

This is an English translation of the Japanese original for reference purposes only.  
Some of documents referred herein may be provided in Japanese.

June 4, 2021

Ryoichi Oka  
President and Representative Director  
**Mitsui E&S Holdings Co., Ltd.**  
6-4, Tsukiji 5-chome, Chuo-Ku, Tokyo, Japan

To Our Shareholders:

**NOTICE OF THE 118<sup>TH</sup> ORDINARY GENERAL  
MEETING OF SHAREHOLDERS**

You are hereby notified of the 118<sup>th</sup> Ordinary General Meeting of Shareholders of Mitsui E&S Holdings Co., Ltd. (the “Meeting”) to be held on Friday, June 25, 2021, as described below.

In order to prevent the spread of infection of the new coronavirus disease (COVID-19), shareholders are requested to vote in writing or on the Internet **by 5 p.m. on Thursday, June 24, 2021** according to “INFORMATION ON EXERCISING VOTING RIGHTS” in pp. 5-7. after reviewing Reference Documents for the General Meeting of Shareholders. Please refrain from visiting place of the Meeting, regardless of your physical condition.

1. Date and Time: Friday, June 25, 2021, at 10:00 A.M.

2. Place: 2<sup>nd</sup> Floor, Hamarikyu-Mitsui Building,  
6-4, Tsukiji 5-chome, Chuo-Ku, Tokyo, Japan

3. Objectives

(a) Matters to be reported

(1) Report of Business Report and Consolidated Financial Statements for the 118<sup>th</sup> Business Term from April 1, 2020 to March 31, 2021 (the “Term”) as well as Accounting Auditor’s Report and Board of Corporate Auditors’ Report on the Consolidated Financial Statements

(2) Report of Financial Statements for the Term

(b) Matters to be resolved

Agenda Item No. 1: Election of six (6) Directors

Agenda Item No. 2: Election of one (1) Corporate Auditor

Please note:

- Among documents to be provided in this Notice, items described below are not included in the attached documents of this Notice, because they are provided by the Internet on the Company's website under laws and regulations and Article 16 of the Company's Articles of Incorporation.
  - a) "Subscription Rights to Shares" of the Business Report
  - b) "Consolidated Statements of Changes in Net Assets" and "NOTES TO CONSOLIDATED FINANCIAL STATEMENTS" in the Consolidated Financial Statements.
  - c) "Statements of Changes in Net Assets" and "NOTES TO FINANCIAL STATEMENTS" in the Financial Statements.

These items are included in the Business report, the Consolidated Financial Statements, and the Financial Statements which were audited by the Corporate Auditors preparing the Board of Corporate Auditors' Report, and by the independent auditors preparing the Independent Auditor's Report, respectively.

- The resolution of the Meeting will be published by the Internet on the Company's website instead of notifying via postal mail.
- In case amendments are made to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Financial Statements, such amendments will be published by the Internet on the Company's website.
- In order to prevent the spread of infection of the new coronavirus disease (COVID-19), we will implement the measures written in page 4. We would appreciate your understanding and cooperation. Depending on the spreading situation of COVID-19 or government announcement from now on, we might change the operation of the Meeting to give first priority to safety of our Shareholders. If we unavoidably change the operation such as time or place of the Meeting, we will post it on Company's website. Please check our website before you attend the Meeting.

No souvenirs will be provided to the shareholders attending the Meeting. We would appreciate your understanding.
---

The Company's Website: <https://www.mes.co.jp/>

## Dear shareholders

I would like to express my gratitude for your continued and exceptional support.

In FY2020, despite the very severe business environment due to the worldwide spread of infection of the new coronavirus, we have been striving with strong determination to make sure to get out of the red in the net profit. As a result, we managed to make a profit of only 100 million yen. However, it was not adequate to recover the dividend resources. We deeply regret to say to all of you that we are not able to provide dividend for the Term-end. We sincerely apologize for much inconvenience caused to you. Further, in order to clarify management responsibility, we will continue to reduce compensation of the management including me.

From now on, we will direct our attention to fostering growing business lines in the future, and make efforts to regain our Shareholders' trust as soon as possible. As presented in the Mid-term Business Plan 2020, we will focus on power-mechatronics and shift to stock-type business model in order to become "A company adding digital value to all machines". We would deeply appreciate your continued support in the future.

June 2021

Ryoichi Oka

President, Representative Director, and CEO

### <Company Philosophy>

To continue working as a company trusted by society and individual through products and services we offer

### <Management Policy>

Achieve new value creation together with customers

Seek a sound financial structure and steady profit

Construct an environment for working healthily and safely

### <Standards of Conduct>

Endeavor to provide simple, unique and practical products and services

## **Announcement for measures against infection of the new coronavirus**

For the Meeting, we would like to advise you as described below in order to prevent the spread of infection of the new coronavirus disease (COVID-19). We would appreciate your understanding and cooperation.

### 1. Request to all Shareholders

- Shareholders are requested to vote in writing or on the Internet according to “INFORMATION ON EXERCISING YOUR VOTING RIGHTS” in pp. 5-7. Please refrain from visiting place of the Meeting regardless of your physical condition.
- Shareholders who wish to attend the Meeting are requested to check the latest situation of infection and/or government announcement and reconsider to refrain from attending the Meeting regardless of your physical condition. Especially, if you have underlying disease or are in older age, please make more careful decision.

### 2. Request to Shareholders who plan to attend the Meeting

- On the day of the Meeting, we will ask your cooperation to our measures for the prevention of the spread of infection such as alcohol sanitizing at the reception, body temperature measurement and wearing masks inside the place of the Meeting. We may restrict admission of those who have symptoms such as a fever or cough or who refuse to wear masks.
- At the place of the Meeting, there is possibility that we might not be able to secure a sufficient number of seats because we will leave safety distance between seats of shareholders.

### 3. Measures to be taken by the Company

- Our officers and management staffs will wear masks at the Meeting.
- At the Meeting, we will shorten the time of proceedings and omit details explanation of matters to be reported and matters to be resolved. Shareholders, who plan to attend the Meeting, are requested to review the notice of the Meeting in advance.
- In addition, we may take other measures necessary to prevent the infection.

We sincerely hope that the infection of the new coronavirus will end as early as possible.

## INFORMATION ON EXERCISING VOTING RIGHTS

Exercise of voting rights in the General Meeting of Shareholders is an important right of our shareholders. You are requested to consider the accompanying Reference Documents for the Meeting and exercise your voting rights.

There are following three methods for exercising your voting rights as follows:

### If you attend the Meeting

#### Present at the Reception Desk

When attending the Meeting, please present the enclosed voting form at the reception desk.

In addition, in order to conserve paper resources, please bring this Notice.

#### Date and Time of the Meeting

**Friday, June 25, 2021  
10:00 A.M.**

### If you do not attend the Meeting

#### Submit by Postal Mail

Please indicate your vote for each proposal on the voting form and post it.

#### Exercise Deadline

**A form arriving by  
5:00 P.M., Thursday,  
June 24, 2021 is  
valid.  
(See Instruction (A))**

#### Enter on the Internet

Please access the website designated for voting by the Company and enter your vote for each proposal in accordance with the online instruction.

**The website designated for voting**

<https://www.web54.net>

**Please refer to the next page for detail.**

#### Exercise Deadline

**A vote entered by 5:00  
P.M., Thursday, June  
24, 2021, is valid.  
(See Instruction (B))**

### **Instruction (A):**

#### **How to fill in the voting form**

**Please fill in your vote for each proposed agenda on the voting form.**

If you are in favor of the agenda item, place a circle mark in **the upper box which describes “Yes.”**

If you are against for the agenda item, place a circle mark in **the lower box which describes “No.”**

**In a case you deny some of candidates (Agenda Item No. 1),** please place a circle mark in the upper box and fill in the number of the candidate you disagree.

\*The “voting code” and the “password”, which are necessary for exercising your voting rights through the Internet, are written on the other side of the voting form.

- (1) In case that no indication of yeas or nays is made for each proposal, the Company regard such a proposal as to be voted in favor.
- (2) For the votes cast twice or more by the Internet, etc. by the same shareholder, the one received at the latest shall prevail.
- (3) For the overlapped votes received both by a voting form and by the Internet, etc. from the same shareholder, the vote received at the latest shall prevail, and for the votes by a voting form and by the Internet received on the same day, the vote on the Internet shall prevail.

**Instruction (B)**

**Information on Exercising Voting Rights on the Internet**

If you exercise your voting right on the Internet, you are asked to access the website designated for voting by the Company by a personal computer or a smart phone and to exercise your voting rights in accordance with the online instruction.

A dedicated website for a mobile phone is not established. We would appreciate your understanding.

The website designated for voting by the Company <https://www.web54.net>

**Deadline of exercising voting right: Accepted until 5:00 P.M., Thursday, June 24, 2021**

The first method: Scanning QR Code (“Smart Voting”)

You can login the website designated for voting without entering voting code and password.

- 1. Scan QR Code indicated on the lower right of your voting form
- 
- 2. In the following pages, please enter your vote in accordance with the online instruction.

**Note: Voting by the “Smart Voting” is available only once.**

To change the content of your voting, please access to the website for personal computer and enter “voting code” and “password” written on the other side of your voting form and vote again.

If you scan QR Code again, you will access to website for personal computer.

The second method: Entering Voting Code and Passwords

**1. Access to the website designated for voting**

**<http://www.web54.net>**

Click **the left button** (which means “proceed to the next page”).

**2. Log in**

Enter the “**voting code**” written on the other side of your voting form and click **the left button** (which means “log in”).

\*In case it is the first time to “log in”, you will proceed to the page for changing password.

**3. Enter the password**

Enter the “**password**” written on the other side of your voting form and click **the button** (which means “proceed to the next page”).

**In the following pages, please enter your vote in accordance with the online instruction.**

<Security of a password and a voting code>

- (1) A password is important information by which a voting person is confirmed as a shareholder. Please secure your password confidentiality as same as your bank pin code or seal.
- (2) Please note that if an incorrect password is entered more than a specified number of times, you will be unable to access a main screen. In a case you wish to obtain a new password, please follow instructions on a screen.
- (3) The password written on the other side of your voting form is effective only for this General Meeting of Shareholders.

<Contact Information for inquiries>

In a case operation method regarding exercising voting right through the Internet, etc. is unclear, please contact the Securities support described below.

**Sumitomo Mitsui Trust Bank, Limited**

**Dedicated line for Stock Transfer Agency web support**

Phone: **0120 (652) 031** (Toll free only in Japan)  
(9:00 a.m. to 9:00 p.m.)

**Use of the Platform for Electronic Exercise of Voting Rights**

It is also possible for institutional investors to exercise their voting rights by electronic method from the “Platform for Electronic Exercise of Voting Rights” of ICJ Ltd.

## REFERENCE DOCUMENTS FOR GENERAL MEETING OF SHAREHOLDERS

### For Agenda Item No.1: Election of six (6) Directors

As the terms of office of all Directors (6 members) are to expire at the conclusion of this Ordinary General Meeting of Shareholders, we propose to elect six (6) members of the Board of Directors. The candidates are as follows:

No.	Name	Current position and area of responsibility in the Company	Classification	Frequency of attendance at the Board of Directors meetings (during the Term)
1	Ryoichi Oka	President Representative Director CEO and in charge of Engineering Business Management Dept. and Growth Business Promoting Dept.	Reappointment	21 out of 21 (100%)
2	Keigo Matsubara	Vice President Representative Director Assistant of President, CFO and in charge of Finance & Accounting Dept. and IR Dept.	Reappointment	21 out of 21 (100%)
3	Taketsune Matsumura	Director CISO and in charge of Corporate Planning Dept.	Reappointment	15 out of 15 (100%)*1
4	Takeyuki Takahashi	General Manager of Growth Business Promoting Dept. and Human Resources & General Affairs Dept.	New candidate	6 out of 6 (100%)*2
5	Toshikazu Tanaka	Outside Director	Reappointment Outside Independent	21 out of 21 (100%)
6	Yoshio Haga	Outside Director	Reappointment Outside Independent	15 out of 15 (100%)*1

(Notes)

1. New candidate: a candidate for a new Director
2. Reappointment: a candidate for reappointment as a Director
3. Outside: a candidate for an Outside Director



4. Independent: a candidate for an independent Director

\*1 Frequency of attendance is calculated based on the number of the meetings held after the candidate was appointed to Director.

\*2 Retired from Director of the Company due to expiration of his term at the conclusion of the 117th Ordinary General Meeting of Shareholders held on June 25, 2020. Frequency of attendance is based on the number of the meetings held before his retirement.

1. Ryoichi Oka (October 8, 1958 / 8,900 shares) Reappointment

Term of office as Director: 3 years

Frequency of attendance at the Board of Directors meetings: 21 out of 21 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1981	Joined the Company
July	2005	General Manager of Production Planning Dept., Machinery Factory, Machinery & Systems Hq.
March	2006	General Manager of Quality Assurance Dept., Machinery Factory, Machinery & Systems Hq.
January	2011	General Manager of Diesel Design Dept., Machinery Factory, Machinery & Systems Hq.
November	2013	General Manager of Service Center, Technoservice Dept., Machinery & Systems Hq.
April	2014	Associate Executive Officer and General Manager of Technoservice Dept., Machinery & Systems Hq.
April	2015	Executive Officer
April	2016	Deputy General Manager of Machinery & Systems Hq. (in charge of industrial machinery)
April	2017	Managing Executive Officer and General Manager of Machinery & Systems Hq.
June	2017	Director
April	2018	President and Representative Director of Mitsui E&S Machinery Co., Ltd.
June	2018	Retired from Director of the Company.
April	2019	President (to date) COO, CISO and in charge of Corporate Planning Dept.
June	2019	Representative Director (to date) In charge of Auditing Dept.
November	2019	In charge of Engineering Business Management Dept. (to date)
January	2020	CEO (to date)
April	2021	In charge of Growth Business Promoting Dept. (to date)

[The reason he was selected as a candidate for a Director]

Since his appointment as President of the Company in 2019, Mr. Ryoichi Oka has taken leadership to promote the Business Revitalization Plan and made efforts to improve business performance of the Company Group. We successively selected him as a candidate for Director, considering that his experience and insights are necessary for us to further strengthen the profit structure and promote structural reform.

2. Keigo Matsubara (December 10, 1955 / 3,100 shares) Reappointment

Term of office as Director: 2 years

Frequency of attendance at the Board of Directors meetings: 21 out of 21 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1979	Joined Mitsui & Co.
April	2007	Manager of Work Process Management Div. 1, Mitsui & Co.
April	2009	General Manager of Finance Division, Mitsui & Co.
April	2011	Manager of Accounting Division, Mitsui & Co.
April	2012	Executive Officer and Assistant CFO of Mitsui & Co.
April	2015	Senior Executive Officer and CFO of Mitsui & Co.
June	2015	Representative Director, Senior Executive Officer and CFO of Mitsui & Co.
April	2017	Representative Director, Executive Managing Officer and CFO of Mitsui & Co.
April	2018	Director, Mitsui & Co.
June	2018	Adviser, Mitsui & Co.
March	2019	Adviser of the Company
June	2019	Director, Vice President, Assistant of President, CFO and in charge of Finance & Accounting Dept. and IR Dept. (to date)
January	2020	Representative Director (to date)

[The reason he was selected as a candidate for a Director]

Mr. Keigo Matsubara has made efforts to improve the financial structure of the Company Group by utilizing his competent knowledge based on his experience as an executive of a general trading company and outstanding expertise acquired through his experience in financial affairs and accounting. We successively selected him as a candidate for Director, considering that his experience and insights are necessary for us to further improve the financial structure and promote structural reform.

3. Taketsune Matsumura (May 25, 1967 / 2,200 shares) Reappointment

Term of office as Director: 1 year

Frequency of attendance at the Board of Directors meetings: 15 out of 15 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1991	Joined the Company
April	2015	General Manager of Basic Design Dept., Ship & Ocean Project Hq.
February	2018	General Manager of Strategic Planning Sect. of Corporate Planning Dept., Corporate Planning Hq.
March	2018	Director of MODEC, Inc.
March	2019	General Manager of Corporate Planning Dept., the Company
June	2020	Director, CISO and in charge of Corporate Planning Dept. (to date)

[The reason he was selected as a candidate for a Director]

Mr. Taketsune Matsumura has sufficient knowledge of ship business operation, leading the preparation and execution of the Business Revitalization Plan of the Company Group as an executive in charge of the Corporate Planning Dept. and playing a central role for promoting the Mid-term Business Plan 2020. We successively selected him as a candidate for Director, considering that his experience and insights are necessary for us to achieve the Mid-term Business Plan and promote structural reform.

4. Takeyuki Takahashi (October 9, 1964 / 3,300 shares) New candidate

Term of office as Director: 1 year

Frequency of attendance at the Board of Directors meetings: 6 out of 6 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1987	Joined the Company
October	2007	General Manager of Cranes & Systems Sales Dept., Steel Structure & Logistic Systems Hq.
June	2012	General Manager of Cranes & Systems Sales Dept., Machinery & Systems Hq.
September	2015	Manager of Corporate Planning Dept.
October	2015	General Manager of Global Strategy Sect., Corporate Planning Dept.
October	2016	General Manager of Strategic Planning Sect., Corporate Planning Dept., Corporate Planning Hq.
February	2018	Assistant to General Manger of Machinery & Systems Hq.
April	2018	Executive Officer of Mitsui E&S Machinery Co., Ltd.
April	2019	President and Representative Director of Mitsui E&S Machinery Co., Ltd.
June	2019	Director of the Company
June	2020	Retired from Director
March	2021	Director of MODEC, Inc. (to date)
April	2021	General Manager of Growth Business Promoting Dept. and Human Resources & General Affairs Dept., the Company (to date)

[The reason he was selected as a candidate for a Director]

Mr. Takeyuki Takahashi has excellent marketing abilities acquired through international sales experience and outstanding management abilities acquired through his experience as President and Representative Director of Mitsui E&S Machinery Co., Ltd. We newly selected him as a candidate for Director, considering that his experience and insights are necessary for us to develop growth businesses of the Company Group and promote structural reform.

[Important concurrent position outside the Company]

Director of MODEC, Inc.

5. Toshikazu Tanaka (February 7, 1945 / 2,000 shares)

Candidate for reappointment as an independent, Outside Director

Term of office as Outside Director: 6 years

Frequency of attendance at the Board of Directors meetings: 21 out of 21 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1968	Joined Toyo Koatsu Industries Co., Ltd. (Mitsui Toatsu Chemicals Inc.)
June	1999	Director and General Manager of Phenols Division, Basic Chemicals Business Sector of Mitsui Chemicals, Inc.
June	2003	Managing Director and Deputy President of Basic Chemicals Business Group of Mitsui Chemicals, Inc.
June	2004	Basic Chemicals Business Group President of Mitsui Chemicals, Inc.
June	2005	Vice President and Basic Chemicals Business Group President of Mitsui Chemicals, Inc.
April	2007	Responsible for Basic Chemicals Business Sector, Corporate Planning Division, Group Management Division, Branch Offices and Overseas Subsidiaries & Affiliates of Mitsui Chemicals, Inc.
June	2009	President of Mitsui Chemicals, Inc.
April	2014	Director of Mitsui Chemicals, Inc.
June	2014	Senior Advisor of Mitsui Chemicals, Inc.
June	2015	Outside Director of the Company (to date)
June	2018	Advisor of Mitsui Chemicals, Inc.
June	2020	Honorary Advisor of Mitsui Chemicals, Inc. (to date)

[The reason he was selected as a candidate for an Outside Director and overview of expected roles]

Mr. Toshikazu Tanaka has sufficient and overall experience and knowledge of domestic and overseas business operations and corporate management acquired as an executive of a major integrated chemical company for a long period. Accordingly, we expect him to advise the overall management of the Company Group with a broad perspective and to oversee and supervise management of the Company from an independent position. Considering those described above, we successively selected him as a candidate for Outside Director.

[Important concurrent position outside the Company]

Honorary Advisor of Mitsui Chemicals, Inc.

[Matters concerning independence]

Mr. Toshikazu Tanaka satisfies the conditions of “The Independence Criteria” provided by Tokyo Stock Exchange, and “The Independence Criteria of Outside Directors and Corporate Auditors,” which the Company determines (hereinafter collectively referred to as “The Independence Criteria, etc.”). When this agenda item is approved, the Company intends to continue assigning him as independent Director.

There is a business connection about sales, etc. of machine parts with Mitsui Chemicals, Inc., where he was an executive in the past and now is engaged as an Honorary Advisor. However, in the Term, the share of the net sales of said company from the Company Group is less than 0.1% of the annual consolidated revenue of said company for the Term and the share of the net sales of the Company Group from said company is less than 0.1% of the total consolidated net sales of the Company for the Term. Therefore, the business connection has no importance as to influence his independence as Outside Director. Although, as of March 31, 2020, Mitsui E&S Engineering Co., Ltd, which is a wholly-owned subsidiary of the Company, guaranteed debt of 1,089 million yen arising out of the loan from financial institution(s) in collaboration business with said company, this debt guarantee ended during fiscal year 2020.

6. Yoshio Haga (December 24, 1949 / 0 shares)

Candidate for reappointment as an independent, Outside Director

Term of office as Outside Director: 1 year

Frequency of attendance at the Board of Directors meetings: 15 out of 15 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1974	Joined Jujo Paper Co., Ltd.
July	1995	General Manager of Pulp Production Dept., Ishinomaki Mill of Nippon Paper Industries Co., Ltd.
June	2002	Associative Director and General Manager of Komatsushima Mill of Nippon Paper Industries Co., Ltd.
June	2005	Director, General Manager of Corporate Planning Div. and Corporate Planning Dept., Nippon Paper Industries Co., Ltd. Director of Nippon Paper Group, Inc.
April	2006	Managing Director and General Manager of Corporate Planning Div. of Nippon Paper Industries Co., Ltd.
June	2006	Director of Nippon Paper Group, Inc.
June	2007	Director of Nippon Paper Group, Inc. and General Manager of Corporate Planning Div. of Nippon Paper Group Co., Ltd.
May	2008	Chairman of Japan Paper Association
June	2008	President and Representative Director of Nippon Paper Group, Inc. President and Representative Director of Nippon Paper Industries Co., Ltd.
April	2013	President, Representative Director, and President Corporate Officer of Nippon Paper Industries Co., Ltd.
June	2014	Chairman and Representative Director of Nippon Paper Industries Co., Ltd.
June	2019	Special Corporate Advisor of Nippon Paper Industries Co., Ltd. (to date)
June	2020	Outside Director of the Company (to date)
June	2021	Scheduled to retire from Special Corporate Advisor of Nippon Paper Industries Co., Ltd.

[The reason he was selected as a candidate for an Outside Director and overview of expected roles]

Mr. Yoshio Haga has sufficient and overall experience and knowledge of domestic and overseas business operations and corporate management acquired as an executive of a major paper manufacturing company for a long period. Accordingly, we expect him to advise the overall management of the Company Group with a broad perspective and to oversee and supervise management of the Company from an independent position. Considering those described above, we successively selected him as a candidate for Outside Director.



[Matters concerning independence]

Mr. Yoshio Haga satisfies the conditions of “The Independence Criteria” provided by Tokyo Stock Exchange, and “The Independence Criteria of Outside Directors and Corporate Auditors,” which the Company determines. When this agenda item is approved, the Company intends to continue assigning him as independent Director.

(Notes)

1. There is no special interest between each candidate and the Company.
2. The Company has entered into a Liability Limitation Agreement with Mr. Toshikazu Tanaka and Mr. Yoshio Haga that limits the amount of their liability as set forth in Article 423, paragraph 1 of the Companies Act, based on the provision of Article 427, paragraph 1 of said Act. The limit on liability for damages under the agreement is ten (10) million yen or the minimum liability amount provided by laws and regulations, whichever is higher. In addition, when this agenda item is approved, the Company intends to continue said agreement that has been entered with both of them.
3. The Company has entered into a directors and officers liability insurance agreement provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. The insurance agreement covers damages to be borne by the insured that may arise when they assume liability for the execution of their duties or receives a claim related to the pursuit of such liability. If each of the candidates is reappointed or selected, they will be insured under the insurance agreement. During their terms of office, said insurance agreement is to be renewed.

## For Agenda Item No.2: Election of one (1) Corporate Auditor

As the term of office of Corporate Auditor, Mr. Hiroki Higuchi is to expire at the conclusion of this Ordinary General Meeting of Shareholders, we propose to elect one (1) member of the Corporate Auditors. As for proposing this agenda item, we already obtained consent of the Board of Corporate Auditors. The candidate is as follows:

Shoichi Taguchi (April 9, 1958 / 7,200 shares) New Candidate

[Candidate's career summary, position and area of responsibility in the Company]

April	1985	Joined the Company
June	2013	General Manager of Machinery Factory, Machinery & Systems Hq.
April	2014	Associate Executive Officer
April	2015	Executive Officer
April	2016	Managing Executive Officer, General Manager of Tamano Works and Special Mission by President (in charge of manufacturing)
March	2018	President and Representative Director of Mitsui E&S Business Service Co., Ltd.
June	2019	Director, CCO, and in charge of Human Resources & General Affairs Dept. (to date) CISO, and in charge of Corporate Planning Dept., Technical Co-ordination Dept., and Legal Dept.
March	2020	Director of MODEC, Inc.
April	2020	President and Representative Director of Mitsui E&S Business Service Co., Ltd.
April	2021	Director, and in charge of Auditing & Legal Dept., the Company (to date)
June	2021	Scheduled to retire from Director

[The reason he was selected as a candidate for a Corporate Auditor]

Mr. Shoichi Taguchi has distinguished knowledge of manufacturing and management and deeply understands the status of the Company Group through sufficient business experience as an Executive Officer and Director of the Company and achievements as President and Representative Director of Mitsui E&S Business Service Co., Ltd. Considering his experience and knowledge, we judged him capable of carrying out audit properly and we newly selected him as a candidate for Corporate Auditor.

(Notes)

1. There is no special interest between the candidate and the Company.
2. The Company has entered into a directors and officers liability insurance agreement provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. The insurance agreement covers damages to be borne by the insured that may arise when they assume liability for the execution of their duties or receives a claim related to the pursuit of such liability. If the candidate is selected, he will be insured under the insurance agreement. During his term of office, said insurance agreement is to be renewed.

**<For reference 1> Policy on Designation of the Company’s Executives, etc.**

When the Company elects candidates for Directors or Corporate Auditors, it establishes an advisory committee on personnel affairs voluntarily, which confirms a standard of election and a proposal for electing Directors. In addition, the committee confirms whether candidates for Corporate Auditors satisfy the conditions provided by the Board of Corporate Auditors. After the confirmation described above, the President will submit a proposal for electing candidates for Directors to the Board of Directors and/or the President submit a proposal for electing candidates for Corporate Auditors with prior consent of the Board of Corporate Auditors. The committee consists of four members in total: the President as the chairman of the committee, one Director appointed by the President, and two independent Outside Directors.

**<For reference 2> Independence of Outside Directors and Outside Corporate Auditors**

The Company will not judge a person to be independent if he/she conflicts with “The Independence Criteria” provided by Tokyo Stock Exchange, or if he/she corresponds to any of the conditions of “The Independence Criteria of Outside Directors and Corporate Auditors” described below, as a general rule.

**The Independence Criteria of Outside Directors and Outside Corporate Auditors (established on October 30, 2015)**

The Company judges whether an Outside Director and an Outside Corporate Auditor is independent by considering the conditions described below as well as considering “The Independence Criteria” provided by Tokyo Stock Exchange.

- a. A person or an entity to whom/which the Company or its consolidated subsidiaries (hereinafter referred to as “the Company Group”) is a main customer (\*1), or a person who executes business in an entity to which the Company Group is a main customer
- b. A main customer of the Company Group (\*2), or a person who executes business in an entity that is a main customer of the Company Group
- c. A large creditor of the Company (\*3), or a person who executes business in a large creditor of the Company
- d. A main shareholder of the Company (\*4), or a person who executes business in a main shareholder of the Company
- e. A person who belongs to an auditor which conducts statutory auditing of the Company Group
- f. A consultant, an accounting specialist, or a legal specialist who received money or other monetary benefits amounting to 10 million yen or more, separate from Officers’ remuneration from the Company

Group during the last fiscal year (if an entity such as a corporation or an association received the monetary benefit described above from the Company Group, a person who belongs to such an entity.)

- g. A person or an entity who/which corresponds to any of the conditions of “a” to “f” described above during the last fiscal year
- h. A close relative (\*5) of a person (except for a person who does not have importance to the Company Group) who corresponds to any of the conditions of “a” to “g” described above

\*1. A person or an entity to whom/ which the Company Group is a main customer:

A person or an entity whose transaction amount of the last fiscal year with the Company Group is higher than 2 % of his/her/its total consolidated net sales for the last fiscal year

\*2. A main customer of the Company Group:

A person or an entity with whom/which the Company Group transacted business during the last fiscal year with a transaction amount that is higher than 2 % of the total consolidated net sales for the last fiscal year of the Company Group

\*3. A large creditor of the Company:

A financial institution or another creditor which/who is essential and cannot be substituted for fundraising of the Company

\*4. A main shareholder of the Company:

A shareholder which/who holds shares of the Company and whose proportion of voting rights held is 10 % or above

\*5. A close relative:

A spouse or a relative in the second degree