Japan Medical Dynamic Marketing, INC.
12-2 Ichigayadaimachi, Shinjuku-ku
Tokyo 162-0066 Japan

May 28, 2021

NOTICE OF CONVOCATION OF THE 49th ORDINARY GENERAL MEETING OF SHAREHOLDERS

To: Our Shareholders

We are pleased to inform you that the 49th Ordinary General Meeting of Shareholders will be held as described below.
In lieu of attending the meeting, you may exercise your voting rights in writing or via the Internet. You are requested to study the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by Thursday, June 17, 2021 at 5:00 p.m.

Sincerely yours,

Masao Okawa
Representative Director and President

1. Date and time: 10:00 a.m., Friday, June 18, 2021

2. Venue: Ohgi Room, 4th Floor of the South Tower, Keio Plaza Hotel 2-2-1 Nishi Shinjuku, Shinjuku-ku, Tokyo

3. Agenda

Matters to be reported

(1) Business Report, Consolidated Financial Statements, and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors for the 49th fiscal term (from April 1, 2020 to March 31, 2021)

(2) Non-consolidated Financial Statements for the 49th fiscal term (from April 1, 2020 to March 31, 2021)

Matters to be resolved

Proposal No.1 : Appropriation of Surplus

Proposal No.2 : Election of Eleven (11) Directors

Proposal No.3 : Election of One (1) Substitute Statutory Auditor

The number of seats available at the venue will be substantially reduced for this Ordinary General Meeting of Shareholders in order to prevent the spread of COVID-19. Please consider refraining from attending the meeting in person, and exercise your voting rights in writing or via the Internet in advance whenever possible.

Notes:

1. If the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements and the Reference Documents for the General Meeting of Shareholders are amended, the amended matters will be presented on the website of the Company (https://www.jmdm.co.jp/).
2. For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the Meeting.

CONSOLIDATED BALANCE SHEET

(As of March 31, 2021)

		(Thousands of yen)
ASSETS		
CURRENT ASSETS		**16,312,699**
Cash in hand and in banks		2,466,331
Trade receivables		4,477,763
Merchandise and finished goods		7,566,961
Work in process		373,212
Raw materials and supplies		1,303,175
Other current assets		126,443
Allowance for bad debts		(1,188)
FIXED ASSETS		**8,880,518**
TANGIBLE:		**7,450,002**
Buildings and structures		717,258
Machinery, equipment and vehicles		350,784
Tools, furniture and fixtures		4,426,331
Land		1,950,707
Other fixed assets		4,919
INTANGIBLE:		**254,447**
INVESTMENTS AND OTHER ASSETS:		**1,176,069**
Deferred tax assets		1,087,377
Other investments		88,692
	Total assets	**25,193,218**

CONSOLIDATED BALANCE SHEET

(As of March 31, 2021)

		(Thousands of yen)
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		**2,834,293**
Accounts payable		584,621
Short-term bank loans		998,061
Lease obligations		32,233
Income taxes payable		230,897
Accrued expenses		380,971
Accounts payable, other		270,246
Provision for bonuses		173,272
Provision for directors' bonuses		54,220
Other current liabilities		109,768
LONG-TERM LIABILITIES		**3,645,692**
Long-term bank loans		2,020,713
Lease obligations		38,388
Net defined benefit liability		998,831
Provision for directors' stock payments		71,322
Asset retirement obligations		28,815
Long-term deposits received		7,000
Deferred tax liabilities		480,621
	Total liabilities	**6,479,985**
NET ASSETS		
STOCKHOLDERS' EQUITY		**18,182,866**
Common stock		**3,001,929**
Additional paid-in-capital		**2,587,029**
Retained earnings		**12,705,447**
Treasury stocks		**(111,539)**
Valuation And Translation Adjustments Abstract		**445,901**
Deferred gains or losses on hedges		**2,788**
Adjustments on foreign currency statement translation		**475,850**
Remeasurements of defined benefit plans		**(32,737)**
Non-controlling interests		**84,464**
	Total net assets	**18,713,232**
	Total liabilities and net assets	**25,193,218**

CONSOLIDATED PROFIT AND LOSS STATEMENT

(For the year ended March 31, 2021)

(Thousands of yen)

Net Sales		**16,738,174**
Cost of sales		**5,319,690**
Gross profit		**11,418,484**
Selling, general and administrative expenses		**9,249,533**
Operating income (loss)		**2,168,951**
Non operating income		
Interest income	150	
Commission fee	11,376	
Others	5,967	17,493
Non operating expenses		
Interest expenses	40,813	
Foreign exchange losses	606	
Syndicated loan commission	8,836	
Others	10,562	60,818
Ordinary income (loss)		**2,125,625**
Extraordinary losses		
Loss on disposal of fixed assets	37,239	
Impairment loss	54,013	91,252
Profit (loss) before income taxes		**2,034,373**
Income taxes - current	379,183	
Income taxes - deferred	-25,554	**353,628**
Profit (loss)		**1,680,744**
Profit (loss) attributable to non-controlling interests		**16,226**
Profit (loss) attributable to owners of parent		**1,664,517**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(For the year ended March 31, 2021)

(Thousands of yen)

	Stockholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury Stock	Total
Balance at April 1, 2020	3,001,929	2,587,029	11,305,538	(111,259)	16,783,237
Changes in the year ended March 31, 2021					
Cash dividend			(264,608)		(264,608)
Profit (loss) attributable to owners of parent for the year ended March 31, 2021			1,664,517		1,664,517
Purchase of treasury shares				(279)	(279)
Net change in items other than shareholders' equity during the year ended March 31, 2021					
Total (net)	—	—	1,399,908	(279)	1,399,629
Balance at March 31, 2021	3,001,929	2,587,029	12,705,447	(111,539)	18,182,866

(Thousands of yen)

	Valuation And Translation Adjustments Abstract				Non-controlling interests	Total net assets
	Deferred gains or losses on hedges	Adjustments on foreign currency statement translation	Remeasurements of defined benefit plans	Total		
Balance at April 1, 2020	21,542	325,813	(202,293)	145,062	65,010	16,993,309
Changes in the year ended March 31, 2021						
Cash dividend						(264,608)
Profit (loss) attributable to owners of parent for the year ended March 31, 2021						1,664,517
Purchase of treasury shares						(279)
Net change in items other than shareholders' equity during the year ended March 31, 2021	(18,753)	150,037	169,555	300,839	19,453	320,293
Total (net)	(18,753)	150,037	169,555	300,839	19,453	1,719,922
Balance at March 31, 2021	2,788	475,850	(32,737)	445,901	84,464	18,713,232

NON-CONSOLIDATED BALANCE SHEET

(As of March 31, 2021)

(Thousands of yen)

ASSETS		
CURRENT ASSETS		**10,868,793**
Cash in hand and in banks		2,151,035
Notes receivable, trade		874,565
Electronically recorded monetary claims - operating		1,193,611
Accounts receivable, trade		1,735,326
Merchandise and finished goods		4,763,064
Work in process		21,679
Raw materials and supplies		44,856
Advances paid		279
Prepaid expenses		55,418
Short-term loans receivable		821
Accounts receivable, other		22,011
Other current assets		7,316
Allowance for bad debts		(1,195)
FIXED ASSETS		**8,575,184**
TANGIBLE:		**4,816,440**
Buildings		373,926
Structures		3,452
Machinery and equipment		44,147
Vehicles		1,723
Tools, furniture and fixtures		2,470,274
Land		1,922,916
INTANGIBLE:		**172,057**
Software		162,887
Telephone rights		9,170
INVESTMENTS AND OTHER ASSETS:		**3,586,685**
Investments in subsidiaries		2,643,682
Long-term loans receivable		2,976
Deferred tax assets		854,851
Leasehold deposits		42,128
Other investments		43,047
Total assets		**19,443,977**

NON-CONSOLIDATED BALANCE SHEET

(As of March 31, 2021)

(Thousands of yen)

LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	**2,141,857**
Accounts payable, trade	599,935
Short-term bank loans	637,198
Lease obligations	32,233
Accounts payable, other	270,246
Accrued expenses	77,075
Income taxes payable	187,908
Accrued consumption taxes	95,448
Provision for bonuses	173,272
Provision for directors' bonuses	54,220
Deposits received	14,320
LONG-TERM LIABILITIES	**2,387,758**
Long-term bank loans	1,290,586
Lease obligations	38,388
Accrued retirement benefits to employees	951,645
Provision for directors' stock payments	71,322
Long-term deposits received	7,000
Asset retirement obligations	28,815
Total liabilities	**4,529,616**
NET ASSETS	
STOCKHOLDERS' EQUITY	**14,911,572**
Common stock	**3,001,929**
Capital Surplus	**2,587,029**
Additional paid-in-capital	2,587,029
Retained earnings	**9,434,153**
Legal reserve	197,500
Retained earnings, other	9,236,653
General reserve	4,913,000
Unappropriated retained earnings	4,323,653
Treasury stocks	**(111,539)**
Valuation and translation adjustments	**2,788**
Deferred gains or losses on hedges	2,788
Total net assets	**14,914,361**
Total liabilities and net assets	**19,443,977**

NON-CONSOLIDATED PROFIT AND LOSS STATEMENT

(For the year ended March 31, 2021)

(Thousands of yen)

Net Sales		**11,063,924**
Cost of sales		**4,465,745**
Gross profit		**6,598,178**
Selling, general and administrative expenses		**5,207,198**
Operating income (loss)		**1,390,980**
Non operating income		
Interest income	150	
Contract services income	100,000	
Commission fee	11,376	
Others	3,995	115,522
Non operating expenses		
Interest expenses	11,125	
Foreign exchange losses	2,382	
Syndicated loan commission	8,836	
Others	5,063	27,408
Ordinary income (loss)		**1,479,094**
Extraordinary losses		
Loss on disposal of fixed assets	35,349	
Impairment loss	54,013	89,363
Profit (loss) before income taxes		**1,389,731**
Income taxes - current	234,172	
Income taxes - deferred	(100,377)	**133,795**
Profit (loss)		**1,255,936**

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(For the year ended March 31, 2021)

(Thousands of yen)

	Stockholders' equity						
	Common stock	Capital surplus	Retained earnings			Treasury stock	Total
		Additional paid-in capital	Legal reserve	Others			
				General reserve	Unappropriated retained earnings		
Balance at April 1, 2020	3,001,929	2,587,029	197,500	4,913,000	3,332,326	(111,259)	13,920,525
Changes in the year ended March 31, 2021							
Cash dividend					(264,608)		(264,608)
Profit(loss) for the year ended March 31, 2021					1,255,936		1,255,936
Purchase of treasury shares						(279)	(279)
Net change in items other than shareholders' equity during the year ended March 31, 2021							
Total (net)	0	0	0	0	991,327	(279)	991,047
Balance at March 31, 2021	3,001,929	2,587,029	197,500	4,913,000	4,323,653	(111,539)	14,911,572

(Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total	
Balance at April 1, 2020	21,542	21,542	13,942,067
Changes in the year ended March 31, 2021			
Cash dividend			(264,608)
Profit(loss) for the year ended March 31, 2021			1,255,936
Purchase of treasury shares			(279)
Net change in items other than shareholders' equity during the year ended March 31, 2021	(18,753)	(18,753)	(18,753)
Total (net)	(18,753)	(18,753)	972,294
Balance at March 31, 2021	2,788	2,788	14,914,361

Proposals and References

Proposal No.1: Appropriation of Surplus

In view of the operating results for the fiscal term, future business development and other factors, the Company proposes to pay the year-end dividend for the 49th fiscal term as follows.

(1) Dividend property classification
Cash

(2) Matters related to allotment of dividend property and its total amount
¥11 per one (1) common stock share of the Company
In this case, the total amount to be paid out in the form of dividends comes to ¥291,067,810.

(3) Effective date of distribution of surplus
June 21, 2021

Proposal No.2: Election of Eleven (11) Directors

The term of office of ten (10) Directors, Messrs. Masao Okawa, Katsuhiko Seshita, Koichi Kondo, Toshiyuki Hironaka, Naoto Sawaki, Yasuaki Hidaka, Yoshiyuki Takayanagi, Kazuyoshi Terashita, Hiroshi Ishikawa and Toshio Saburi will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of the following eleven (11) Directors, increasing the number of Directors by one in order to further reinforce the Company's management foundation.

The candidates for Directors are as follows:

Candidate Number	**Name** (Date of Birth)	**Career summary, major concurrent titles at other companies, and positions and responsibilities at the Company**		**Number of Company shares held**
1	**Masao Okawa** (September 8, 1956) (Reappointment)	October 1982 August 2001 September 2001 October 2002 March 2003 August 2003 August 2009 May 2019	Joined Chuo Accounting Audit Corporation Joined Japan Medical Dynamic Marketing, INC. and appointed Director, Divisional General Manager of the Control Division Director of Ortho Development Corporation (current position) Director in charge of overseas affairs (stationed in the United States) Representative Director and President of Ortho Development Corporation Managing Director in charge of overseas affairs Representative Director and President (current position) Director of Ortho Development Pty Ltd. (current position)	42,230 shares
	Reason for the nomination as a candidate for Director Mr. Masao Okawa has been involved in management as the Representative Director, and has led the Company and its Group companies (hereinafter "the Group") in working to enhance its functions as a manufacturer and expand its business in North America. He has steadily advanced the medium-term management plan, bringing recovery and expansion of the Group's business performance to a situation in which it can be fully evaluated. In the Board of Directors as well, he has demonstrated his leadership abilities to make critical management decisions, and fully supervise the execution of business by other Directors. The Company has judged that this candidate's achievements and management leadership ability are necessary in order to promote the medium-term management plan which is currently underway by the Company and achieve sustainable growth, and so has nominated Mr. Masao Okawa as a candidate to continue serving as a Director.			

<table>
<tr><th>Candidate Number</th><th>Name
(Date of Birth)</th><th colspan="2">Career summary, major concurrent titles at other companies, and positions and responsibilities at the Company</th><th>Number of Company shares held</th></tr>
<tr><td rowspan="2">2</td><td>Katsuhiko Seshita
(July 26, 1963)
(Reappointment)</td><td>December 1988
March 2001

July 2001
July 2003
June 2007
August 2007</td><td>Joined Japan Medical Dynamic Marketing, INC.
General Manager of the Sales Department of the Sales Division and Head of the Tokyo Sales Office
General Manager of the First Sales Department of the Sales Division
Manager of the Sales Strategy Department of the Sales Division
Divisional Manager of the Sales Division
Director, Divisional Manager of the Sales Division (current position)</td><td>29,152 shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Katsuhiko Seshita is familiar with sales in the orthopedic medical device industry, and has been involved in management of the Company for many years as the person responsible for the sales sector, working to expand the Company’s business performance. Based on his wealth of experience and achievements, he has fully played his role as a Director in deciding important matters, executing business, and supervising other Director’s execution of business. The Company has judged that making use of this candidate’s wealth of knowledge and experience in order to further enhance our sales sector will be optimal for the Company, and so has nominated Mr. Katsuhiko Seshita as a candidate to continue serving as a Director.</td></tr>
<tr><td rowspan="2">3</td><td>Koichi Kondo
(April 7, 1967)
(Reappointment)</td><td>January 1989
July 2003

August 2005
August 2007
August 2010

April 2015
May 2015
June 2016</td><td>Joined Japan Medical Dynamic Marketing, INC.
General Manager of the Sales Strategy Department of the Sales Division and Head of the Yokohama Sales Office
General Manager of the Marketing Department
Director, Divisional Manager of the Business Promotion Division
Director, General Manager of the East Japan Sales Department and in charge of Spine Team
Director, Group Manager of the Marketing Group
Director of Ortho Development Corporation (current position)
Director, Divisional Manager of the Marketing Division (current position)</td><td>12,790 shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Koichi Kondo is familiar with trends in the orthopedic medical device industry which the Group belongs to, has been involved in management as the person responsible for the marketing sector, and has planned and executed the Group’s product strategies, working actively to enhance the marketing function of the Group. Based on his wealth of experience and achievements, he has fully played his role as a Director in deciding important matters, executing business, and supervising other Director’s execution of business. The Company has judged that making use of this candidate’s wealth of knowledge and experience in order to further enhance our marketing sector will be optimal for the Company, and so has nominated Mr. Koichi Kondo as a candidate to continue serving as a Director.</td></tr>
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Candidate Number	Name (Date of Birth)	Career summary, major concurrent titles at other companies, and positions and responsibilities at the Company		Number of Company shares held
4	**Toshiyuki Hironaka** (November 17, 1962) (Reappointment)	April 1986 August 2001 August 2003 December 2006 August 2009 August 2010 August 2011 April 2013 June 2013 April 2014 May 2016 June 2016 May 2019	Joined ITOCHU Corporation General Manager of Business Sales Headquarters, Dell Japan Inc. General Manager of Enterprise Sales Headquarters Managing Corporate Officer, Lenovo Japan Ltd. Director, Assistant to President, in charge of sales, Japan Medical Dynamic Marketing, INC. Director in charge of the Sales Division and ODEV Director of Ortho Development Corporation Retired from Director of Japan Medical Dynamic Marketing, INC. Retired from Director of Ortho Development Corporation Director of Ortho Development Corporation (current position) Director in charge of sales and corporate planning Director in charge of sales, corporate planning and the Control Division Resigned as Director General Manager of the Corporate Planning Division Director in charge of corporate planning (current position) Director of Ortho Development Pty Ltd. (current position)	6,400 shares
	Reason for the nomination as a candidate for Director Mr. Toshiyuki Hironaka has been involved in management of the Group as the person responsible for corporate planning, overseas business, and the administrative sector. He has led planning of the medium-term management plan while striving to expand the business of our United States subsidiary. Based on his wealth of experience and achievements, he has fully played his role as a Director in deciding important matters, executing business, and supervising other Director's execution of business. The Company has judged that making use of this candidate's wealth of knowledge and experience in order to further enhance business administration, as well as planning and execution of the Company's management strategy, will be optimal for the Company, and so has nominated Mr. Toshiyuki Hironaka as a candidate to continue serving as a Director.			

<table>
<tr><th>Candidate Number</th><th>Name
(Date of Birth)</th><th colspan="2">Career summary, major concurrent titles at other companies, and positions and responsibilities at the Company</th><th>Number of Company shares held</th></tr>
<tr><td rowspan="2">5</td><td>Yasuaki Hidaka
(September 11, 1970)
(Reappointment)</td><td>December 1992
June 2008
August 2010

April 2015

April 2017

June 2020</td><td>Joined Japan Medical Dynamic Marketing, INC.
General Manager of the Sales Department of the Sales Division
General Manager of the West Japan Sales Department of the Sales Division
General Manager of the Trauma Product Department of the Marketing Group, the Business Promotion Division
General Manager of the Special Sales Department of the Sales Division
Director, Deputy General Manager of the Sales Division (current position)</td><td>1,800 shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Yasuaki Hidaka has a wealth of sales experience in the field of orthopedic medical devices, and has been engaged in product development by leveraging his network with health care professionals. Based on these ample experience and achievement, he has fully played his role as a Director in deciding important matters, executing business, and supervising other Director’s execution of business. The Company has judged that making use of this candidate’s wealth of knowledge and experience in order to further strengthen the Company’s sales department, will be optimal for the Company, and so has nominated Mr. Yasuaki Hidaka as a candidate to continue serving as a Director.</td></tr>
<tr><td rowspan="2">6</td><td>Brent Allen Bartholomew
(January 29, 1970)
(New Candidate)
(Non-executive Director)</td><td>January 1996
February 1999

November 2000
February 2002
June 2006
September 2009
March 2018

May 2019</td><td>Joined Deloitte Touche Tohmatsu Limited
Joined Ortho Development Corporation and appointed Director and Controller
CFO and Vice President of Finance
CFO and Director of Finance & Administration
Executive Vice President
President (current position)
Legal Representative of Ortho Development Corporation-China (current position)
Director and Legal Representative of Ortho Development Pty Ltd. (current position)</td><td>– shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Brent Allen Bartholomew has been involved in management of Ortho Development Corporation (hereinafter “ODEV”) for many years, and has led its growth. In recent years, the role of ODEV in the Group has been increasing, in light of the Group’s medium-term management strategies that aim for sustainable growth with a focus on the cooperative development structure between Japan and the United States. From the perspectives of quality control and logistics control, it is necessary to promote a tight-knit cooperative business structure with ODEV, and the Company believes there is an increasing need for accurate and timely understanding of internal management information and operational status of internal control systems.
Based on his experience and achievements in managing ODEV for many years, he will be able to fully play his role as a Director in deciding important matters, executing business, and supervising other Director’s execution of business. The Company has judged that making use of this candidate’s wealth of knowledge and experience as well as diverse values in the Group’s management in order to establish and strengthen the unified business operation and administrative structure that integrate the Company and ODEV will be optimal for the Company, and so has nominated Mr. Brent Allen Bartholomew as a candidate for Director.</td></tr>
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<tr><th>Candidate Number</th><th>Name
(Date of Birth)</th><th colspan="2">Career summary, major concurrent titles at other companies, and positions and responsibilities at the Company</th><th>Number of Company shares held</th></tr>
<tr><td rowspan="2">7</td><td>Yoshiyuki Takayanagi
(August 23, 1965)
(Reappointment)
(Non-executive Director)</td><td>April 1988
February 2013

January 2015

April 2016
October 2016
April 2018

April 2019

June 2019

April 2021</td><td>Joined NGK SPARK PLUG CO., LTD.
General Manager, Planning Department, Information and Communications-related Group
General Manager, Planning and Administration Department, Semiconductor Division, Technical Ceramics-related Group
General Manager, Business Department, Semiconductor Division
Director of NTK CERAMIC CO., LTD.
Corporate Officer, in charge of Medical Div. of NGK SPARK PLUG CO., LTD.
Executive Officer, in charge of Medical Div. of NGK SPARK PLUG CO., LTD.
Director of Japan Medical Dynamic Marketing, INC. (current position)
Executive Officer, in charge of Business Management Dept., Company President Business Support Company and Plant Manager of Nagoya of NGK SPARK PLUG CO., LTD. (current position)</td><td>– shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Yoshiyuki Takayanagi has been engaged in the accounting and planning sectors for many years, and has extensive knowledge and a wealth of experience in planning and practicing business strategies. He has experience being in charge of the Medical Business of NGK SPARK PLUG CO., LTD., a capital and business alliance partner of the Company. The Company has judged that making use of this candidate’s extensive knowledge and wealth of experience in order to further strengthen appropriate collaboration and relationships with NGK SPARK PLUG CO., LTD., will be optimal for the Company, and so has nominated Mr. Yoshiyuki Takayanagi as a candidate to continue serving as a Director.</td></tr>
<tr><td rowspan="2">8</td><td>Kazuyoshi Terashita
(December 26, 1969)
(Reappointment)
(Non-executive Director)</td><td>April 1992
April 2017

April 2019

April 2020

June 2020

April 2021</td><td>Joined NGK SPARK PLUG CO., LTD.
General Manager of Accounting & Finance Department, Corporate Administration Group
Corporate Officer, Deputy General Manager of Corporate Administration Group and General Manager of Accounting & Finance Department
Corporate Officer, General Manager of Global Group Governance Headquarter
Director of Japan Medical Dynamic Marketing, INC. (current position)
Executive Officer, in charge of Financial Strategy Dept. and Company President FP & A Company of NGK SPARK PLUG CO., LTD. (current position)</td><td>– shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Kazuyoshi Terashita has been engaged in the accounting and corporate administration sectors for many years, and has a wealth of experience in administrative operations such as accounting and finance. The Company has judged that making use of this candidate’s extensive knowledge and wealth of experience in order to further strengthen appropriate collaboration and relationships with NGK SPARK PLUG CO., LTD., a capital and business alliance partner of the Company, will be optimal for the Company, and so has nominated Mr. Kazuyoshi Terashita as a candidate to continue serving as a Director.</td></tr>
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<tr><th>Candidate Number</th><th>Name
(Date of Birth)</th><th colspan="2">Career summary, major concurrent titles at other companies, and positions and responsibilities at the Company</th><th>Number of Company shares held</th></tr>
<tr><td rowspan="2">9</td><td rowspan="2">Yoshitaka Suzuki
(January 13, 1972)
(New Candidate)
(Non-executive Director)</td><td>April 1995
February 2001
June 2016

April 2017
April 2021</td><td>Joined Nichimen Corporation (currently Sojitz Corporation)
Joined Nomura Research Institute, Ltd.
Joined NGK SPARK PLUG CO., LTD. and appointed Vice President & CSO of NGK Spark Europe GmbH
Vice President, in charge of EMEA (Europe, Middle East and Africa)
Corporate Officer, General Manager of Business Transformation Div. (current position)</td><td>– shares</td></tr>
<tr><td colspan="3">Reason for the nomination as a candidate for Director
Mr. Yoshitaka Suzuki, after being involved in the establishment of a subsidiary at a trading company, has been a management consultant at Nomura Research Institute for many years, and has experience in support for formulation of management strategies, business reforms, M&A strategies, and post-merger integration support for various listed companies. He is practicing global management at NGK SPARK PLUG CO., LTD., a capital and business alliance partner of the Company, as Vice President in charge of strategies in the supervision of the EMEA region, where NGK SPARK PLUG CO., LTD. has a market share of more than 20%. The Company has judged that his wealth of knowledge and experience will be useful for the future management of the Company, and so has nominated Mr. Yoshitaka Suzuki as a candidate for Director.</td></tr>
<tr><td rowspan="2">10</td><td rowspan="2">Hiroshi Ishikawa
(June 8, 1968)
(Reappointment)
(Outside Director)</td><td>April 1999
June 2013

December 2013</td><td>Joined Ohhara Law Office, registered as a lawyer (current position)
Outside Director, Japan Medical Dynamic Marketing, INC. (current position)
Supervisory Director, Daiwa House REIT Investment Corporation (current position)</td><td>– shares</td></tr>
<tr><td colspan="3">Reason for the nomination as a candidate for Outside Director and overview of expected roles
Mr. Hiroshi Ishikawa has extensive knowledge and experience as a lawyer and is familiar with corporate governance. The Company has judged that the Company will be able to further strengthen the supervisory function of the Board of Directors with his advice as a legal expert to improve the transparency and fairness of the Company’s management, and so has nominated Mr. Hiroshi Ishikawa as a candidate to continue serving as an Outside Director. Additionally, as a member of the Nomination and Remuneration Advisory Committee, which holds consultations regarding nomination of directors of the Company and decisions on their remuneration, he is expected to play a role in supervising the management team, such as reflecting evaluation of the Company’s performance in the appointments of officers of the Company and decisions on their remuneration from an objective standpoint.</td></tr>
</table>

Candidate Number	Name (Date of Birth)	Career summary, major concurrent titles at other companies, and positions and responsibilities at the Company		Number of Company shares held
11	**Toshio Saburi** (June 2, 1949) (Reappointment) (Outside Director)	October 1982 March 1986 September 1993 January 1999 October 2002 June 2004 June 2005 October 2008 May 2010 June 2015 July 2019	Joined Chuo Accounting Audit Corporation Registered as a Certified Public Accountant Partner, Chuo Audit Corporation Joined Tempstaff Co., Ltd. Auditor, e-staffing Co., Ltd. Director, General Manager of Support Division, Tempstaff Co., Ltd. Executive Managing Director, Tempstaff Co., Ltd. Executive Managing Director and General Manager of Group Corporate Planning Division, Temp Holdings Co., Ltd.(currently PERSOL HOLDINGS CO., LTD.) Executive Managing Director, General Manager of Group Corporate Planning Division, Temp Holdings Co., Ltd. and Director, Kelly Services, Inc. Outside Director, Japan Medical Dynamic Marketing, INC. (current position) Outside Director (Audit & Supervisory Committee Member), RAIZNEXT Corporation (current position)	3,200 shares
	Reason for the nomination as a candidate for Outside Director and overview of expected roles Mr. Toshio Saburi has specialized knowledge and experience garnered as a certified public accountant, and also has experience being engaged in corporate management for many years. The Company has judged that the Company will be able to further strengthen the supervisory function of the Board of Directors with his advice to improve the transparency and fairness of the Company's management, and so has nominated Mr. Toshio Saburi as a candidate to continue serving as an Outside Director. Additionally, as the Chairman of the Nomination and Remuneration Advisory Committee, which holds consultations regarding nomination of directors of the Company and decisions on their remuneration, he is expected to play a role in supervising the management team, such as reflecting evaluation of the Company's performance in the appointments of officers of the Company and decisions on their remuneration from an objective standpoint.			

Notes: 1. No conflict of interest exists between the Company and the above candidates for Director.

2. Messrs. Hiroshi Ishikawa and Toshio Saburi are candidates for Outside Director.
When Messrs. Hiroshi Ishikawa and Toshio Saburi are re-elected as Outside Directors, they will continue to be Independent Directors in accordance with the listing regulations of the Tokyo Stock Exchange, Inc.

3. Special notes with regard to candidates for Outside Directors are as follows:

(1) Independence of candidates for Outside Directors
Messrs. Hiroshi Ishikawa and Toshio Saburi have not accepted any significant amount of money or other asset (excluding remuneration for Directors) from the Company or any parties specially related to the Company in the past two years, nor will they do so in the future. In addition, they are not spouses, relatives within the third degree of kinship, or any other equivalents of the executive officers or officers of the Company or of any parties specially related to the Company.

(2) The terms of office since the candidates for Outside Directors are in office as Outside Directors
Mr. Hiroshi Ishikawa, currently an Outside Director of the Company, will have been in office for eight (8) years at the conclusion of this General Meeting of Shareholders.
Mr. Toshio Saburi, currently an Outside Director of the Company, will have been in office for six (6) years at the conclusion of this General Meeting of Shareholders.

4. Liability limitation agreement with the candidates for Directors
Messrs. Yoshiyuki Takayanagi, Kazuyoshi Terashita, Hiroshi Ishikawa and Toshio Saburi have actually concluded a liability limitation agreement with the Company and are scheduled to conclude the same with the Company after the re-election.
As Mr. Yoshitaka Suzuki is scheduled to be elected as a Non-executive Director, the Company plans to conclude a liability limitation agreement with him in the event that his election is approved as proposed.

The contents of the agreement are outlined as follows:

- Liability of the Director as stipulated in Article 423, Paragraph 1 of the Companies Act shall be borne by the Company to the extent permitted by laws and regulations, if such Director performs his/her duties in good faith and without gross negligence.

5. The Company has concluded a directors and officers liability insurance contract under which all Directors are the insured. The contract will cover the damage that may arise from liability assumed by the insured Directors for the execution of their duties or claims received for the pursuit of such liability. When the candidates are appointed as Directors, they will be insured under the insurance contract, and the Company plans to renew the insurance contract during their terms of office.

Proposal No.3: Election of One (1) Substitute Statutory Auditor

In preparation for the case of lacking the number of Statutory Auditors required by laws and regulations, the Company proposes the election of one (1) Substitute Statutory Auditor in advance. The Board of Statutory Auditors has previously given its approval for this proposal.

The candidate for Substitute Statutory Auditor is as follows:

Name (Date of Birth)	**Career summary, major concurrent titles at other companies, and positions at the Company**		**Number of Company shares held**
Masaaki Ayukawa (July 28, 1945)	April 1969	Joined Chuo Accounting Audit Corporation	– shares
	February 1971	Registered as a Certified Public Accountant	
	May 2000	Executive Board Member and Divisional Manager of the International Affairs Division of Chuo Aoyama Audit Corporation	
	September 2006	Executive Board Member and Divisional Manager of the International Affairs Division of Misuzu Audit Corporation	
	August 2007	Liquidator of Misuzu Audit Corporation	
	March 2009	Outside Statutory Auditor, TonenGeneral Sekiyu K.K. (currently JXTG Nippon Oil & Energy Corporation)	
	June 2014	Outside Statutory Auditor, Kumagai Gumi Co., Ltd. (current position)	
	March 2016	Outside Director, Aucnet Inc. (current position)	
Reason for the nomination as a candidate for Substitute Outside Statutory Auditor Mr. Masaaki Ayukawa has specialized knowledge and experience garnered as a certified public accountant, and has a wealth of experience cultivated as an outside auditor in many companies for many years. The Company has nominated Mr. Masaaki Ayukawa as an Outside Statutory Auditor in order for him to make use of his specialized knowledge and experience in maintenance and enhancement of the Company's auditing system.			

Notes: 1. No conflict of interest exists between the Company and the above candidate for Statutory Auditor.

2. The above candidate for Statutory Auditor is a candidate for Substitute Outside Statutory Auditor.
   When Mr. Masaaki Ayukawa is elected as Outside Statutory Auditor, he will be Independent Auditor.

3. Special notes with regard to candidate for Substitute Outside Statutory Auditor are as follows:
   (1) Mr. Masaaki Ayukawa has not accepted any significant amount of money or other asset (excluding remuneration for Statutory Auditor) from the Company or any parties specially related to the Company in the past two years, nor will he do so in the future. Furthermore, he is not a spouse, a relative within the third degree of kinship, or any other equivalent of the executive officers or officers of the Company or of any parties specially related to the Company.
   (2) Liability limitation agreement with Outside Statutory Auditors
   Mr. Masaaki Ayukawa is scheduled to conclude a liability limitation agreement with the Company after the election.
   The contents of the agreement are outlined as follows:
   - Liability of the Outside Statutory Auditor as stipulated in Article 423, Paragraph 1 of the Companies Act shall be borne by the Company to the extent permitted by laws and regulations, if such Outside Statutory Auditor performs his/her duties in good faith and without gross negligence.

4. The Company has concluded a directors and officers liability insurance contract under which all Statutory Auditors are the insured. The contract will cover the damage that may arise from liability assumed by the insured Statutory Auditors for the execution of their duties or claims received for the pursuit of such liability. When the candidates for Statutory Auditor are appointed as Statutory Auditors, they will be insured under the insurance contract, and the Company plans to renew the insurance contract during their terms of office.

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