or a Group company and was not in the past as well.
2. The individual is not an important business executor of a major shareholder of the Company (a shareholder holding 10% or more of the voting rights).
3. The individual is not an important business executor of a company in which the Company is a major shareholder.
4. The individual is not a major business partner (a business partner whose amount of consideration received in transactions with the Company in the most recent fiscal year exceeds 2% of the Company's non-consolidated total sales; in the event of a financial institution, a business partner whose loans to the Company do not exceed 2% of the Company's non-consolidated total assets in the most recent fiscal year) nor its business executor.
5. The Company is not a major business partner for the individual (a business partner whose amount of consideration paid in transactions with the Company in the most recent fiscal year exceeds 2% of the counterparty's non-consolidated total sales) nor is the individual's business executor.
6. The individual is not a legal expert, accounting or tax expert, consultant, or research and education specialist and does not belong to such a corporation or group that has received a large sum (in the most recent fiscal year, 10 million yen or more in the case of individuals and an amount equivalent to more than 2% of the corporation's or group's non-consolidated sales in the case of a corporation or group) in compensation or contributions from the Company.
7. The individual does not have any family relationships (family relationships of the third degree or a relative living with the individual) with business executors of the Company or Group companies.
8. In addition to the above, there are no doubts as to the independence of the candidate as an independent Outside Officer and no rational reason to determine that the individual would pose a conflict of interest with general shareholders.