

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 122nd 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 2, 2022

Dear Shareholders

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

**NGK SPARK PLUG CO., LTD.**  
1-1-1 Higashisakura, Higashi-ku, Nagoya,

## NOTICE OF CONVOCAION OF THE 122nd ORDINARY GENERAL MEETING OF SHAREHOLDERS

The 122nd 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 23, 2022.**

- 1. Time and Date:** 10:00 a.m., Friday, June 24, 2022  
**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 2021 (From April 1, 2021, to March 31, 2022)
  2. Reports on Non-Consolidated Financial Statements for Fiscal 2021 (From April 1, 2021, to March 31, 2022)

#### Agenda:

- Proposal No.1:** Partial Amendments to the Articles of Incorporation  
**Proposal No.2:** Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)  
**Proposal No.3:** Election of Four (4) Directors Who Are Audit and Supervisory Committee Members  
**Proposal No.4:** Establishment of the Amount of Compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members)  
**Proposal No.5:** Establishment of the Amount of Compensation, etc. for Directors who are Audit and Supervisory Committee Members

**Proposal No.6:** Determination of the Content of Performance-Linked Stock Compensation Plan for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors), etc.

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©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: Partial Amendments to the Articles of Incorporation

##### 1. Reasons for the amendments

- (1) The Company has since its inception expanded its business, mainly the internal-combustion engine-related business such as spark plugs. Meanwhile, as outlined in the “2030 Long-Term Management Plan NITTOKU BX”, the Company focuses on four business domains of Mobility, Communication, Medical and Environment & Energy, and aims to realize business portfolio transformation. Following this, the Company proposes to change its trade name in English to “Niterra Co., Ltd.” while it has used “NGK SPARK PLUG CO., LTD.”, incorporating the brand name of spark plugs. This is to prepare for the future business expansion and to become a company contributing to the global environment. “Niterra” is a coined word, combining the Latin words of “niteo” meaning to shine, and “terra” meaning the planet earth. Therefore, Article 1 of the current Articles of Incorporation that stipulates the Trade Name will be amended, and supplementary provision will be established concerning the effective date to be April 1, 2023.
- (2) Article 3 of the current Articles of Incorporation that stipulates the Company’s business purposes will be amended to respond to future business development.
- (3) The Company has been working on improving corporate governance to increase its corporate value over the medium to long term. Considering the rapidly changing business environment, the Company proposes a transition to a company with the Audit and Supervisory Committee to encourage productive discussion on management policies and strategies at the Board of Directors meetings, strengthen supervisory functions, and speed up management decision-making and execution. Therefore, necessary amendments, such as establishing the provisions concerning the Audit and Supervisory Committee and Audit and Supervisory Committee Members and deleting the provisions concerning the Board of Corporate Auditors and Corporate Auditors, will be made to the current Articles of Incorporation.
- (4) Article 12 of the current Articles of Incorporation that stipulates the place for the General Meeting of Shareholders will be amended to have more choices of locations where the General Meeting of Shareholders are held.
- (5) In line with the amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act” (Act No.70 of 2019) coming into effect on September 1, 2022, the current Articles of Incorporation will be amended as follows:
  - (i) The proposed Article 15 is newly established that stipulates that the Company will take measures to provide information contained in the reference documents for the General Meeting of Shareholders in electronic format and to limit the scope of matters described in a paper-based document to be delivered to shareholders who request the delivery of document.
  - (ii) Article 15 of the current Articles of Incorporation concerning the disclosure via the Internet and the deemed provision of the reference documents for the General Meeting of Shareholders will be deleted.
  - (iii) The supplementary provisions will be established concerning the effective date and other matters.
- (6) In line with the amendments described above, necessary changes, such as the numbering of articles, will be made to the current Articles of Incorporation.

##### 2. Details of the amendments

Details of the amendments are as follows:

The resolution of this proposal shall take effect at the conclusion of this General Meeting of Shareholders.

(Underlined texts are to be amended.)

Current Articles of Incorporation	Proposed amendments
<b>CHAPTER I GENERAL PROVISIONS</b>	<b>CHAPTER I GENERAL PROVISIONS</b>
<b>Article 1. Trade Name</b> The name of the company (hereinafter the “Company”) shall be <i>Nippon Tokushu Togyo Kabushiki Kaisha</i> . In English, the name of the Company shall be <u>NGK SPARK PLUG CO., LTD.</u>	<b>Article 1. Trade Name</b> The name of the company (hereinafter the “Company”) shall be <i>Nippon Tokushu Togyo Kabushiki Kaisha</i> . In English, the name of the Company shall be <u>Niterra Co., Ltd.</u>
<b>Article 2.</b> (Texts omitted)	<b>Article 2.</b> (Unchanged)

Current Articles of Incorporation	Proposed amendments
<p><b>Article 3. Purpose</b> The purpose of the Company shall be to engage in the following business activities:</p> <ol style="list-style-type: none"> <li>1. Manufacture and sales of spark plugs for internal-combustion engines;</li> <li>2. Manufacture and sales of automotive parts and accessories;</li> <li>3. Manufacture and sales of electronic and telecommunications parts;</li> <li>4. Manufacture and sales of electrical, physical/chemical and industrial ceramics;</li> <li>5. Manufacture and sales of cutting tools;</li> <li>6. Manufacture and sales of weighing/measuring instruments, as well as chemical machinery and equipment;</li> <li>7. Manufacture and sales of medical devices, machinery and appliances;</li> <li>8. Manufacture and sales of new ceramic products;</li> </ol> <p style="text-align: center;">(Newly established)</p> <p><u>9.</u> Export/import, repair and lease/rental of the products in any of the above items; and</p> <p style="text-align: center;">(Newly established)</p> <p><u>10.</u> Any and all businesses relating to or incidental to any of the above items.</p> <p><b>Article 4. Organizational Bodies</b> The Company shall establish the following organizational bodies other than the General Meeting of Shareholders and Directors.</p> <ol style="list-style-type: none"> <li>1. Board of Directors;</li> <li>2. <u>Corporate Auditors;</u></li> <li>3. <u>Board of Corporate Auditors; and</u></li> <li>4. Accounting Auditor</li> </ol> <p><b>Article 5.</b> (Texts omitted)</p> <p style="text-align: center;"><b>CHAPTER II SHARES</b></p> <p><b>Articles 6. to 11.</b> (Texts omitted)</p> <p style="text-align: center;"><b>CHAPTER III GENERAL MEETING OF SHAREHOLDERS</b></p> <p><b>Article 12. Convocation</b></p> <ol style="list-style-type: none"> <li>1. An Ordinary General Meeting of Shareholders of the Company shall be convened in June of each year, and an Extraordinary General Meeting of Shareholders may be convened from time to time as necessary.</li> <li>2. The General Meeting of Shareholders of the Company shall be convened at the location of the Company's head office <u>or</u> a place adjacent to such location.</li> </ol>	<p><b>Article 3. Purpose</b> The purpose of the Company shall be to engage in the following business activities:</p> <ol style="list-style-type: none"> <li>1. Manufacture and sales of spark plugs for internal-combustion engines;</li> <li>2. Manufacture and sales of automotive parts and accessories;</li> <li>3. Manufacture and sales of electronic and telecommunications parts;</li> <li>4. Manufacture and sales of electrical, physical/chemical and industrial ceramics;</li> <li>5. Manufacture and sales of cutting tools;</li> <li>6. Manufacture and sales of weighing/measuring instruments, as well as chemical machinery and equipment;</li> <li>7. Manufacture and sales of medical devices, machinery and appliances;</li> <li>8. Manufacture and sales of new ceramic products;</li> </ol> <p><u>9.</u> <u>Manufacture and sales of environment and energy-related equipment;</u></p> <p><u>10.</u> Export/import, repair and lease/rental of the products in any of the above items;</p> <p><u>11.</u> <u>Provision of services relating to or incidental to any of the above items; and</u></p> <p><u>12.</u> Any and all businesses relating to or incidental to any of the above items.</p> <p><b>Article 4. Organizational Bodies</b> The Company shall establish the following organizational bodies other than the General Meeting of Shareholders and Directors.</p> <ol style="list-style-type: none"> <li>1. Board of Directors;</li> <li>2. <u>Audit and Supervisory Committee; and</u> (Deleted)</li> <li><u>3.</u> Accounting Auditor</li> </ol> <p><b>Article 5.</b> (Unchanged)</p> <p style="text-align: center;"><b>CHAPTER II SHARES</b></p> <p><b>Articles 6. to 11.</b> (Unchanged)</p> <p style="text-align: center;"><b>CHAPTER III GENERAL MEETING OF SHAREHOLDERS</b></p> <p><b>Article 12. Convocation</b></p> <ol style="list-style-type: none"> <li>1. An Ordinary General Meeting of Shareholders of the Company shall be convened in June of each year, and an Extraordinary General Meeting of Shareholders may be convened from time to time as necessary.</li> <li>2. The General Meeting of Shareholders of the Company shall be convened at the location of the Company's head office, a place adjacent to such location, <u>or</u> <u>Komaki-shi, Aichi Prefecture.</u></li> </ol>

Current Articles of Incorporation	Proposed amendments
<p><b>Articles 13. and 14.</b> (Texts omitted)</p> <p><b><u>Article 15. Reference Documents for General Meeting of Shareholders, etc., Disclosed Via the Internet and Deemed Provided</u></b>  <u>Upon convocation of the General Meeting of Shareholders, the Company may deem that the information in relation to items specified or indicated in the reference documents for the General Meeting of Shareholders, business reports, financial statements and consolidated financial statements, has been provided to shareholders via the Internet in accordance with the provisions in the ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p>	<p><b>Articles 13. and 14.</b> (Unchanged)</p> <p>(Deleted)</p> <p><b><u>Article 15. Electronic Provision Measure, etc.</u></b>  <u>1. Upon convocation of the General Meeting of Shareholders, the Company shall take measures for provision of information contained in the reference documents for the General Meeting of Shareholders in electronic format.</u>  <u>2. Among the matters under the electronic provision measure, the Company may not include all or part of the matters designated by the Ordinance of the Ministry of Justice in the paper-based documents to be delivered to shareholders who requested such documents by the record date for voting rights.</u></p>
<p><b>Articles 16. and 17.</b> (Texts omitted)</p>	<p><b>Articles 16. and 17.</b> (Unchanged)</p>
<p><b>CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS</b></p>	<p><b>CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS</b></p>
<p><b>Article 18. Number of Directors</b>  The number of Directors of the Company shall be no more than thirteen (13).</p> <p>(Newly established)</p>	<p><b>Article 18. Number of Directors</b>  <u>1. The number of Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) shall be no more than thirteen (13).</u>  <u>2. The number of Directors of the Company who are Audit and Supervisory Committee Members shall be no more than five (5).</u></p>
<p><b>Article 19. Election of Directors</b></p> <p>1. Directors shall be elected by resolution of a General Meeting of Shareholders.</p> <p>2. (Texts omitted)</p> <p>3. (Texts omitted)</p>	<p><b>Article 19. Election of Directors</b></p> <p>1. Directors shall be elected by resolution of a General Meeting of Shareholders <u>by distinguishing Directors who are Audit and Supervisory Committee Members from Directors who are not.</u></p> <p>2. (Unchanged)</p> <p>3. (Unchanged)</p>
<p><b>Article 20. Term of Office of Directors</b></p> <p>1. The term of office of each Director shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last business year which ends within one (1) year after that Director's election.</p> <p>(Newly established)</p>	<p><b>Article 20. Term of Office of Directors</b></p> <p>1. The term of office of each Director <u>(excluding Director who is an Audit and Supervisory Committee Member)</u> shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last business year which ends within one (1) year after that Director's election.</p> <p>2. <u>The term of office of each Director who is an Audit and Supervisory Committee Member shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last business year which ends within two (2) years after that Director's election.</u></p>
<p>2. <u>The term of office of Directors elected for an increase in the number of or to fill vacancies shall be for the remaining term of the incumbent Directors.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
<p>(Newly established)</p> <p>(Newly established)</p>	<p>3. <u>The term of office of Directors who are Audit and Supervisory Committee Members elected to fill vacancies of the Directors who are Audit and Supervisory Committee Members and who have retired before the expiry of their tenures shall be until the expiry of the respective tenures of their predecessors.</u></p> <p>4. <u>Effective term of pre-election of Substitute Directors who are Audit and Supervisory Committee Members shall expire at the beginning of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within two (2) years after that Substitute Director's election.</u></p>
<p><b>Article 21. Convocation of Meeting of Board of Directors</b>  A notice of convocation of a meeting of the Board of Directors shall be sent three (3) days prior to the date of the meeting to each of the Directors <u>and Corporate Auditors</u>. However, in the case of an emergency the notice period may be shortened.</p> <p><b>Article 22.</b> (Texts omitted)</p> <p><b>Article 23. Representative Directors</b>  The Board of Directors, by resolution, shall appoint a given number of Representative Directors.</p>	<p><b>Article 21. Convocation of Meeting of Board of Directors</b>  A notice of convocation of a meeting of the Board of Directors shall be sent three (3) days prior to the date of the meeting to each of the Directors. However, in the case of an emergency the notice period may be shortened.</p> <p><b>Article 22.</b> (Unchanged)</p> <p><b>Article 23. Representative Directors</b>  The Board of Directors, by resolution, shall appoint a given number of Representative Directors <u>from among Directors (excluding Directors who are Audit and Supervisory Committee Members)</u>.</p>
<p><b>Article 24. Directors with Concurrent Positions</b>  The Board of Directors, by resolution, may appoint one Director and Chairman of the Board, one Director and Vice Chairman of the Board, one Director and President and a given number of Directors and Executive Vice Presidents.</p> <p><b>Article 25.</b> (Texts omitted)</p> <p>(Newly established)</p>	<p><b>Article 24. Directors with Concurrent Positions</b>  The Board of Directors, by resolution, may appoint one Director and Chairman of the Board, one Director and Vice Chairman of the Board, one Director and President and a given number of Directors and Executive Vice Presidents <u>from among Directors (excluding Directors who are Audit and Supervisory Committee Members)</u>.</p> <p><b>Article 25.</b> (Unchanged)</p> <p><b>Article 26. Delegation of Authority to Directors</b>  <u>Pursuant to the provision of Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate all or part of the authority to make decisions on the execution of important operations (excluding the matters listed in each Item of Paragraph 5 of the same Article) to Directors by a resolution of the Board of Directors.</u></p>
<p><b>Article 26.</b> (Texts omitted)</p> <p><b>Article 27. Remuneration for Directors</b>  Financial benefits provided to Directors by the Company in consideration of the execution of their duties, such as remunerations and bonuses (<u>hereinafter "remuneration"</u>), shall be determined by resolution of a General Meeting of Shareholders.</p> <p><b>Article 28.</b> (Texts omitted)</p>	<p><b>Article 27.</b> (Unchanged)</p> <p><b>Article 28. Remuneration for Directors</b>  Financial benefits provided to Directors by the Company in consideration of the execution of their duties, such as remunerations and bonuses, shall be determined by resolution of a General Meeting of Shareholders <u>by distinguishing Directors who are Audit and Supervisory Committee Members from Directors who are not.</u></p> <p><b>Article 29.</b> (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p align="center"><b><u>CHAPTER V CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS</u></b></p>	(Deleted)
<p><b><u>Article 29. Number of Corporate Auditors</u></b>  <u>The number of Corporate Auditors of the Company shall be no more than five (5).</u></p>	(Deleted)
<p><b><u>Article 30. Election of Corporate Auditors</u></b>  1. <u>Corporate Auditors shall be elected by resolution of a General Meeting of Shareholders.</u>  2. <u>The resolution regarding the election of Corporate Auditors shall be adopted by a majority of the voting rights of the shareholders entitled to exercise their voting rights present thereat, where shareholders present shall hold shares representing not less than one-third (1/3) of the total voting rights of shareholders entitled to exercise their voting rights.</u></p>	(Deleted)
<p><b><u>Article 31. Effective Term of Pre-election of Substitute Corporate Auditors</u></b>  <u>Effective Term of Pre-election of Substitute Corporate Auditors shall expire at the beginning of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within four (4) years after that Substitute Corporate Auditor's election.</u></p>	(Deleted)
<p><b><u>Article 32. Term of Office of Corporate Auditors</u></b>  1. <u>The term of office of each Corporate Auditor shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last business year which ends within four (4) years after that Corporate Auditor's election.</u>  2. <u>The term of office of Corporate Auditors elected to fill vacancies of the Corporate Auditors who have retired before the expiry of their tenures shall be until the expiry of the respective tenures of their predecessors.</u></p>	(Deleted)
<p><b><u>Article 33. Standing Corporate Auditors</u></b>  <u>The Board of Corporate Auditors, by resolution, shall appoint Standing Corporate Auditors.</u></p>	(Deleted)
<p><b><u>Article 34. Convocation of Meeting of Board of Corporate Auditors</u></b>  <u>A notice of convocation of a meeting of the Board of Corporate Auditors shall be sent three (3) days prior to the date of the meeting to each of the Corporate Auditors. However, in the case of an emergency the notice period may be shortened.</u></p>	(Deleted)
<p><b><u>Article 35. Rules Governing the Board of Corporate Auditors</u></b>  <u>Matters concerning the Board of Corporate Auditors shall be governed by the Rules Governing the Board of Corporate Auditors prescribed by the Board of Corporate Auditors, in addition to laws and regulations and the Articles of Incorporation of the Company.</u></p>	(Deleted)
<p><b><u>Article 36. Remuneration for Corporate Auditors</u></b>  <u>Remuneration for Corporate Auditors shall be determined by resolution of a General Meeting of Shareholders.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed amendments
<p><b><u>Article 37. Exemption of Liability of Corporate Auditors</u></b>  <u>Pursuant to the provisions of Article 427, Paragraph 1, of the Companies Act, the Company may enter into contracts with Outside Corporate Auditors limiting the extent of liability for compensation of damages due to negligence of their duties. However, the limited amount of liability for damages under said contract shall be the amount prescribed by laws and regulations.</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p><b><u>CHAPER V AUDIT AND SUPERVISORY COMMITTEE</u></b></p>
<p>(Newly established)</p>	<p><b><u>Article 30. Standing Audit and Supervisory Committee Members</u></b>  <u>The Audit and Supervisory Committee, by resolution, may appoint Standing Audit and Supervisory Committee Members.</u></p>
<p>(Newly established)</p>	<p><b><u>Article 31. Notice of Convocation of Audit and Supervisory Committee</u></b>  <u>A notice of convocation of the Audit and Supervisory Committee shall be sent three (3) days prior to the date of the meeting to each of the Audit and Supervisory Committees. However, in the case of an emergency the notice period may be shortened.</u></p>
<p>(Newly established)</p>	<p><b><u>Article 32. Regulations of Audit and Supervisory Committee</u></b>  <u>Matters concerning the Audit and Supervisory Committee shall be governed by the Rules Governing the Audit and Supervisory Committee prescribed by the Audit and Supervisory Committee, in addition to laws and regulations and the Articles of Incorporation of the Company.</u></p>
<p><b>CHAPTER VI ACCOUNTING</b>  <b>Articles <u>38.</u> to <u>41.</u></b> (Texts omitted)</p>	<p><b>CHAPTER VI ACCOUNTING</b>  <b>Articles <u>33.</u> to <u>36.</u></b> (Unchanged)</p>
<p>(Newly established)</p>	<p><b><u>Supplementary Provisions</u></b></p>
<p>(Newly established)</p>	<p><b><u>Article 1. Transitional Measures for Exemption of Liabilities of Corporate Auditors</u></b>  <u>With regards to any agreement that limits the liability for damages under Article 423, Paragraph 1 of the Companies Act regarding any act by Outside Corporate Auditors (including those who were formerly Outside Corporate Auditors) before the conclusion of the 122nd Ordinary General Meeting of Shareholders, the Company shall continue to comply with the provisions of former Article 37 of the Articles of Incorporation before the amendment by a resolution of said Ordinary General Meeting of Shareholders.</u></p>
<p>(Newly established)</p>	<p><b><u>Article 2. Trade Name</u></b>  1. <u>The amendments to Article 1 (Trade Name) to be made by the resolution of the 122nd Ordinary General Meeting of Shareholders shall come into effect on April 1, 2023.</u>  2. <u>This supplementary provision shall be deleted after the effective date in the preceding paragraph.</u></p>



Current Articles of Incorporation	Proposed amendments
(Newly established)	<p><b><u>Article 3. Effective Date and Transitional Measures Concerning Electronic Provision Measures, etc.</u></b></p> <ol style="list-style-type: none"> <li data-bbox="815 302 1385 577">1. <u>The deletion of Article 15 (Reference Documents for General Meeting of Shareholders, etc., Disclosed Via the Internet and Deemed Provided) of the Articles of Incorporation prior to the amendments (hereinafter the “Old Articles of Incorporation”) and the establishment of the new Article 15 (Electronic Provision Measure, etc.) after the amendments to be made by the resolution of the 122nd Ordinary General Meeting of Shareholders shall come into effect on September 1, 2022 (hereinafter the “Date of Enforcement”).</u></li> <li data-bbox="815 577 1385 712">2. <u>Notwithstanding the provision of the preceding paragraph, Article 15 of the Old Articles of Incorporation shall remain effective in any General Meeting of Shareholders to be held on a date within six months from the Date of Enforcement.</u></li> <li data-bbox="815 712 1385 860">3. <u>These supplementary provisions shall be deleted on the later of the date when six months have elapsed from the Date of Enforcement and the date when three months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph.</u></li> </ol>

**Proposal No.2: Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)**

As the Company will transition to a company with the Audit and Supervisory Committee at the conclusion of this General Meeting of Shareholders if Proposal No.1 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, 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 seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members).


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, as Outside Directors constitute a majority of the Board of Directors, the Company places great emphasis on strengthening supervisory functions of the Board of Directors 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.


This Proposal will take effect once Proposal No.1 “Partial Amendments to the Articles of Incorporation” becomes effective.


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 Global Strategy Headquarters, and Global Group Governance Headquarters
3	Toru Matsui	Re-appointed	Representative Director, Executive Vice President	Assistant to President / Head of Mirai Creation M&A Dept., R&D Group, and Business Creation Company
4	Morihiko Otaki	Re-appointed Outside Director Independent Director	Outside Director	—
5	Mackenzie Donald Clugston	Re-appointed Outside Director Independent Director	Outside Director	—
6	Miwako Doi	Re-appointed Outside Director Independent Director	Outside Director	—
7	Chiharu Takakura	Newly appointed Outside Director Independent Director	Outside Audit and Supervisory Board Member	—


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 &amp; Marketing Dept., Sales &amp; 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 1161 499">Director, NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 506 651 535">Jun. 2010</p> <p data-bbox="683 506 1278 535">Managing Director, NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 542 651 571">Jun. 2011</p> <p data-bbox="683 542 1283 595">Representative Director and President, NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 602 651 631">Apr. 2012</p> <p data-bbox="683 602 1267 656">Representative Director and President, Chief Executive Officer, NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 663 651 692">Apr. 2016</p> <p data-bbox="683 663 1273 761">Representative Director, Chairman of the Board and President, Chief Executive Officer, NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 768 651 797">Apr. 2019</p> <p data-bbox="683 768 1273 866">Representative Director and Chairman of the Board, Chief Executive Officer, NGK SPARK PLUG CO., LTD. (up to the present)</p> <p data-bbox="528 873 651 902">May 2020</p> <p data-bbox="683 873 1257 902">Chairman, Japan Auto Parts Industries Association</p> <p data-bbox="528 925 1209 978">(Attendance at Board of Directors Meetings in Fiscal 2021) 12/12</p>	34,981 shares
Reason for appointment as a candidate for Director			
<p data-bbox="263 1016 1437 1234">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="274 555 496 616">Takeshi Kawai (October 13, 1962)</p>	<p data-bbox="528 257 1289 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    Director and Managing Officer, NGK SPARK PLUG                              CO., LTD.            Apr. 2016    Director and 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 1182 846">           (Assignments)            Head of All Businesses /            Head of Global Strategy Headquarters, and Global Group            Governance Headquarters         </p> <p data-bbox="528 869 1206 936">           (Attendance at Board of Directors Meetings in Fiscal 2021)            12/12         </p>	17,291 shares
Reason for appointment as a candidate for Director			
<p data-bbox="261 992 1439 1245">           Mr. Kawai has been engaged in engineering division in the Sensor Division for many years, and from April 2016, as Director and Senior Managing Officer, he was in charge of the Business Planning Management Division which has an overall control of the Group's business divisions. He has extensive management experience and 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 &amp; 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 Director and Managing Officer, NGK SPARK PLUG CO., LTD.</p> <p>Apr. 2019 Director 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 Mirai Creation M&amp;A Dept., R&amp;D Group, and Business Creation Company</p> <p>(Attendance at Board of Directors Meetings in Fiscal 2021)            12/12</p>	12,067 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 major overseas group companies, he has been serving as Representative Director, Executive Vice President since April 2019. He is currently in charge of new business and R&amp;D, leading the strategy implementation to transform the Group's business portfolio. 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
	 Morihiko Otaki (June 11, 1954)	Aug. 1996 President and CEO, Johnson & Johnson K.K. Vision Care Company Aug. 2011 Vice Chairman, Director, Pasona Inc. Jun. 2013 Outside Director, NGK SPARK PLUG CO., LTD. (up to the present) Jun. 2016 Director, Henry Schein Japan K.K. (up to the present) Aug. 2016 Vice Chairman, Pasona Inc. Jun. 2018 Outside Director, GIGA PRIZE CO., LTD. (up to the present) Jun 2020 Outside Director, FP Corporation (up to the present)  (Significant Positions Concurrently Held) Director, Henry Schein Japan K.K. Outside Director, GIGA PRIZE CO., LTD. Outside Director, FP Corporation	5,361 shares
4	<p>He attended all of the 12 Board of Directors' Meetings held in Fiscal 2021.            He will have held a position as Outside Director of the Company for nine (9) years at the conclusion of this General Meeting of Shareholders.</p> <p><b>【Reason for appointment as a candidate for Outside Director and expected roles】</b>            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><b>【Regarding the independence of the candidate for Outside Director】</b>            Mr. Otaki had served as Director of Pasona Inc., which maintains a business relationship with the Company involving human resource 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 24) 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
	 Mackenzie Donald Clugston (June 19, 1950)	Jun. 1982    Joined Department of Foreign Affairs and International Trade of the Canadian Government Aug. 2000    Canadian Consul General in Osaka Aug. 2003    Minister, Embassy of Canada in Japan Aug. 2009    Ambassador of Canada to Indonesia, Timor-Leste and the ASEAN Nov. 2012    Ambassador of Canada to Japan Jun. 2016    Outside Director, KAMEDA SEIKA CO., LTD. (up to the present) Sep. 2016    Specially Appointed Professor, Kwansei Gakuin University (up to the present) Jun. 2017    Outside Director, Idemitsu Kosan Co., Ltd. (up to the present) Mar. 2018    Outside Director, Sapporo Holdings Limited (up to the present) Jun. 2019    Outside Director, NGK SPARK PLUG CO., LTD. (up to the present) (Significant Positions Concurrently Held) Outside Director, KAMEDA SEIKA CO., LTD Specially Appointed Professor, Kwansei Gakuin University Outside Director, Sapporo Holdings Limited	0 shares
5	<p>He attended all of the 12 Board of Directors' Meetings held in Fiscal 2021. He will have held a position as Outside Director of the Company for three (3) years at the conclusion of this General Meeting of Shareholders.</p> <p><b>【Reason for appointment as a candidate for Outside Director and expected roles】</b> 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><b>【Regarding the independence of the candidate for Outside Director】</b> We deem that his independence is sufficiently assured given that the election criteria for independent officers (please refer to page 24) 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
6	 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 &amp; Development Center, Toshiba Corporation</p> <p>Jul. 2008 Chief Fellow, Corporate Research &amp; 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) 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>	1,138 shares
<p>She attended all of the 12 Board of Directors' Meetings held in Fiscal 2021. She 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><b>【Reason for appointment as a candidate for Outside Director and expected roles】</b> 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><b>【Regarding the independence of the candidate for Outside Director】</b> 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 per year. 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 24) 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>			



No.	Name (Date of Birth)	Brief Personal History, Positions and Significant Positions Concurrently Held	Number of Shares Held
	 <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.</p> <p>Jun. 2021    Outside Audit and Supervisory Board Member, NGK SPARK PLUG CO., LTD. (up to the present)</p> <p>Apr. 2022    Director, Chief Human Resource Officer, ROHTO PHARMACEUTICAL CO., LTD. (up to the present)</p> <p>(Significant Positions Concurrently Held) Director, ROHTO PHARMACEUTICAL CO., LTD.</p>	<p>478 shares</p>
7	<p>She attended all of the 10 Board of Directors' Meetings held in Fiscal 2021 (since assuming office as Outside Audit and Supervisory Board Member on Jun 25, 2021). She will have held a position as Outside Audit &amp; Supervisory Board Member for one (1) year at the conclusion of this General Meeting of Shareholders.</p> <p><b>【Reason for appointment as a candidate for Outside Director and expected roles】</b> 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. With her experience and knowledge, she has been performing her duties as an Outside Audit and Supervisory Board Member appropriately and playing a key role in strengthening the Company's corporate governance by providing appropriate and timely advice on the Company's overall management. Therefore, the Company has newly selected Ms. Takakura as a candidate for Outside Director with the expectation that she will be able to oversee business execution by the Company's management team and provide advice to the team based on the above experience and knowledge.</p> <p><b>【Regarding the independence of the candidate for Outside Director】</b> 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 24) set by the Company is met. As such, the independence of Ms. Takakura, who currently serves as an Outside Audit and Supervisory Board Member, 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 Director, upon approval of her election.</p>		

Notes:

1. Each candidate has no special interest in the Company.
2. The number of shares of the Company held by each candidate includes the shares that each candidate holds in Executive Stock Ownership Association. The number of shares of the Company Mr. Morihiko Otaki holds includes the shares that he holds in a trust account.
3. Mr. Morihiko Otaki, Mr. Mackenzie Donald Clugston, Ms. Miwako Doi and Ms. Chiharu Takakura are candidates for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
4. 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.
5. Mr. Morihiko Otaki, Mr. Mackenzie Donald Clugston and Ms. Miwako Doi have already concluded a liability limitation agreement with the Company as Outside Directors, which limits compensation for damages to the minimum liability amount established by laws and regulations, in accordance with the Articles of Incorporation. Upon approval of their re-election as Outside Directors, the Company intends to continue the said agreements with them. Ms. Chiharu Takakura has already concluded a liability limitation agreement with the Company as an Outside Audit and Supervisory Board Member, which limits compensation for damages to the minimum liability amount established by laws and regulations, in accordance with the Articles of Incorporation. Upon approval of her election as an Outside Director, the Company intends to newly conclude a similar agreement with her as an Outside Director.
6. The Company has entered into a directors and officers liability insurance contract with an insurance company with the Directors, Audit and 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 similar contents on June 30, 2022.

**Proposal No.3: Election of Four (4) Directors Who Are Audit and Supervisory Committee Members**


As the Company will transition to a company with the Audit and Supervisory Committee at the conclusion of this General Meeting of Shareholders if Proposal No.1 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company proposes the election of four (4) Directors who are Audit and Supervisory Committee Members.


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


This Proposal will take effect once Proposal No.1 “Partial Amendments to the Articles of Incorporation” becomes effective.


The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name		Current positions at the Company	Assignments
1	Mikihiko Kato	Newly appointed	Director	In charge of Special Missions
2	Kanemaru Yasui	Newly appointed Outside Director Independent Director	Outside Director	—
3	Fumiko Nagatomi	Newly appointed Outside Director Independent Director	Outside Audit and Supervisory Board Members	—
4	Christina L. Ahmadjian	Newly appointed Outside Director Independent 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="280 600 488 663">Mikihiko Kato (August 18, 1962)</p>	<p data-bbox="528 293 1134 320">Apr. 1985    Joined NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 327 1283 389">Feb. 2012    General Manager of Corporate Planning Dept., NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 396 1246 459">Aug. 2012    President, CERAMICA E VELAS DE IGNICAO NGK DO BRASIL LTDA.</p> <p data-bbox="528 465 1283 528">Oct. 2015    General Manager of Corporate Planning Dept., NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 535 1267 562">Apr. 2016    Corporate Officer, NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 568 1287 631">Jun. 2017    Director and Corporate Officer, NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 638 1287 701">Apr. 2019    Director and Executive Officer, NGK SPARK PLUG CO., LTD.</p> <p data-bbox="528 707 1278 770">Apr. 2022    Director, NGK SPARK PLUG CO., LTD. (up to the present)</p> <p data-bbox="528 777 1206 875">(Assignments) In charge of Special Missions (Attendance at Board of Directors Meetings in Fiscal 2021) 12/12</p>	11,672 shares
Reason for appointment as a candidate for Director who is an Audit and Supervisory Committee Member			
Mr. Kato has been engaged in accounting and corporate planning divisions for many years. After serving as President of our group company, he has served as Director and Executive Officer in charge of corporate strategy, strategic human resources, and sustainability promotion. The Company has continuously selected Mr. Kato as a candidate for Director who is an Audit and Supervisory Committee Member based on the judgment that he has extensive knowledge and experience concerning finance, accounting, and the Company's business operations.			

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 Outside Director, NGK SPARK PLUG CO., LTD. (up to the present)  (Significant Positions Concurrently Held) Certified Public Accountant	2,474 shares
2	<p>He attended all of the 12 Board of Directors' Meetings held in Fiscal 2021.            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><b>【Reason for appointment as a candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles】</b>            Mr. Yasui has expert knowledge and experience accumulated over many years as a certified public accountant. As an Outside Director, he has been overseeing business execution by the Company's management team and providing 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 who is an Audit and Supervisory Committee Member with the expectation that, after his appointment, he will continue to serve as a supervisory and auditing function for the Company's overall management 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 who is an Audit and Supervisory Committee Member.</p> <p><b>【Regarding the independence of the candidate for Outside Director who is an Audit and Supervisory Committee Member】</b>            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 sixteen (16) years have passed following his involvement in auditing the Company, and it has been nine (9) 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 24) set by the Company is met. As such, the independence of Mr. Yasui, who currently serves as an Outside Director, is sufficiently assured, and the Company has notified the Tokyo Stock Exchange and the Nagoya Stock Exchange of his appointment as Independent Outside Director. Upon approval of his election, the Company intends to notify both of the said Exchange of his continued appointment as Independent Outside Director.</p>		

No.	Name (Date of Birth)	Brief Personal History, Positions and Significant Positions Concurrently Held	Number of Shares Held
	 Fumiko Nagatomi (November 28, 1952)	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 and Supervisory Board Member, UCS CO., LTD. Jun. 2016 Outside Audit and Supervisory Board Member, Chubu Electric Power Co. Inc. (up to the present) Jun. 2017 Outside Audit and Supervisory Board Member of the Company (up to the present)  (Significant Positions Concurrently Held) Attorney Outside Audit and Supervisory Board Member, Chubu Electric Power Co. Inc.	2,753 shares
3	<p>She attended eleven (11) of the 12 Board of Directors' Meetings and all of the 14 Audit and Supervisory Board Meetings held in Fiscal 2021.            She will have held a position as Outside Audit and Supervisory Board Member of the Company for five (5) years at the conclusion of this General Meeting of Shareholders.</p> <p><b>【Reason for appointment as a candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles】</b>            With her expert knowledge and experience accumulated over many years as a lawyer, Ms. Fumiko Nagatomi has exercised her duties as Outside Audit and Supervisory Board Member appropriately and played 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 Director who is an Audit and Supervisory Committee Member in the belief that, after her appointment, she will serve as a supervisory and auditing function for the Company's overall management.            Although Ms. Nagatomi has not contributed to corporate management in a capacity other than as Outside Audit and Supervisory Board Member, the Company believes she will be able to appropriately fulfill the duties of Outside Director who is an Audit and Supervisory Committee Member for the reasons above.</p> <p><b>【Regarding the independence of the candidate for Outside Director who is an Audit and Supervisory Committee Member】</b>            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 24) set by the Company is met. As such, the independence of Ms. Nagatomi, who currently serves as an Outside Audit and Supervisory Board Member, is sufficiently assured, and the Company has notified the Tokyo Stock Exchange and the Nagoya Stock Exchange of her appointment as Independent Outside Audit and Supervisory Board Member. Upon approval of her election as an Outside Director, the Company intends to notify both of the said Exchange of her continued appointment as Independent Outside Director.</p>		

No.	Name (Date of Birth)	Brief Personal History, Positions and Significant Positions Concurrently Held	Number of Shares Held
4	 <p data-bbox="295 689 475 784">Christina L. Ahmadjian (March 5, 1959)</p>	<p data-bbox="529 264 1289 996"> Jan. 1995 Assistant Professor, Columbia Business School  Oct. 2001 Associate Professor, Graduate School of International  Corporate Strategy, Hitotsubashi University  Jun. 2004 Professor, Graduate School of International Corporate  Strategy, Hitotsubashi University  Apr. 2009 Outside Director, Eisai Co., Ltd.  Apr. 2010 Dean, Graduate School of International Corporate  Strategy, Hitotsubashi University  Apr. 2012 Professor, Graduate School of Commerce and  Management, Hitotsubashi University  Jun. 2012 Outside Director, Mitsubishi Heavy Industries Ltd.  Jun. 2014 Outside Director, Japan Exchange Group, Inc. (up  to the present)  Apr. 2018 Professor, School of Business Administration,  Hitotsubashi University Business School  Jun. 2018 Outside Director, Sumitomo Electric Industries,  Ltd. (up to the present)  Mar. 2019 Outside Director, Asahi Group Holdings, Ltd. (up  to the present)  Jun. 2021 Outside Director, NEC Corporation (up to the  present)  Apr. 2022 Emeritus Professor, Hitotsubashi University (up to  the present) </p> <p data-bbox="529 1003 1098 1176"> (Significant Positions Concurrently Held)  Outside Director, Sumitomo Electric Industries, Ltd.  Outside Director, Asahi Group Holdings, Ltd.  Outside Director, NEC Corporation  Emeritus Professor, Hitotsubashi University  Specially Appointed Professor, Rikkyo University </p>	0 shares
<p data-bbox="263 1187 1340 1249"><b>【Reason for appointment as a candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles】</b></p> <p data-bbox="263 1256 1428 1444">Ms. Christina L. Ahmadjian has extensive experience and deep insight as a researcher of corporate management, corporate governance, and organizational culture. She has been involved in management as an Outside Director in several companies. Therefore, the Company has selected Ms. Ahmadjian as a candidate for Outside Director who is an Audit and Supervisory Committee Member in the belief that, after her appointment, she will serve as a supervisory and auditing function for the Company’s overall management.</p> <p data-bbox="263 1451 1428 1541">Although Ms. Ahmadjian has not contributed to corporate management in a capacity other than as an Outside Director, the Company believes she will be able to appropriately fulfill the duties of an Outside Director who is an Audit and Supervisory Committee Member for the reasons above.</p> <p data-bbox="263 1547 1412 1615"><b>【Regarding the independence of the candidate for Outside Director who is an Audit and Supervisory Committee Member】</b></p> <p data-bbox="263 1621 1436 1803">There is no business relationship between the Company and School of Business Administration of Hitotsubashi University Business School for which Ms. Ahmadjian served as a Professor until March 2022, and the election criteria for independent officers (please refer to page 24) set by the Company is met. As such, the independence of Ms. Ahmadjian is sufficiently assured, and the Company intends to notify the Tokyo Stock Exchange and the Nagoya Stock Exchange of her appointment as Independent Outside Director, upon approval of her election.</p>			

Notes:

1. Each candidate has no special interest in the Company.
2. The number of shares of the Company held by each candidate includes the shares that each candidate holds in Executive Stock Ownership Association.
3. Mr. Kanemaru Yasui, Ms. Fumiko Nagatomi, and Ms. Christina L. Ahmadjian are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
4. Ms. Christina L. Ahmadjian, who currently serves as an Outside Director of Japan Exchange Group, Inc., 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 16, 2022.
5. Mr. Mikihiko Kato has been engaged in accounting division for many years and has extensive knowledge concerning finance and accounting.
6. Mr. Kanemaru Yasui is qualified as certified public accountant and has extensive knowledge concerning finance and accounting.
7. Mr. Kanemaru Yasui has already concluded a liability limitation agreement with the Company as an Outside Director, which limits compensation for damages to the minimum liability amount established by laws and regulations, in accordance with the Articles of Incorporation. Upon approval of his election, the Company intends to continue the said agreement with him. Ms. Fumiko Nagatomi has already concluded a liability limitation agreement with the Company as an Outside Audit and Supervisory Board Member, which limits compensation for damages to the minimum liability amount established by laws and regulations, in accordance with the Articles of Incorporation. Upon approval of her election as an Outside Director, the Company intends to newly conclude a similar agreement with her as an Outside Director. Upon approval of election of Ms. Christina L. Ahmadjian as an Outside Director, the Company intends to conclude an agreement with her, which limits compensation for damages to the minimum liability amount established by laws and regulations, in accordance with the Articles of Incorporation,.
8. The Company has entered into a directors and officers liability insurance contract with an insurance company with the Directors, Audit and 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, 2022.



(Reference)

### Criteria for Independence of Outside Directors

In addition to the qualifications of outside directors and outside audit and supervisory committee 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 and supervisory board member, executive, manager, or other employee (including Corporate Officers but excluding outside directors and outside audit and 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.

[Reference] Director Candidates' Skills and Expertise

Name	Position	Independence	*1						*2				
			Corporate management	Finance/Accounting	Governance/ Legal/Risk management	Experience overseas	Technology/ R&D	Sales/ Marketing	New business/ M&A	HRD/HR	IT/DX	SCM	
Shinichi Odo	Representative Director and Chairman of the Board, Chief Executive Officer		○		○	○			○	○		○	
Takeshi Kawai	Representative Director and President, Chief Operating Officer		○		○			○		○		○	○
Toru Matsui	Representative Director, Executive Vice President		○		○	○			○	○			
Morihiko Otaki	Outside Director	●	○			○			○				
Mackenzie Donald Clugston	Outside Director	●				○				○			
Miwako Doi	Outside Director	●						○		○		○	
Chiharu Takakura	Outside Director	●			○	○				○			
Mikihiko Kato	Director, Full-time Audit and Supervisory Committee Member		○	○		○				○			
Kanemaru Yasui	Outside Director, Audit and Supervisory Committee Member	●		○	○								
Fumiko Nagatomi	Outside Director, Audit and Supervisory Committee Member	●			○								
Christina L. Ahmadjian	Outside Director, Audit and Supervisory Committee Member	●	○		○	○				○			

\*1 Areas fundamental for critical decision-making in the management and supervision of business operations

\*2 Areas that require active promotion and supervision to realize the mid-term management plan

\*3 The above matrix represents the areas of expertise that we expect from each candidate and does not represent all of the knowledge and experience that they possess.

\*4 The "Position" in the above matrix represents the candidates' positions when the appointment of the candidates is approved at this General Meeting of Shareholders.

**Proposal No.4: Establishment of the Amount of Compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members)**

The Company will transition to a Company with the Audit and Supervisory Committee at the conclusion of this General Meeting of Shareholders if Proposal No.1 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed. At the 117th Ordinary General Meeting of Shareholders held on June 29, 2017, it was approved that the total amount of compensation, etc. for Directors (excluding the total amount of bonuses) shall be up to 60 million yen a month and the total amount of bonuses shall be up to 180 million yen a year. With the transition to a Company with the Audit and Supervisory Committee, the Company will therefore abolish the current stipulation on the amount of compensation, etc. of Directors to newly establish the amount of compensation, etc. of Directors (excluding Directors who are Audit and Supervisory Committee Members) as described below, given economic circumstances and other considerations. No bonus will be paid to Outside Directors who are independent from business execution.

Total amount of compensation (excluding the total amount of bonuses):	Up to 60 million yen a month (of which, up to 13 million yen a month is for Outside Directors)
Total amount of bonuses:	Up to 180 million yen a year

The Company plans to change the wording, etc. of the “Policy on Decisions Concerning the Details of Individual Compensation, etc. of Directors” on page 61 of the Business Report at the Board of Directors subsequent to the General Meeting of Shareholders, following the transition to a Company with the Audit and Supervisory Committee. The Company believes the content of the Proposal is appropriate based on the fact that the content of the Individual Compensation, etc. of Directors shall be determined in line with the revised Policy; the Board of Directors determined through the deliberation at the Remuneration Committee, which the Company voluntarily established as an advisory body for the Board of Directors, in which a majority of the members are independent outside officers. In addition, the current number of Directors (including four (4) Outside Directors) is eleven (11), however, if Proposal No.1 “Partial Amendments to the Articles of Incorporation” and Proposal No.2 “Election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)” are approved as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be seven (7) (including four (4) Outside Directors).

This Proposal will take effect once Proposal No.1 “Partial Amendments to the Articles of Incorporation” becomes effective.

**Proposal No.5: Establishment of the Amount of Compensation, etc. for Directors who are Audit and Supervisory Committee Members**

The Company will transition to a Company with the Audit and Supervisory Committee at the conclusion of this General Meeting of Shareholders if Proposal No.1 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed. The Company therefore proposes the amount of compensation, etc. of Directors who are Audit and Supervisory Committee Members as described below, given a comprehensive consideration of their responsibilities and economic circumstances.

Total amount of compensation (excluding the total amount of bonuses):	Up to 10 million yen a month
Total amount of bonuses:	Up to 10 million yen a year

The Company believes the content of this Proposal is appropriate because it will set a reasonable limit of compensation in light of responsibilities of Directors who are Audit and Supervisory Committee Members, and to be deliberated at the Remuneration Committee, which the Company voluntarily established as an advisory body for the Board of Directors, in which a majority members are independent outside officers. Furthermore, the number of Directors who are Audit and Supervisory Committee Members will be four (4) if Proposal No.1 “Partial Amendments to the Articles of Incorporation” and Proposal No.3 “Election of four (4) Directors who are Audit and Supervisory Committee Members” are approved as originally proposed.

This proposal will take effect once Proposal No.1 “Partial Amendments to the Articles of Incorporation” becomes effective.

**Proposal No.6: Determination of the Content of Performance-Linked Stock Compensation Plan for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors), etc.**

1. Reasons for the Proposal and considering the Plan as appropriate

The Company will transition to a Company with the Audit and Supervisory Committee at the conclusion of this General Meeting of Shareholders if Proposal No.1 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed.

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) which makes granting and payment (hereinafter, the “Granting, etc.”) of 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., was approved by shareholders at the 121st Ordinary General Meeting of Shareholders held on June 25, 2021. The purpose of the Plan is to clarify the link between the compensation of the persons eligible for the Plan 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. Following the transition to a Company with Audit and Supervisory Committee, the Company will request the approval of shareholders to continue the Plan by setting the revised compensation limit of the Plan for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) and the Company’s Corporate Officers (excluding employment-type Corporate Officers; hereinafter together with Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors), “Directors, etc.”).

This Proposal is to grant stock compensation to Directors etc. in accordance with the Plan separately from the compensation, etc. (total amount of compensation (excluding the total amount of bonuses) of up to 60 million yen a month (of which, up to 13 million yen a month is for Outside Directors) and total amount of bonuses up to 180 million yen a year) for Directors (excluding Directors who are Audit and Supervisory Committee Members) as proposed in Proposal No.4: Establishment of the Amount of Compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members).

The Company believes this Proposal is appropriate given that it is a procedure to make a transition to a Company with the Audit and Supervisory Committee; the actual amount and content of the compensation are the same as approved at the 121st Ordinary General Meeting of Shareholders described above; it was determined at the Board of Directors through the deliberation of the Remuneration Committee which the Company voluntarily established as an advisory body for the Board of Directors, in which a majority of the members are independent outside officers.

In addition, the number of Directors of the Company subject to the Plan at the conclusion of this General Meeting of Shareholders will be three (3) if Proposal No.2 “Election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members) is approved as originally proposed. As described above, Corporate Officers are also subject to the Plan, and at the conclusion of this General Meeting of Shareholders, seventeen (17) Corporate Officers (excluding Directors) will be subject to this Plan.

This Proposal will take effect once Proposal No.1 “Partial Amendments to the Articles of Incorporation” becomes effective.

2. Amount and Content, etc. of Compensation, etc.

(1) Outline of the current Plan

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 the Company's shares, etc. in this proposal is applicable	<ul style="list-style-type: none"> <li>• Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)</li> <li>• Corporate Officers of the Company (excluding employment-type Corporate Officers)</li> </ul>
2) Applicable period of the Plan	<ul style="list-style-type: none"> <li>• The applicable period will be four (4) fiscal years from the fiscal year ended on March 31, 2022 to the fiscal year ending on March 31, 2025</li> </ul>
3) Upper limit of cash contributed by the Company, upper limit of the Company's 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"> <li>• Applicable to four (4) fiscal years; total of 1,000 million yen</li> </ul>
Upper limit of the number of the Company's 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"> <li>• 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, 2022, excluding treasury stock), is approximately 0.32%.</li> <li>• As shares of the Company are to be acquired from the stock market, dilution will not occur.</li> </ul>
4) Contents of conditions for achievement of performance targets (as stated in (3) below)	<ul style="list-style-type: none"> <li>• Indicators for evaluation of the degree of achievement of single-year performance targets</li> <li>• 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.</li> <li>• Indicators for evaluation of the degree of achievement of medium-term performance targets</li> <li>• 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.</li> <li>• Indicators for evaluation of the degree of achievement of non-financial targets</li> <li>• 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 CO<sub>2</sub> emission reduction rate.</li> </ul>
5) Timing of the Granting, etc. of Company's shares, etc. to Directors, etc. (as stated in (4) below)	<ul style="list-style-type: none"> <li>• Upon the completion of the applicable period</li> </ul>

## (2) Upper limit of cash contributed by the Company

The Plan will be applicable to the four (4) fiscal years from the fiscal year ended 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 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 the Granting, etc. of Company’s 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\*. The 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 CO<sub>2</sub> 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) × 100

- CO<sub>2</sub> 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 was determined based on the most recent stock price, etc. as of the date of the 121st Ordinary General Meeting of Shareholders described above, at which the introduction of the Plan was approved, in consideration of the upper limit of trust funds stated in (2) above.

(4) Method and timing of the Granting, etc. of Company's 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 the Granting, etc. of shares, etc. 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 the Granting, 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 regulations.

(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.