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Securities Code: 7976

March 8, 2021

To our shareholders:

Eiichiro Suhara
Representative Director, Chairman
Mitsubishi Pencil Co., Ltd.
5-23-37, Higashi-ohi, Shinagawa-ku, Tokyo

Notice of the 146th Annual General Meeting of Shareholders

You are hereby notified that the 146th Annual General Meeting of Shareholders of Mitsubishi Pencil Co., Ltd. (the “Company”) will be held as indicated below.

From the viewpoint of preventing the spread of the novel coronavirus disease (COVID-19), we strongly recommend that you, regardless of your health condition, refrain from attending the General Meeting of Shareholders in person if possible and exercise your voting rights in advance in writing or via the Internet.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:10 p.m. on Monday, March 29, 2021 (JST).

1. Date and Time: Tuesday, March 30, 2021 at 10:00 a.m. (JST) (The venue opens at 9:30 a.m. (JST))

2. Venue: Event Hall, 7F, Shinagawa General Culture Community Center (Curian)
5-18-1, Higashi-ohi, Shinagawa-ku, Tokyo, Japan

3. Purpose of the Meeting

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 146th fiscal year (from January 1, 2020 to December 31, 2020), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. Non-consolidated Financial Statements for the 146th fiscal year (from January 1, 2020 to December 31, 2020)

Matters to be resolved:

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| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 3 | Election of Eight (8) Directors |
| Proposal No. 4 | Election of One (1) Audit & Supervisory Board Member |
| Proposal No. 5 | Election of One (1) Substitute Audit & Supervisory Board Member |

- Of the documents to be provided at the time of this notice, the Consolidated Statement of Changes in Equity and the Notes to Consolidated Financial Statements, and the Non-consolidated Statement of Changes in Equity and the Notes to the Non-consolidated Financial Statements are posted on our website below in accordance with relevant laws and regulations and the Company’s Articles of Incorporation, and are not stated in this notice. Note that the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by Audit & Supervisory Board Members and the Financial Auditor include the above Consolidated Statement of Changes in Equity, the Notes to the Consolidated Financial Statements, the Non-consolidated Statement of Changes in Equity, and the Notes to the Non-consolidated Financial Statements.

Company’s website: <https://www.mpuni.co.jp/ir/index.html>

- If there are any amendments made to the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements and Reference Documents for the General Meeting of Shareholders or if there are significant changes in the way the General Meeting of Shareholders will be run, we will post them on our website as noted above.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company has given consideration to the business performance of the fiscal year and future business development, and it proposes to pay year-end dividends for the 146th fiscal year as follows:

Year-end dividends

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property and the total amount
15.5 JPY per common share of the Company
In this event, the total dividends will be 904,927,650 JPY.
- (3) Effective date of dividends of surplus
March 31, 2021

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

Article 40 (Organizational Body to Determine Dividends of Surplus, Etc.) of the proposed amendment shall be newly established to enable dividends of surplus, etc. to be made by resolution of the Board of Directors without requiring a resolution at the General Meeting of Shareholders in cases where it is deemed difficult to hold the General Meeting of Shareholders in a timely manner due to unforeseen circumstances such as the spread of an infectious disease or a disaster. In addition, Article 41 (Record Date for Dividends of Surplus) shall be changed, and Article 6 (Acquisition of Own Shares) and Article 42 (Interim Dividends) of the current Articles of Incorporation, which overlap with part of Article 40 of the proposed amendment, will be deleted. Articles shall also be renumbered as required by the new establishment and deletions of articles.

Even after these amendments to the Articles of Incorporation take effect, there will be no change to the Company being able to make resolutions regarding dividends of surplus, etc. at the General Meeting of Shareholders.

2. Details of the amendments

Details of the amendments to the Articles of Incorporation are as follows:

(Underlined parts represent amendments)

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">Chapter 2 Shares</p> <p><u>(Acquisition of Own Shares)</u></p>	<p style="text-align: center;">Chapter 2 Shares</p>
<p><u>Article 6</u> <u>Pursuant to the provisions of Article 165, paragraph (2) of the Companies Act, the Company may, by resolution of the Board of Directors, acquire its own shares through market transactions as well as other means.</u></p>	<p style="text-align: center;">(Deleted)</p>
<p>Articles <u>7</u> to <u>39</u> (Omitted)</p>	<p>Articles <u>6</u> to <u>38</u> (As written in Articles 7 to 39 of the current Articles of Incorporation)</p>
<p style="text-align: center;">Chapter 6 Accounts</p> <p>Article <u>40</u> (Omitted)</p>	<p style="text-align: center;">Chapter 6 Accounts</p> <p>Article <u>39</u> (As written in Article 40 of the current Articles of Incorporation)</p>
<p style="text-align: center;">(Newly established)</p>	<p><u>(Organizational Body to Determine Dividends of Surplus, Etc.)</u> <u>Article 40</u> <u>Unless otherwise provided for by laws and regulations, the Company may, by resolution of the Board of Directors, determine dividends of surplus and other matters set forth in the items of Article 459, paragraph (1) of the Companies Act.</u></p>
<p>(Record Date for Dividends of Surplus) Article 41</p>	<p>(Record Date for Dividends of Surplus) Article 41</p>
<p>1. The record date for year-end dividends of the Company shall be December 31 of each year. (Newly established)</p>	<p>1. The record date for year-end dividends of the Company shall be December 31 of each year.</p>
<p>2. In addition to the provisions of the <u>preceding paragraph</u>, the Company may pay dividends of surplus by setting a record date.</p>	<p>2. <u>The record date for interim dividends of the Company shall be June 30 of each year.</u></p>
<p><u>(Interim Dividend)</u> <u>Article 42</u> <u>The Company may, by resolution of the Board of Directors, distribute interim dividends for which the record date is June 30 of each year.</u></p>	<p>3. In addition to the provisions of the <u>preceding two paragraphs</u>, the Company may pay dividends of surplus by setting a record date.</p> <p style="text-align: center;">(Deleted)</p>
<p>Article <u>43</u> (Omitted)</p>	<p>Article <u>42</u> (As written in Article 43 of the current Articles of Incorporation)</p>

Proposal No. 3 Election of Eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this meeting. Therefore, the Company proposes the election of eight (8) Directors. The candidates for Directors are as follows:

Candidate No.	Name	Current position and responsibility in the Company	Attribute
1	Eiichiro Suhara	Representative Director, Chairman	Reelection
2	Shigehiko Suhara	Representative Director, President	Reelection
3	Hiroshi Yokoishi	Director, Managing Executive Officer in charge of International Affairs, Global Marketing and Cosmetics	Reelection
4	Nobuyuki Nagasawa	Director, Managing Executive Officer in charge of Human Resources, General Affairs, Legal Affairs, and Compliance	Reelection
5	Kazuhisa Kiritani	Director, Managing Executive Officer, Engineering, in charge of Quality Assurance	Reelection
6	Kenichiro Senoh	Outside Director	Reelection Outside Independent Director
7	Tojiro Aoyama	Outside Director	Reelection Outside Independent Director
8	Asako Yano	Outside Director	Reelection Outside Independent Director Female

Reelection: Candidate for Director to be reelected

New election: Candidate for Director to be newly elected

Outside: Candidate for Outside Director

Independent Director: Independent Director as defined by the securities exchange

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Important concurrent positions)	Number of the Company's shares owned
1	Eiichiro Suhara (July 19, 1948) <u>Reelection</u>	<p>Aug. 1974 Joined the Company</p> <p>Mar. 1980 Director</p> <p>Mar. 1982 Managing Director</p> <p>Mar. 1985 Director, Vice President</p> <p>Mar. 1987 Representative Director, President</p> <p>June 2015 Outside Director of Eisai Co., Ltd.</p> <p>Mar. 2019 Representative Director, Chairman and President</p> <p>Mar. 2020 Representative Director, Chairman (current position)</p> <p>June 2020 Outside Audit & Supervisory Board Member of FUJI KYUKO CO., LTD (current position)</p> <p>[Important concurrent positions]</p> <p>Outside Audit & Supervisory Board Member of FUJI KYUKO CO., LTD</p>	687,807 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>Ever since his appointment as Representative Director, President in 1987, Eiichiro Suhara has exhibited superior leadership and has been leading the Company's business for many years. He has played an important role in achieving sustainable growth and increasing the corporate value of the Group. His abundant experience and wide breadth of knowledge, as well as his perspective that takes a big-picture view of the Group, are essential for us in our aim to further strengthen the supervisory function hereafter. Therefore, the Company proposes his reelection as Director.</p>			
2	Shigehiko Suhara (February 11, 1979) <u>Reelection</u>	<p>Apr. 2005 Joined the Company</p> <p>Apr. 2010 General Factory Manager of Gunma Factory</p> <p>Apr. 2012 General Manager of Sales Planning Department</p> <p>Mar. 2013 Director in charge of Corporate Planning</p> <p>Nov. 2015 Director in charge of Corporate Planning and General Manager of International Operations Planning Department</p> <p>Mar. 2016 Director in charge of Product Development and New Business Development</p> <p>Mar. 2017 Managing Director in charge of Writing Business, New Business Development, Product Development and Quality Assurance</p> <p>Mar. 2018 Director, Vice President</p> <p>Mar. 2019 Representative Director, Vice President</p> <p>Mar. 2020 Representative Director, President (current position)</p> <p>[Important concurrent positions]</p> <p>Representative Director, President of Yamagata Mitsubishi Pencil Precision Co., Ltd.</p> <p>Chairman of Mitsubishi Pencil Vietnam Co., Ltd.</p>	58,840 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>Shigehiko Suhara has served as General Factory Manager of Gunma Factory and General Manager of Domestic and International Sales Planning, and has been in charge of Corporate Planning, Product Development, and New Business Development. He has exhibited superior management execution capabilities and leadership since assuming office as Representative Director, President in 2020. Based on this, he has played an important role in efforts aimed at further enhancing the flexible management decisions and swift business execution, as well as at achieving business growth and increasing the corporate value of the Company. Therefore, the Company proposes his reelection as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Important concurrent positions)	Number of the Company's shares owned
3	Hiroshi Yokoishi (April 17, 1959) <u>Reelection</u>	<p>Oct. 1985 Joined the Company</p> <p>Apr. 1998 General Manager of International Business Department</p> <p>Mar. 2001 Director and General Manager of International Business Department</p> <p>Apr. 2005 Director and General Manager of International Operations Department</p> <p>Mar. 2017 Managing Director and General Manager of International Operations Department</p> <p>Mar. 2018 Managing Director in charge of International Affairs</p> <p>Mar. 2019 Director, Managing Executive Officer in charge of International Affairs</p> <p>Mar. 2020 Director, Managing Executive Officer in charge of International Affairs, Global Marketing and Cosmetics (current position)</p>	13,800 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>Hiroshi Yokoishi has been devoting efforts to cultivate new sales channels by leading international operations divisions for a long time with his extensive management experience in those divisions. We consider that his wide-ranging insight will be essential for us in further expanding our business in the global market. In addition, he has played an important role in management decision-making. Therefore, the Company proposes his reelection as Director.</p>			
4	Nobuyuki Nagasawa (April 3, 1957) <u>Reelection</u>	<p>Apr. 1980 Joined the Company</p> <p>Apr. 2001 General Manager, assistant to International Business Department</p> <p>Apr. 2003 General Manager of Financial Resources and Accounting Department</p> <p>Mar. 2006 Director and General Manager of Financial Resources and Accounting Department</p> <p>Jan. 2008 Director in charge of Financial Affairs, Legal Affairs and Information System</p> <p>Apr. 2010 Director in charge of Financial Affairs, Legal Affairs, Information System and Internal Control</p> <p>Mar. 2016 Director in charge of Corporate Planning and Information System</p> <p>Mar. 2017 Managing Director in charge of Human Resources, Corporate Planning and Information System</p> <p>Mar. 2018 Managing Director in charge of Human Resources, General Affairs, Legal Affairs and Compliance</p> <p>Mar. 2019 Director, Managing Executive Officer in charge of Human Resources, General Affairs, Legal Affairs and Compliance (current position)</p>	23,400 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>Nobuyuki Nagasawa has extensive knowledge and experience in managerial divisions, including accounting, finance, legal affairs, and information system, and his achievements include establishing a group-wide compliance system and risk management system. He can grasp the Company's situation from a diversified perspective by leveraging his insights, and has played an important role in the strengthening of business execution supervising functions and in management decision-making. Therefore, the Company proposes his reelection as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Important concurrent positions)	Number of the Company's shares owned
5	Kazuhisa Kirita (November 13, 1958) <u>Reelection</u>	<p>Apr. 1981 Joined the Company</p> <p>Apr. 2003 General Manager of Product Development Department</p> <p>Apr. 2007 General Manager of Gunma Research and Development Center</p> <p>Apr. 2011 General Manager of Product Development Department</p> <p>Mar. 2012 Director and General Manager of Product Development Department</p> <p>Mar. 2016 Director in charge of Engineering, Patent Administrations and Cosmetics</p> <p>Mar. 2018 Managing Director in charge of Engineering, Intellectual Property Rights, Cosmetics and New Business Development</p> <p>Mar. 2019 Director, Managing Executive Officer in charge of Engineering, Intellectual Property Rights, Cosmetics and Industrial Materials</p> <p>Mar. 2020 Director, Managing Executive Officer, Engineering, in charge of Quality Assurance (current position)</p>	7,100 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>Leveraging his experience in research and development, Kazuhisa Kirita has been involved in Product Development, Cosmetics, New Business Development, and other areas. Furthermore, he has made many achievements and accumulated wide experience of commercialization based on the combination of technology and business. We judged that his insight grounded on such extensive experience will contribute to the search and development of new business opportunities, and he plays an important role in management decision-making. Therefore, the Company proposes his reelection as Director.</p>			
6	Kenichiro Senoh (January 1, 1954) <u>Reelection</u> <u>Outside</u> <u>Independent Director</u>	<p>Apr. 1976 Joined Fuji Photo Film Co., Ltd. (currently FUJIFILM Corporation)</p> <p>Dec. 1999 Representative Director, Vice President of Keio Academic Enterprise Co., Ltd.</p> <p>Apr. 2001 Professor at the Graduate School of Media and Governance, Keio University</p> <p>Apr. 2004 President of the Industry-Academia Collaboration Initiative Nonprofit Organization (current position)</p> <p>June 2012 Independent Outside Director of Teijin Limited Member of the Advisory Board of Teijin Limited</p> <p>Mar. 2017 Outside Director of the Company (current position)</p> <p>Feb. 2019 External Director of giftee, Inc. (current position)</p> <p>[Important concurrent positions] President of the Industry-Academia Collaboration Initiative Nonprofit Organization Director of the Intellectual Property Association of Japan External Director of giftee, Inc.</p>	-
<p>[Reasons for nomination as a candidate for Outside Director]</p> <p>Based on his diverse experience and knowledge of practical research that connects the both fields of technology and business, Kenichiro Senoh has actively made comments that have contributed to enhancing governance system from an objective, multi-pronged perspective at venues such as meetings of the Company's Board of Directors, a voluntary committee, etc. Therefore, the Company proposes his reelection as Outside Director as it expects him to continue to primarily fulfill these roles. His term of office as Outside Director of the Company will be four (4) years at the conclusion of this General Meeting of Shareholders.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Important concurrent positions)	Number of the Company's shares owned
7	<p style="text-align: center;">Tojiro Aoyama (August 29, 1951) Reelection Outside Independent Director</p>	<p>Mar. 1979 Ph.D. in Engineering at Keio University Apr. 1988 Assistant Professor, Department of Mechanical Engineering, Faculty of Science and Technology, Keio University Apr. 1995 Professor, Department of Mechanical Engineering, Faculty of Science and Technology, Keio University Apr. 1996 Professor, Department of System Design Engineering, Faculty of Science and Technology, Keio University July 2009 Dean of Faculty of Science and Technology and Dean of Graduate School of Science and Technology, Keio University June 2015 Outside Director of DMG MORI CO., LTD. (current position) Mar. 2016 President of the Japan Society for Precision Engineering Mar. 2017 Outside Audit & Supervisory Board Member of the Company Apr. 2017 Professor Emeritus, Keio University May 2017 Vice-President of Keio University (current position) Mar. 2019 Outside Director of the Company (current position)</p> <p>[Important concurrent positions] Vice-President of Keio University Outside Director of DMG MORI CO., LTD.</p>	-
<p>[Reasons for nomination as a candidate for Outside Director] In addition to having extensive knowledge and experience in mechanical engineering, production engineering, and other fields, Tojiro Aoyama has served as Vice-President of Keio University, and possesses a wide breadth of knowledge. Based on this experience, he has been able to give beneficial opinions and advice at venues such as meetings of the Company's Board of Directors, a voluntary committee, etc. from a viewpoint that is not confined to the industry to which the Company belongs, which will lead to improved soundness and transparency of decision making. Therefore, the Company proposes his reelection as Outside Director as it expects him to continue to primarily fulfill these roles. His term of office as Outside Director of the Company will be two (2) years at the conclusion of this General Meeting of Shareholders. His total term of office, including his time as an Outside Audit & Supervisory Board Member, will be four (4) years.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Important concurrent positions)	Number of the Company's shares owned
8	Asako Yano (January 21, 1968) Female Reelection Outside Independent Director	<p>Apr. 1990 Joined Mercedes-Benz Japan Co., Ltd.</p> <p>Sept. 1997 Joined Boston Consulting Group Japan Co., Ltd.</p> <p>Mar. 2000 Joined Louis Vuitton Japan K.K.</p> <p>June 2002 COO of Celux Co., Ltd.</p> <p>Oct. 2008 Established Dramatic Co., Ltd.; Representative Director of Dramatic Co., Ltd.</p> <p>May 2014 Established ten to four inc.; Representative Director of ten to four inc. (current position)</p> <p>June 2015 Outside Director of YAOKO Co., Ltd. (current position)</p> <p>Aug. 2015 Director of Cogito Education and Management Inc.</p> <p>June 2018 Outside Director of Watabe Wedding Corporation</p> <p>Mar. 2019 Outside Director of the Company (current position)</p> <p>May 2020 Outside Director of SANYO SHOKAI LTD. (current position)</p> <p>Nov. 2020 Outside Director of CIRCULATION INC. (current position)</p> <p>Nov. 2020 Established BLOOM Co., Ltd.; Representative Director of BLOOM Co., Ltd. (current position)</p> <p>[Important concurrent positions] Representative Director of BLOOM Co., Ltd. Outside Director of YAOKO Co., Ltd. Outside Director of SANYO SHOKAI LTD.</p>	
<p>[Reasons for nomination as a candidate for Outside Director]</p> <p>In addition to extensive knowledge relating to business management and diversity management, Asako Yano possesses a wide breadth of knowledge and achievement in marketing and branding. She has made diversified comments on enhancing corporate governance, promoting diversity, and other matters at venues such as meetings of the Company's Board of Directors, a voluntary committee, etc. from a standpoint which is independent of the Company's management team, and has played a key role in the further revitalization of the Company's Board of Directors. Therefore, the Company proposes her reelection as Outside Director as it expects her to continue to primarily fulfill these roles. Her term of office as Outside Director of the Company will be two (2) years at the conclusion of this General Meeting of Shareholders.</p>			

- Notes:
1. Shigehiko Suhara concurrently serves as Representative Director, President of Yamagata Mitsubishi Pencil Precision Co., Ltd. The Company purchases its specified products from this company and is also leasing real estate to this company.
 2. Shigehiko Suhara concurrently serves as Chairman of Mitsubishi Pencil Vietnam Co., Ltd. The Company purchases its specified products from this company.
 3. There is no special interest between each candidate for Director other than those stated in 1. and 2. and the Company.
 4. Kenichiro Senoh, Tojiro Aoyama, and Asako Yano are candidates for Outside Directors.
 5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into limited liability agreements with Kenichiro Senoh, Tojiro Aoyama, and Asako Yano to limit their liability for damages under Article 423, paragraph (1) of the Companies Act, on the condition that the requirements stipulated by laws and regulations are met. If their reelection is approved, the Company will continue the above-mentioned limited liability agreements with them. The maximum amount of liability for damages under this agreement is 5 million JPY or the minimum liability amount provided for under laws and regulations, whichever is the higher amount.
 6. The Company has concluded a Directors and Officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers damages arising from liability borne by the insured persons in the course of execution of their duties as a Director, etc. or claims pertaining to the pursuit of such liability. Each candidate for Director is included as an insured person under the said insurance policy as a Director of the Company, and will continue to be included as an insured person if reelected as a Director of the Company pursuant to this proposal. The Company intends to renew the said insurance policy during the terms of office of the Directors pertaining to this proposal.

7. The Company has designated Kenichiro Senoh, Tojiro Aoyama, and Asako Yano as Independent Directors under the provisions of the Tokyo Stock Exchange and has notified the Exchange thereof, and plans to continue to designate them as Independent Directors.
8. Kenichiro Senoh, Tojiro Aoyama, and Asako Yano, who are candidates for Outside Directors, satisfy the “Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members” stipulated by the Company on page 14.
9. Asako Yano’s registered name is Asako Saito.

Proposal No. 4 Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Toru Kajikawa will expire at the conclusion of this meeting. Therefore, the Company proposes the election of one (1) Audit & Supervisory Board Member. The consent of the Audit & Supervisory Board has been obtained for this proposal. The candidate for Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Career summary and position in the Company (Important concurrent positions)	Number of the Company's shares owned
<p style="text-align: center;">Toru Kajikawa (September 24, 1951) <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 2px;">Reelection</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 2px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 2px;">Independent Audit & Supervisory Board Member</div></p>	<p>Oct. 1976 Joined Chuo Audit Corporation Sept. 1979 Registered as a certified public accountant May 1990 Audit & Supervisory Board Member of Kakiyasu Honten Co., Ltd. Sept. 1990 Representative Partner of Taiyo Audit Corporation (currently Grant Thornton Taiyo LLC) June 1997 Outside Audit & Supervisory Board Member of Kakiyasu Honten Co., Ltd. (current position) July 2000 Managing Partner of Taiyo Audit Corporation (currently Grant Thornton Taiyo LLC) Apr. 2005 Professor of Graduate School of Aoyama Gakuin University Apr. 2010 Visiting Professor of Graduate School of Aoyama Gakuin University (current position) June 2014 Outside Audit & Supervisory Board Member of Kikkoman Corporation (current position) July 2014 Chairman and Representative Partner of Grant Thornton Taiyo ASG LLC (currently Grant Thornton Taiyo LLC) (current position) Mar. 2017 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>[Important concurrent positions] Chairman and Representative Partner of Grant Thornton Taiyo LLC Outside Audit & Supervisory Board Member of Kikkoman Corporation Outside Audit & Supervisory Board Member of Kakiyasu Honten Co., Ltd.</p>	
<p>[Reasons for nomination as candidate for Outside Audit & Supervisory Board Member] Toru Kajikawa has extensive professional knowledge in the finance and accounting fields as a certified public accountant in addition to having a wide breadth of knowledge cultivated through serving in diverse positions. This experience and insight is reflected in audits of the Company, and he provides proactive advice and suggestions for securing legal compliance from a standpoint which is independent of the Company's management team. Therefore, as we have judged that he is qualified to serve as an Outside Audit & Supervisory Board Member of the Company, the Company proposes his reelection as Outside Audit & Supervisory Board Member. His term of office as Outside Audit & Supervisory Board Member of the Company will be four (4) years at the conclusion of this General Meeting of Shareholders.</p>		

- Notes:
1. There is no special interest between the candidate for Audit & Supervisory Board Member and the Company.
 2. Toru Kajikawa is a candidate for Outside Audit & Supervisory Board Member.
 3. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into a limited liability agreement with Toru Kajikawa to limit his liability for damages under Article 423, paragraph (1) of the Companies Act, on the condition that the requirements stipulated by laws and regulations are met. If his reelection is approved, the Company will continue the above-mentioned limited liability agreement with him. The maximum amount of liability for damages under this agreement is 1 million JPY or the minimum liability amount provided for under laws and regulations, whichever is the higher amount.
 4. The Company has concluded a Directors and Officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers damages arising from liability borne by the insured persons in the course of execution of their duties as a Director, etc. or claims pertaining to the pursuit of such liability. Toru Kajikawa is included as an insured person under the said insurance policy as an Audit & Supervisory Board Member of the Company, and will continue to be included as an insured person if reelected as an Audit & Supervisory Board Member of the Company pursuant to this proposal. The Company intends to renew the said insurance policy during the term of office of the Audit & Supervisory Board Member pertaining to this proposal.
 5. The Company has designated Toru Kajikawa as an Independent Audit & Supervisory Board Member under the provisions of Tokyo Stock Exchange and has notified the Exchange thereof, and plans to continue to designate him as an Independent Audit & Supervisory Board Member.

6. Outside Audit & Supervisory Board Member candidate Toru Kajikawa satisfies the “Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members” stipulated by the Company on page 14.

Proposal No. 5 Election of One (1) Substitute Audit & Supervisory Board Member

The validity of election of Satoshi Sugano, who was elected as a Substitute Audit & Supervisory Board Member at the 145th Annual General Meeting of Shareholders held on March 26, 2020, will expire as of commencement of this meeting. Therefore, the Company requests approval for the election of one (1) Substitute Audit & Supervisory Board Member to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations. The consent of the Audit & Supervisory Board has been obtained for this proposal. The candidate for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary (Important concurrent positions)	Number of the Company's shares owned
<p>Satoshi Sugano (December 17, 1965)</p> <p style="text-align: center;">Reelection Outside</p> <p style="text-align: center;">Independent Audit & Supervisory Board Member</p>	<p>Apr. 1994 Registered as an attorney at law; joined Naritomi & Partners (currently Marunouchi Minami Law Office)</p> <p>Oct. 2003 Partner of Naritomi & Partners</p> <p>June 2015 Established Nakadori Law Office; Representative Attorney at Law (current position)</p> <p>[Important concurrent positions] Representative Attorney at Law of Nakadori Law Office</p>	-
<p>[Reasons for nomination as a candidate for Substitute Outside Audit & Supervisory Board Member] Satoshi Sugano has no prior experience in the management of a company, but has advanced professional legal knowledge as an attorney at law. As we judged that his extensive knowledge could be reflected in the Company's auditing system and that he could provide us with appropriate advice and suggestions for securing legal compliance from a standpoint which is independent from the Company's management team, the Company proposes his reelection as Substitute Outside Audit & Supervisory Board Member.</p>		

- Notes:
1. There is no special interest between the candidate for Substitute Audit & Supervisory Board Member and the Company.
 2. Satoshi Sugano is a candidate for Substitute Outside Audit & Supervisory Board Member.
 3. If Satoshi Sugano has taken office of Audit & Supervisory Board Member, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into a limited liability agreement with him to limit his liability for damages under Article 423, paragraph (1) of the Companies Act, on the condition that the requirements stipulated by laws and regulations are met. The maximum amount of liability for damages under this agreement will be 1 million JPY or the minimum liability amount provided for under laws and regulations, whichever is the higher amount.
 4. The Company has concluded a Directors and Officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers damages arising from liability borne by the insured persons in the course of execution of their duties as a Director, etc. or claims pertaining to the pursuit of such liability. If Satoshi Sugano takes office as Audit & Supervisory Board Member, he will be included as an insured person in the said insurance policy. The Company intends to renew the said insurance policy while the election of the Substitute Audit & Supervisory Board Members pertaining to this proposal is valid.
 5. If Satoshi Sugano has taken office of Audit & Supervisory Board Member, the Company plans to designate him as an Independent Audit & Supervisory Board Member under the provisions of the Tokyo Stock Exchange and notify the Exchange thereof.
 6. Substitute Outside Audit & Supervisory Board Member candidate Satoshi Sugano satisfies the "Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members" stipulated by the Company on page 14.

[Reference] Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members

The Company deems that Outside Directors and Outside Audit & Supervisory Board Members (including candidates) who do not fall under any of the criteria of the following items possess independence with regard to the Company and do not pose a risk of conflict of interest with general shareholders.

1. Major shareholder
Major shareholder of the Company or its executing person. “Major shareholder” means any of those who directly or indirectly hold 10% or more of voting rights at the end of the Company’s most recent fiscal year.
 2. Major business partner
 - (1) Our principal business partner or its executing person. “Our principal business partner” means any one of the following:
 - The amount of payment from the said business partner to the Company in the most recent business year exceeds 2% of the Company’s annual consolidated net sales.
 - A business partner who is indispensable in fund procurement of the Company and whom the Company relies on to the extent that there is no substitution.
 - (2) A party who considers the Company as a major business partner or its executing person. “A party who considers the Company as a major business partner” means the following party:
 - The amount of payment from the Company to the said party in the most recent business year exceeds 2% of the said party’s annual consolidated net sales.
 3. Professional service provider
A legal expert such as an attorney at law, accounting or tax specialist such as a certified public accountant or tax accountant, consultant, corporate manager, university professor, etc. who obtains monetary or other property profit exceeding 10 million JPY per year other than executive remuneration from the Company. When such property is obtained by an organization such as a corporation or a partnership, this criterion applies to a person belonging to such organization.
 4. Donation/Grant
A person who receives donation or grant exceeding 10 million JPY per year from the Company. When such donation or grant is obtained by an organization such as a corporation or a partnership, this criterion applies to an executing person of such organization.
 5. A person who has fallen under any of the above 1. to 4. in the past three (3) years.
 6. A spouse or a relative within second degree of kinship of a Director or an employee of the Company or the Company’s subsidiary.
- * In these criteria, the term “executing person” means a person who executes business in an organization such as a corporation or a partnership regardless of his/her title or position name such as director, executive officer, employee, etc.