

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 121th Ordinary General Meeting of Shareholders of NGK SPARK PLUG CO., LTD. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

(Securities Code: 5334)

June 3, 2021

Dear Shareholders

Shinichi Odo
Representative Director and
Chairman of the Board,
Chief Executive Officer

NGK SPARK PLUG CO., LTD.
14-18, Takatsuji-cho, Mizuho-ku, Nagoya

NOTICE OF CONVOCATION OF THE 121th ORDINARY GENERAL MEETING OF SHAREHOLDERS

The 121th Ordinary General Meeting of Shareholders of NGK SPARK PLUG CO., LTD. (the “Company”) is to be held as follows.

Instead of attending the meeting, you may otherwise exercise your voting rights in writing or via the Internet. Please read the attached REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS provided below. You are requested to exercise your Voting Rights before 5:00 p.m., on Thursday, June 24, 2021.

- 1. Time and Date:** 10:00 a.m., Friday, June 25, 2021
2. Place: 3F Nago, Nagoya Kanko Hotel
1-19-30, Nishiki, Naka-ku, Nagoya

3. Objectives of the Meeting:

- Reports:**
1. Reports on Business Report and Consolidated Financial Statements, as well as Results of the Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for Fiscal 2020 (From April 1, 2020, to March 31, 2021)
 2. Reports on Non-Consolidated Financial Statements for Fiscal 2020 (From April 1, 2020, to March 31, 2021)

Agenda:

- Proposal No.1:** Election of Eleven (11) Directors
Proposal No.2: Election of Two (2) Audit & Supervisory Board Member
Proposal No.2: Revision of Performance-Linked Stock Compensation Plan for Directors, etc.

©If any amendment is made to the REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS, the Business Report, and the Consolidated and/or the Non-Consolidated Financial Statements, the amended information will be disclosed on the Company’s Web site. (<https://www.ngkntk.co.jp/>)

REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and Items of Reference

Proposal No.1: Election of Eleven (11) Directors


The terms of office of all of the current eleven (11) Directors will expire at the conclusion of this General Meeting of Shareholders. As such, we hereby propose the election of eleven (11) Directors including four (4) Outside Directors.


In order to achieve sustainable growth and enhance corporate value over the medium to long term, the Company believes it is important to ensure that the Board of Directors is composed of diverse human resources with different backgrounds that include specialized knowledge, experience, etc. In addition, by electing several Outside Directors as members of the Board of Directors, the Company places great emphasis on incorporating external perspectives in order to strengthen supervisory functions while securing transparency for decision-making processes.


Based on the aforementioned belief, in order to ensure the reasonability and the transparency of the process, the selection of candidates for Directors is determined at the Board of Directors through the deliberation of Nomination Committee, an advisory body for the Board of Directors in which a majority of the members are independent outside officers.


The candidates for Directors are as follows:


No.	Name		Current positions at the Company	Assignments
1	Shinichi Odo	Re-appointed	Representative Director and Chairman of the Board, Chief Executive Officer	—
2	Takeshi Kawai	Re-appointed	Representative Director and President, Chief Operating Officer	Head of All Businesses / Head of Digital Transformation Dept., and Global Group Governance Headquarters
3	Toru Matsui	Re-appointed	Representative Director, Executive Vice President	Assistant to President / Head of Business Creation Company
4	Mikihiko Kato	Re-appointed	Member of the Board, Executive Officer	Head of Strategic Human Resources, and Sustainability / General Manager of Tokyo Branch Office
5	Takio Kojima	Re-appointed	Member of the Board, Executive Officer	Head of R&D Gr.
6	Kenji Isobe	Re-appointed	Member of the Board, Executive Officer	Head of Business Management, and Financial Strategy / In charge of Secretarial Office
7	Hiroyuki Maeda	Re-appointed	Member of the Board, Executive Officer	Head of Corporate Strategy, and Business Transformation Div.
8	Morihiko Otaki	Re-appointed Outside Director Independent Director	Member of the Board (Outside Director)	—
9	Kanemaru Yasui	Re-appointed Outside Director Independent Director	Member of the Board (Outside Director)	—
10	Mackenzie Donald Clugston	Re-appointed Outside Director Independent Director	Member of the Board (Outside Director)	—
11	Miwako Doi	Re-appointed Outside Director Independent Director	Member of the Board (Outside Director)	—


No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
1	 <p data-bbox="295 629 475 689">Shinichi Odo (April 3, 1954)</p>	<p data-bbox="528 271 651 300">Apr. 1977</p> <p data-bbox="683 271 1134 300">Joined NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 306 651 336">Feb. 2003</p> <p data-bbox="683 306 1262 427">General Manager of Overseas Aftermarket Sales & Marketing Dept., Sales & Marketing Div., Automotive Components Group, NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 434 651 463">Jul. 2005</p> <p data-bbox="683 434 1166 463">President, NGK Spark Plugs (U.S.A.), Inc.</p> <p data-bbox="528 470 651 499">Jun. 2007</p> <p data-bbox="683 470 1241 530">Member of the Board, NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 537 651 566">Jun. 2010</p> <p data-bbox="683 537 1246 598">Member of the Board (Managing Director), NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 604 651 633">Jun. 2011</p> <p data-bbox="683 604 1286 665">Representative Director and President, NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 672 651 701">Apr. 2012</p> <p data-bbox="683 672 1267 732">Representative Director and President, Chief Executive Officer, NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 739 651 768">Apr. 2016</p> <p data-bbox="683 739 1275 822">Representative Director, Chairman of the Board and President, Chief Executive Officer, NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 828 651 857">Apr. 2019</p> <p data-bbox="683 828 1275 911">Representative Director and Chairman of the Board, Chief Executive Officer, NGK SPARK PLUG CO., LTD. (up to the present)</p> <p data-bbox="528 918 651 947">May 2020</p> <p data-bbox="683 918 1259 978">Chairman, Japan Auto Parts Industries Association (up to the present)</p> <p data-bbox="528 1008 1206 1068">(Attendance at Board of Directors Meetings in Fiscal 2020) 12/12</p> <p data-bbox="528 1097 1110 1158">(Significant Positions Concurrently Held) Chairman, Japan Auto Parts Industries Association</p>	22,984 shares
Reason for appointment as a candidate for Director			
<p data-bbox="263 1218 1441 1444">Mr. Odo has been engaged in the operation and management including domestic/overseas sales divisions concerning automotive components businesses for many years, and from June 2011 he served as Representative Director and President of the Company. Since April 2019, he has been involved in the Company's management from the perspective of medium- to long-term corporate growth and further strengthening corporate governance as Representative Director and Chairman of the Board. The Company has continuously selected Mr. Odo as a candidate for Director based on the judgment that he has extensive management experience at the Company and insights into the global business operations.</p>			

No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
2	 <p data-bbox="274 555 493 616">Takeshi Kawai (October 13, 1962)</p>	<p data-bbox="528 257 1270 689"> Apr. 1987 Joined NGK SPARK PLUG CO., LTD. Feb. 2011 General Manager of Sensor Engineering Dept. II, Sensor Div., Automotive Components Group, NGK SPARK PLUG CO., LTD. Apr. 2012 Corporate Officer, NGK SPARK PLUG CO., LTD. Apr. 2015 Managing Officer, NGK SPARK PLUG CO., LTD. Jun. 2015 Member of the Board, Managing Officer, NGK SPARK PLUG CO., LTD. Apr. 2016 Member of the Board Senior Managing Officer, NGK SPARK PLUG CO., LTD. Apr. 2019 Representative Director and President, Chief Operating Officer, NGK SPARK PLUG CO., LTD. (up to the present) </p> <p data-bbox="528 723 1251 846">(Assignments) Head of All Businesses / Head of Digital Transformation, and Global Group Governance Headquarters</p> <p data-bbox="528 875 1206 936">(Attendance at Board of Directors Meetings in Fiscal 2020) 12/12</p>	6,311 shares
Reason for appointment as a candidate for Director			
<p data-bbox="261 992 1439 1216">Mr. Kawai has been engaged in engineering division in the Sensor Division for many years, and from April 2016, as Member of the Board and Senior Managing Officer, he was in charge of the Business Planning Management Division which has an overall control of business divisions. He has extensive knowledge of the Company's business operations. The Company has continuously selected Mr. Kawai as a candidate for Director based on the fact that he has been leading the Group as Representative Director and President, the most senior corporate officer for the business operations of the Company, to achieve the medium- to long-term management targets since he assumed the position in April 2019.</p>			


No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
3	 Toru Matsui (February 14, 1962)	<p>Apr. 1984 Joined NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2011 President of NGK SPARK PLUG EUROPE GmbH</p> <p>Oct. 2013 General Manager of OEM Sales & Marketing Dept., Sales and Marketing Div., Automotive Components Group, NGK SPARK PLUG CO., LTD.</p> <p>Dec. 2014 President of NGK SPARK PLUG (SHANGHAI) CO., LTD.</p> <p>Apr. 2015 Corporate Officer, NGK SPARK PLUG CO., LTD.</p> <p>Jul. 2016 President of NGK SPARK PLUG (SHANGHAI) TRADING CO., LTD.</p> <p>Apr. 2018 Managing Officer, NGK SPARK PLUG CO., LTD.</p> <p>Jun. 2018 Member of the Board, Managing Officer, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2019 Member of the Board and Executive Vice President</p> <p>April 2020 Representative Director, Executive Vice President (up to the present)</p> <p>(Assignments) Assistant to President / Head of Business Creation Company</p> <p>(Attendance at Board of Directors Meetings in Fiscal 2020) 12/12</p>	6,205 shares
Reason for appointment as a candidate for Director			
<p>Mr. Matsui has been engaged in sales and marketing division concerning automotive components businesses for many years. After serving as President of our group companies, he is currently engaged in the management and in charge of new business creation of the Company as Representative Director, Executive Vice President. The Company has continuously selected Mr. Matsui as a candidate for Director based on the judgment that he has extensive sales and marketing experience at the Company and insights into the global business operations.</p>			


No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
4	 <p data-bbox="284 571 491 629">Mikihiko Kato (August 18, 1962)</p>	<p data-bbox="528 259 1284 645"> Apr. 1985 Joined NGK SPARK PLUG CO., LTD. Feb. 2012 General Manager of Corporate Planning Dept., NGK SPARK PLUG CO., LTD. Aug. 2012 President, CERAMICA E VELAS DE IGNICAO NGK DO BRASIL LTDA. Oct. 2015 General Manager of Corporate Planning Dept., NGK SPARK PLUG CO., LTD. Apr. 2016 Corporate Officer, NGK SPARK PLUG CO., LTD. Jun. 2017 Member of the Board, Corporate Officer, NGK SPARK PLUG CO., LTD. Apr. 2019 Member of the Board, Executive Officer, NGK SPARK PLUG CO., LTD. (up to the present) </p> <p data-bbox="528 678 1174 768">(Assignments) Head of Strategic Human Resources, and Sustainability / General Manager of Tokyo Branch Office</p> <p data-bbox="528 801 1206 857">(Attendance at Board of Directors Meetings in Fiscal 2020) 12/12</p>	3,994 shares
Reason for appointment as a candidate for Director			
<p data-bbox="264 925 1441 1081">Mr. Kato has been engaged in accounting and corporate planning divisions for many years. After serving as President of our group company, he currently serves as Member of the Board and Executive Officer in charge of strategic human resources and sustainability promotion. The Company has continuously selected Mr. Kato as a candidate for Director based on the judgment that he has extensive experience at the Company related to corporate planning and knowledge concerning business operations.</p>			


No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
5	 Takio Kojima (October 12, 1961)	<p>Apr. 1984 Joined NGK SPARK PLUG CO., LTD.</p> <p>Feb. 2011 General Manager of Next Generation Product Project, Product Planning Center, Engineering R&D Group, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2012 General Manager of Next Generation Product Project, New Business Advancement Group, NGK SPARK PLUG CO., LTD.</p> <p>Oct. 2013 Deputy General Manager of R&D Center, Engineering R&D Group, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2014 Corporate Officer, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2018 Managing Officer, NGK SPARK PLUG CO., LTD.</p> <p>Jun. 2018 Member of the Board, Managing Officer, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2019 Member of the Board, Executive Officer, NGK SPARK PLUG CO., LTD. (up to the present)</p> <p>(Assignments) Head of Corporate R&D Gr.</p> <p>(Attendance at Board of Directors Meetings in Fiscal 2020) 12/12</p>	6,262 shares
Reason for appointment as a candidate for Director			
Mr. Kojima has been engaged in research and development division for many years. After serving as Deputy General Manager of R&D center, he currently serves as Member of the Board and Executive Officer in charge of research and development. Based on the above, the Company has continuously selected Mr. Kojima as a candidate for Director based on the judgment that he has extensive research and development experience at the Company and knowledge concerning new engineering.			


No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
6	 <p data-bbox="288 577 481 638">Kenji Isobe (August 9, 1963)</p>	<p data-bbox="528 271 1262 763"> Apr. 1986 Joined NGK SPARK PLUG CO., LTD. Jul. 2011 General Manager of Accounting & Finance Dept., NGK SPARK PLUG CO., LTD. Apr. 2013 General Manager of Corporate Planning Dept. and Public Relations Office, NGK SPARK PLUG CO., LTD. Dec. 2015 General Manager of Accounting & Finance Dept., Corporate Administration Group and General Manager of Public Relations Office, NGK SPARK PLUG CO., LTD. Apr. 2016 Corporate Officer, NGK SPARK PLUG CO., LTD. Jun. 2018 Member of the Board, Corporate Officer, NGK SPARK PLUG CO., LTD. Apr. 2019 Member of the Board, Executive Officer, NGK SPARK PLUG CO., LTD. (up to the present) </p> <p data-bbox="528 792 1158 891"> (Assignments) Head of Business Management and Financial Strategy / In charge of Secretarial Office </p> <p data-bbox="528 920 1206 981"> (Attendance at Board of Directors Meetings in Fiscal 2020) 12/12 </p> <p data-bbox="528 1010 1238 1077"> (Significant Positions Concurrently Held) President of NGK SPARK PLUGS (U.S.A.) HOLDING, INC. </p>	11,026 shares
Reason for appointment as a candidate for Director			
<p data-bbox="263 1144 1441 1339"> Mr. Isobe has been engaged in accounting, management planning and public relations divisions for many years. After serving as Deputy General Manager of Corporate Administration Group, he currently serves as Member of the Board and Executive Officer in charge of business management and financial strategy. The Company has continuously selected Mr. Isobe as a candidate for Director based on the judgment that he has extensive corporate administration related experience at the Company and knowledge concerning finance and accounting. </p>			

No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
7	 Hiroyuki Maeda (February 6, 1964)	<p>Apr. 1986 Joined NGK SPARK PLUG CO., LTD.</p> <p>Feb. 2012 General Manager of Planning Control Dept., Sensor Div., Automotive Components Group, NGK SPARK PLUG CO., LTD</p> <p>Apr. 2012 General Manager of Sensor Engineering Dept. II, Sensor Div., Automotive Components Group, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2013 General Manager of Procurement Dept., Procurement Div., NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2014 Deputy General Manager of Procurement Div., General Manager of Supplier Relations & Development Office, General Manager of Procurement Dept., NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2016 Corporate Officer, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2019 Executive Officer, NGK SPARK PLUG CO., LTD.</p> <p>Jun. 2019 Member of the Board, Executive Officer, NGK SPARK PLUG CO., LTD. (up to the present)</p> <p>(Assignments) Head of Corporate Strategy, and Business Transformation Div.</p> <p>(Attendance at Board of Directors Meetings in Fiscal 2020) 12/12</p>	1,531 shares
Reason for appointment as a candidate for Director			
<p>Mr. Maeda has been engaged in planning division and engineering divisions of Sensor Division for many years. After serving as General Manager of Procurement Division, he currently serves as Member of the Board and Executive Officer in charge of corporate strategy. The Company has continuously selected Mr. Maeda as a candidate for Director based on the judgment that he has extensive product development and engineering related experience at the Company and knowledge concerning business operations.</p>			

No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
8	 <p>Morihiko Otaki (June 11, 1954)</p>	<p>Aug. 1996 President and CEO, Johnson & Johnson K.K. Vision Care Company</p> <p>Aug. 2011 Vice Chairman, Director, Pasona Inc.</p> <p>Jun. 2013 Member of the Board (Outside Director), NGK SPARK PLUG CO., LTD. (up to the present)</p> <p>Jun. 2016 Director, Henry Schein Japan K.K. (up to the present)</p> <p>Aug. 2016 Vice Chairman, Pasona Inc.</p> <p>Jun. 2018 Outside Director, GIGA PRIZE CO., LTD. (up to the present)</p> <p>Jun 2020 Outside Director, FP Corporation (up to the present)</p> <p>(Significant Positions Concurrently Held) Director, Henry Schein Japan K.K. Outside Director, GIGA PRIZE CO., LTD. Outside Director, FP Corporation</p>	409 shares
<p>He attended all of the 12 Board of Directors' Meetings held in Fiscal 2020. He will have held a position as Outside Director of the Company for eight (8) years at the conclusion of this General Meeting of Shareholders.</p> <p>【Reason for appointment as a candidate for Outside Director and expected roles】 Mr. Otaki has extensive experience with global companies and keen insight as a business executive. As an Outside Director, he oversees business execution by the Company's management team and provides advice to the team. He has been playing a key role in strengthening the Company's corporate governance by actively speaking out at the Company's Board of Directors' Meetings in order to enhance transparency in decision-making. The Company has selected Mr. Otaki as a candidate for Outside Director with the expectation that, after his appointment, he will continue to oversee business execution by the Company's management team and provide advice to the team based on the experience and insight described above.</p> <p>【Regarding the independence of candidates for Outside Director】 Mr. Otaki had served as Director of Pasona Inc., which maintains a business relationship with the Company involving personnel placement services. However, the Company's business with Pasona accounts for an extremely small percentage of Pasona sales (less than 0.1%). Also, there is no business relationship between Henry Schein Japan K.K., for which he serves as Director, and the Company. For the reasons above, we deem that his independence is sufficiently assured and that the election criteria for independent officers (please refer to page 19) set by the Company is met. Accordingly, the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of his continued appointment as Independent Outside Director, upon approval of his re-election.</p>			

No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
	 Kanemaru Yasui (February 22, 1951)	Mar. 1981 Registered as certified public accountant Apr. 1999 Partner, Chuo Audit Corporation Sep. 2006 Partner, Misuzu Audit Corporation Aug. 2007 Partner, AZSA & Co. (currently KPMG AZSA LLC.) Jun. 2008 Managing Partner, Director of Nagoya Branch, AZSA & Co. (currently KPMG AZSA LLC.) Jun. 2013 Retired from KPMG AZSA LLC. Jul. 2013 Director, Yasui Certified Public Accountant Office (up to the present) Jun. 2014 Outside Director, NICHIIHA CORPORATION Member of the Board (Outside Director), NGK SPARK PLUG CO., LTD. (up to the present) (Significant Positions Concurrently Held) Certified Public Accountant	1,822 shares
9	<p>He attended all of the 12 Board of Directors' Meetings held in Fiscal 2020. He will have held a position as Outside Director of the Company for seven (7) years at the conclusion of this General Meeting of Shareholders.</p> <p>【Reason for appointment as a candidate for Outside Director and expected roles】 Mr. Yasui has expert knowledge and experience accumulated over many years as a certified public accountant. As an Outside Director, he oversees business execution by the Company's management team and provides advice to the team. He has been playing a key role in strengthening the Company's corporate governance by actively speaking out at the Company's Board of Directors' Meetings in order to enhance transparency in decision-making. The Company has selected Mr. Yasui as a candidate for Outside Director with the expectation that, after his appointment, he will continue to oversee business execution by the Company's management team and provide advice to the team based on the knowledge and experience described above. Although Mr. Yasui has not contributed to corporate management in a capacity other than as Outside Director, for the reasons above, the Company has determined that he will be able to appropriately fulfill the duties of Outside Director.</p> <p>【Regarding the independence of candidates for Outside Director】 Mr. Yasui has an employment background with KPMG AZSA LLC, the Company's auditing firm. From April 1993 to March 2005, he was involved in the accounting audits of the Company. However, over fifteen (15) years have passed following his involvement in auditing the Company, and it has been eight (8) years since his retirement from the aforementioned auditing firm. Moreover, that auditing firm conducts accounting audits of the Company from an independent standpoint, as stipulated by law; furthermore, payments by the Company to the auditing firm account for an extremely small percentage of the total remuneration of the auditing firm (less than 0.1%). In addition, at present there is no business relationship between the Company and Yasui Certified Public Accountant Office, for which Mr. Yasui currently serves as Director, and the election criteria for independent officers (please refer to page 19) set by the Company is met. As such, the independence of Mr. Yasui is sufficiently assured, and the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of his continued appointment as Independent Outside Director, upon approval of his re-election.</p>		

No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
10	 <p data-bbox="280 607 496 696">Mackenzie Donald Clugston (June 19, 1950)</p>	<p data-bbox="528 271 1235 331">Jun. 1982 Joined Department of Foreign Affairs and International Trade of the Canadian Government</p> <p data-bbox="528 338 1078 367">Aug. 2000 Canadian Consul General in Osaka</p> <p data-bbox="528 374 1115 403">Aug. 2003 Minister, Embassy of Canada in Japan</p> <p data-bbox="528 409 1294 470">Aug. 2009 Ambassador of Canada to Indonesia, Timor-Leste and the ASEAN</p> <p data-bbox="528 477 1046 506">Nov. 2012 Ambassador of Canada to Japan</p> <p data-bbox="528 512 1227 573">Jun. 2016 Outside Director, KAMEDA SEIKA CO., LTD. (up to the present)</p> <p data-bbox="528 580 1230 640">Sep. 2016 Professor, Kwansei Gakuin University (up to the present)</p> <p data-bbox="528 647 1286 707">Jun. 2017 Outside Director, Idemitsu Kosan Co., Ltd. (up to the present)</p> <p data-bbox="528 714 1259 775">Mar. 2018 Outside Director, Sapporo Holdings Limited (up to the present)</p> <p data-bbox="528 781 1214 842">Jun. 2019 Member of the Board (Outside Director), NGK SPARK PLUG CO., LTD. (up to the present)</p> <p data-bbox="528 875 1070 999">(Significant Positions Concurrently Held) Outside Director, KAMEDA SEIKA CO., LTD Professor, Kwansei Gakuin University Outside Director, Sapporo Holdings Limited</p>	0 shares
<p data-bbox="264 1032 1442 1122">He attended eleven (11) of the 12 Board of Directors' Meetings held in Fiscal 2020. He will have held a position as Outside Director of the Company for two (2) years at the conclusion of this General Meeting of Shareholders.</p> <p data-bbox="280 1155 1193 1189">【Reason for appointment as a candidate for Outside Director and expected roles】</p> <p data-bbox="264 1196 1442 1543">Mr. Clugston has abundant global experience and a high level of insight about international affairs and trade, accumulated through his career as a diplomat over many years. As an Outside Director, he has overseen business execution by the Company's management team and provided advice to the team. He has been playing a key role in strengthening the Company's corporate governance by actively speaking out at the Company's Board of Directors' Meetings in order to enhance transparency in decision-making. The Company has selected Mr. Clugston as a candidate for Outside Director with the expectation that, after his appointment, he will continue to oversee business execution by the Company's management team and provide advice to the team based on the experience and insight described above. Although Mr. Clugston has not contributed to corporate management in a capacity other than as Outside Director, for the reasons above, the Company has determined that he will be able to appropriately fulfill the duties of Outside Director.</p> <p data-bbox="280 1576 1018 1610">【Regarding the independence of candidates for Outside Director】</p> <p data-bbox="264 1617 1442 1740">We deem that his independence is sufficiently assured given that the election criteria for independent officers (please refer to page 19) set by the Company is met. Accordingly, the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of his continued appointment as Independent Outside Director, upon approval of his re-election.</p>			

No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments and Significant Positions Concurrently Held	Number of Shares Held
11	 Miwako Doi (June 2, 1954)	<p>Apr. 1979 Joined Tokyo Shibaura Electric Co., Ltd. (currently Toshiba Corporation)</p> <p>Jul. 2005 Senior Fellow, Corporate Research & Development Center, Toshiba Corporation</p> <p>Jul. 2008 Chief Fellow, Corporate Research & Development Center, Toshiba Corporation</p> <p>Apr. 2014 Auditor, National Institute of Information and Communications Technology, an Incorporated Administrative Agency (currently, a National Research and Development Agency) (up to the present)</p> <p>Jun. 2015 Outside Director, Nomura Research Institute, Ltd.</p> <p>Apr. 2017 Executive Director, Nara Institute of Science and Technology (up to the present)</p> <p>Jun. 2019 Outside Director, Isetan Mitsukoshi Holdings Ltd. (up to the present)</p> <p>Apr. 2020 Vice President, Tohoku University (up to the present)</p> <p>Jun. 2020 Outside Director, SUBARU CORPORATION (up to the present) Member of the Board (Outside Director), NGK SPARK PLUG CO., LTD. (up to the present)</p> <p>(Significant Positions Concurrently Held) Auditor (part-time), National Institute of Information and Communications Technology Executive Director (part-time), Nara Institute of Science and Technology Outside Director, Isetan Mitsukoshi Holdings Ltd. Vice President (part-time), Tohoku University Outside Director, SUBARU CORPORATION</p>	485 shares
<p>She attended all of the 10 Board of Directors' Meetings held in Fiscal 2020 (since assuming office as Outside Director on Jun 24, 2020). She will have held a position as Outside Director of the Company for one (1) year at the conclusion of this General Meeting of Shareholders.</p> <p>【Reason for appointment as a candidate for Outside Director and expected roles】 Ms. Doi has abundant experience and an outstanding track record as a researcher in the information and communication fields. She is currently engaged in the research of advanced technology at a research institution and universities. As an Outside Director, she has overseen business execution by the Company's management team and provided advice to the team. She has been playing a key role in strengthening the Company's corporate governance by actively speaking out at the Company's Board of Directors' Meetings in order to enhance transparency in decision-making. The Company has selected Ms. Doi as a candidate for Outside Director with the expectation that, after her appointment, she will continue to oversee business execution by the Company's management team and provide advice to the team based on the experience and track record described above. Although Ms. Doi has not contributed to corporate management in a capacity other than as Outside Director, for the reasons above, the Company has determined that she will be able to appropriately fulfill the duties of Outside Director.</p> <p>【Regarding the independence of candidates for Outside Director】 The Company has a business relationship with Tohoku University, for which Ms. Doi serves as Vice President, primarily in the consigning of research. However, the value of that business is extremely small at around five million yen. In addition, there is no business relationship between the Company and Nara Institute of Science and Technology, for which she serves as Executive Director. For the reasons above, we deem that her independence is sufficiently assured and that the election criteria for independent officers (please refer to page 19) set by the Company is met. Accordingly, the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of her continued appointment as Independent Outside Director, upon approval of her re-election.</p>			

Notes:


1. Each candidate for Director has no special interest in the Company.
2. The number of shares of the Company each candidate holds includes the shares that each candidate holds in Executive Stock Ownership Association.
3. Mr. Morihiko Otaki, Mr. Kanemaru Yasui, Mr. Mackenzie Donald Clugston and Ms. Miwako Doi are candidates for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
4. Mr. Mackenzie Donald Clugston, who currently serves as Outside Director of Idemitsu Kosan Co., Ltd., will resign from the position of Outside Director of the company at the conclusion of its General Meeting of Shareholders, which will be held on June 23, 2021.
5. MICARD Co. LTD., a subsidiary of Isetan Mitsukoshi Holdings Ltd. where Ms. Miwako Doi has been serving as an outside director since Jun 17, 2019, received an Order for Action on July 8, 2019 and Order for Payment of Surcharge on March 24, 2020 from the Consumer Affairs Agency for misleading representation that falls under Article 5, Item 1 or Item 2 of the Act against Unjustifiable Premiums and Misleading Representations regarding service transactions related to a credit card “MI Card Plus Gold” which is supplied by MICARD Co. LTD.
She has been making various proposals from the viewpoint of legal compliance at the meetings of the Board of Directors, and even after this was found out, through deliberations at meetings of the Board of Directors, she has fulfilled her duties, including making efforts to formulate recurrence prevention measures and strengthen employee education at Isetan Mitsukoshi Holdings Ltd. and its subsidiaries.
6. In order that the Outside Directors may perform the roles expected of them, the Company has established rules in accordance with the Articles of Incorporation, enabling the conclusion of a liability limitation agreement with each Outside Director, which limits Outside Directors’ compensation for damages to the minimum liability amount established by laws and regulations.
Messrs. Morihiko Otaki, Kanemaru Yasui, Mackenzie Donald Clugston and Ms. Miwako Doi have already concluded a liability limitation agreement with the Company, and upon approval of their re-election as Outside Directors, the Company intends to continue the said agreements with them.
7. The Company has entered into a directors and officers liability insurance contract with an insurance company with the Directors, Audit & Supervisory Board Members, Executive Officers, and other important employees under the Companies Act as the insured. This insurance contract will cover any damages including legal damages and litigation expenses that may arise due to the insured assuming liability for the execution of their duties or receiving a claim for the pursuit of such liability. If the appointment of the candidates is approved, they will each become the insured under the insurance contract. The Company plans to renew the insurance contract with the same contents on June 30, 2021.


Proposal No.2: Election of Two (2) Audit & Supervisory Board Members

As the terms of office of the current Audit & Supervisory Board Members, Mr. Yasuhiko Hotta and Ms. Fumiko Nagatomi, will expire at the conclusion of this General Meeting of Shareholders, the Company proposes the election of two (2) Audit & Supervisory Members.

This proposal has been approved in advance by the Audit & Supervisory Board.

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

No.	Name (Date of Birth)	Brief Personal History, Positions and Significant Positions Concurrently Held	Number of Shares Held
	 <p>Fumiko Nagatomi (November 28, 1952)</p>	<p>Apr. 1981 Registered as an attorney, Joined Hachisuka Law Firm Mar. 1989 Resigned from Hachisuka Law Firm Apr. 1989 Opened Nagatomi Law Firm (up to the present) May 2006 Outside Audit & Supervisory Board Member, UCS CO., LTD. Jun. 2016 Outside Audit & Supervisory Board Member, Chubu Electric Power Co. Inc. (up to the present) Jun. 2017 Outside Audit & Supervisory Board Member of the Company (up to the present)</p> <p>(Significant Positions Concurrently Held) Attorney Outside Audit & Supervisory Board Member, Chubu Electric Power Co. Inc.</p>	<p>2,100 shares</p>
1	<p>She attended all of the 12 Board of Directors' Meetings and all of the 13 Audit & Supervisory Board Meetings held in Fiscal 2020.</p> <p>She will have held a position as Outside Audit & Supervisory Board Member of the Company for four (4) years at the conclusion of this General Meeting of Shareholders.</p> <p>【Reason for appointment as a candidate for Substitute Outside Audit & Supervisory Board Member】 With her expert knowledge and experience accumulated over many years as a lawyer, Ms. Fumiko Nagatomi is exercising her duties as Outside Audit & Supervisory Board Member appropriately and has been playing a key role in strengthening the Company's corporate governance by providing appropriate advice regarding the Company's overall management at the appropriate times. The Company has therefore selected Ms. Nagatomi as a candidate for Outside Audit & Supervisory Board Member in the belief that, after her appointment, she will continue to execute proper auditing of the Company's overall management.</p> <p>Although Ms. Nagatomi has not contributed to corporate management in a capacity other than as Outside Audit & Supervisory Board Member, the Company believes she will be able to appropriately fulfill the duties of Outside Audit & Supervisory Board Member for the reasons above.</p> <p>【Regarding the independence of candidates for Outside Audit & Supervisory Board Member】 There is no business relationship between the Company and the law firm to which Ms. Nagatomi belongs, and the election criteria for independent officers (please refer to page 19) set by the Company is met. As such, the independence of Ms. Nagatomi is sufficiently assured, and the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of her continued appointment as Independent Outside Audit & Supervisory Board Member, upon approval of her re-election.</p>		

No.	Name (Date of Birth)	Brief Personal History, Positions and Significant Positions Concurrently Held	Number of Shares Held
2	 <p>Chiharu Takakura (December 22, 1959)</p>	<p>Apr. 1983 Joined the Ministry of Agriculture, Forestry and Fisheries</p> <p>May 1992 Obtained an MBA from Georgetown University (U.S.A)</p> <p>Aug. 1993 Consultant, Sanwa Research Institute Corp.</p> <p>Jul. 1999 Planning Manager, Human Resources Division., Pfizer Japan Inc.</p> <p>Oct. 2006 General Manager of Human Resources Department, Human Resources and Communication Division, Novartis Pharma K.K</p> <p>Jul. 2014 Corporate Fellow, General Manager, Global Human Resources Dept., Ajinomoto Co., Inc.</p> <p>Apr. 2020 HR Advisor, ROHTO Pharmaceutical Co., Ltd.</p> <p>Jun. 2020 Director, Head of Well-being Management Promotion Division, ROHTO Pharmaceutical Co., Ltd. (up to the present)</p> <p>(Significant Positions Concurrently Held) Director, ROHTO Pharmaceutical Co., Ltd.</p>	0 shares
<p>【Reason for appointment as a candidate for Substitute Outside Audit & Supervisory Board Member】 After obtaining her MBA at Georgetown University (U.S.A), Ms. Chiharu Takakura worked as a consultant in organization building and human resources development before taking up successive important positions with several global companies, including international pharmaceuticals companies. As such, she has a wealth of experience and knowledge concerning organizational development and human resources development. The Company has newly selected Ms. Takakura as a candidate for Outside Audit & Supervisory Board Member in the belief that, based on the above experience and knowledge, she will be able to perform her duties appropriately as an Outside Audit & Supervisory Board Member.</p> <p>【Regarding the independence of candidates for Outside Audit & Supervisory Board Member】 There is no business relationship between the Company and ROHTO Pharmaceutical Co., Ltd. for which Ms. Takakura serves as a Director, and the election criteria for independent officers (please refer to page 19) set by the Company is met. As such, the independence of Ms. Takakura is sufficiently assured, and the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of her appointment as Independent Outside Audit & Supervisory Board Member, upon approval of her election.</p>			

Notes:

1. Each candidate for Audit & Supervisory Board Member has no special interest in the Company.
2. The number of shares of the Company held by Ms. Fumiko Nagatomi includes the shares she holds in Executive Stock Ownership Association.
3. Ms. Fumiko Nagatomi and Ms. Chiharu Takakura are candidates for Outside Audit & Supervisory Board Member as stipulated in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
4. In order that the Outside Audit & Supervisory Board Members may perform the roles expected of them, the Company has established rules in accordance with the Articles of Incorporation, enabling the conclusion of a liability limitation agreement with each Outside Audit & Supervisory Board Member, which limits his/her compensation for damages to the minimum liability amount established by laws and regulations.
Ms. Fumiko Nagatomi has already concluded a liability limitation agreement with the Company, and, upon approval of her re-election as Outside Audit & Supervisory Board Member, the Company intends to continue the said agreement with her.
The Company intends to conclude the aforementioned agreement with Ms. Chiharu Takakura upon approval of her election as Outside Audit & Supervisory Board Member.
5. The Company has entered into a directors' and officers' liability insurance contract with an insurance company with the Directors, Audit & Supervisory Board Members, Executive Officers, and other important employees under the Companies Act as the insured. This insurance contract will cover any damages, including legal damages and litigation expenses, that may arise due to the insured assuming liability for the execution of their duties or receiving a claim for the pursuit of such liability. If the appointment of the candidates is approved, they will each become the insured under the insurance contract. The Company plans to renew the insurance contract with the same contents on June 30, 2021.

(Reference)

Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members

In addition to the qualifications of outside directors and outside audit & supervisory board members specified in the Companies Act and the criteria on the independence of independent officers specified by financial instrument exchanges, the Company adopted its own Election Criteria of Independent Officers* set forth below and elects only persons who meet all of those criteria as independent outside officers.

1. Persons who in the preceding three (3) years have not served as a director, audit & supervisory board member, executive, manager, or other employee (including Corporate Officers but excluding outside directors and outside audit & supervisory board members; referred to as “Directors, etc.”) of a trading partner with which transactions accounted for 2% or more of the consolidated net sales of the Company, its subsidiaries or affiliate companies (referred to as “the Group”) or the trading partner’s consolidated net sales in any of the preceding three (3) years.
2. Persons who are not currently principal shareholders of the Group, or who are not Directors etc. of a company one of whose principal shareholder is the Group (a principal shareholder holds 10% or more of voting rights).
3. Persons who have not been employed by a principal lender of the Group in the preceding three (3) years (a principal lender is a financial institution or other financial creditor that is essential for the procurement of capital by the Group and on which the Group relies to a degree that it is irreplaceable).
4. Persons who are not attorneys, certified public accountants, consultants, or providers of other professional services who currently receive compensation from the Group.
5. Persons who have not received donations of ¥10 million or more from the Group in any of the preceding three (3) years. **
6. Persons who are not Directors etc. of companies or subsidiaries of such companies, to which Directors etc. have been seconded by the Group.
7. Persons who are not relatives within two (2) degrees of consanguinity of a current or former Director etc. of the Group.
8. Persons who are not likely to give rise to substantive conflicts of interest with the Group on a regular basis.

Notes:

* However, in cases where there are grounds for a clear explanation of independence that can be provided to third parties against a backdrop of corporate merger or other unintended circumstances, even when these criteria are not met, approval may be given after giving consideration to the opinions of Independent Officers.

** However, even in cases where a donation of ¥10 million or more is made, if there are grounds for a clear explanation of the lack of impact resulting from such donation on the judgement of the independence of the candidate Independent Officer that can be provided to third parties, for example, the case that the donation was made to a different professor in the same research lab or a different research lab at the same university with which the candidate Independent Officer is affiliated, approval may be given after giving consideration to the opinions of Independent Officers.

Proposal No. 3: Revision of Performance-Linked Stock Compensation Plan for Directors, etc.

1. Reason for Revision of the Plan

The Company proposes a partial revision of the content of the performance-linked stock compensation plan (hereinafter, the “Plan”) for Directors of the Company (excluding Outside Directors) and the Company’s Corporate Officers (excluding Employment-type Corporate Officers; hereinafter, together with Directors, “Directors, etc.”), which grants and pays (hereinafter, “Granting, etc.”) the Company’s shares and cash equivalent to the market value of the Company’s shares (hereinafter, “the Company’s shares, etc.”) according to their positions and the degree of achievement, etc. of performance targets set forth in the medium-term management plan, etc., which was approved by shareholders at the 117th Ordinary General Meeting of Shareholders held on June 29, 2017 and at the 119th Ordinary General Meeting of Shareholders held on June 25, 2019. The purpose of the revision will be to further promote the business portfolio conversion and sustainability initiatives declared in the long-term and medium-term management plans with the addition of non-financial targets for the evaluation of the degree of achievement of performance targets, etc., and hereby the Company requests the approval of shareholders for the partial revision and continuation of the Plan.

The purpose of the revision and continuation of the Plan is to further clarify the link between the compensation of Directors and the value of the Company’s stock, and to have them share interests with shareholders, so as to incentivize them to contribute to the improvement of the Company’s medium- to long-term performance and to increasing corporate value. Based on the fact that this is in line with the “Policy on Decisions Concerning the Details of Individual Compensation, etc. of Directors” on page 53 of the Business Report, the Company believes this revision of the Plan to be appropriate. If this proposal is approved, the indicators used in the calculation of performance-linked stock compensation in that the said Policy on Decisions will be changed to add non-financial targets to be newly established with this revision at the meeting of the Board of Directors to be held after this Ordinary General Meeting of Shareholders, to ensure consistency with the revised Plan.

Following the revision, the number of Directors subject to the Plan will be seven (7) if Proposal No. 1 is approved as originally proposed. In addition, as described above, Corporate Officers are also subject to the Plan, and at the conclusion of this General Meeting of Shareholders, fourteen (14) Corporate Officers (excluding Directors) will be subject to this Plan following the revision.

2. Content of the Plan Following Revision

(1) Outline of the current Plan (underlined parts indicate the main revisions)

The Plan is a performance-linked stock compensation plan in which shares of the Company are acquired through a trust using cash contributed by the Company, and Directors, etc. of the Company are granted, etc. Company shares, etc. through the trust according to the position and the degree of achievement of performance targets, etc., based on the share granting regulations established by the Company.

Compensation of Directors, etc. under this Plan comprises a “performance-linked portion” in which Company shares, etc. are granted, etc. according to the degree of achievement of performance targets, etc., and a “fixed portion,” in which a certain number of Company shares, etc. are granted, etc. according to the recipient’s position. The purpose of the performance-linked portion is to strengthen the motivation of the Directors, etc. to improve the Company’s performance and the link between medium- and long-term performance and compensation. The purpose of the fixed portion is to reinforce the sharing of interests with shareholders by having the Directors, etc. hold shares.

1) Persons to whom the Granting, etc. of Company Shares, etc. in this proposal is applicable	<ul style="list-style-type: none"> · Directors of the Company (excluding Outside Directors) · Corporate Officers of the Company (excluding Employment-type Corporate Officers)
2) Applicable period of Plan	<ul style="list-style-type: none"> · <u>The applicable period will be four (4) fiscal years from the fiscal year ending on March 31, 2022 to the fiscal year ending on March 31, 2025</u>
3) Upper limit of cash contributed by the Company, upper limit of Company Shares acquired by Directors, etc. and impact that the shares referred to in this proposal on the total number of issued shares	
Upper limit of cash contributed by the Company (as stated in (2) below)	<ul style="list-style-type: none"> · Applicable to four (4) fiscal years; total of 1,000 million yen
Upper limit of the number of the Company Shares, etc. acquired by Directors, etc. and method of acquisition of shares of the Company (as stated in (2) and (3) below)	<ul style="list-style-type: none"> · The upper limit of the number of shares will be 667,000 shares in total over four (4) fiscal years, and the proportion to the total number of issued shares (as of March 31, 2021, excluding treasury stock), is approximately 0.32%. · As shares of the Company are to be acquired from the stock market, dilution will not occur.
4) Contents of conditions for achievement of performance targets (as stated in (3) below)	<ul style="list-style-type: none"> · Indicators for evaluation of the degree of achievement of single-year performance targets Vary in the range of 0% to 200% according to the degree of achievement of the financial results forecast in the consolidated financial reports. Performance indicators used for evaluation of the degree of achievement will be consolidated net sales and consolidated operating income. · Indicators for evaluation of the degree of achievement of medium-term performance targets Vary in the range from 0% to 200% according to the degree of achievement of the targets outlined in the medium-term management plan. Performance indicators used for evaluation of the degree of achievement of performance targets will be consolidated net sales, consolidated operating income, and ROIC. · <u>Indicators for evaluation of the degree of achievement of non-financial targets</u> <u>Vary in the range from 0% to 200% according to the degree of achievement of targets during the period of the medium-term management plan. Performance indicators used for evaluation of the degree of performance of non-financial targets will be sales ratio of non-internal combustion engine business and CO2 emission reduction rate.</u>
5) Timing of Granting, etc. of Company Shares, etc. to Directors, etc. (as stated in (4) below)	<ul style="list-style-type: none"> · Upon the completion of the applicable period

(2) Upper limit of cash contributed by the Company

The Plan will be applicable to the four (4) fiscal years from the fiscal year ending on March 31, 2022 to the fiscal year ending March 31, 2025 (hereinafter referred to as the “Applicable Period”) corresponding to the period covered by the medium-term management plan of the Company.

For the four (4) fiscal years, which is the Applicable Period, the Company will contribute cash with the upper limit of 1,000 million yen in total as trust funds, and set a trust (hereinafter referred to as the “Trust”) with a trust term corresponding to the Applicable Period, with Directors, etc. who satisfy the beneficiary requirements as beneficiaries. The Trust, in accordance with the instructions of the trust administrator, will acquire shares of the Company from the stock market, using the trust funds. The upper limit of the trust funds is calculated by adding trust fees and trust expenses to the fund for acquiring shares, taking into account the current level of compensation for Directors, etc.

During the Applicable Period, the Company will award points to Directors, etc. (as stated in (3) below) every year, and Granting, etc. of Company Shares, etc. corresponding to the number of points awarded will be made through the Trust at the predetermined point in time (as stated in (4) below).

At the expiration of the trust term of the Trust, subject to approval by the General Meeting of Shareholders, by modifying the trust term and making additional contributions to the Trust in lieu of setting a new Trust, the Trust may be continued.

If additional contributions are to be made, if there are Company shares (excluding shares that are equivalent to the points awarded to Directors, etc. and that have not yet been granted, etc.; hereinafter referred to as “remaining shares”) and cash (together with the remaining shares, hereinafter referred to as “remaining shares, etc.”) remaining in the trust assets at the time of continuation, the total amount of the value of the remaining shares, etc. and the additional contributions to the Trust to be made by the Company shall be within 1,000 million yen.

(3) Calculation method and upper limit of Company Shares, etc. to be granted to Directors, etc.

Directors, etc. in office during the Applicable Period (including those persons who newly became Directors, etc. after the commencement date of the Applicable Period) will be awarded points (hereinafter referred to as “Awarded Points”) as the premise for the Granting, etc. of Company shares, etc. on June 1 of every year during the trust term (the first time in this Applicable Period will be June 1, 2022).

The number of Awarded Points will be determined according to the positions of Directors, etc. and the degree of achievement of performance targets*. Granting, etc. of Company Shares, etc. will be made, in principle, after the end of the Applicable Period according to the cumulative Awarded Points (hereinafter referred to as the “Number of Cumulative Points”). One share of the Company will be granted per point. However, in the event that shares of the Company undergo a share split, reverse share split, etc. during the trust term and the total number of shares of the Company will increase or decrease, the number of shares of the Company to be granted per point will be adjusted according to the split ratio, reverse split ratio, etc. of shares of the Company.

*Performance indicators for evaluation of the degree of achievement of performance targets will be set based on the single-year performance targets, medium-term performance targets, and non-financial targets.

1) Indicators for evaluation of the degree of achievement of single-year performance targets

Vary in the range from 0% to 200% according to the degree of achievement of the financial results forecast in the consolidated financial reports. Indicators for evaluation of the degree of achievement will be consolidated net sales and consolidated operating income.

2) Indicators for evaluation of the degree of achievement of medium-term performance targets

Vary in the range from 0% to 200% according to the degree of achievement of the targets outlined in the medium-term management plan. Indicators for evaluation of the degree of achievement will be consolidated net sales, consolidated operating income, and ROIC.

3) Indicators for evaluation of the degree of achievement of non-financial targets

Vary in the range from 0% to 200% according to the degree of achievement, etc. of targets during the period of the medium-term management plan. Indicators used to evaluate the degree of performance of non-financial targets will be the sales ratio of non-internal combustion engine business and CO2 emission reduction rate.

(Reference)

- Sales ratio of non-internal combustion engine business will be calculated based on the following formula.

(Figures are on a consolidated basis)

Sales ratio of non-internal combustion engine business (%)

= (Net sales of non-internal combustion engine business) ÷ (Consolidated net sales) x 100

- CO2 emission reduction rate will be in comparison with FY2018 figures.

The upper limit of the total number of shares of the Company granted to Directors, etc. according to the number of awarded points is 667,000 shares in the four (4) years of the Applicable Period. This upper limit of the number of granted shares is determined based on the most recent stock price, etc. in consideration of the upper limit of trust funds stated in (2) above.

(4) Method and timing of Granting, etc. of Company Shares, etc. to Directors, etc.

Directors, etc. who satisfy the beneficiary requirements (in principle, they must have served as Directors, etc. during the Applicable Period and have been awarded points based on the share granting regulations, and they must not have committed certain illegal acts during their term in office) will be granted, in approximately July (July 2025) immediately after the end of the Applicable Period in principle, shares of the Company corresponding to the Number of Cumulative Points calculated based on (3) above, by undertaking the required procedures for beneficiary determination, such as submitting certain documents to the Company pursuant to the Trust Agreement and reaching the benefit determination date stipulated separately in the share granting regulations.

Directors, etc. will be granted the number of shares of the Company corresponding to 50% of the Number of Cumulative Points (shares of less than one trading unit will be rounded up), and concerning the remaining points, the Directors, etc. will be paid cash equivalent to the market value of the shares of the Company corresponding to the remaining points after conversion into cash in the Trust.

If a Director, etc. who satisfies the beneficiary requirements retires during a trust term due to expiry of his/her term of office or for reasons other than expiry of term (except when the retirement is due to personal circumstances or dismissal based on justifiable grounds for dismissal), the Director, etc. will implement the necessary procedures and, without delay, he/she will be granted shares of the Company corresponding to 50% of the Number of Cumulative Points at retirement (shares of less than one trading unit will be rounded up), and, concerning the remaining points, he/she will receive payment of cash equivalent to the market value of the shares of the Company corresponding to the remaining points after conversion into cash in the Trust.

In addition, if a Director, etc. passes away during a trust term, the heir to the Director, etc. will receive payment of cash equivalent to the market value of the shares of the Company that correspond to the Number of Cumulative Points at that point in time after conversion into cash in the Trust.

(5) Loss of rights to granting, etc. of shares and demand for return of value of shares, etc.

If a Director, etc. commits certain illegal acts, etc. during his/her term of office, he/she will lose the right to the granting, etc. of shares, etc. Further, if it is revealed that a Director, etc. has committed certain illegal acts, etc. during his/her term of office after already receiving a grant, etc. of shares, etc., the Company will demand the return of a sum of money calculated using the calculation method stipulated in the share granting regulation.

(6) Voting rights for shares of the Company in the Trust

Concerning the shares of the Company in the Trust, in order to secure objectivity in management, voting rights will not be exercised during the trust term.

(7) Other contents of the Plan

Concerning other contents regarding the Plan, the Company requests that the determination be left to the discretion of the Board of Directors each time the Trust is set, the trust agreement is modified or additional contribution to the Trust is made.