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(Securities Code 6473)
June 4, 2021

To Shareholders with Voting Rights:

Kazuhiro Sato
President
JTEKT Corporation
3-5-8 Minami-semba, Chuo-ku,
Osaka, Japan

NOTICE OF
THE 121ST ANNUAL GENERAL MEETING OF SHAREHOLDERS

We would like to express our appreciation for your continuous support.

Please allow us to offer our respectful condolences for those who have passed away from COVID-19 and their families, and our best wishes for all those affected by the disease. We would also like to express our heartfelt gratitude and respect for the medical staff involved in treating COVID-19 night and day, and all the people working in various contexts to support society.

The 121st Annual General Meeting of Shareholders of JTEKT Corporation (the "Company") will be held as follows.

Please note that this year, in order to prevent COVID-19 infection, shareholders are requested to consider refraining from attending the venue in person, based on their own discernment of the situation. Voting rights may be exercised by postal mail or via the Internet, etc., so please follow "Guidance on Exercising Your Voting Rights" on page 3 and exercise your voting rights by reference to the attached Reference Documents for the General Meeting of Shareholders by no later than 5:40 p.m. on Thursday, June 24, 2021, Japan time.

1. **Date and Time:** Friday, June 25, 2021 at 10:00 a.m.

2. **Place:** Hall, 1F of Office Building No. 1, JTEKT Head Office
1-1 Asahi-machi, Kariya, Aichi, Japan
(The venue is the same as last year although the name of the building has been changed due to the relocation of the head office.)

3. **Meeting Agenda:**

Matters to be reported:
1. The Business Report, Consolidated Financial Statements for the Company's 121st Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 121st Fiscal Year (April 1, 2020 - March 31, 2021)

Proposals to be resolved:

Proposal 1: Partial Amendments of the Articles of Incorporation

Proposal 2: Election of 9 Directors

Proposal 3: Determination of Remuneration for Granting Shares with Restrictions on Transfer to Directors (Excluding Outside Directors) and Revision of the Amount of Remuneration Payable to Directors

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Also, please remember to bring this convocation notice to the meeting place to help conserve paper resources.

Only our shareholders are allowed to enter the meeting place. Persons attending as proxies for shareholders must be shareholders themselves. Shareholders who concurrently exercise the voting rights of other shareholders as proxies are kindly requested to submit the following: their Voting Rights Exercise Forms as shareholders, their Voting Rights Exercise Forms for voting as proxies, and documents certifying their status as proxies.

Concerning the Disclosure via the Internet

- From among the documents attached to this convocation notice, the notes to the consolidated financial statements and the notes to the non-consolidated financial statements are disclosed on our website in accordance with laws and regulations and the provisions of Article 14 of the Articles of Incorporation of the Company. Therefore, they are not stated in this convocation notice. Please note that the consolidated financial statements and the non-consolidated financial statements audited respectively by the Accounting Auditor and the Audit & Supervisory Board include the notes to the consolidated financial statements and the notes to the non-consolidated financial statements disclosed on the website below, in addition to the consolidated financial statements and the non-consolidated financial statements stated in the Attached Documents provided with this Notice.
- If there is any need for revision, the revised documents will be posted on the Company's website immediately.
- The contents of this Notice have been displayed on the Company's website before the notice was dispatched by post, in order to make this information available early.
- From this year onward, the results of the resolutions of this meeting will be posted on the Company's website instead of sending the written Notice of Resolutions of the Annual General Meeting of Shareholders.

The Company's website ► https://www.jtekt.co.jp
The Company's website (English) ► https://www.jtekt.co.jp/e/

Guidance on Exercising Your Voting Rights

By Attending the Meeting	By Postal Mail	Via the Internet
Please bring the enclosed Voting Rights Exercise Form and submit it at the reception desk.	Please enter your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form and return the Form.	Please visit the website designated by the Company for the exercise of voting rights (https://www.web54.net) and enter your vote for or against each of the proposals.
Date of the meeting:	Deadline for voting:	Deadline for voting:
Friday, June 25, 2021 at 10:00 a.m.	The Form must be received by 5:40 p.m., Thursday, June 24, 2021, Japan time.	The votes must be received by 5:40 p.m., Thursday, June 24, 2021, Japan time.

Concerning the Platform for the Electronic Exercise of Voting Rights (for Institutional Investors)

Institutional investors have the option of voting by electromagnetic means via the Platform for the Electronic Exercise of Voting Rights operated by ICJ Inc.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments of the Articles of Incorporation

(1) Reasons for the proposal

(i) The Company engages primarily in manufacturing and selling steering, driveline components, bearings, machine tools and mechatronics, and other products. In addition to the above, the Company is currently developing new business domains to link social demands with our technologies and contribute to the happiness of people and the abundance of society. To reflect the current status in the Articles of Incorporation, we propose to partially amend Article 2 (Purpose).

(ii) Since the establishment of JTEKT, the Company had been headquartered in Osaka City, where the former Koyo Seiko Co., Ltd. was headquartered. The Company concurrently had located headquarters functions (the venue for meetings of the Board of Directors and other conferences, and Corporate Division's main office) in Nagoya City. Last December, the Company relocated the head office function from Nagoya City to Kariya City, Aichi Prefecture. Taking this opportunity to reflect the current status in the Articles of Incorporation, we propose to amend Article 3 (Location of Headquarters).

(iii) The Company has promoted prompt decision-making and establishment of an efficient business execution system by introducing a senior executive officer system and others. To reflect the current status, including that of the maximum number of officers, in the Articles of Incorporation, the Company proposes to partially amend Article 18 (Number of Directors), Article 21 (Representative Directors and Directors with Special Titles), and Article 26 (Number of Members of the Audit & Supervisory Board) and delete Article 22 (Senior Advisor).

(2) Details of the amendments

In addition to the following amendments, the deletion of Article 22 renumbers the subsequent articles in the current Articles of Incorporation.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
Purpose Article 2. The purpose of the Company is to engage in the following businesses: (Provision omitted) 13. Any businesses incidental to any of the foregoing items and the investment related thereto	Purpose Article 2. The purpose of the Company is to engage in the following businesses: (Unchanged) 13. Any other lawful businesses and the investment related thereto
Location of Headquarters Article 3. The Company shall locate headquarters in Osaka City.	Location of Headquarters Article 3. The Company shall locate headquarters in Kariya City, Aichi Prefecture.
Number of Directors Article 18. The Company shall have no more than 20 Directors.	Number of Directors Article 18. The Company shall have no more than 15 Directors.
Representative Directors and Directors with Special Titles Article 21. (1) (Provision omitted) (2) The Board of Directors may elect 1 Chairman of the Board, 1 President, as well as one or more Vice-Chairman of the Board, Executive Vice-President, Senior Executive Director, and Executive Director by its resolution.	Representative Directors and Directors with Special Titles Article 21. (1) (Unchanged) (2) The Board of Directors may elect 1 Chairman of the Board, 1 President, as well as one or more Vice-Chairman of the Board and Executive Vice-President by its resolution.
Senior Advisor Article 22. The Board of Directors may appoint Senior Advisor by its resolution.	(Deleted)
Number of Members of the Audit & Supervisory Board Article 26. The Company shall have no more than 7 Members of the Audit & Supervisory Board.	Number of Members of the Audit & Supervisory Board Article 25. The Company shall have no more than 5 Members of the Audit & Supervisory Board.

Proposal 2: Election of 9 Directors

The terms of office of all 13 Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 9 Directors is proposed.

The candidates are as follows:

No.		Name	Current positions and responsibilities at the Company
1	<Reappointed>	Kazuhiro Sato	President, Member of the Board Quality Management Division
2	<Reappointed>	Hiroyuki Kaijima	Senior Executive Officer, Member of the Board Sales & Marketing Division
3	<Reappointed>	Katsumi Yamamoto	Senior Executive Officer, Member of the Board Industrial and Bearings Business Unit
4	<Reappointed>	Kazuhisa Makino	Senior Executive Officer, Member of the Board Corporate Division
5	<Reappointed>	Shinji Kato	Senior Executive Officer, Member of the Board Machine Tools & Manufacturing Systems Business Unit
6	<Reappointed>	Takumi Matsumoto	Senior Executive Officer, Member of the Board Research & Development Division Automotive Business Unit
7	<Reappointed> <Outside Director> <Independent Director>	Takao Miyatani	Director, Member of the Board
8	<Reappointed> <Outside Director> <Independent Director>	Iwao Okamoto	Director, Member of the Board
9	<Reappointed> <Outside Director>	Takeshi Uchiyamada	Director, Member of the Board

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company	Number of shares of the Company held
1	Kazuhiro Sato (April 3, 1956) <Reappointed> Term of office as a Director: 1 year	April 1979 Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation) January 2005 General Manager, Quality Division, Toyota Motor Corporation April 2014 Managing Officer, Toyota Motor Corporation April 2017 Senior Managing Officer, Toyota Motor Corporation January 2019 Operating Officer, Toyota Motor Corporation January 2020 Advisor of the Company June 2020 President, Member of the Board (to present) [Current responsibilities] Quality Management Division [Reasons for nomination as a candidate for Director] Mr. Kazuhiro Sato has served as Representative Director of the Company since June 2020 and has a good personality with high ethical standards and fairness, and has extensive experience and considerable insight as a business manager. We propose his re-election as a Director in order to strengthen corporate governance of the Company and enhance corporate value sustainably based on his broad perspective and high viewpoint, backed up by experience.	37,963
2	Hiroyuki Kaijima (August 26, 1956) <Reappointed> Term of office as a Director: 7 years	April 1979 Joined Toyoda Machine Works Ltd. February 2002 General Manager, Overseas Business Dept., Toyoda Machine Works Ltd. June 2003 Director, Toyoda Machine Works Ltd. June 2005 Managing Officer, Toyoda Machine Works Ltd. January 2006 Managing Officer of the Company June 2012 Executive Managing Officer June 2014 Executive Director June 2018 Senior Executive Director June 2019 Executive Vice-President January 2021 Senior Executive Officer, Member of the Board (to present) [Current responsibilities] Sales & Marketing Division [Reasons for nomination as a candidate for Director] Mr. Hiroyuki Kaijima has been engaged in corporate management as a Director and has fulfilled his roles and responsibilities appropriately. He has garnered extensive experience and considerable insight through his involvement in the management of operating companies in North America, and through fulfilling his duties as a director in charge of the Sales & Marketing Division. We therefore propose his re-election as a Director in order to realize the sustainable enhancement of corporate value of the Company.	12,702

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company	Number of shares of the Company held
3	Katsumi Yamamoto (February 27, 1959) <Reappointed> Term of office as a Director: 2 years	April 1981 Joined the Company January 2006 General Manager, Business Planning Dept., Bearing Operations Headquarters June 2010 Managing Officer April 2015 Executive Managing Officer April 2016 Advisor June 2016 President, DAIBEA Co., Ltd. June 2019 Senior Executive Director January 2021 Senior Executive Officer, Member of the Board (to present) [Current responsibilities] Industrial and Bearings Business Unit [Reasons for nomination as a candidate for Director] Mr. Katsumi Yamamoto has been engaged in corporate management as a Director and has fulfilled his roles and responsibilities appropriately. He has garnered extensive experience and considerable insight through fulfilling his duties as a director in charge of the Industrial and Bearings Business Unit. We therefore propose his re-election as a Director in order to realize the sustainable enhancement of corporate value of the Company.	16,676
4	Kazuhisa Makino (May 11, 1957) <Reappointed> Term of office as a Director: 2 years	April 1982 Joined Toyoda Machine Works Ltd. January 2005 General Manager, Corporate Management Dept., Toyoda Machine Works Ltd. June 2010 General Manager, Accounting Dept. of the Company June 2011 Managing Officer April 2015 Executive Managing Officer June 2019 Executive Director June 2020 Senior Executive Director January 2021 Senior Executive Officer, Member of the Board (to present) [Current responsibilities] Corporate Division [Reasons for nomination as a candidate for Director] Mr. Kazuhisa Makino has been engaged in corporate management as a Director and has fulfilled his roles and responsibilities appropriately. He has garnered extensive experience and considerable insight through fulfilling his duties as a director in charge of the Corporate Division. We therefore propose his re-election as a Director in order to realize the sustainable enhancement of corporate value of the Company.	13,881

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company	Number of shares of the Company held
5	Shinji Kato (February 7, 1958) <Reappointed> Term of office as a Director: 3 years	April 1981 Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation) July 2010 General Manager, Mechatronics Systems Dept., Toyota Motor Corporation January 2017 Senior General Manager of the Company April 2017 Managing Officer June 2018 Executive Director June 2020 Senior Executive Director January 2021 Senior Executive Officer, Member of the Board (to present) [Current responsibilities] Machine Tools & Manufacturing Systems Business Unit [Reasons for nomination as a candidate for Director] Mr. Shinji Kato has been engaged in corporate management as a Director and has fulfilled his roles and responsibilities appropriately. He has practical knowledge in products from working in production engineering. He has also garnered extensive experience and considerable insight through fulfilling his duties as a director in charge of the Machine Tools & Manufacturing Systems Business Unit. We therefore propose his re-election as a Director in order to realize the sustainable enhancement of corporate value of the Company.	12,637
6	Takumi Matsumoto (April 9, 1961) <Reappointed> Term of office as a Director: 5 years	April 1986 Joined Toyota Motor Corporation August 2010 General Manager, BR-Electric Vehicle/Charge System Development Dept., Toyota Motor Corporation April 2015 Managing Officer of the Company October 2015 Executive Managing Officer June 2016 Executive Director January 2021 Senior Executive Officer, Member of the Board (to present) [Current responsibilities] Research & Development Division and Automotive Business Unit [Reasons for nomination as a candidate for Director] Mr. Takumi Matsumoto has been engaged in corporate management as a Director and has fulfilled his roles and responsibilities appropriately. He has practical knowledge in products from working in the engineering and development divisions. He has also garnered extensive experience and considerable insight through fulfilling his duties as a director in charge of the Research & Development Division and Automotive Business Unit of the Company. We therefore propose his re-election as a Director in order to realize the sustainable enhancement of corporate value of the Company.	13,122

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company	Number of shares of the Company held
7	Takao Miyatani (December 24, 1940) <Reappointed> <Outside Director> <Independent Director> Term of office as a Director: 6 years	April 1963 Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation) July 1995 General Manager (Senior General Manager), IT Engineering Dept., Toyota Motor Corporation January 1999 Seconded to YUTAKA SEIMITSU KOGYO LTD., equivalent to Counselor, Toyota Motor Corporation June 1999 President, YUTAKA SEIMITSU KOGYO LTD. May 2000 Vice Chairman, JAPAN GEAR MANUFACTURERS ASSOCIATION May 2005 Chairman, JAPAN GEAR MANUFACTURERS ASSOCIATION June 2015 Director, Member of the Board of the Company (to present) [Reasons for nomination as a candidate for Outside Director] Mr. Takao Miyatani has extensive experience and considerable insight through his many years of involvement in manufacturing as a business manager and chairman of industrial organizations. From this perspective, his instructive comments based on his extensive insight as a business manager have contributed to increasing the effectiveness of the Board of Directors and the Council for Enhancement of Corporate Value. He has attended the Executive Officer Personnel Appointment Review Meeting and the Executive Remuneration Meeting as a member of those meetings, and provided appropriate engagement and advice. After his election, the Company expects him to appropriately perform his duties such as deciding important management matters, supervising business execution, and other activities as an Outside Director of the Company. We therefore propose his re-election as a Director to enable him to duly supervise the management as an Outside Director toward the sustainable enhancement of corporate value of the Company.	12,000

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company	Number of shares of the Company held
8	Iwao Okamoto (June 25, 1946) <Reappointed> <Outside Director> <Independent Director> Term of office as a Director: 6 years	April 1970 Joined the Ministry of International Trade and Industry (MITI) (currently Ministry of Economy, Trade and Industry (METI)) September 1999 Director-General, Basic Industries Bureau, MITI January 2001 Director-General, Manufacturing Industries Bureau, METI July 2002 Director-General, Agency for Natural Resources and Energy October 2003 Senior Executive Director, Japan Bank for International Cooperation October 2005 Managing Executive Officer, SUMITOMO CORPORATION April 2006 Senior Managing Executive Officer, SUMITOMO CORPORATION June 2007 Representative Director, Senior Managing Executive Officer, SUMITOMO CORPORATION April 2009 Representative Director, Assistant to President and CEO, SUMITOMO CORPORATION July 2009 President, Japan Cooperation Center for the Middle East (JCCME) May 2011 President Executive, JAPAN-CHINA ECONOMIC ASSOCIATION June 2015 Director, Member of the Board of the Company (to present) [Reasons for nomination as a candidate for Outside Director] Mr. Iwao Okamoto has extensive experience and considerable insight in industrial and economic activities in Japan and abroad through his service in significant positions in various organizations such as the Ministry of Economy, Trade and Industry and the JAPAN-CHINA ECONOMIC ASSOCIATION. From this perspective, his instructive comments, which are based on his extensive insight in industrial and economic activities in Japan and abroad, have contributed to increasing the effectiveness of the Board of Directors and the Council for Enhancement of Corporate Value. He has attended the Executive Officer Personnel Appointment Review Meeting and the Executive Remuneration Meeting as a member of those meetings, and provided appropriate engagement and advice. After his election, the Company expects him to appropriately perform his duties such as deciding important management matters, supervising business execution, and other activities as an Outside Director of the Company. We therefore propose his re-election as a Director to enable him to duly supervise the management as an Outside Director toward the sustainable enhancement of corporate value of the Company.	5,000

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company	Number of shares of the Company held
9	Takeshi Uchiyamada (August 17, 1946) <Reappointed> <Outside Director> Term of office as a Director: 3 years	April 1969 Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation) June 1998 Member of the Board of Directors, Toyota Motor Corporation June 2001 Managing Director, Toyota Motor Corporation June 2003 Senior Managing Director, Toyota Motor Corporation June 2004 Director of the Company June 2005 Executive Vice President, Toyota Motor Corporation June 2012 Vice Chairman of the Board of Directors, Toyota Motor Corporation June 2013 Resigned from Director of the Company Chairman of the Board of Directors, Toyota Motor Corporation (to present) June 2018 Director, Member of the Board of the Company (to present) [Significant concurrent positions] Chairman of the Board of Directors, Toyota Motor Corporation External Director, Mitsui & Co., Ltd. [Reasons for nomination as a candidate for Outside Director] Mr. Takeshi Uchiyamada has extensive experience and considerable insight through his many years of involvement in manufacturing as a business manager. From this perspective, his instructive comments based on his extensive insight as a business manager have contributed to increasing the effectiveness of the Board of Directors and the Council for Enhancement of Corporate Value. After his election, the Company expects him to appropriately perform his duties such as deciding important management matters, supervising business execution, and other activities as an Outside Director of the Company. We therefore propose his re-election as a Director to enable him to duly supervise the management as an Outside Director toward the sustainable enhancement of corporate value of the Company.	8,300

(Notes)

1. No conflicts of interest exist between the Company and candidates.
2. Messrs. Takao Miyatani, Iwao Okamoto, and Takeshi Uchiyamada are candidates for Outside Directors.
   Terms of office of Messrs. Takao Miyatani and Iwao Okamoto as Outside Directors will reach six years at the conclusion of this meeting, and that of Mr. Takeshi Uchiyamada will reach three years at the conclusion of this meeting.
3. Messrs. Takao Miyatani and Iwao Okamoto are candidates for Independent Directors under the provisions of the Tokyo Stock Exchange, etc.
4. The Company has concluded liability limitation agreements with Mr. Takao Miyatani, Mr. Iwao Okamoto and Mr. Takeshi Uchiyamada to limit their liability as stipulated in article 423-1 of the Companies Act up to the minimum amount stipulated in article 425-1 of the Companies Act, in accordance with the Articles of Incorporation. If the election of Mr. Takao Miyatani, Mr. Iwao Okamoto and Mr. Takeshi Uchiyamada is approved under this proposal, the Company intends to conclude the same liability limitation agreement with them.
5. The Company has concluded a directors and officers liability insurance contract with an insurance company and fully bears the insurance premiums. This insurance contract covers damages and litigation expenses in the event that a claim for damages is made against the insured due to an act (including omission) committed by the insured in his/her capacity as a director or an officer of the company. The Company, however, takes measures to ensure that the appropriateness of the execution of duties by directors and officers is not impaired by excluding from the scope of compensation any damage caused by directors or officers who have committed criminal acts such as bribery or intentionally committed illegal acts. If the election of the candidates is approved under this proposal, the Company will insure them under this insurance contract. In addition, the Company plans to renew the insurance policy with the same details at the time of next renewal.
6. The terms of office of the Directors are stated as of the conclusion of this meeting.

Proposal 3: Determination of Remuneration for Granting Shares with Restrictions on Transfer to Directors (Excluding Outside Directors) and Revision of the Amount of Remuneration Payable to Directors

Regarding the amount of remuneration payable to the Directors of the Company, the 112th Annual General Meeting of Shareholders held on June 27, 2012 adopted a resolution to set the maximum amount of basic remuneration at ¥70 million per month (including up to ¥3 million for Outside Directors). Accordingly, the Company has to date been paying fixed remuneration within that amount and, as for the amount of bonuses payable to Directors, obtained approval at the Annual General Meeting of Shareholders each time.

As part of a review of the executive remuneration system, the Company proposes paying remuneration for granting shares with restrictions on transfer, or restricted shares, to Directors of the Company (excluding Outside Directors; hereinafter referred to as "Eligible Directors.") this time. The remuneration is designed to provide Eligible Directors with more incentives to achieve sustainable enhancement of corporate value and to have them further share value with shareholders.

Remuneration to be paid to the Eligible Directors for granting restricted shares based on this proposal will be monetary claims (hereinafter referred to as "Monetary Claims.") and its total amount will be up to ¥100 million per year, an amount considered reasonable for the above-mentioned purposes.

In line with the introduction of the proposed system, the Company proposes setting a yearly limit of the remuneration for Directors instead of the monthly limit that we currently set. Moreover, the Company proposes setting the maximum total amount of the existing fixed remuneration and bonuses at ¥800 million per year (including up to ¥100 million per year for Outside Directors).

If this proposal is approved, the remuneration payable to Directors (excluding the amount of employee salaries payable to Directors who are also employees) will be as shown in the table below.

Types of remuneration	Maximum amount of remuneration
Fixed remuneration	¥800 million per year (including ¥100 million for Outside Directors)
Bonus	
Share-based remuneration	¥100 million per year
Total	¥900 million per year (including ¥100 million for Outside Directors)

The current number of Directors is 13 (including 3 Outside Directors). If Proposal 2, "Election of 9 Directors" is approved as proposed, the number of Directors will be 9 (including 3 Outside Directors). No bonuses are paid to Outside Directors because they are independently responsible for monitoring and supervising the management.

<Details of the restricted share-based remuneration system>

Pursuant to the resolution of the Company's Board of Directors, the Eligible Directors shall make an in-kind contribution of all monetary claims to be provided based on this proposal and, in return, receive the Company's common stock that shall be issued or disposed of by the Company. The outline of the restricted share-based remuneration system is as shown below. Other details related to this remuneration system and the share allotment agreement (hereinafter referred to as the "Allotment Agreement") shall be determined by the Company's Board of Directors.

Eligible persons	Directors of the Company (excluding Outside Directors)
Total amount of share-based remuneration	Up to ¥100 million per year (excluding the amount of employee salaries payable to Directors who are also employees)
Amount of share-based remuneration for each Director	Determine each year considering the Company's business results
Transfer restriction period	During 30 years from the allotment date under the Allotment Agreement, the eligible persons must not transfer, create a security right on, and dispose of the shares of the Company's common stock allotted by the Allotment Agreement.
Type of shares to be allotted and method of allotment	Issue or disposal of common stock (with transfer restrictions under the Allotment Agreement)
Total number of shares to be allotted	Up to 150,000 shares per year in total to the Eligible Directors (*)
Amount to be paid in	Determined by the Board of Directors of the Company based on the closing price of shares of common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors, within a range that is not particularly advantageous to Eligible Directors who subscribe to the common stock
Conditions for removal of transfer restrictions	(1) The restrictions on all allotted shares will be removed upon the expiration of the transfer restriction period. However, the restrictions will be removed if the Eligible Director leaves the position due to expiry of his/her term of office, death or other justifiable reasons. (2) When the Company decides a merger agreement whereby the Company will be absorbed, or an organizational restructuring whereby the Company will become a wholly owned subsidiary of another party during the transfer restriction period, the Company will remove the transfer restriction before the effective date of such organizational restructuring or the like.
Acquisition of shares with restrictions on transfer without consideration	The Company will be able to acquire all allotted shares without consideration in the event where the eligible person leaves the position due to violations of laws and regulations, or any other reason specified by the Company's Board of Directors, during the transfer restriction period.

* The total number of the allotted shares, however, shall be adjusted to a reasonable extent in the event of a split of the Company's common stock (including the allotment of the common stock without consideration), a consolidation of shares, and any other reason that requires an adjustment in the total number of the Company's common stock to be issued or disposed of as the shares with restrictions on transfer.

The Company determined the maximum amount of remuneration, the total number of the Company's common stock to be issued or disposed of, and other conditions for granting the shares with restrictions on transfer to the Eligible Directors based on this proposal based on the above-mentioned objectives, the business conditions, the policies for deciding the contents of individual Directors' remuneration, and other circumstances. As such, the Company considers them to be reasonable.

If this proposal is approved as proposed, the Company intends to change the policies to the contents described in the Reference column below to be consistent with the approved contents.

(Reference) Policies on Decisions on the Contents of Individual Remuneration to be Resolved at the Board of Directors Meeting after this Annual General Meeting of Shareholders

(1) Calculation method and policies for determining the amount of executive remuneration

The Company's executive remuneration consists of fixed remuneration and performance-linked remuneration (bonuses and share-based remuneration). The Company has set the calculation method and the policies for determining the amount. The fixed remuneration covers 15 Directors and 5 Members of the Audit & Supervisory Board as outlined in the Articles of Incorporation. The Company sets the maximum total amount of remuneration at ¥800 million per year for Directors (including ¥100 million per year for Outside Directors) and ¥240 million per year for Members of the Audit & Supervisory Board, based on resolutions of the Annual General Meeting of Shareholders to be held on June 25, 2021. A monthly base amount for each position is set as well.

The performance-linked remuneration, which consists of remuneration linked to business profit for each fiscal year and remuneration paid depending on the degree of achievement of KPIs on safety and quality, essential issues for the Company, is paid after the annual general meeting of shareholders. With 50% of the above remuneration linked to business profit, the Company allots share-based remuneration to Directors as medium- to long-term incentives.

Type of remuneration	Calculation method	Payment method
Fixed remuneration	As per the calculation method and the policy for determining the amount	Monetary remunerations
Performance-linked remuneration	Linked to business profit	Monetary remunerations (50%)
		Share-based remuneration (50%)
	Linked to the degree of achieving KPIs on safety and quality	Monetary remunerations

The proportion of the fixed remuneration and the performance-linked remuneration is 7:3 in the case that the target indicators are achieved.

In determining the amount of remunerations, the Company comprehensively considers balance between the public and the entire Company, dividends, employees' bonus levels, trends of other companies and other factors.

The Company pays no performance-linked remuneration to full-time Members of the Audit & Supervisory Board or Outside Directors and Outside Members of the Audit & Supervisory Board.

(2) Remuneration determination process

The amount of individual remuneration was determined at the discretion of President Kazuhiro Sato, based on the resolution of the Board of Directors. This is to reflect the comprehensive view on the Company's performance in determining the remuneration amount while ensuring appropriateness from an objective perspective. The amount of individual remuneration calculated using the method described above, was proposed to the Executive Remuneration Meeting, members of which are the President and Independent Outside Directors, for approval before final decision.