Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 6871
March 5, 2021

To our shareholders:

Masayoshi Hasegawa
President & CEO
MICRONICS JAPAN CO., LTD.
2-6-8 Kichijoji Hon-cho, Musashino-shi, Tokyo

Notice of the 50th Annual General Meeting of Shareholders

We are writing to inform you that the 50th Annual General Meeting of Shareholders of MICRONICS JAPAN CO., LTD. (the "Company") will be held as indicated below.
Of late, the Japanese government and local governments have been issuing stay-at-home advisories to prevent the spread of novel coronavirus disease (COVID-19). Given these circumstances, and following careful consideration, we have decided to hold this General Meeting of Shareholders with the appropriate infection prevention measures in place.
Considering the stay-at-home advisories, to prevent the spread of COVID-19, we are strongly asking all our shareholders to make every effort to exercise your voting rights in writing or via the Internet for this General Meeting of Shareholders, and, regardless of your health conditions, to make every effort to avoid attending in person on the day of the General Meeting of Shareholders.
Please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights.

Exercise of voting rights in writing
Please indicate your approval or disapproval of the proposals in the enclosed voting form and then return the form to the Company by postal mail so that your vote is received by 5:30 p.m. on Thursday, March 25, 2021 (JST).

Exercise of voting rights via the Internet, etc.
Please access the voting website designated by the Company (https://evote.tr.mufg.jp/) and enter your approval or disapproval for each proposal following the instructions on the screen using the "log-in ID" and the "temporary password" indicated on the voting form no later than 5:30 p.m. on Thursday, March 25, 2021 (JST).

1. Date and Time: Friday, March 26, 2021, at 10:00 a.m. (JST) (Reception opens at 9:00 a.m.)
(The reason for the large gap between the day of this Annual General Meeting of Shareholders and the day of the previous Annual General Meeting of Shareholders is that the Company has changed the end date of its fiscal year from September 30 to December 31 starting in the 50th fiscal year [this fiscal year]).

2. Venue: Tenpei, 8th Floor, KICHIJOJI DAI-ICHI HOTEL
2-4-14 Kichijoji Hon-cho, Musashino-shi, Tokyo
This year, to prevent the spread of COVID-19, we have placed greater space between chairs, greatly reducing the number of chairs compared to normal years. As such, even if you arrive in person on the day of the General Meeting of Shareholders, you may be refused entry.

3. Purpose of the Meeting
Matters to be reported:
1. The Business Report and the Consolidated Financial Statements for the 50th fiscal year (from October 1, 2019 to December 31, 2020), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 50th fiscal year (from October 1, 2019 to December 31, 2020)

Matters to be resolved:

Proposal No. 1	Appropriation of Surplus
Proposal No. 2	Partial Amendments to the Articles of Incorporation
Proposal No. 3	Election of Ten Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
Proposal No. 4	Election of Three Directors Who Are Audit & Supervisory Committee Members
Proposal No. 5	Determination of Amounts of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
Proposal No. 6	Determination of Amounts of Remuneration for Directors Who Are Audit & Supervisory Committee Members
Proposal No. 7	Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)

- When you attend the meeting, you are kindly requested to present the enclosed voting form at the reception.
- The items below are posted on the Company's website (https://www.mjc.co.jp/en/) pursuant to laws and regulations, as well as Article 16 of the Company's Articles of Incorporation. As a consequence, they are not included in this notice.
  - "Status of Share Acquisition Rights, etc." and "Basic Policy Regarding the Control of a Stock Company" in the Business Report
  - Notes to Consolidated Financial Statements
  - Notes to Non-consolidated Financial Statements

  Accordingly, the documents attached to this notice consist of part of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Audit & Supervisory Board Members, and the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Accounting Auditor in preparing the audit reports.
- Any corrections in the Reference Documents for General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements will be posted on the Company's Internet website (https://www.mjc.co.jp/en/).

- From the perspective of preventing the spread of COVID-19, we are asking all our shareholders to make every effort to exercise your voting rights in writing using the enclosed voting form or via the Internet and avoid attending in person on the day of the General Meeting of Shareholders.
- We may change our response for the General Meeting of Shareholders up until the day of the meeting based on COVID-19 conditions and announcements from the government, etc. We ask that you check for any announcements online on the Company's website (https://www.mjc.co.jp/en/).
- On the day of the General Meeting of Shareholders, there will be temperature checks at the entrance to the venue, and those with high temperatures or appearing to be in poor health may be denied entry and asked to return home.
- Please bring and wear a mask when attending in person.
- Operational staff for the General Meeting of Shareholders will have their health conditions confirmed including their temperature and will wear masks.
- At this General Meeting of Shareholders, to reduce the overall time to prevent the spread of COVID-19, some of the detailed explanations of matters to be reported (including audit reports) and proposals will be omitted at the venue. We ask that our shareholders read the notice of convocation ahead of time.

- Guide to asking questions ahead of time

  For matters with particularly strong interest among all our shareholders, we will receive questions ahead of time and respond on the day of the General Meeting of Shareholders during the question and answer portion.

  [Method to ask questions ahead of time]

  We are receiving questions online on the Company's website (https://www.mjc.co.jp/meeting_inq/).

  When asking questions, please include your shareholder number, address, and name.

  Period for receiving questions: Monday, March 1, 2021 at 10:00 a.m. to Friday, March 19, 2021 at 5:30 p.m. (JST)

Reference Documents for General Meeting of Shareholders

Proposals and Reference Materials

Proposal No. 1 Appropriation of Surplus

The Company's basic policy is to consider comprehensively operating results, the management environment surrounding the Group and future business development and to strive to maintain stable dividends.
Furthermore, on November 2, 2020, the Company celebrated the 50th anniversary of our founding. Therefore, to show our thanks for the support of all our shareholders thus far, in addition to our ordinary dividends of ¥24, we are adding a commemorative dividend of ¥3 for year-end dividends of ¥27 per share in the 50th fiscal year.

Year-end dividends

(1) Type of dividend property
To be paid in cash.

(2) Allotment of dividend property and their aggregate amount
¥27 per common share (ordinary dividends of ¥24 plus a 50th anniversary commemorative dividend of ¥3)
Total dividends will be ¥1,030,245,507.

(3) Effective date of dividends of surplus
March 29, 2021

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

By realizing our management philosophy and management policy, and by pursuing more ideal corporate governance, the Company has worked toward the sustainable growth of the Group and to enhance our medium- to long-term corporate value.

To improve further discussion on our management strategy at the Board of Directors and to realize even higher levels of corporate governance, we would like to transition from a company with an audit & supervisory board to a company with audit and supervisory committee.

In transitioning to a company with audit and supervisory committee, Directors with voting rights on the Board of Directors will be responsible for audit functions as Audit & Supervisory Committee Members. In addition to enhancing the auditing capabilities for the execution of duties by the Board of Directors, by promoting the delegation of authority from the Board of Directors to those responsible for the execution of duties, the Company will work to increase the flexibility of its decision-making and execution of duties, to increase further the efficiency of management, and to enhance auditing capabilities for the execution of duties.

Due to this change, we plan to establish the necessary rules for the Audit & Supervisory Committee Members and the Audit & Supervisory Committee for the transition to a company with audit and supervisory committee, to delete rules related to Audit & Supervisory Board Members and the Audit & Supervisory Board, and to change rules to facilitate these changes and quarterly dividends.

The amendments to the Articles of Incorporation in this proposal will take effect at the end of this General Meeting of Shareholders.

2. Details of the amendments

Details of the amendments are as follows:

(Underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed amendments
CHAPTER I. GENERAL PROVISIONS	CHAPTER I. GENERAL PROVISIONS
Article 1.-Article 3. (Omitted)	Article 1.-Article 3. (Same as the present)
Article 4. (Organs) The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors: (1) Board of Directors; (2) Audit & Supervisory Board Members; (3) Audit & Supervisory Board; and (4) Accounting Auditors.	Article 4. (Organs) The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors: (1) Board of Directors; (2) Audit & Supervisory Committee; and (Deleted) (3) Accounting Auditors.
Article 5. (Omitted)	Article 5. (Same as the present)
CHAPTER II. SHARES	CHAPTER II. SHARES
Article 6. (Omitted)	Article 6. (Same as the present)
Article 7. (Acquisition of Treasury Shares) Pursuant to the provisions of Article 165, paragraph (2) of the Companies Act, the Company may acquire treasury shares upon resolution of the Board of Directors.	(Deleted)
Article 8.-Article 9. (Omitted)	Article 7.-Article 8. (Same as the present)
Article 10. (Administrator of Shareholders Register) 1 The Company shall have an Administrator of Shareholders Register. 2 The Administrator of Shareholders Register and the handling office thereof shall be determined by resolution of the Board of Directors and announced by public notice.	Article 9. (Administrator of Shareholders Register) 1 The Company shall have an Administrator of Shareholders Register. 2 The shareholder registry administrator and the location for handling operations shall be determined by a resolution of the Board of Directors or by a Director delegated by a resolution by the Board of Directors and announced by public notice.
Article 11. (Omitted)	Article 10. (Same as the present)

Current Articles of Incorporation	Proposed amendments
Article 12. (Share Handling Regulations) Matters to be stated or recorded in the shareholders register and the registry of share options, purchase of shares less than one unit, other handling of shares and share options, as well as fees, procedures for the exercise of rights by shareholders and other similar matters shall be governed by the Share Handling Regulations established by the Board of Directors in addition to laws and regulations or these Articles of Incorporation.	Article 11. (Share Handling Regulations) Matters to be stated or recorded in the shareholders register and the registry of share options, purchase of shares less than one unit, other handling of shares and share options, as well as fees, procedures for the exercise of rights by shareholders and other similar matters shall be governed by the Share Handling Regulations established by the Board of Directors or by a Director delegated by resolution of the Board of Directors in addition to laws and regulations or these Articles of Incorporation.
CHAPTER III. GENERAL MEETING OF SHAREHOLDERS	CHAPTER III. GENERAL MEETING OF SHAREHOLDERS
Article 13.-Article 18. (Omitted)	Article 12.-Article 17. (Same as the present)
CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS	CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS
Article 19. (Number of Directors) The Company shall have no more than thirteen (13) Directors.	Article 18. (Number of Directors) 1 The Company shall have no more than thirteen (13) Directors (excluding Directors who are Audit & Supervisory Committee Members).
(Newly established)	2 The Company shall have no more than four (4) Directors who are Audit & Supervisory Committee Members (hereinafter referred to as "Audit & Supervisory Committee Members").
Article 20. (Election of Directors) Directors shall be elected at a General Meeting of Shareholders.	Article 19. (Election of Directors) 1 Directors shall be elected at a General Meeting of Shareholders.
(Newly established)	2 The election of Directors in the preceding paragraph shall be conducted separately from elections for Audit & Supervisory Committee Members and other Directors.
2 Resolutions to elect Directors shall be adopted by a majority of the votes held by shareholders present at the meeting who represent not less than one-third (1/3) of the voting rights of the shareholders who are entitled to vote.	3 Resolutions to elect Directors shall be adopted by a majority of the votes held by shareholders present at the meeting who represent not less than one-third (1/3) of the voting rights of the shareholders who are entitled to vote.
3 Cumulative voting shall not be used in the election of Directors of the Company.	4 Cumulative voting shall not be used in the election of Directors of the Company.
(Newly established)	5 The effect of substitute Audit & Supervisory Committee Members shall continue before the holding of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year ending within two (2) years following their election.
Article 21. (Term of Directors) 1 The term of office of Directors shall continue until the conclusion of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year ending within one (1) year following their election.	Article 20. (Term of Office of Directors) 1 The term of office of Directors (excluding Audit & Supervisory Committee Members) shall continue until the conclusion of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year ending within one (1) year following their election.
(Newly established)	2 The term of office of Audit & Supervisory Committee Members shall continue until the conclusion of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year ending within two (2) years following their election.
2 The term of office of a Director elected to fill a vacancy or to increase the number of Directors shall expire upon the expiration of the term of office of other then current Directors.	3 The term of office of an Audit & Supervisory Committee Member elected to fill a vacancy for an Audit & Supervisory Committee Member who retired before expiration of his or her term of office shall serve until the expiration of the term of office of the retired Audit & Supervisory Committee Member.
Article 22. (Omitted)	Article 21. (Same as the present)

Current Articles of Incorporation	Proposed amendments
Article 23. (Convocation Procedures for Board of Directors Meeting)	Article 22. (Convocation Procedures for Board of Directors Meeting)
1 A convocation notice of a meeting of the Board of Directors shall be dispatched to each Director and Audit & Supervisory Board Member at least three (3) days prior to the date of meeting; provided, however, that such period may be shortened in case of emergency.	1 A convocation notice of a meeting of the Board of Directors shall be dispatched to each Director at least three (3) days prior to the date of meeting; provided, however, that such period may be shortened in case of emergency.
2 With the consent of all the Directors and Audit & Supervisory Board Members, a meeting of the Board of Directors may be held without going through convocation procedures.	2 With the consent of all the Directors, a meeting of the Board of Directors may be held without going through convocation procedures.
Article 24. (Omitted)	Article 23. (Same as the present)
Article 25. (Omission of Resolution of Board of Directors)	Article 24. (Omission of Resolution of Board of Directors)
If all Directors of the Company consent to a matter to be resolved by the Board of Directors in writing or by electromagnetic record, the Board of Directors shall be deemed to have adopted a resolution approving such matter; provided, however, that this shall not apply to the case where any of Audit & Supervisory Board Members expresses an objection.	If all Directors of the Company consent to a matter to be resolved by the Board of Directors in writing or by electromagnetic record, the Board of Directors shall be deemed to have adopted a resolution approving such matter.
Article 26. (Minutes of Board of Directors Meetings)	Article 25. (Minutes of Board of Directors Meetings)
A summary of the proceedings of a meeting of the Board of Directors and the outcome thereof as well as other matters provided for by laws and regulations shall be stated or recorded in the minutes of the meeting, which shall bear the names and seals or the electronic signatures of the Directors and Audit & Supervisory Board Members present at the meeting.	A summary of the proceedings of a meeting of the Board of Directors and the outcome thereof as well as other matters provided for by laws and regulations shall be stated or recorded in the minutes of the meeting, which shall bear the names and seals or the electronic signatures of the Directors present at the meeting.
(Newly established)	Article 26. (Delegation of decisions on the execution of important duties)
	By resolution of the Board of Directors, the Company may delegate all or part of the execution of important duties (excluding items provided in Article 399-13, paragraph (5) of the Companies Act) to a Director.
Article 27.-Article 28. (Omitted)	Article 27.-Article 28. (Same as the present)
Article 29. (Remunerations, etc.)	Article 29. (Remunerations, etc.)
Remunerations, etc. for Directors shall be determined by resolutions of the General Meetings of Shareholders.	1 Remunerations, etc. for Directors shall be determined by resolutions of the General Meetings of Shareholders.
(Newly established)	2 Remunerations, etc. for Directors shall be determined separately from that for Audit & Supervisory Committee Members and other Directors.
Article 30. (Omitted)	Article 30. (Same as the present)
CHAPTER V. AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD	(Deleted)
Article 31. (Number of Audit & Supervisory Board Members)	(Deleted)
The Company shall have no more than four (4) Audit & Supervisory Board Members.	
Article 32. (Election of Audit & Supervisory Board Members)	(Deleted)
1 Audit & Supervisory Board Members shall be elected by resolution at a General Meeting of Shareholders.	
2 Resolutions to elect Audit & Supervisory Board Members shall be adopted by a majority of the votes held by shareholders present at the meeting who represent not less than one-third (1/3) of the voting rights of the shareholders who are entitled to vote.	

Current Articles of Incorporation	Proposed amendments
Article 33. (Term of Office of Audit & Supervisory Board Members) 1 The term of office of Audit & Supervisory Board Members shall continue until the conclusion of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year ending within four (4) years following their election. 2 The term of office of an Audit & Supervisory Board Member elected to fill a vacancy for an Audit & Supervisory Board Member who retired before expiration of his or her term of office shall serve until the expiration of the term of office of the retired Audit & Supervisory Board Member.	(Deleted)
Article 34. (Convocation Procedures for Audit & Supervisory Board Meeting) 1 A convocation notice of a meeting of Audit & Supervisory Board shall be dispatched to each Audit & Supervisory Board Member at least three (3) days prior to the date of meeting; provided, however, that such period may be shortened in case of emergency. 2 With the consent of all the Audit & Supervisory Board Members, a meeting of the Audit & Supervisory Board may be held without going through convocation procedures.	(Deleted)
Article 35. (Method of Resolution of Audit & Supervisory Board) Unless otherwise provided for by laws and regulations, resolutions of the Audit & Supervisory Board shall be adopted by a majority of the Audit & Supervisory Board Members.	(Deleted)
Article 36. (Minutes of Audit & Supervisory Board Meeting) A summary of the proceedings of a meeting of the Audit & Supervisory Board and the outcome thereof as well as other matters provided for by laws and regulations shall be stated or recorded in the minutes of the meeting, which shall bear the names and seals or the electronic signatures of the Audit & Supervisory Board Members present at the meeting.	(Deleted)
Article 37. (Regulations of Audit & Supervisory Board) Any matters related to the Audit & Supervisory Board shall be as set forth in laws and regulations, these Articles of Incorporation as well as the Regulations of Audit & Supervisory Board established by the Audit & Supervisory Board.	(Deleted)
Article 38. (Full-time Audit & Supervisory Board Members) The Audit & Supervisory Board shall, by its resolution, appoint full-time Audit & Supervisory Board Members.	(Deleted)
Article 39. (Remuneration, etc.) Remunerations, etc. for Audit & Supervisory Board Members shall be determined by resolutions of the General Meetings of Shareholders.	(Deleted)
Article 40. (Exemption of Audit & Supervisory Board Members from Liability) 1 Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from their liability for damage caused by failing to perform their duties to the extent permitted by laws and regulations.	(Deleted)

Current Articles of Incorporation	Proposed amendments
2 Pursuant to the provision of Article 427, paragraph (1) of the Companies Act, the Company may execute an agreement with Audit & Supervisory Board Members which limits their liability for damage caused by failing to perform their duties; provided, however, that the maximum amount of liability under such agreement shall be the amount prescribed by laws and regulations.	
(Newly established)	CHAPTER V. AUDIT & SUPERVISORY COMMITTEE
(Newly established)	Article 31. (Convocation Procedures for Audit & Supervisory Committee) 1 A convocation notice of Audit & Supervisory Committee shall be dispatched to each Audit & Supervisory Committee Member at least three (3) days prior to the date of meeting; provided, however, that such period may be shortened in case of emergency. 2 With the consent of all the Audit & Supervisory Committee Members, a meeting of the Audit & Supervisory Committee may be held without going through convocation procedures.
(Newly established)	Article 32. (Regulations of Audit & Supervisory Committee) Any matters related to the Audit & Supervisory Committee shall be as set forth in laws and regulations, these Articles of Incorporation as well as the Regulations of Audit & Supervisory Committee established by the Audit & Supervisory Committee.
CHAPTER VI. ACCOUNTING AUDITORS	CHAPTER VI. ACCOUNTING AUDITORS
Article 41.-Article 42. (Omitted)	Article 33.-Article 34. (Same as the present)
Article 43. (Remunerations, etc. for Accounting Auditors) Remunerations, etc. for Accounting Auditors shall be determined by the Representative Director with the consent of the Audit & Supervisory Board.	Article 35. (Remunerations, etc. for Accounting Auditors) Remunerations, etc. for Accounting Auditors shall be determined by the Representative Director with the consent of the Audit & Supervisory Committee.
CHAPTER VII. ACCOUNTS	CHAPTER VII. ACCOUNTS
Article 44.-Article 45. (Omitted)	Article 36.-Article 37. (Same as the present)
Article 46. (Record Date for Dividends of Surplus)	Article 38. (Record Date for Dividends of Surplus)
1 The record date for a year-end dividend of the Company shall be December 31 of each year.	1 The record dates for dividends of surplus for the Company shall be March 31, June 30, September 30, and December 31 of each year.
2 The record date for an interim dividend of the Company shall be June 30 of each year.	(Deleted)
3 In addition to the dividends under the preceding two paragraphs, the Company may pay dividends of surplus by determining a record date.	2 In addition to the dividends under the preceding paragraph, the Company may pay dividends of surplus by determining a record date.
Article 47. (Omitted)	Article 39. (Same as the present)
Supplementary Provisions	Supplementary Provisions
Article 1. Amendments to the provisions of Articles 11, 45 and 46 shall take effect on January 1, 2020.	(Deleted)
Article 2. Amendments to the provisions of Article 13 shall take effect on April 1, 2020.	(Deleted)
Article 3. Notwithstanding the provisions of Article 21, the term of office of the Directors elected at the 49th Ordinary General Meeting of Shareholders held on December 19, 2019 shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the 50th fiscal year.	(Deleted)

Current Articles of Incorporation	Proposed amendments
Article 4. Notwithstanding the provisions of Article 42, the term of office of the Accounting Auditors re-elected at the 49th Ordinary General Meeting of Shareholders held on December 19, 2019 shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the 50th fiscal year.	(Deleted)
Article 5. Notwithstanding the provisions of Article 44, the 50th fiscal year shall be fifteen (15) months from October 1, 2019 to December 31, 2020.	(Deleted)
Article 6. These Supplementary Provisions shall be deleted after the conclusion of the Ordinary General Meeting of Shareholders for the 50th fiscal year.	(Deleted)
(Newly established)	Article 1 (Transitional Measures for the Exemption of Liability for Audit & Supervisory Board Members Prior to the Transition to a Company with an Audit and Supervisory Committee) The Exemption of Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liability pursuant to actions in Article 423, paragraph (1) of the Companies Act prior to the conclusion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year ended December 31, 2020, as well as limited liability agreements already concluded with Audit & Supervisory Board Members, shall be determined by Article 40 of the Articles of Incorporation prior to the amendments based on resolution of the Ordinary General Meeting or Shareholders in question taking force.

Note: Some underlining does not coincide with the Japanese version because of translation adjustments.

Proposal No. 3 Election of Ten Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

If Proposal No. 2 "Partial Amendments to the Articles of Incorporation" is approved and adopted as written, the Company will transition to a company with audit and supervisory committee, and all eight Directors will complete their terms when the amendments to the Articles of Incorporation take force.
Therefore, we would like to request the election of ten Directors (excluding Directors who are Audit & Supervisory Committee Members. Same below in this proposal). This proposal shall take force on the condition that the amendments to the Articles of Incorporation in Proposal No. 2 "Partial Amendments to the Articles of Incorporation" take force.
The candidates for Director are as follows:

Candidate No.	Name	Position and responsibility in the Company and significant concurrent positions outside the Company	
1	Masayoshi Hasegawa	President & CEO President Executive Officer and General Manager of Corporate Planning Strategy Division	Reelection
2	Futoru Saito	Senior Managing Director Senior Executive Officer and General Manager of Administration Division	Reelection
3	Takahiro Igarashi	Managing Director Senior Executive Officer and General Manager of Probe Card Division	Reelection
4	Ko Sotokawa	Director Senior Executive Officer and Group Manager of Aomori Group, Probe Card Division	Reelection
5	KI SANG KANG	Director Senior Executive Officer and CEO of MEK Co., Ltd.	Reelection
6	Yuichi Abe	Executive Officer General Manager of TE Division and Deputy General Manager of Corporate Planning Strategy Division	New election
7	Yuki Katayama	Executive Officer Deputy General Manager of Administration Division and Department Manager of Accounting Department	New election
8	Tsutomu Maruyama	Outside Director Chief Information Officer (CIO) of Tokushima Prefectural Government Outside Director of I-O DATA DEVICE, INC.	Outside Reelection
9	Mitsuru Furuyama	Outside Director Representative Director of Coresupply Corporation	Outside Reelection
10	Eitatsu Tanabe	Outside Director President and CEO of Penfield Corporation Outside Audit & Supervisory Board Member of Newtech Co., Ltd.	Outside Reelection

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
1	Masayoshi Hasegawa (July 3, 1967)	Apr. 1990	Joined KOKUSAI Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)	2,511,460 shares
		Nov. 1994	Joined Seki Technotron Corporation (currently Cornes Technologies Limited)	
		Mar. 1998	Joined the Company	
		Dec. 2001	Director and Department Manager of Product Planning Department	
		Dec. 2004	Managing Director, Department Manager of Product Planning Department, and Group Manager of Package Probe Group, Semiconductor Equipment Division	
		Apr. 2005	Managing Director, General Manager of Aomori Factory, Semiconductor Equipment Division, and Group Manager of Semiconductor Equipment Production Control Division	
		Dec. 2005	Representative Director & Executive Vice President	
		Apr. 2007	President & CEO	
		Dec. 2010	President & CEO and President Executive Officer	
		Mar. 2021	President & CEO, President Executive Officer, and General Manager of Corporate Planning Strategy Division (current position)	
	Reasons for nomination as candidate for Director Since his appointment as a Representative Director, Masayoshi Hasegawa has used his experience received thus far and demonstrated strong leadership as well as fulfilled the significant role of increasing the Group's corporate value. Mr. Hasegawa has been selected as the Company has deemed him qualified because we expect him to strengthen the Board of Directors' decision-making functions and oversight functions from his involvement in management based on this experience and results.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
2	Futoru Saito (October 6, 1953)	Apr. 1977	Joined Ebara-Infilco Co., Ltd. (currently EBARA CORPORATION)	46,000 shares
		Aug. 2007	Joined the Company, Manager of Accounting Department, Administration Division	
		Oct. 2007	Department Manager of Accounting Department, Administration Division	
		Dec. 2010	Executive Officer and Department Manager of Accounting Department, Planning Administration Division	
		Dec. 2011	Director, Senior Executive Officer, and Department Manager of Accounting Department, Planning Administration Division	
		Oct. 2012	Director, Senior Executive Officer, and General Manager of Administration Division	
		Dec. 2012	Director, Executive Officer, and General Manager of Administration Division	
		Dec. 2013	Managing Director, Senior Executive Officer, and General Manager of Administration Division	
		Dec. 2014	Senior Managing Director, Senior Executive Officer, and General Manager of Administration Division	
		Oct. 2018	Senior Managing Director, Senior Executive Officer, General Manager of Administration Division, and Group Manager of Human Resources & General Affairs Group	
		Oct. 2019	Senior Managing Director, Senior Executive Officer, and General Manager of Administration Division (current position)	
	Reasons for nomination as candidate for Director Futoru Saito has abundant experience, accomplishments and insight in management as well as finance and accounting as he has been the person in charge of the Administration Division and the finance and accounting department within the Group, and as the person driving improved corporate governance in the Group, he has promoted the Group's management. Mr. Saito has been selected as the Company has deemed him qualified because we expect him to strengthen the Board of Directors' decision-making functions and oversight functions from his involvement in management based on this experience and results.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
3	Takahiro Igarashi (November 15, 1963)	Jan. 1995	Joined Neitz Instruments Co., Ltd.	39,100 shares
		Nov. 1996	Joined the Company	
		Oct. 2002	Department Manager of PB International Sales Department, PB Sales Group, PB Division	
		Apr. 2005	Group Manager of Package Probe Group, Semiconductor Equipment Division and Department Manager of PB International Sales Department	
		Jan. 2008	Group Manager of Sales Group, Semiconductor Equipment Division and Department Manager of International Sales Department	
		Dec. 2009	Director, Group Manager of Sales Group, Semiconductor Equipment Division and Department Manager of Sales Department 2	
		Dec. 2010	Director, Senior Executive Officer, and Group Manager of Sales Group, Semiconductor Equipment Division	
		Oct. 2012	Director, Senior Executive Officer, General Manager of Probe Card Division, and Group Manager of Sales Group	
		Dec. 2012	Director, Executive Officer, General Manager of Probe Card Division, and Group Manager of Sales Group	
		Oct. 2014	Director, Executive Officer, and General Manager of Probe Card Division	
		Dec. 2014	Managing Director, Senior Executive Officer, and General Manager of Probe Card Division (current position)	
	Reasons for nomination as candidate for Director Takahiro Igarashi has abundant experience and insight in various departments in the Company's domestic and international businesses and has made large contributions to the development of our existing businesses as General Manager of Probe Card Division. Mr. Igarashi has been selected as the Company has deemed him qualified because we expect him to strengthen the Board of Directors' decision-making functions and oversight functions from his involvement in management based on this experience and results.			

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">4</td><td rowspan="2">Ko Sotokawa
(December 2, 1963)</td><td>June 1984
Apr. 2001
Feb. 2003
Apr. 2005
Jan. 2010
Oct. 2013
Dec. 2013
Oct. 2014
Dec. 2015
Oct. 2016
Dec. 2018</td><td>Joined Nihon Semicon Co. Ltd. (currently the Company)
Department Manager of Aomori PB Production Department of the Company
Department Manager of PB Production Department 3, Kumamoto TL, PB Division
Department Manager of PS Production Department, Semiconductor Equipment Division
Seconded to MEK Co., Ltd.
Deputy General Manager of Memory Group, Probe Card Division of the Company
Executive Officer and Deputy General Manager of Memory Group, Probe Card Division
Executive Officer and Group Manager of Logic Group, Probe Card Division
Director, Executive Officer, and Group Manager of Logic Group, Probe Card Division
Director, Executive Officer, and Group Manager of Aomori Group, Probe Card Division
Director, Senior Executive Officer, and Group Manager of Aomori Group, Probe Card Division (current position)</td><td>10,400 shares</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for Director
Ko Sotokawa has abundant experience and insight in various departments such as domestic business and international business as well as accomplishments in product development to create new demand. Mr. Sotokawa has been selected as the Company has deemed him qualified because we expect him to strengthen the Board of Directors' decision-making functions and oversight functions from his involvement in management based on this experience and results.</td></tr>
<tr><td rowspan="2">5</td><td rowspan="2">KI SANG KANG
(February 8, 1958)</td><td>Aug. 1983
Feb. 1986
Sept. 1988
Sept. 1990
July 1995
Jan. 2005
Jan. 2009
Jan. 2011
Apr. 2011
Dec. 2018</td><td>Joined Samsung Electronics Co., Ltd.
Wafer Test Engineer
Assistant Manager
Manager
General Manager
Vice President in the Test Technology Team
Consultant
Joined the Company
Executive Officer of the Company
CEO of MEK Co., Ltd.
Director and Senior Executive Officer of the Company
CEO of MEK Co., Ltd. (current position)</td><td>–</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for Director
KI SANG KANG has abundant global experience and insight as a technician and manager in the semiconductor and electronic equipment business which he has used in product development and market development to create new demand. Mr. KANG has been selected as the Company has deemed him qualified because we expect him to strengthen the Board of Directors' decision-making functions and oversight functions from his involvement in management based on this experience and results.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">6</td><td rowspan="2">New election
Yuichi Abe
(October 30, 1961)</td><td>Apr. 1984
Apr. 2010
July 2011
July 2016
Oct. 2018
Dec. 2018
Oct. 2019
Mar. 2021</td><td>Joined Tokyo Electron Ltd.
Project leader of TS Project
VP & General Manager of TSBU
Administrative Officer & General Manager of ATSBU
Joined the Company, Deputy General Manager of TE Division
Executive Officer and Deputy General Manager of TE Division
Executive Officer and General Manager of TE Division
Executive Officer, General Manager of TE Division, and Deputy General Manager of Corporate Planning Strategy Division (current position)</td><td>2,000 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director
Yuichi Abe has abundant experience and deep insight as a manager in the semiconductor test equipment business and has contributed to strengthening the Group's management strategy. Mr. Abe has been selected as the Company has deemed him qualified because we expect him to strengthen the Board of Directors' decision-making functions and oversight functions from his involvement in management based on this experience and results.</td></tr>
<tr><td rowspan="2">7</td><td rowspan="2">New election
Yuki Katayama
(April 9, 1970)</td><td>Apr. 1994
Aug. 2000
Apr. 2008
Jan. 2011
Apr. 2011
Dec. 2014
Dec. 2017
Mar. 2021</td><td>Joined HOLON CO., LTD.
Joined the Company
Section Manager of Finance Section, Accounting Department, Administration Division
Registered as U.S. Certified Public Accountant (U.S. CPA-Inactive)
Section Manager of Accounting Section, Accounting Department, Administration Division of the Company
Department Manager of Accounting Department, Administration Division
Executive Officer and Department Manager of Accounting Department, Administration Division
Executive Officer, Deputy General Manager of Administration Division, and Department Manager of Accounting Department (current position)</td><td>2,600 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director
Yuki Katayama has abundant experience, accomplishments, and insight in management, accounting, and finance in her role as the person responsible for the Company's Accounting Department and has contributed to improving the performance of Group companies. Ms. Katayama has been selected as the Company has deemed her qualified because we expect her to strengthen the Board of Directors' decision-making functions and oversight functions from her involvement in management based on this experience and results.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">8</td><td>Tsutomu Maruyama
(November 30, 1945)</td><td>Apr. 1971
Jan. 1994

Apr. 1998

Jan. 1999

Apr. 2001

Mar. 2004
June 2004

Dec. 2004

June 2005
Oct. 2005

Apr. 2006

Apr. 2007
Sept. 2016</td><td>Joined IBM Japan, Ltd.
Director and General Manager of Personal Computer Development & Manufacturing Department
Managing Director in charge of Display Business
Senior Managing Director in charge of Development & Manufacturing
Director and Vice President in charge of Development & Manufacturing
Technical Advisor
Part-time Director of APTi Co. Ltd. (currently JB Advanced Technology Corporation)
Outside Director of the Company (current position)
Technical Advisor of WILLCOM, Inc.
Specially Appointed Professor of the School of Engineering, the University of Tokyo
Chief Information Officer (CIO) of Tokushima Prefectural Government (current position)
Advisor of IBM Japan, Ltd.
Outside Director of I-O DATA DEVICE, INC. (current position)</td><td>30,000 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for outside Director
Tsutomu Maruyama provides advice regarding management and supervises the execution of duties from a viewpoint independent of internal management based on his abundant experience and deep insight as a corporate manager and technician. Mr. Maruyama has been selected as the Company has deemed him qualified because we expect him to further strengthen the Board of Directors’ oversight function by continuing to reflect this experience and insight in the Company’s Board of Directors.</td></tr>
<tr><td rowspan="2">9</td><td>Mitsuru Furuyama
(April 29, 1951)</td><td>Mar. 1978

May 1993
Apr. 1996
Aug. 2003
Apr. 2010

Dec. 2010

Dec. 2012</td><td>Joined Seki Technotron Corporation (currently Cornes Technologies Limited)
Director
Managing Director
Joined RAYTEX CORPORATION, Director
Representative Director of Coresupply Corporation (current position)
Outside Audit & Supervisory Board Member of the Company
Outside Director (current position)</td><td>4,000 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for outside Director
Mitsuru Furuyama provides advice regarding management and supervises the execution of duties from a viewpoint independent of internal management based on his abundant experience and deep insight as a corporate manager. Mr. Furuyama has been selected as the Company has deemed him qualified because we expect him to further strengthen the Board of Directors’ oversight function by continuing to reflect this experience and insight in the Company’s Board of Directors.</td></tr>
</table>

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
10	Eitatsu Tanabe (March 4, 1947)	May 1970	Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.)	2,000 shares
		Sept. 1990	President & CEO and General Manager of Toronto Branch of Mitsubishi Bank of Canada	
		Nov. 1993	General Manager of the Corporate Banking Division IV of The Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.)	
		Apr. 1996	General Manager of Senba Branch of The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)	
		June 1999	Director and General Manager of Corporate Planning Division of Tanaka Chemical Corporation	
		Apr. 2003	Managing Director, General Manager of Corporate Unit, and General Manager of Finance & Accounting Division	
		Aug. 2008	President and CEO of Penfield Corporation (current position)	
		May 2009	Outside Audit & Supervisory Board Member of Newtech Co., Ltd. (current position)	
		Dec. 2017	Outside Director of the Company (current position)	
	Reasons for nomination as candidate for outside Director Eitatsu Tanabe has a considerable amount of knowledge regarding finance and accounting gained through practical experience and provides advice regarding management and supervises the execution of duties from a viewpoint independent of internal management based on his abundant experience and deep insight as a corporate manager. Mr. Tanabe has been selected as the Company has deemed him qualified because we expect him to further strengthen the Board of Directors' oversight function by continuing to reflect this experience and insight in the Company's Board of Directors.			

Notes:
1. There is no special interest between any of the candidates and the Company.
2. Tsutomu Maruyama, Mitsuru Furuyama and Eitatsu Tanabe are candidates for outside Director. The Company has submitted notification to the Tokyo Stock Exchange that Mr. Maruyama, Mr. Furuyama, and Mr. Tanabe have been designated as independent officers as provided for by the aforementioned exchange. If the elections of Tsutomu Maruyama, Mitsuru Furuyama and Eitatsu Tanabe are approved, the Company will continue to designate them as independent officers.
3. At the conclusion of this meeting, Tsutomu Maruyama's tenure as outside Director of the Company will have been 16 years.
4. Mitsuru Furuyama was an outside Audit & Supervisory Board Member of the Company for two years in the past, and is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure as outside Director will have been eight years.
5. At the conclusion of this meeting, Eitatsu Tanabe's tenure as outside Director of the Company will have been three years.
6. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Tsutomu Maruyama, Mitsuru Furuyama and Eitatsu Tanabe to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. If their elections are approved, the Company plans to renew the respective agreements with each one of them. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations. Such limitation of liability shall apply only when the outside Directors acted in good faith and without gross negligence in performing the duties giving rise to liabilities.
7. The Company has concluded directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, and the insurance agreement covers compensation for damages, lawsuit-related costs, and attorney fees borne by the insured persons. The Company plans to renew the insurance agreement, and each candidate for Director will be included in the insurance agreement as an insured person.

Proposal No. 4 Election of Three Directors Who Are Audit & Supervisory Committee Members

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” is approved and adopted as written, the Company will transition to a company with audit and supervisory committee.
Therefore, the Company proposes the election of three Audit & Supervisory Committee Members.
In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.
This proposal shall take force on the condition that the amendments to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” take force.
The candidates for Director who are Audit & Supervisory Committee Members are as follows:

Candidate No.	Name	Position and responsibility in the Company and significant concurrent positions outside the Company
1	Shinichi Niihara	Full-Time Audit & Supervisory Board Member
2	Tadaaki Uchiyama	Outside Audit & Supervisory Board Member President of Uchiyama Law Office Outside
3	Yoshiyuki Higuchi	Representative of Yoshiyuki Higuchi Certified Public Accountant Office External Audit & Supervisory Board Member of EPS Holdings, Inc. Outside New election

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">1</td><td>Shinichi Niihara
(April 5, 1955)</td><td>Apr. 1978
Aug. 1991
Aug. 1993
Aug. 2000
June 2004
July 2006
Apr. 2010
Apr. 2013

Nov. 2016
Dec. 2016</td><td>Joined The Bank of Tokyo, Ltd., (currently MUFG Bank, Ltd.)
Assistant General Manager of Capital Market Department No. 1
Assistant General Manager of Corporate Banking Division No. 1
Deputy General Manager of Bangkok Branch
Chief Assistant of On-site Credit Supervision Office, Credit Division
Joined Sharp Corporation, Administrative Manager of International Business Unit
Deputy General Manager of Accounting Division (in charge of IR)
Executive Officer and Chief Executive for China of Sharp Corporation
Chairman and President of Sharp (China) Investment Co., Ltd.
Joined the Company
Full-Time Audit & Supervisory Board Member (current position)</td><td>–</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director
Shinichi Niihara has been selected as the Company has deemed him qualified because we expect him to further strengthen the Company’s auditing and oversight functions from his practical experience at financial institutions and business companies over many years and his considerable insight regarding finance and accounting.</td></tr>
<tr><td rowspan="2">2</td><td>Tadaaki Uchiyama
(August 19, 1946)</td><td>Apr. 1976
Apr. 1976
Apr. 1990

Apr. 2000
Apr. 2000

Apr. 2003
Dec. 2012</td><td>Completed the training of a Legal Apprentice
Joined Tokyo Metropolitan Government Bureau of General Affairs
Legal Department Manager of Partial Affairs Association of Tokyo Metropolitan Area Cities for Personnel Affairs and Welfare Services, and Legal Investigation Manager of Council of Special Wards
Professor of College of Law, Nihon University
Registered as an attorney at law, President of Uchiyama Law Office (current position)
Professor of Nihon University Law School
Outside Audit & Supervisory Board Member of the Company (current position)</td><td>2,000 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for outside Director
Tadaaki Uchiyama has been selected as the Company has deemed him qualified because we expect him to further strengthen the Company’s auditing and oversight functions from his abundant experience and insight as an attorney at law and university professor and he has an excellent personality, despite not being involved in company management in the past.</td></tr>
</table>

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	New election Yoshiyuki Higuchi (January 5, 1954)	Oct. 1984 Joined Tokyo Marunouchi Office of Sanwa Audit Corporation (currently Deloitte Touche Tohmatsu LLC) May 1988 Registered as Certified Public Accountant June 2006 Representative Partner of Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Nov. 2013 In charge of General Affairs at Deloitte Touche Tohmatsu LLC head office June 2019 Retired from Deloitte Touche Tohmatsu LLC July 2019 Representative of Yoshiyuki Higuchi Certified Public Accountant Office (current position) Dec. 2019 External Audit & Supervisory Board Member of EPS Holdings, Inc. (current position)	–
	Reasons for nomination as candidate for outside Director Yoshiyuki Higuchi has been selected as the Company has deemed him qualified because we expect him to further strengthen the Company's auditing and oversight functions from his experience as an accountant for many years, his abundant insight in finance and accounting, and he has an excellent personality, despite not being involved in company management in the past.		

Notes:
1. There is no special interest between any of the candidates and the Company.
2. Tadaaki Uchiyama and Yoshiyuki Higuchi are candidates for outside Director.
3. The Company has submitted notification to the Tokyo Stock Exchange that Tadaaki Uchiyama has been designated as an independent officer as provided for by the aforementioned exchange. If Mr. Uchiyama's election is approved, the Company plans to continue to designate him as an independent officer. Furthermore, as Yoshiyuki Higuchi fulfills both the Company's independence standards for outside officers as well as the requirements for outside officers as provided for by the stock exchange, if his election is approved, the Company plans to designate him as an independent officer.
4. At the conclusion of this meeting, Tadaaki Uchiyama's tenure as outside Audit & Supervisory Board Member will have been eight years.
5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Shinichi Niihara and Tadaaki Uchiyama to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. If their elections are approved, the Company plans to enter into the same agreements with them. Furthermore, if Yoshiyuki Higuchi's election is approved, the Company will enter into a similar agreement with him.
   The maximum amount of liability for damages under this agreement is the minimum amount provided for by Article 425, paragraph (1) of the Companies Act. Such limitation of liability shall apply only when the persons acted in good faith and without gross negligence in performing the duties giving rise to liabilities.
6. The Company has concluded directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, and the insurance agreement covers compensation for damages, lawsuit-related costs, and attorney fees borne by the insured persons. The Company plans to renew the insurance agreement, and each candidate for Director will be included in the insurance agreement as an insured person.

Proposal No. 5 Determination of Amounts of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” is approved and adopted as written, the Company will transition to a company with audit and supervisory committee.
At the 45th Annual General Meeting of Shareholders held on December 22, 2015, the remuneration amount of the Company’s Directors was approved as up to ¥500 million annually (of that, up to ¥100 million annually for outside Directors), where it stands today. However, with the transition to a company with audit and supervisory committee, this will be abolished and new remuneration amounts of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be set. Considering the amounts of Director remuneration to this point and conditions including recent economic conditions, we would like to set Director remuneration at up to ¥500 million annually (of that, up to ¥100 million annually for outside Directors).
Furthermore, for those who serve as both employees and Directors, we would like to exclude their employee compensation from this remuneration.
There are currently eight Directors (of those, three are outside Directors), and if Proposal No. 2 and Proposal No. 3 are approved and adopted as written, the number of Directors in this proposal (excluding Directors who are Audit & Supervisory Committee Members) will be ten (of those, three are outside Directors).
Furthermore, this proposal will take force on the condition that the amendments to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” take force.

Proposal No. 6 Determination of Amounts of Remuneration for Directors Who Are Audit & Supervisory Committee Members

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” is approved and adopted as written, the Company will transition to a company with audit and supervisory committee.
Therefore, considering conditions including recent economic conditions, we would like to set remuneration for Directors who are Audit & Supervisory Committee Members at up to ¥40 million annually.
If Proposal No. 2 and Proposal No. 4 are approved and adopted as written, the number of Directors who are Audit & Supervisory Committee Members in this proposal will be three.
Furthermore, this proposal will take force on the condition that the amendments to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” take force.

Proposal No. 7 Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)

In addition to providing the Company's Directors (excluding Directors and Outside Directors who are Audit & Supervisory Committee Members. Hereinafter, "Covered Directors") with an incentive to sustainably increase the Company's corporate value, to share even more value with our Directors and shareholders, we would like to introduce the following remuneration system to allot shares with transfer restrictions (restricted shares) (hereinafter, the "System"). Furthermore, in the past, the Company allotted a portion of the Covered Directors monthly remuneration to the purchase of treasury shares through the officer shareholding association, and the System will replace that system.

At the General Meeting of Shareholders held on December 22, 2015, remuneration for Directors of the Company of up to ¥500 million annually was approved, and in Proposal No. 5 "Determination of Amounts of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)," we are requesting approval of up to ¥500 million annually. At this General Meeting of Shareholders, we would like to introduce the System as a separate framework from the existing amount of Director remuneration to pay a total amount of monetary remuneration claims of up to ¥100 million annually as remuneration related to restricted shares to the Covered Directors.

If Proposal No. 2 and Proposal No. 3 are approved and adopted as written, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be ten (of those, three are outside Directors).

Furthermore, this proposal will take force on the condition that the amendments to the Articles of Incorporation in Proposal No. 2 "Partial Amendments to the Articles of Incorporation" take force.

1. Allotment and payment of restricted shares
The System will award monetary remuneration claims to the Covered Directors within the annual amount listed above as remuneration related to restricted shares, and the Covered Directors will receive the restricted shares by way of in-kind contributions of all of the monetary remuneration claims.
Furthermore, the amount to be paid in for restricted shares will be decided by the Company's Board of Directors within a range that does not give particularly advantageous amounts to Covered Directors receiving the restricted shares in question, based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day prior to the day of the meeting of the Company's Board of Directors (where trades cannot be made on that day, the closing price on the most recent trading day). Furthermore, the award of the above monetary remuneration claims is conditioned on the Covered Directors agreeing to the above in-kind contributions and the conclusion of restricted share allotment agreements including the details in 3. below.

2. Total number of restricted shares
The 150,000 restricted shares allotted to the Covered Directors is the upper limit of restricted shares allotted each fiscal year. However, following the day that this proposal is resolved, if a share split or share combination of the Company's common shares occurs, or there are other cases requiring adjustments of the total number of restricted shares to be allotted in line with those cases of a share split or share combination, the total number of restricted shares in question can be reasonably adjusted.

3. Details of the restricted share allotment agreement
The restricted share allotment agreement concluded between the Company and Covered Directors receiving restricted share allotments shall include the following details.
(1) Details on restrictions
For the period from the day on which allotments are received until the time at which the Covered Director in question retires from their position as Director of the Company (hereinafter, the "Restricted Period"), the Covered Director receiving allotments of restricted shares may not dispose of the common shares received as allotments through the restricted share allotment agreement (hereinafter, the "Allotted Shares") in any way, including transfer to a third party, establishing the right of pledge, establishing transfer security interests, gifts inter vivos, or bequeathments.
(2) Lifting of transfer restrictions
On the condition that the Covered Director receiving allotments of restricted shares continuously maintains their position as a Director of the Company during the Restricted Period, at the point that the Restricted Period ends, the Company will lift the restrictions on all of the Allotted Shares. However, if the Covered Director retires from or leaves their above position prior to the completion of the Restricted Period for a reason recognized as valid by the Company's Board of Directors, the number of the Allotted Shares for which restriction are lifted and the period in which restrictions are lifted may be reasonably adjusted as necessary.
(3) Acquisition of restricted shares without contribution
Where the Covered Director receiving restricted share allotments retires from their position as Director of the Company prior to the completion of the Restricted Period, excluding reasons recognized as valid by the Company's Board of Directors, the Company may acquire the Restricted Shares without contribution. Furthermore, at the point that the Restricted Period for the Allotted Shares is completed in (1) above and based on a reason for the restrictions to be lifted in (2) above, where there are shares for which restrictions have not been lifted, the Company will acquire these without contribution.
(4) Handling during organizational restructuring, etc.
During the Restricted Period, if a merger agreement in which the Company becomes the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other items related to organizational restructuring, etc. are approved by the Company's General Meeting of Shareholders (however, the Board of Directors where the approval of the Company's General Meeting of Shareholders is not required in relation to the organizational restructuring in question), through a resolution by the Company's Board of Directors, the Company will lift the restrictions prior to the day that the organizational restructuring takes force for a number of the Allotted Shares reasonably established based on the period from the day the Restricted Period began through the day that the organizational restructuring in question is approved. In the above stipulated cases, at the point

immediately after the restrictions are lifted, the Company will acquire the Allotted Shares for which restrictions have not been lifted without contribution.

(5) Other items

Other items related to the allotment agreement will be established by the Company's Board of Directors.