

Securities Code: 7988

7th June, 2022

To our shareholders

5-3 Hikarinooka, Yokosuka-shi, Kanagawa

**Nifco Inc.**

Masaharu Shibao, President & Representative Director

## **NOTICE OF THE 70th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We would like to announce that the 70th Annual General Meeting of Shareholders will be held as stated below.

In order to prevent the spread of the novel coronavirus, we have decided to implement thorough infection-control measures at the upcoming General Meeting of Shareholders.

We kindly request you to exercise your voting rights by mail or online prior to the general meeting of shareholders as much as possible from the viewpoint of preventing infection and consider your own health condition to decide whether to come to the venue.

Anyone who has a fever on the day of the meeting will be refused entry into the venue.

**Please exercise your voting rights using either of the following methods after reviewing the attached Reference Documents.**

### **[Exercising Voting Rights by Mail]**

Please indicate your vote for or against the resolutions on the enclosed proxy form which should be returned to the company to **reach us no later than 5:00 p.m. on June 22, 2022.**

### **[Exercising Voting Rights Online]**

To exercise your voting rights online, please either scan the login QR code or access the Company's designated voting website (<https://soukai.mizuho-tb.co.jp/>). You can input your vote for or against the resolutions by following the on-screen guidance. **Please be sure to vote by no later than 5:00 p.m. on June 22, 2022.**

**If you exercise your voting rights online, please confirm “Instructions for voting online” on page 5.**

**If there is no indication of approval or disapproval for particular resolutions, the shareholder will be construed as having approved the resolution in question.**

-----Details of the Meeting -----

- 1 Date and Time: 10 a.m. on Thursday, June 23, 2022 (doors open at 9:30 a.m.)
  - 2 Location: Mita NN Hall, B1 floor (1st basement), Mita NN Building, 4-1-23 Shiba, Minato-ku, Tokyo  
  
In order to prevent the spread of infections, the number of seats will be limited to ensure greater space between seats. Please note that you may be refused admission to the venue upon arrival due to limited seat availability.
  - 3 Agenda: Reports:
    1. The business report (1st April, 2021 – 31st March, 2022), and the consolidated accounts together with the report of the Statutory Auditors and the Public Accountants thereon.
    2. The accounts (1st April, 2021 – 31st March, 2022)Resolutions: 

Resolution 1	Appropriation of retained earnings
Resolution 2	Reduction of the amount of the capital reserve and transfer to other capital surplus
Resolution 3	Partial changes of the Articles of Incorporation
Resolution 4	Election of six candidates for Director who are not Audit & Supervisory Committee Members
  - 4 How to exercise your voting rights Please see “How to Exercise Your Voting Rights” on page 4.
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- If you attend the Annual General Meeting of Shareholders, please present the enclosed voting form to the receptionist at the meeting.
- Also, should there be any amendments to the Reference Documents, the business report, the accounts, or the consolidated accounts, they will be published on the Company's website.

Company's website (<https://www.nifco.com/>)

**We will no longer offer gifts to or hold a social gathering for shareholders at the Annual General Meeting of Shareholders. We appreciate your understanding.**

(Request for shareholders)


- If you exercise your voting rights using the proxy form, there will be a risk of infection from the process of returning the form and counting of votes. Accordingly, if you exercise your voting rights prior to the General Meeting of Shareholders, we would appreciate you voting online if at all possible.
- In order to prevent the spread of infections, the number of seats will be limited to ensure greater space between seats. Please note that you may be refused admission to the venue upon arrival due to limited seat availability. Operations staff of the General Meeting of Shareholders will wear masks when receiving you after having their physical conditions checked, including measurement of body temperature.
- Operations staff of the General Meeting of Shareholders will wear masks when receiving you after having their physical conditions checked, including measurement of body temperature.
- We will install alcohol-based (hand) sanitizers for shareholders near the reception desk of the venue.
- When attending the meeting, please make sure to bring a mask and wear it. Shareholders who are not wearing a mask will be refused admission to the venue.
- After measurement of body temperature at the reception desk, anyone who has a fever may be refused entry into the venue and requested to go home.
- Doors at the venue may be opened for air ventilation.
- For this General Meeting of Shareholders, detailed explanations for the reports (including the audit report) and resolutions at the venue will be omitted from the viewpoint of reducing the meeting time to prevent the spread of COVID-19 infections. We would appreciate it if shareholders would read the notice of convocation prior to the General Meeting of Shareholders. Moreover, we would request that questions will be limited to one for each shareholder, and kept brief. Please note that when you ask a question, kindly move to the stand microphone in the venue before asking the question.

We may update the above measures in accordance with the spread of infections and announcements by the government, etc., before the General Meeting of Shareholders. You are also kindly requested to check the information we post on the Company's website (<https://www.nifco.com/>)



## How to exercise your voting rights


Your ability to vote at the Annual General Meeting of Shareholders is an important right. Please read the attached Reference Documents before exercising your voting rights. You can use one of the following three methods to exercise your voting rights.



**Online**

Follow the instructions on the next page to vote on each resolution.


Exercise your voting rights by  
Wednesday, 22nd June, 2022  
 5:00 p.m. (Online voting must be completed by this time.)



**By mail**

Fill out the enclosed proxy form to vote on each resolution and return it by mail.

Exercise your voting rights by  
Wednesday, 22nd June, 2022  
 5:00 p.m. (The form must be returned by this time.)

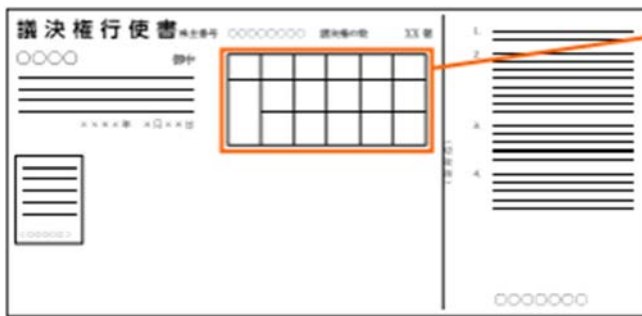


**In person**

Present the enclosed proxy form at the reception desk when attending the meeting.

Date and Time:  
Thursday, 23rd June, 2022  
 10:00 a.m.  
 (Doors open at 9:30 a.m.)

## How to fill out the proxy form



\* The above image is for illustration purposes only. The actual form may vary.

Indicate your votes here.

### Resolutions 1, 2, and 3

- If you are voting for the resolution >> Enter a circle in the **“For”** box
- If you are voting against the resolution >> Enter a circle in the **“Against”** box

### Resolution 4

- If you are voting for the appointment/reappointment of all candidates >> Enter a circle in the **“For”** box
- If you are voting against the appointment/reappointment of all candidates >> Enter a circle in the **“Against”** box
- If you are voting against the appointment/reappointment of some of the candidates >> Enter a circle in the box **“For”** and write the number(s) associated with the candidate(s) you are voting against.

If you exercise your voting rights both by mail and online, only the votes cast online will be considered valid. If you exercise your voting rights online more than once, only your last vote will be counted.

## Instructions for voting online

### Scanning your login QR code (Smart Vote)

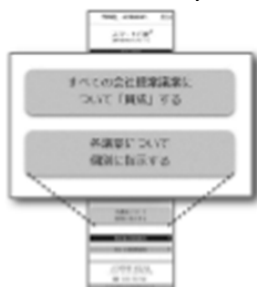
You can log in to the Voting Website without entering your voting rights exercise code and password.

- 1 Scan the QR code shown at the right bottom corner of the proxy form.



\* QR code is a registered trademark of Denso Wave Incorporated.

- 2 Follow the on-screen instructions to cast your votes.



When using Smart Vote, you can exercise your voting rights **only once**.

If you wish to change your vote after exercising your voting rights, access the PC site, log in using the voting rights exercise code and password shown on the proxy form, and vote again.

\* You can access the PC site by scanning the QR code again.

If you have any questions about how to operate a PC, smartphone, or cell phone when voting online, please contact:

### Entering your voting rights exercise code and password

Voting Website <https://soukai.mizuho-tb.co.jp/>

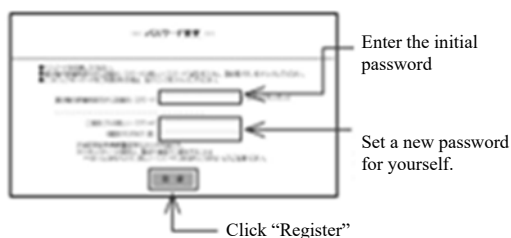
- 1 Access the Voting Website.



- 2 Enter the voting rights exercise code shown on the proxy form.



- 3 Enter the password shown on the proxy form.



- 4 Follow the on-screen instructions to cast your votes.  
\* The above images are for illustration purposes only. Actual screens may vary.

Internet Help Dial, Stock Transfer Agency Department, Mizuho  
Trust & Banking Co., Ltd.

☎ 0120-768-524

(Hours: 9:00 a.m. – 9:00 p.m.)

Institutional investors may use the Electronic Voting Platform for institutional investors operated by ICJ, Inc.

## Reference Documents for the General Meeting of Shareholders

Resolution 1

### Appropriation of retained earnings

Retained earnings will be appropriated as described below.

#### Matters concerning year-end dividend

With respect to the year-end dividend for the 70th fiscal year, the Company hereby proposes the following in consideration of the operating results for the year under review and future business development.

Form of dividend	Cash
Matters concerning allocation of dividend and total amount thereof	We propose to pay <b>31 yen</b> per share as the year-end ordinary dividend ( <b>an ordinary dividend of 31 yen</b> ). Total dividend will be <b>3,119,460,374 yen</b> . This will bring the annual dividend to <b>62 yen</b> per share, including the interim dividend.
Effective date of dividends	24th June, 2022

## Reduction of the amount of the capital reserve and transfer to other capital surplus

### (1) Purpose of reduction and transfer of the amount

In order to assure the future agility and flexibility of our capital policies, we would like to reduce the amount of capital reserve and transfer it to other capital surplus based on the provision of Article 448, Paragraph 1 of the Companies Act.

### (2) Procedure for reduction and transfer of the amount

#### 1) Amount of capital reserve to be deducted

Of the amount of capital reserve of 11,651,451,088 yen, 11,500,000,000 yen will be deducted, and the entire deducted amount will be transferred to other capital surplus. The amount of capital reserve after the reduction will be 151,451,088 yen.

#### 2) Date on which the reduction in the amount of capital reserve takes effect

Scheduled for September 22, 2022

## (1) Reasons for this Resolution

As the amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will take effect on September 1, 2022, in order to prepare for the introduction of an electronic disclosure system for the materials of a general meeting of shareholders, the Articles of Incorporation of the Company will be amended as follows;

1. Article 13, Paragraph 1 of the proposed amendment stipulates that information on the contents of reference materials of a general meeting of shareholders will be electronically provided.
2. Article 13, Paragraph 2 of the proposed amendment makes provisions for limiting the scope of the matters stated in written documents to be issued to shareholders who have requested the issuance of written documents.
3. The provision for disclosure on the Internet and deemed provision of reference materials for a general meeting of shareholders (Article 13 of the current Articles of Incorporation) will be deleted as this will be no longer necessary.
4. In association with the above new establishment and deletion, supplementary provisions regarding the effective date, etc. will be established.



(2) The content of changes

The content of changes are as follows.

(The underlined parts indicate changes.)

Current Articles of Incorporation	Proposed changes
Chapter 3 General Meeting of Shareholders Articles 11 - 12 (Provisions omitted)	Chapter 3 General Meeting of Shareholders Articles 11 - 12 (No change)
<u>(Disclosure on the Internet and deemed provision of reference materials for a general meeting of shareholders)</u>	(Deleted)
<u>Article 13 When convening a general meeting of shareholders, the Company may deem that information on the matters that should be stated or indicated in the reference materials for the general meeting of shareholders, business reports, financial statements and consolidated financial statements has been provided by disclosing it on the Internet in accordance with the provisions of the Ordinance of the Ministry of Justice.</u>	
(New)	(Electronic disclosure, etc.)
	<u>Article 13 When convening a general meeting of shareholders, the Company shall electronically provide information on the contents of reference materials for the general meeting of shareholders.</u>
	<u>2. The Company may refrain from stating all or part of what is specified in the ordinance of the Ministry of Justice among the matters to be electronically provided in written documents to be issued to shareholders who have requested the issuance of written documents by the record date for voting rights.</u>
Articles 14 - 38 (Provisions omitted)	Articles 14 - 38 (No change)
Supplementary provisions (Transitional measures for exemption of Statutory Auditors from liability) In accordance with provisions of Article 426, paragraph (1) of the Companies Act, the Company may exempt, by resolution of the Board of Directors, those who used to be Statutory Auditors from liability for damages referred to in Article 423, paragraph (1) of the Act, subject to the limit of laws and regulations. This supplementary provision shall be deleted after a lapse of ten (10) years from June 24, 2021.	Supplementary provisions (Transitional measures for exemption of Statutory Auditors from liability) <u>Article 1</u> In accordance with provisions of Article 426, paragraph (1) of the Companies Act, the Company may exempt, by resolution of the Board of Directors, those who used to be Statutory Auditors from liability for damages referred to in Article 423, paragraph (1) of the Act, subject to the limit of laws and regulations. This supplementary provision shall be deleted after a lapse of ten (10) years from June 24, 2021.

Current Articles of Incorporation	Proposed changes
(New)	<p data-bbox="810 421 1326 450"><u>(Transitional measures for electronic disclosure, etc.)</u></p> <p data-bbox="810 456 1404 757"><u>Article 2 The deletion of Article 13 before the change (Disclosure on the Internet and deemed provision of reference materials for a general meeting of shareholders) and new establishment of Article 13 after the change (Electronic disclosure, etc.) shall take effect from the date of enforcement of the amended provisions, which is stipulated in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the "enforcement date").</u></p> <p data-bbox="890 763 1404 902">2. <u>Notwithstanding the provision of the previous paragraph, Article 13 before the change shall still be effective for a general meeting of shareholders that is held within six (6) months from the enforcement date.</u></p> <p data-bbox="890 909 1404 1077">3. <u>This supplementary provision shall be deleted on the day on which six (6) months have passed from the enforcement date, or on the day on which three (3) months have passed from the general meeting of shareholders referred to in the preceding paragraph, whichever is later.</u></p>

Resolution 4

## Election of six candidates for Director who are not Audit & Supervisory Committee Members

The terms of office of all (six) Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter, the same shall apply under this Resolution) will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, we propose the election of six candidates as Director.

The Audit & Supervisory Committee has confirmed its decision policies, viewpoints and deliberation processes for each candidate whom the Nomination, Compensation and Governance Committee, which is an advisory body to the Board of Directors, has recommended to the Board of Directors. As a result, it has been judged that each candidate is appropriate as a Director that is not an Audit & Supervisory Committee Member.

The candidates for Director are as follows.

No.  <b>1</b>	<b>Toshiyuki Yamamoto</b>	(11th October, 1949)	Number of shares of the Company held 59,431 (Number of the Company's shares to be granted based on the share-based compensation plan) (46,831) Number of years of service 10 Number of Board of Directors meetings attended 13 out of 13
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[Career summary, position and assignment at the Company]

Reappointment

April 1973	Joined the Company	June 2016	Chairman, President & Representative Director, CEO & COO of the Company
January 1995	Head of Sagamihara Plant of the Company	June 2017	President & Representative Director, CEO & COO of the Company
June 2002	Executive Officer of the Company	June 2020	President & Representative Director, Chief Executive Officer (CEO) of the Company
April 2008	Executive Officer of the Company, President of Nifco America Corp.	April 2021	Chairman & Representative Director, Chief Executive Officer (CEO) of the Company (to present)
June 2012	President & Representative Director, COO of the Company		

[Significant concurrent positions]

None

Reasons for proposing the candidate for Director

Mr. Yamamoto is once again proposed as a candidate for Director due to his ability to execute business strategies with strong leadership in a timely and appropriate manner, as well as his broad experience of global management gained as the President & Representative Director of the Company from 2012 to 2021, after obtaining experience as the Head of major domestic plants and the President of the Company's overseas subsidiary.

Reappointment

Reappointed Director candidate

External

External Director candidate

Independent

Independent Director pursuant to the regulations of the stock exchange

No.  <b>2</b>	<b>Masaharu Shibao</b>  (14th December, 1961)	Number of shares of the Company held (Number of the Company's shares to be granted based on the share-based compensation plan) Number of years of service Number of Board of Directors meetings attended	34,468 (27,868) 6 13 out of 13
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**[Career summary, position and assignment at the Company]**

**Reappointment**

April 1985	Joined the Company	June 2019	Director and Senior Executive Managing Officer, CMO, Head of Sales, In charge of Technology & Platform Business Division of the Company
April 2010	President of Nifco Deutschland GMBH		
June 2015	Executive Officer of the Company, President of Nifco America Corp.	June 2020	Vice President & Representative Director, Head of Sales, Chief Operating Officer (COO) of the Company
June 2016	Director and Executive Managing Officer, CMO, Head of Sales of the Company	April 2021	President & Representative Director, Chief Operating Officer (COO) of the Company (to present)

**[Significant concurrent positions]**

None

**Reasons for proposing the candidate for Director**

Mr. Shibao is once again proposed as a candidate for Director due to his global and diverse experience, insights and expertise cultivated through his long career in sales and as the President of the Company's subsidiaries in Europe and the U.S.

No.  <b>3</b>	<b>Toshiki Yauchi</b>  (16th July 1961)	Number of shares of the Company held (Number of the Company's shares to be granted based on the share-based compensation plan) Number of years of service Number of Board of Directors meetings attended	21,264 (19,164) 4 13 out of 13
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**[Career summary, position and assignment at the Company]**

**Reappointment**

April 1985	Joined the Company	June 2019	Director and Senior Executive Managing Officer, Divisional General Manager of Corporate Strategy Division, In charge of Administration & Finance of the Company
July 2007	Divisional General Manager of Corporate Strategy Division of the Company		
June 2015	Executive Officer, Divisional General Manager of Corporate Strategy Division of the Company	June 2021	Director and Senior Executive Managing Officer, Chief Financial Officer (CFO), Chief Strategy Officer (CSO) of the Company (to present)
June 2018	Director and Executive Managing Officer, Divisional General Manager of Corporate Strategy Division, In charge of Administration & Finance of the Company		

**[Significant concurrent positions]**

None

**Reasons for proposing the candidate for Director**

Mr. Yauchi is once again proposed as a candidate for Director due to his diverse experience, insights and expertise cultivated through his long career mainly in corporate strategy, and developing management strategies as the Divisional General Manager of the Corporate Strategy Division and being in charge of overall IR activities of the Company.

No.

4

Yoshiko Nonogaki (31st July 1957)

Number of shares of the Company held	-
(Number of the Company's shares to be granted based on the share-based compensation plan)	(- shares)
Number of years of service	3
Number of Board of Directors meetings attended	13 out of 13

## [Career summary, position and assignment at the Company]

Reappointment

External

Independent

April 1980	Joined Sony Corporation (current Sony Group Corporation)	June 2015	External Director of Jolly-Pasta Co., Ltd.
September 1992	President & Representative Director of Sony Poland	June 2019	External Director of the Company (to present)
April 2009	Manager of Planning & Marketing Department, Business & Professional Enterprise HQ of Sony Corporation (current Sony Group Corporation)	June 2020	Outside Director of GS Yuasa Corporation (to present)
April 2013	Director of Global Diversity, Personnel HQ of the company	June 2021	External Director of SATO HOLDINGS CORPORATION (to present)

## [Significant concurrent positions]

Outside Director of GS Yuasa Corporation  
 External Director of SATO HOLDINGS CORPORATION

## Reasons for proposing the candidate for External Director and overview of expected roles

Ms. Nonogaki has a wide range of insights to supervise overall management based on her business experience in the business divisions of a large corporation, management experience of overseas subsidiaries and experience as external director at other listed corporations. Moreover, her expected role will be to improve the quality of the Company's corporate governance, by reflecting these broad experience and insight.

No.

5

Brian K. Heywood (9th January 1967)

Number of shares of the Company held	- shares
(Number of the Company's shares to be granted based on the share-based compensation plan)	(- shares)
Number of years of service	2
Number of Board of Directors meetings attended	13 out of 13

## [Career summary, position and assignment at the Company]

Reappointment

External

Independent

August 1999	Vice President, Citibank, N.A.	June 2020	External Director of the Company (to present)
January 2001	CEO of Taiyo Pacific Partners, L.P. (to present)		Outside Director, Maxell Holdings, Ltd. (current Maxell, Ltd.) (to present; scheduled to retire in June 2022)
November 2014	External Director of Roland Corporation		
March 2020	Outside Director of Roland DG Corporation (to present)	March 2022	Outside Director of Roland Corporation (to present)

## [Significant concurrent positions]

CEO of Taiyo Pacific Partners, L.P.  
 Outside Director of Roland DG Corporation, Outside Director of Maxell, Ltd., Outside Director of Roland Corporation

## Reasons for proposing the candidate for External Director and overview of expected roles

Mr. Heywood is proposed as a candidate for External Director because he has extensive experience and knowledge as a corporate management and investment expert, and the Company expects him to leverage his expertise in corporate management and perspective as a shareholder/investor in the Company's management. Moreover, his expected role will be to contribute to improving corporate value, by incorporating his perspective as a shareholder/investor.

No.

6

Masayuki Abe

(5th October 1956)

Number of shares of the Company held - shares

(Number of the Company's shares to be granted based on the share-based compensation plan) (- shares)

Number of years of service 1

Number of Board of Directors meetings attended 10 out of 10

[Career summary, position and assignment at the Company]

Reappointment

External

Independent

April 1980	Joined Kao Soap Co., Ltd. (current Kao Corporation)	March 2015	Executive Officer of the company
March 2003	General Manager of Information Technology Group of the company	April 2018	Senior Advisor of General Digital Business Division (current General IT Division) of Toppan Forms Co., Ltd. (to present)
May 2010	General Manager of Strategic Planning Division of the company	June 2021	External Director of the Company (to present)
December 2013	Head-Information Systems of the company		

[Significant concurrent positions]

None

Reasons for proposing the candidate for External Director and overview of expected roles

Mr. Abe is proposed as a candidate for External Director because he has extensive experience and insight in the IT field cultivated through his career in a large corporation, and the Company expects him to leverage his expertise in the Company's management. Moreover, his expected role will be to promote the Company's management in the fields related to IT and DX.

- (Notes)
1. Toshiyuki Yamamoto, Yoshiko Nonogaki, and Brian K. Heywood are members of the Nomination, Compensation and Governance Committee. The chairperson of the Nomination, Compensation and Governance Committee is Yoshiko Nonogaki.
  2. The Company has no special interests with Toshiyuki Yamamoto, Masaharu Shibao, Toshiki Yauchi, Yoshiko Nonogaki, or Masayuki Abe. Taiyo Pacific Partners, L.P., for which Brian K. Heywood serves as CEO, is a shareholder of the Company, and has concluded an advisory agreement with the Company for the purpose of providing advice and proposals for management and business strategies. The amount of transactions accounts for less than 1% of the consolidated sales of both the Company and the L.P., while services for the advisory agreement are provided by other members of the L.P.
  3. Yoshiko Nonogaki, Brian K. Heywood, and Masayuki Abe are candidates as External Directors.
  4. The Company designated and filed Yoshiko Nonogaki, Brian K. Heywood, and Masayuki Abe as independent officers pursuant to the regulations of Tokyo Stock Exchange, Inc. If this Resolution is passed and their reappointment is approved, they will continue to be independent officers.
  5. Yoshiko Nonogaki will have served as External Director for three years at the close of this General Meeting of Shareholders. Brian K. Heywood will have served as External Director for two years at the close of this General Meeting of Shareholders.
  6. The Company has concluded an agreement with Yoshiko Nonogaki, Brian K. Heywood, and Masayuki Abe to limit their liability for damages referred to in Article 423, paragraph (1) of the Companies Act pursuant to the provision of the Articles of Incorporation. The limit of liabilities for damages under this agreement is the greater of either 20 million yen or the minimum total liability stipulated by laws and regulations. The Company plans to extend the aforementioned limited liability agreement if they are reappointed.
  7. The Company has concluded a directors and officers liability insurance (D&O Insurance) policy covering all Directors, in accordance with provisions of Article 430-2, paragraph (1) of the Companies Act, for the Company to indemnify the expenses referred to in item (i) of the paragraph and the losses in item (ii) within the scope stipulated by laws and regulations (provided, however, that it shall exclude cases of obtaining illegal profits or benefits, or criminal acts, wrongful acts, fraudulent acts, or acts conducted while recognizing they are in violation of laws and regulations, rules or regulatory laws). If this Resolution for reappointment of each candidate are approved, the Company will continue the agreement for each Director.
  8. The number of shares of the Company held by each candidate includes the number of the Company's shares to be granted based on the share-based compensation plan (as of June 1, 2022).  
 [Particulars of the Company's shares to be granted based on the share-based compensation plan]  
 The Company introduced a performance-linked share-based compensation plan (hereinafter, referred to as the "Plan"), which grants the Company's shares to Company Directors (excluding External Directors and those who live abroad; hereinafter, the same shall apply) in FY2016. The Company's shares to be granted to each candidate based on the Plan shall consist of (a) the portion that is not linked to business performance and (b) the portion that is linked to business performance achieved over a certain time period. The number of shares to be granted to each candidate based on the Plan provided in this document only refers to the number of points granted based on the business performance which has become finalized at the moment. Specifically, the number of the Company's shares to be granted shows the total number of (a) points for the non-performance-linked compensation granted on or before June 1, 2022 and (b) points for the performance-linked compensation granted on June 1, 2021. The voting rights pertaining to the Company's shares to be granted based on the Plan shall not be exercised until the granting of the Company's shares to each candidate in the future. The Company's shares corresponding to 30% of the said shares to be granted will be sold on the market and proceeds from the sale of such shares will be granted to each candidate to secure funds for tax payment purposes.
  9. For the skill matrix of each candidate, see page 16.

Reference

The skill matrix of candidates for Director who are not Audit & Supervisory Committee Members is as follows;

No.	Name			Position at the Company	Fields expected of Directors by the Company					
					Management strategy	Financial and capital policy	Overseas business	Legal affairs, risk management	IT DX	ESG, sustainability
1	Toshiyuki Yamamoto	Reappointment		Chairman & Representative Director CEO	○		○		○	○
2	Masaharu Shibao	Reappointment		President & Representative Director COO	○		○			○
3	Toshiki Yauchi	Reappointment		Director, Senior Executive Managing Officer CFO & CSO	○	○		○		○
4	Yoshiko Nonogaki	Reappointment	External	Independent	External Director	○		○		○
5	Brian K. Heywood	Reappointment	External	Independent	External Director	○	○	○		○
6	Masayuki Abe	Reappointment	External	Independent	External Director				○	○

\* CEO stands for Chief Executive Officer, COO for Chief Operating Officer, CFO for Chief Financial Officer, and CSO for Chief Strategy Officer.

Reappointment Reappointed Director candidate
 External External Director candidate
 Independent Independent Director pursuant to the regulations of the stock exchange



The skill matrix of Directors who are Audit & Supervisory Committee Members and currently in office is as follows;

No.	Name	Position at the Company	Fields expected of Directors by the Company						
			Management strategy	Financial and capital policy	Overseas business	Legal affairs, risk management	IT DX	ESG, sustainability	
1	Junji Honda								○
2	Toshiyuki Arai	External Director	External	Independent					○
3	Mitsuhiro Matsumoto	External Director	External	Independent					○
	External Director	Independent	Independent Director pursuant to the regulations of the stock exchange						