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Securities code: 7239
June 1, 2021

To Our Shareholders,

Yuichiro Yamamoto
Representative Director & President
TACHI-S CO., LTD.
3-3-7 Matsubara-cho, Akishima-shi, Tokyo

Notice of the 69th Annual General Meeting of Shareholders

Please refer to the below for information about the upcoming the 69th Annual General Meeting of Shareholders (the "Meeting") of TACHI-S CO., LTD. (the "Company").

In order to prevent the spread of the novel coronavirus infections (COVID-19), we kindly ask you to refrain from coming to the Meeting venue on the date of the Meeting and exercise your voting rights in advance in writing or by electromagnetic means (via the Internet, etc.).

In the event that you exercise your voting rights in writing or by electromagnetic means (via the Internet, etc.), please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5 p.m. on Tuesday, June 22, 2021.

1. Date and time: 10:00 a.m. Wednesday June 23, 2021
2. Venue: TACHI-S CO., LTD. Head Office (Auditorium on the third floor)
3-3-7 Matsubara-cho, Akishima-shi, Tokyo
3. Agenda:

Matters for reporting:

1. Business Report, the consolidated financial statements, and audit report of the consolidated financial statements by the Independent Auditors and Audit & Supervisory Board for the 69th term (from April 1, 2020 to March 31, 2021)
2. Report of the non-consolidated financial statements for the 69th term (from April 1, 2020 to March 31, 2021)

Matters for approval:

Proposal 1: Election of nine Directors
Proposal 2: Election of two Audit & Supervisory Board Members
Proposal 3: Election of one Substitute Audit & Supervisory Board Member

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* If you diversely exercise your voting rights, you are requested to notify the Company in writing of your intention to do so and state the reason for this no later than three days before the Meeting.
* The following items are not attached to this Notice of Convocation since they have been made available on the Company's website (http://www.tachi-s.co.jp/en/) in accordance with laws and regulations and the provisions of Article 14 of the Company's Articles of Incorporation. For this reason, they are not attached to this Notice of Convocation.

(i) The System to Secure the Appropriateness of Business Operations and the Outline of the Operating Circumstances of the Said System and Basic policy concerning control of the Company of the Business Report
(ii) The Consolidated Statements of Changes in Net Assets and the Notes to the Consolidated Financial Statements of the Consolidated Financial Statements
(iii) The Non-consolidated Statements of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements of the Non-consolidated Financial Statements

Of the documents included in the Appendix to the Notice of Convocation, the Business Report is among the

documents audited by the Audit & Supervisory Board Members, and the Consolidated Financial Statements and Non-consolidated Financial Statements are among the documents audited by the Audit & Supervisory Board Members and the Independent Auditors

* We will post any revisions we make to the attached Reference Documents for the General Meeting of Shareholders, the Business Report, or non-consolidated financial statements and consolidated financial statements on our website (http://www.tachi-s.co.jp/en/).
* If you are attending the meeting on the scheduled day, please submit the enclosed voting form at the reception.
* The company shall post the contents of resolutions of this general meeting on the Company's website (http://www.tachi-s.co.jp/en/) instead of sending written notice of resolutions. We appreciate your understanding in this matter.
* If you wish to exercise your voting rights via the Internet, please enter your vote for or against each of the proposals on the following voting rights exercise website (https://www.web54.net).
* If voting rights are exercised more than once via the Internet, the most recent votes submitted via the Internet will be regarded as the effective votes.

Reference Documents for the General Meeting of Shareholders

Proposals and reference matters

Proposal 1: Election of nine Directors

The terms of office of all nine Directors will expire at the conclusion of the Meeting. Accordingly, we propose to elect the following nine Director candidates.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility at the Company	Attendance at Board of Directors meetings
1	RE-nomination Taro Nakayama	Representative Director & Chairman Chief Executive Officer	14/14 (100%)
2	RE-nomination Yuichiro Yamamoto	Representative Director & President Chief Operating Officer In charge of Global Headquarters Division Manager of Quality Management Division	14/14 (100%)
3	RE-nomination Kiyoshi Saito	Senior Corporate Advisor of the Board of Directors	14/14 (100%)
4	RE-nomination Kunio Arishige	Member of the Board of Directors & Executive Managing Officer Division Manager of Monozukuri Division	14/14 (100%)
5	RE-nomination Kazumi Tamura	Member of the Board of Directors & Executive Managing Officer Division Manager of Business Division Chief of Business Group No.2	14/14 (100%)
6	RE-nomination Atsushi Komatsu	Member of the Board of Directors & Executive Managing Officer Division Manager of Corporate Management Division In charge of Compliance and CSR	14/14 (100%)
7	RE-nomination Outside Independent Director Toshio Kinoshita	Outside Director	14/14 (100%)
8	RE-nomination Outside Hidetaka Mihara	Outside Director	14/14 (100%)
9	RE-nomination Outside Independent Director Yoshiaki Nagao	Outside Director	11/11 (100%)

* Attendance at Board of Directors meetings for Mr. Yoshiaki Nagao indicates the status after their assumption of office as Director on June 23, 2020.

Candidate No.1 Taro Nakayama (September 18, 1955) RE-nomination



■Number of shares of the Company owned
13,000 shares

■Attendance at Board of Directors meetings
14/14 (100%)

Brief History, Position, Principal Duties and Key Concurrent Posts

April 1980	Joined NISSAN MOTOR CO., LTD.
April 2010	Director of Global Multi-Sourcing & Export Management Department
April 2011	Joined TACHI-S CO., LTD. as Corporate Advisor
June 2011	Member of the Board of Directors & Executive Vice President Chief of Business Administration Headquarters Division Manager of Overseas Division
April 2014	Member of the Board of Directors & Chief Operating Officer
June 2014	Representative Director, President & Chief Operating Officer
April 2017	In charge of Global Headquarters
June 2017	Chief Executive Officer (incumbent)
June 2019	Representative Director & Chairman (incumbent)

Reasons for nomination as a Candidate for Director

Mr. Taro Nakayama has developed broad experience and superior insight over the many years he has worked at overseas businesses and has been a leader in the overall management of global businesses. He has appropriately fulfilled his roles, such as determining priority management matters and supervising executive functions, and we have nominated him as a candidate to continue in his role as Director due to his exceptional leadership in promoting globalization of the Company's businesses.

Candidate No.2 Yuichiro Yamamoto (July 30, 1968) RE-nomination



■Number of shares of the Company owned
102,200 shares

■Attendance at Board of Directors meetings
14/14 (100%)

Brief History, Position, Principal Duties and Key Concurrent Posts

April 1997	Joined TACHI-S CO., LTD.
August 2006	Seconded to TACLE Seating U.S.A., LLC (currently TACHI-S Automotive Seating U.S.A., LLC) President
April 2011	Executive Managing Officer Deputy General Manager of Overseas Division
April 2012	In Charge of Nissan Business and Overseas Business Management
April 2014	In Charge of China Business Seconded to TACHI-S China Co., Ltd. President
April 2015	Senior Executive Officer
April 2017	Executive Vice President President, Regional Headquarters for Japan
June 2017	Member of the Board of Directors & Executive Vice President
April 2019	Member of the Board of Directors & Chief Operating Officer In charge of Global Headquarters (incumbent)
June 2019	Representative Director, President & Chief Operating Officer (incumbent)
April 2020	Division Manager of Quality Management Division (incumbent)

Reasons for nomination as a Candidate for Director

Mr. Yuichiro Yamamoto has been nominated as a candidate to continue in his role as Director, as he has valuable knowledge in the Marketing and Overseas Division, and many years of experience and results as a top executive at overseas subsidiaries in North America and China and has demonstrated strong leadership as Chief Operating Officer, and we have determined that he is essential to promoting globalization at the Group and the sustainable enhancement of the Group's corporate value.

Candidate No.3	Kiyoshi Saito	(January 25, 1947)	RE-nomination



■Number of shares of the Company owned
736,028 shares

■Attendance at Board of Directors meetings
14/14 (100%)

Brief History, Position, Principal Duties and Key Concurrent Posts

March 1973	Joined TACHI-S CO., LTD.
June 1982	Member of the Board of Directors
June 1993	Senior Executive Officer Director of Production Headquarters
June 1996	Representative Director & President
June 2001	Representative Director, President & Chief Operating Officer
June 2005	Representative Director, Chairman & Chief Executive Officer
April 2014	Representative Director & Chairman
June 2014	Representative Director & Senior Corporate Advisor
June 2016	Senior Corporate Advisor of the Board of Directors (incumbent)

Reasons for nomination as a Candidate for Director

Mr. Kiyoshi Saito has been nominated as a candidate to continue in his role as Director, as he has wide-ranging knowledge of all aspects of the Group's management and has appropriately carried out his functions, and we have determined that he is essential to the sustainable improvement of the Group's corporate value, based on his extensive experience over many years as a top executive at the Company.

Candidate No.4	Kunio Arishige	(April 22, 1958)	RE-nomination



■Number of shares of the Company owned
9,700 shares

■Attendance at Board of Directors meetings
14/14 (100%)

Brief History, Position, Principal Duties and Key Concurrent Posts

April 1981	Joined NISSAN MOTOR CO., LTD.
April 2005	Director of Advanced HEV Development
April 2010	Director of Planning and Advanced Technology Director in Research Institution
April 2011	Joined TACHI-S CO., LTD. as Corporate Advisor
October 2011	Executive Managing Officer Deputy Division Manager of Development
April 2014	Division Manager of Business Unit No.1
April 2015	Senior Executive Officer
April 2017	Division Manager of R&D and Technology Division
April 2019	Executive Managing Officer
June 2019	Member of the Board of Directors & Executive Managing Officer
April 2020	Member of the Board of Directors & Executive Managing Officer (incumbent) Division Manager of Monozukuri Division (incumbent)

Reasons for nomination as a Candidate for Director

Mr. Kunio Arishige has been nominated as a candidate to continue in his role as Director, as he has extensive experience in R&D and Technology Division, and we have determined that he is essential to further strengthen the global manufacturing framework of the Group.

Candidate No.5	Kazumi Tamura	(July 17, 1961)	RE-nomination



■Number of shares of the Company owned
7,700 shares

■Attendance at Board of Directors meetings
14/14 (100%)

Brief History, Position, Principal Duties and Key Concurrent Posts

April 1985	Joined TACHI-S CO., LTD.
April 2008	Director of Sales and Marketing Section No.2
April 2012	Seconded to Wuhan TACHI-S Jonson Controls Automotive Seat Co., Ltd. (currently Wuhan Dongfeng TACHI-S Adient Automotive Seating Co., Ltd.) President
April 2014	Director of Sales and Marketing Section No.2
April 2016	Senior Director of Sales and Marketing Section No.2
April 2017	Executive Managing Officer Chief of Business Group No.2
April 2019	Executive Managing Officer Division Manager of Business Division (incumbent)
June 2019	Member of the Board of Directors & Executive Managing Officer
April 2020	Member of the Board of Directors & Executive Managing Officer (incumbent) Chief of Business Group No.2 (incumbent)

Reasons for nomination as a Candidate for Director

Mr. Kazumi Tamura has been nominated as a candidate to continue in his role as Director, as he has extensive experience in the Marketing Division over many years, and results as a top executive at overseas subsidiaries, and we have determined that he is essential to support the further growth and development of the Group.

Candidate No.6	Atsushi Komatsu	(August 2, 1963)	RE-nomination



■Number of shares of the Company owned
7,700 shares

■Attendance at Board of Directors meetings
14/14 (100%)

Brief History, Position, Principal Duties and Key Concurrent Posts

April 1986	Joined NISSAN MOTOR CO., LTD.
April 2003	General Division Manager of China Business
July 2003	Seconded to Dongfeng Motor Co., Ltd Executive Vice President in charge of Financial and Information Technology
April 2009	Director of Management for affiliate company, NISSAN MOTOR CO., LTD.
April 2010	Director of Finance Section
April 2014	Director of Domestic Network Strategy
April 2017	Joined TACHI-S CO., LTD. as Corporate Advisor
July 2017	Executive Managing Officer Assistant Director of Corporate Management Division
April 2019	Executive Managing Officer Division Manager of Corporate Management Division (incumbent)
June 2019	Member of the Board of Directors & Executive Managing Officer
April 2020	Member of the Board of Directors & Executive Managing Officer (incumbent) In charge of Compliance and CSR (incumbent)

Reasons for nomination as a Candidate for Director

Mr. Atsushi Komatsu has been nominated as a candidate to continue in his role as Director, as he has superior expertise in the fields of finance, management and wide-ranging knowledge, and we have determined that he is essential to the sustainable improvement of the Company's corporate value as the person responsible for the Corporate Management Division.

Candidate No.7	Toshio Kinoshita	(April 12, 1949)	RE-nomination Outside Independent Director



■Number of shares of the Company owned
0 shares

■Attendance at Board of Directors meetings
14/14 (100%)

Brief History, Position, Principal Duties and Key Concurrent Posts

January 1980	Jointed Coopers & Lybrand, Japan (currently PricewaterhouseCoopers Aarata LLC)
July 1983	Registered as Certified Public Accountant
February 1985	Audit Manager of Coopers & Lybrand, US (currently PricewaterhouseCoopers LLP) New York Office
November 1985	Managing partner of the Japanese Business Network of Midwest, Coopers & Lybrand, US Detroit Office
June 1995	Managing partner of the Japanese Business Network of US, Coopers & Lybrand, US National Office
July 1998	Managing partner of the Japanese Business Network of North America, PricewaterhouseCoopers LLP New York Office
July 2005	Management Board Member for International Business of Chuo Aoyama Audit Corporation (renamed Misuzu Audit Corporation)
June 2015	Outside Director of TACHI-S CO., LTD. (incumbent)

(Key concurrent posts)

Representative Director & President of Global Professional Partners Co., Ltd.
Outside Audit & Supervisory Board Member of Cool Japan Fund Inc.
Outside Audit & Supervisory Board Member of Panasonic Corporation
Outside Director of ADK Holdings Inc.
Outside Audit & Supervisory Board Member of Denka Company Limited
Outside Director of GiG Works Inc.

Reasons for nomination as a Candidate for Outside Director and Outline of the expected role

Mr. Toshio Kinoshita has been nominated as a candidate to continue in his role as Outside Director, as he has superior judgment as a certified public accountant and plentiful experience performing auditing functions at overseas locations over many years. He is also expected to contribute to the appropriate decision-making of the Board of Directors from an objective and global standpoint. He will have served as an Outside Director of the Company for six years as of the conclusion of the Meeting.

Candidate No.8	Hidetaka Mihara	(July 8, 1958)	RE-nomination Outside



■Number of shares of the Company owned
0 shares

■Attendance at Board of Directors meetings
14/14 (100%)

Brief History, Position, Principal Duties and Key Concurrent Posts

April 1986	Registered with Dai-Ichi Tokyo Bar Association Joined Hashidate Law Office
October 1987	Joined Blakemore & Mitsuki (renamed Tsunematsu Yanase & Sekine)
July 1990	Seconded to Nomura International plc, London
April 1991	Seconded to Slaughter and May, London
January 1993	Partner at Tsunematsu Yanase & Sekine
January 2000	Partner at Nagashima Ohno & Tsunematsu (incumbent)
April 2010	Committee Member of law reform of the Company Act of Japan (Ministry of Justice of Japan)
September 2017	Expert Advisor of Ministry of Land, Infrastructure, Transport and Tourism, Land Policy Council Land Policy Subcommittee Special Section (Owner unknown land problem examination)
June 2018	Outside Director of TACHI-S CO., LTD. (incumbent)
September 2020	Ph.D. (Law), University of Tokyo
April 2021	President of Dai-Ichi Tokyo Bar Association (incumbent) Vice President of Japan Federation of Bar Associations (incumbent)

(Key concurrent posts)
Partner at Nagashima Ohno & Tsunematsu

Reasons for nomination as a Candidate for Outside Director and Outline of the expected role

Mr. Hidetaka Mihara has been nominated as a candidate to continue in his role as Outside Director, as he has specialized knowledge and experience in corporate legal affairs as a lawyer, although he has no experience of being directly involved in corporate management other than serving as an Outside Director. He is also expected to contribute to strengthening the corporate governance function of the Group. He will have served as an Outside Director of the Company for three years as of the conclusion of the Meeting.

Candidate No.9	Yoshiaki Nagao	(February 1, 1953)	RE-nomination Outside Independent Director



■Number of shares of the Company owned
3,000 shares

■Attendance at Board of Directors meetings
11/11 (-%)

Brief History, Position, Principal Duties and Key Concurrent Posts

April 1978	Joined KIORITZ CORPORATION (currently YAMABIKO CORPORATION)
February 2006	Executive Managing Officer President & Chief Operating Officer of ECHO Incorporated
February 2008	Member of the Board of Directors & Executive Managing Officer of KIORITZ CORPORATION President & Chief Operating Officer of ECHO Incorporated
December 2008	President & Chief Operating Officer of KIORITZCORPORATION Executive Managing Officer of YAMABIKO CORPORATION
October 2009	Member of the Board of Directors, Executive Managing Officer & Director of Industrial Machinery DIV of YAMABIKO CORPORATION
June 2011	President, Chief Operating Officer & Executive Managing Officer
June 2012	Representative Director, President & Chief Operating Officer
June 2020	Outside Director of TACHI-S CO., LTD. (incumbent)
January 2021	Representative Director, Chairman & Executive Managing Officer of YAMABIKO CORPORATION
March 2021	Representative Director & Chairman of YAMABIKO CORPORATION (incumbent)

(Key concurrent posts)
Representative Director & Chairman of YAMABIKO CORPORATION

Reasons for nomination as a Candidate for Outside Director and Outline of the expected role

Mr. Yoshiaki Nagao has been nominated as a candidate to continue in his role as Outside Director, as he has extensive experience and knowledge as a top executive, having been involved in the management of domestic and overseas companies for many years. He is also expected to contribute to the appropriate decision-making of the Board of Directors from a wide range of management perspectives. He will have served as an Outside Director of the Company for one year as of the conclusion of the Meeting.

Notes:

1: The above candidates have no conflicts of interest with the Company.
2: Mr. Toshio Kinoshita, Mr. Hidetaka Mihara and Mr. Yoshiaki Nagao are candidates for Outside Director.
3: Notification has been submitted to the Tokyo Stock Exchange for Mr. Toshio Kinoshita and Mr. Yoshiaki Nagao to be listed as an independent officer according to the rules of the Exchange, and the Exchange will be notified again that they are independent officers if they are re-elected. Mr. Hideaki Mihara has independence in light of the independence criteria of the Tokyo Stock Exchange and meets the qualifications of an Independent Director or Independent Audit & Supervisory Board Member. However, due to a policy of the law firm to which he belongs, the Company has no plans to designate him as an Independent Director or Independent Audit & Supervisory Board Member.
4: The Company has concluded an agreement with Mr. Toshio Kinoshita, Mr. Hidetaka Mihara and Mr. Yoshiaki Nagao to limit their damage liability as stipulated in Article 423, Paragraph 1 of the Companies Act, based on the regulations specified in Article 427, Paragraph 1 of the Companies Act. Should the reappointment of Mr. Toshio Kinoshita, Mr. Hidetaka Mihara and Mr. Yoshiaki Nagao as Outside Directors be approved, the Company intends to maintain the Liability Limitation Agreement with them. The maximum amount of liability for damage based on the Liability Limitation agreement is the minimum liability as stipulated in Article 425, Paragraph 1 of the Companies Act.
5: Although the Company currently has no female Directors nor female Members of the Board, in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace,

we are working to establish a workplace environment where women can play an active role, and are working to elect a female Director, or a female Member of the Board in the future.

6: The Company has concluded liability insurance contract for officers, etc., providing compensation for damages arising as a result of the responsibilities assumed by insured officers in their execution of duties, or any claims made against them with regard to these responsibilities. If the election of each candidate for Director is approved as proposed, they will become the insured parties. The insured officers will not pay for the insurance premiums. The Company intends to renew this liability insurance contract in July, 2021.

<For Reference> Criteria for Assessing Independence of Outside Directors/ Audit & Supervisory Board Members

The Company establishes following standards in order to ensure the independence of Outside Directors/ Audit & Supervisory Board Members.

1. The person in question is not a current or former Executive[1] of the Company or a related company ("Group Companies").
2. Over the past 5 years a Close Relative[2] of the person has not been an Executive[1] of any Group Companies.
3. The following items are not currently applicable to the person and have not been applicable to the person in the past 5 years:
   (1) The person is a large shareholder of the Company (a person who directly or indirectly controls voting rights worth 10% or more of total voting rights in the Company) or an Executive[1] of such a large shareholder.
   (2) The person directly or indirectly controls voting rights worth 10% or more of total voting rights in Group Companies or is an Executive[1] of such a large shareholder.
   (3) The person is a Person for whom Group Companies are Important Clients[3] or who is an Executive[1] of such an entity.
   (4) The person is an Executive[1] of an Important Client of Group Companies[4].
   (5) The person is an Executive[1] of an Important Lender to Group Companies[5].
   (6) The person is affiliated with an auditing firm performing the Company's statutory audits.
   (7) The person is a consultant, an accounting professional or a legal professional (in the case that a group such as a corporation or association performs such a role, a person affiliated with that group) that has received from Group Companies money compensation or other assets to a total value of more than 10 million yen annually.
   (8) The person is a recipient of donations or grants from Group Companies (in the case that a group such as a legal corporation or association is such a recipient, a person affiliated with that group) of more than 10 million yen annually.
   (9) The person is an Executive[1] of a company to which Group Companies appoint Directors (regardless of whether such Directors are executive or non-executive).
4. None of the person's Close Relatives are persons in regards to whom Items (1) to (9) of paragraph 3 above apply (but limited to cases where such a Close Relative is an Important Person[6]).

(Notes)

[1] An Executive is defined as a person who is either a Director (excluding an Outside Director) of a company or organization, an Executive Director, an Executive Officer, an employee who manages operations, a Senior General Manager or other equivalent person or employee who manages operations.

[2] A Close Relative is defined as a dependent, a relative to the second degree or a cohabitating relative.

[3] A Person for whom Group Companies are Important Clients is defined as a person who has received 2% or more of their consolidated annual gross revenues from Group Companies during that person's most recent fiscal year.

[4] An Important Client of Group Companies is defined as a person who has paid 2% or more of the gross annual consolidated revenues of Group Companies in the Company's most recent fiscal year.

[5] An Important Lender to Group Companies is defined as a person who has provided finance to Group Companies that represents an amount worth 2% or more of consolidated total assets as of the end of the Company's most recent fiscal year.

[6] An Important Person is defined as a person who is either a Director, an Audit & Supervisory Board Member, an Executive Officer and a General Manager or above.

Proposal 2: Election of two Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members, Mr. Ichiro Konno, will resign at the conclusion of the Meeting, and Mr. Shinsuke Matsuo, will expire at the conclusion of the Meeting. Accordingly, we propose to elect the following two Audit & Supervisory Board Member candidates.

Mr. Masato Kimura is to be elected as a substitute for Mr. Ichiro Konno, Audit & Supervisory Board Member, and the term of office of a substitute Audit & Supervisory Board Member is up to the completion of the term of office of the retired Audit & Supervisory Board Member as stipulated in the Articles of Incorporation of the Company.

The Audit & Supervisory Board Member has already approved this proposal.

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

Masato Kimura	(April 16, 1959)	New Nominee



■Number of shares of the Company owned
0 shares

■Attendance at Board of Directors meetings
-/- (-%)

■Attendance at Board of Audit & Supervisory Board Members meetings
-/-(-%)

Brief History, Position, Principal Duties and Key Concurrent Posts

April 1982	Joined NISSAN MOTOR CO., LTD.
April 2000	General Manager of Development Division, Nissan Technical Centre Europe
April 2005	Director of Corporate Planning Office and Resources Management Department, Nissan North America,Inc.
April 2009	Director of Interior Design Department and Cost Improvement Department
April 2014	Senior Director of Program Management, Calsonic Kansei North America,Inc.
January 2016	Joined TACHI-S CO., LTD. as General Manager of Model Planning Department
April 2016	Director of Sales and Marketing Section No.1
April 2018	General Manager of Planning Office
April 2020	Senior Director of MITSUBISHI Business Department and NISSAN Business Department of Business Group No.1
April 2021	Program Director of Business Group No.1 (incumbent) Senior Director of MITSUBISHI Business Department and NISSAN Business Department (incumbent)

Reasons for nomination as a Candidate for Audit & Supervisory Board Member

Mr. Masato Kimura has extensive experience in overseas operating companies, and he also has wide-ranging experience in the Marketing and Corporate Planning Division of the Company. We have nominated him as a new candidate for Audit & Supervisory Board Member, as we hope that he will utilize his experience in auditing the Company.

Shinsuke Matsuo	(August 4, 1970)	RE-nomination Outside



■Number of shares of the Company owned
3,700 shares

■Attendance at Board of Directors meetings
14/14 (100%)

■Attendance at Board of Audit & Supervisory Board Members meetings
13/13(100%)

Brief History, Position, Principal Duties and Key Concurrent Posts

April 1997	Registered with Tokyo Bar Association Joined Sakura Kyodo Law Offices
June 2006	Partner at Sakura Kyodo Law Offices (incumbent)
June 2011	Outside Audit & Supervisory Board Member of TACHI-S CO., LTD. (incumbent)

(Key concurrent posts)
Partner at Sakura Kyodo Law Offices
Outside Audit & Supervisory Board Member of IASS Co., Ltd.

Reasons for nomination as a Candidate for Outside Audit & Supervisory Board Member

Mr. Shinsuke Matsuo has been nominated as a candidate to continue in his role as an Outside Audit & Supervisory Board Member, as he has extensive experience as a lawyer, and has greatly contributed to strengthening the audit function of the Company, although he has no experience of being directly involved in corporate management other than serving as an Outside Audit & Supervisory Board Member. He will have served as an Outside Audit & Supervisory Board Member of the Company for ten years as of the conclusion of the Meeting.

Notes:

1: The above candidates have no conflicts of interest with the Company.

2: Mr. Shinsuke Matsuo is a candidate for Outside Audit & Supervisory Board Member.

3: Mr. Matsuo is affiliated with Sakura Kyodo Law Offices, with which the Company has concluded a legal consulting agreement; however, legal fees paid to this law firm in the most recent fiscal year are a trifling amount, at less than 0.001% of the Company's consolidated net sales, and less than 0.3% of the law firms net sales, hence there is no risk of a conflict of interest with regular shareholders, and it does not impact his independence.

4: The Company has concluded an agreement with Mr. Shinsuke Matsuo to limit his damage liability as stipulated in Article 423, Paragraph 1 of the Companies Act, based on the regulations specified in Article 427, Paragraph 1 of the Companies Act. Should the reappointment of Mr. Matsuo as Outside Audit & Supervisory Board Member be approved, the Company intends to maintain the Liability Limitation Agreement with him. The maximum amount of liability for damage based on the Liability 6 Limitation agreement is the minimum liability as stipulated in Article 425, Paragraph 1 of the Companies Act.

5: Nuts Inc. in which Mr. Shinsuke Matsuo was appointed as a part-time outside director from June 2016 to February 2020 was subject to a compulsory investigation by the Securities and Exchange Surveillance Commission on February 26, 2020 on suspicion of violating Article 158 (fraudulent means) of the Financial Instruments and Exchange Act. After the incident was discovered, the company received a bankruptcy decision on September 16, 2020, and the bankruptcy trustee is currently in the process of liquidating the company. he had been making statements from the viewpoint of legal compliance at the Board of Directors meetings.

6: The Company has concluded liability insurance contract for officers, etc., providing compensation for damages arising as a result of the responsibilities assumed by insured officers in their execution of duties, or any claims made against them with regard to these responsibilities. If the election of each candidate for Audit & Supervisory Board Member is approved as proposed, they will become the insured parties. The insured officers will not pay for the insurance premiums. The Company intends to renew this liability insurance contract in July, 2021.

Proposal 3: Election of one Substitute Audit & Supervisory Board Member

The effectiveness of the election of Mr. Noriaki Kinoshita as a Substitute Audit & Supervisory Board Member at the 65th Annual General Meeting of Shareholders held on June 23, 2017 is limited up to the Meeting. Therefore, to ensure that the number of Outside Audit & Supervisory Board Members stipulated under laws and regulations is maintained, the Company proposes to elect one candidate as the Substitute Outside Audit & Supervisory Board Member.

The effectiveness of the election at the Meeting may be revoked, limited to the period before accession to office, with the approval of the Audit & Supervisory Board and by the resolution of the Board of Directors.

The Audit & Supervisory Board has already approved this proposal.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

Noriaki Kinoshita	(December 5, 1939) ■Number of shares of the Company owned 0 shares	RE-nomination Outside

Brief History, Position, Principal Duties and Key Concurrent Posts	
June 1966	Registered as a certified public accountant Opened Kinoshita certified public accountant office
April 1972	Adjunct instructor, Faculty of Commerce of Chuo University
October 1984	Senior Partner of Inoue Tatsuo Accounting Office
October 1993	Senior Partner of Asahi & Co. (currently KPMG AZSA LLC)
April 2002	Professor, Faculty of Commerce, Chuo University
June 2007	Substitute Audit & Supervisory Board Member of TACHI-S CO., LTD. (incumbent)
(Key concurrent posts)	
Outside Audit & Supervisory Board Member of TOPPAN FORMS CO., LTD. Representative Director & President of A&MI Advisors Firm Co., Ltd.	
Reasons for nomination as a Candidate for Substitute Audit & Supervisory Board Member Mr. Noriaki Kinoshita has been nominated as a candidate to continue in his role as Outside Audit & Supervisory Board Member, as he has experience and financial knowledge as a certified public accountant over many years, and we hope to utilize this in the auditing of the Company.	

Notes:

1: The above candidate has no conflicts of interest with the Company.

2: Mr. Noriaki Kinoshita is a candidate for Substitute Outside Audit & Supervisory Board Member.

3: If Mr. Noriaki Kinoshita assumes office as an Audit & Supervisory Board Member, the Company intends to maintain the Liability Limitation Agreement with him to limit his damage liability as stipulated in Article 423, Paragraph 1 of the Companies Act, based on the regulations specified in Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damage based on the Liability Limitation agreement is the minimum liability as stipulated in Article 425, Paragraph 1 of the Companies Act.

4: The Company has concluded liability insurance contract for officers, etc., providing compensation for damages arising as a result of the responsibilities assumed by insured officers in their execution of duties, or any claims made against them with regard to these responsibilities. If each candidate is elected as Substitute Audit & Supervisory Board Member and the election of each candidate for Audit & Supervisory Board Member is approved as proposed, they will become the insured parties. The insured officers will not pay for the insurance premiums. The Company intends to renew this liability insurance contract in July, 2021.

Consolidated Balance Sheet

(As of March 31, 2021)

(Unit: Million yen)

Account Name	Amount	Account Name	Amount
(Assets)		**(Liabilities)**	
Current assets	**86,213**	**Current liabilities**	**55,243**
Cash and deposits	29,757	Notes and accounts payable - trade	32,277
Notes and accounts receivable - trade	39,327	Short-term borrowings	9,819
Merchandise and finished goods	2,110	Income taxes payable	447
Work in process	731	Accrued expenses	7,851
Raw materials and supplies	9,839	Other	4,847
Other	5,235	**Non-current liabilities**	**17,080**
Allowance for doubtful accounts	-789	Long-term borrowings	8,500
Non-current assets	**64,780**	Deferred tax liabilities	3,845
Property, plant and equipment	**37,212**	Provision for retirement benefits for directors	8
Buildings and structures	11,492	Provision for share-based remuneration	103
Machinery, equipment and vehicles	11,571	Retirement benefit liability	1,464
Land	7,817	Other	3,158
Construction in progress	1,802	**Total liabilities**	**72,324**
Other	4,527	**(Net assets)**	
Intangible assets	**1,368**	**Total shareholders' equity**	**66,954**
Goodwill	32	Share capital	9,040
Other	1,335	Capital surplus	8,700
Investments and other assets	**26,200**	Retained earnings	50,664
Investments securities	13,711	Treasury shares	-1,451
Long-term loans receivable	6	**Other comprehensive income**	**5,584**
Deferred tax assets	3,806	Valuation difference on available-for-sale securities	1,967
Retirement benefit asset	1,093	Foreign currency translation adjustments	3,396
Other	7,659	Remeasurements of defined benefit plans	220
Allowance for doubtful accounts	-78	**Non-controlling interests**	**6,131**
		Total net assets	**78,670**
Total assets	**150,994**	**Total liabilities and net assets**	**150,994**

Consolidated Statement of Income

(From April 1, 2020 to March 31, 2021)

(Unit: Million yen)

Account Name	Amount	
Net sales		**198,500**
Cost of sales		**188,938**
Gross profit		**9,561**
Selling, general and administrative expenses		**17,315**
Operating profit		**-7,753**
Non-operating income		
Interest income	232	
Dividend income	169	
Share of profit of entities accounted for using equity method	1,018	
Other	825	2,244
Non-operating expenses		
Interest expenses	271	
Foreign exchange losses	1,189	
Other	299	1,760
Ordinary profit		**-7,270**
Extraordinary income		
Gain on sales of non-current assets	3	
Gain on sales of investment securities	107	111
Extraordinary loss		
Loss on disposal of non-current assets	271	
Impairment loss	3,158	
Loss on valuation of investments in capital of subsidiaries and associates	120	
Loss on valuation of investment securities	7	
Extra retirement payments	2,394	5,952
Profit before income taxes		**-13,110**
Income taxes - current		1,183
Income taxes - deferred		-967
Profit		**-13,326**
Profit attributable to non-controlling interests		375
Profit attributable to owners of parent		**-13,701**

Consolidated Statement of Changes in Net Assets

(From April 1, 2020 to March 31, 2021)

(Unit: Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2020	9,040	8,789	64,812	-1,498	81,143
Retrospective adjustments from transactions under common		-88			-88
Restated balance	9,040	8,700	64,812	-1,498	81,055
Change of items during the period					
Dividends of surplus			-447		-447
Profit attributable to owners of parent			-13,701		-13,701
Purchase of treasury shares				-0	-0
Disposal of treasury shares				47	47
Net changes in items other than shareholders' equity					
Total of changes during the fiscal year	—	—	-14,148	47	-14,101
Balance at March 31, 2021	9,040	8,700	50,664	-1,451	66,954

(Unit: Million yen)

	Other comprehensive income				Non-controlling interests	Total shareholders' equity
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other comprehensive income		
Balance at April 1, 2020	525	3,732	47	4,305	6,530	91,980
Retrospective adjustments from transactions under common		10		10	77	—
Restated balance	525	3,743	47	4,316	6,608	91,980
Change of items during the period						
Dividends of surplus						-447
Profit attributable to owners of parent						-13,701
Purchase of treasury shares						-0
Disposal of treasury shares						47
Net changes in items other than shareholders' equity	1,441	-347	173	1,267	-477	790
Total of changes during the fiscal year	1,441	-347	173	1,267	-477	-13,310
Balance at March 31, 2021	1,967	3,396	220	5,584	6,131	78,670

Non-consolidated Balance Sheet

(As of March 31, 2021)

(Unit: Million yen)

Account Name	Amount	Account Name	Amount
(Assets)		**(Liabilities)**	
Current assets	**34,315**	**Total current liabilities**	**26,398**
Cash and deposits	5,645	Notes payable - trade	70
Notes receivable - trade	5	Electronically recorded obligations - operating	1,811
Electronically recorded monetary claims - operating	2,264	Accounts payable - trade	12,938
Accounts receivable - trade	16,909	Short-term borrowings	7,074
Merchandise and finished goods	286	Current portion of long-term borrowings	1,000
Work in process	1,919	Short-term borrowings from subsidiaries and associates	966
Raw materials and supplies	2,133	Accounts payable - other	241
Advance payments - other	914	Accrued expenses	1,927
Advance payments	1,612	Income taxes payable	117
Short-term loans receivable	5,728	Deposits received	75
Other	851	Notes payable - facilities	84
Allowance for doubtful accounts	-3,954	Unearned revenue	31
Non-current assets	**54,340**	Other	60
Property, plant and equipment	**11,356**	**Non-current liabilities**	**10,149**
Buildings	4,708	Long-term borrowings	8,500
Structures	109	Deferred tax liabilities	943
Machinery and equipment	1,279	Provision for share-based remuneration	103
Vehicles	5	Other	602
Tools, furniture and fixtures	403		
Land	4,816	**Total liabilities**	**36,548**
Construction in progress	33	**(Net assets)**	
Intangible assets	**503**	**Shareholders' equity**	**50,142**
Software	487	**Share capital**	**9,040**
Other	16	**Capital surplus**	**8,592**
Investments and other assets	**42,480**	Legal capital surplus	8,592
Investment securities	8,753	**Retained earnings**	**33,960**
Shares of subsidiaries and associates	24,680	Legal retained earnings	480
Investments in capital	0	Other retained earnings	33,480
Investments in capital of subsidiaries and associates	8,564	Reserve for tax purpose reduction entry	20
Long-term loans receivable	3	General reserve	15,000
Long-term prepaid expenses	13	Retained earnings brought forward	18,459
Prepaid pension costs	157	**Treasury shares**	**-1,451**
Other	312	**Valuation and translation adjustments**	**1,965**
Allowance for doubtful accounts	-4	**Valuation difference on available-for-sale securities**	**1,965**
		Total net assets	**52,107**
Total assets	**88,655**	**Total liabilities and net assets**	**88,655**

Non-consolidated Statement of Income

(From April 1, 2020 to March 31, 2021)

(Unit: Million yen)

Account Name	Amount	
Net sales		**83,051**
Cost of sales		**78,295**
Gross profit		**4,756**
Selling, general and administrative expenses		**6,305**
Operating profit		**-1,549**
Non-operating income		
Interest and dividend income	2,892	
Other	205	3,097
Non-operating expenses		
Interest expenses	58	
Provision of allowance for doubtful accounts	3,708	
Other	22	3,789
Ordinary profit		**-2,241**
Extraordinary income		
Gain on sales of non-current assets	0	
Gain on sales of investment securities	107	107
Extraordinary losses		
Loss on disposal of non-current assets	42	
Impairment loss	2,745	
Loss on valuation of investment securities	7	
Loss on valuation of investments in capital of subsidiaries and associates	120	
Extra retirement payments	2,108	5,024
Profit before income taxes		**-7,158**
Income taxes - current	369	
Income taxes - deferred	72	441
Profit		**-7,600**

Non-consolidated Statement of Changes in Net Assets

(From April 1, 2020 to March 31, 2021)

(Unit: Million yen)

	Shareholders' equity				
		Capital surplus		Retained earnings	
	Share capital	Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings
					Reserve for tax purpose reduction entry
Balance as of April 1, 2020	9,040	8,592	8,592	480	20
Change of items during the period					
Dividends of surplus					
Profit					
Reversal of reserve for tax purpose reduction entry					-0
Purchase of treasury shares					
Disposal of treasury shares					
Net changes of items other than shareholders' equity					
Total of changes during the fiscal year	—	—	—	—	-0
Balance as of March 31, 2021	9,040	8,592	8,592	480	20

(Unit: Million yen)

	Shareholders' equity					Valuation and translation adjustments		Total net assets
	Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Other retained earnings		Total retained earnings					
	General reserve	Retained earnings brought forward						
Balance as of April 1, 2020	15,000	26,507	42,008	-1,498	58,142	523	523	58,666
Change of items during the period								
Dividends of surplus		-447	-447		-447			-447
Profit		-7,600	-7,600		-7,600			-7,600
Reversal of reserve for tax purpose reduction entry		0	—		—			—
Purchase of treasury shares				-0	-0			-0
Disposal of treasury shares				47	47			47
Net changes of items other than shareholders' equity						1,441	1,441	1,441
Total of changes during the fiscal year	—	-8,047	-8,047	47	-8,000	1,441	1,441	-6,558
Balance as of March 31, 2021	15,000	18,459	33,960	-1,451	50,142	1,965	1,965	52,107