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Securities code: 5142  
June 7, 2022

**To Shareholders with Voting Rights:**

Mamoru Ito  
Representative Director and  
President  
ACHILLES CORPORATION  
2-21-1, Kita-Shinjuku, Shinjuku-ku,  
Tokyo, Japan

**NOTICE OF  
THE 102ND ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 102nd Annual General Meeting of Shareholders of ACHILLES CORPORATION (the "Company"). The meeting will be held for the purposes described below.

**If you are unable to attend the meeting, you can exercise your voting rights in writing or via the internet. Please review the Reference Documents for the General Meeting of Shareholders below and, in accordance with the Guide to Exercising Voting Rights (pages 3 to 4 of the Japanese original), exercise your voting rights by 5:20 p.m. on Tuesday, June 28, 2022.**

- 1. Date and Time:** Wednesday, June 29, 2022 at 10:00 a.m. Japan time  
(Reception opens at 9:00 a.m.)
- 2. Place:** Head Office of the Company  
Shinjuku Front Tower 22nd floor  
2-21-1, Kita-Shinjuku, Shinjuku-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 102nd Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 102nd Fiscal Year (April 1, 2021 - March 31, 2022)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Ten (10) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 4:** Election of Five (5) Directors Who Are Audit & Supervisory Committee Members
- Proposal 5:** Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member
- Proposal 6:** Determination of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 7:** Determination of the Amount of Remuneration for Directors Who Are Audit & Supervisory Committee Members

- .....
- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  - ◎ Of the documents to be provided with this Notice of the Annual General Meeting of Shareholders, Establishment of Systems to Ensure Appropriateness of Business Activities and Status of Implementation of the Systems, Basic Policy for Control of the Company, Notes to Consolidated Financial Statements, and Notes to Non-consolidated Financial Statements are posted on the Company's website (<https://www.achilles.jp>) in accordance with laws and regulations and Article 15 of the Articles of Incorporation, and therefore are not included in the documents accompanying this Notice of the Annual General Meeting of Shareholders.  
Accordingly, the documents provided with this Notice of the Annual General Meeting of Shareholders are part of the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements which the Accounting Auditor or Audit & Supervisory Board Members audited in preparing the Accounting Audit Report or the Audit Report.
  - ◎ Should the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-consolidated Financial Statements require a revision, the revised version will be posted on the Company's website (<https://www.achilles.jp>).

#### COVID-19 precautions at this Annual General Meeting of Shareholders

- We ask our shareholders who plan to attend the meeting to pay attention to their health conditions and, if unwell, refrain from attending.
- We ask older adults, people with underlying medical conditions, and pregnant women to fully consider options, including not attending, in deciding whether to attend the meeting.
- Shareholders are encouraged to consider exercising their voting rights by writing or via the internet instead of attending the meeting. Please refer to pages 3 to 4 of the Japanese original for how to exercise your voting rights.
- We will have alcohol disinfectant at the entrance of the venue and check your body temperature at the reception. Shareholders who have a fever or are considered unwell may not be allowed to enter the venue.
- To reduce the risk of infection, we will keep a greater distance between seats than usual. We may therefore be unable to make a sufficient number of seats available.
- We appreciate your cooperation with mask wearing at the venue.
- Our staff at the venue will be wearing a mask.
- Product exhibition at the venue has been cancelled.
- For shareholders who are unable to attend the meeting due to the impact of the COVID-19 pandemic or other reasons, the General Meeting of Shareholders will be recorded and the recording will be later uploaded on the Company's website.

The above policy may be updated in accordance with future change in the circumstances. Should a major change be made to how the meeting is run, the Company will notify the change on its website.



- (iii) Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the current Articles of Incorporation will become unnecessary and will therefore be deleted.
- (iv) Article 2 of the supplementary provisions will be established to set forth the effect of the above amendments. This Article will be deleted after the prescribed date.
- (5) To enable the Company to enter into agreements to limit liability with directors who are not executive directors, etc. in order to allow directors to fully carry out expected roles, Paragraph 2 of the proposed Article 28 (Exemption from Liability of Directors) changes who may enter into agreements to limit liability. Audit & Supervisory Board Members have approved the amendment. In addition, Article 1 of the supplementary provisions will be established as transitional measures upon the deletion of provisions on exemption from liability of Audit & Supervisory Board Members, in line with the transition to a company with an Audit & Supervisory Committee.
- (6) The numbering of Articles will be adjusted in accordance with the above establishment and deletion of Articles. Other necessary amendments will also be made for clarity of wording.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter 1 General Provisions</p> <p>(Trade Name) Article 1 The Company shall be called Achilles Kabushiki Kaisha. <u>It shall be written in English as Achilles Corporation.</u></p> <p>(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses: (1) Production, processing, sale, and export and import of the following products: (i) Rubber and synthetic resin products and raw materials; (ii) Shoes, their accessories, and leather products; (iii) Daily necessity goods; (iv) Agricultural materials; (v) Industrial materials; (vi) Furniture materials; (vii) Automotive materials; (viii) Sports goods; (ix) Rubber boats and their accessories; (x) Emergency supplies; (xi) Raincoats and clothing; (xii) Building materials, equipment, and interior materials for houses; (xiii) Bedding and interior items; (xiv) Anti-static materials; (xv) RIM products; (xvi) Painting and vapor deposition masks and electroforming metal molds; (xvii) Welfare and nursing care goods; and (xviii) Shock absorbers. (2) Manufacturing and sale of equipment related to waste water treatment; (3) Businesses related to construction and civil engineering; (4) Manufacturing, sale, and export and import of surface treatment agents for metal, synthetic resin, and other materials; (5) Businesses related to real estate leasing; (6) Licensing business</p>	<p style="text-align: center;">Chapter 1 General Provisions</p> <p>(Trade Name) Article 1 The Company shall be called Achilles Kabushiki Kaisha <u>and shall be represented in English as Achilles Corporation.</u></p> <p>(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses: (1) Production, processing, sale, and export and import of the following products: (i) Rubber and synthetic resin products and raw materials; (ii) Shoes, their accessories, and leather products; (iii) Daily necessity goods; (iv) Agricultural materials; (v) Industrial materials; (vi) Furniture materials; (vii) Automotive materials; (viii) Sports goods; (ix) Rubber boats and their accessories; (x) Emergency supplies; (xi) Raincoats and clothing; (xii) Building materials, equipment, and interior materials for houses; (xiii) Bedding and interior items; (xiv) Anti-static materials; (xv) RIM products; (xvi) Painting and vapor deposition masks and electroforming metal molds; (xvii) Welfare and nursing care goods; and (xviii) Shock absorbers. (2) Manufacturing and sale of equipment related to waste water treatment; (3) Businesses related to construction and civil engineering; (4) Manufacturing, sale, and export and import of surface treatment agents for metal, synthetic resin, and other materials; (5) Businesses related to real estate leasing; (6) Licensing business;</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p><u>(7) Any other businesses incidental to those listed in the preceding items.</u></p>	<p><u>(7) Comprehensive leasing business and rental business;</u></p> <p><u>(8) Collection, transportation, disposal, and recycling of industrial and non-industrial waste and sale of recycled products</u></p> <p><u>(9) Technical guidance, contracted development, and consulting related to the businesses listed in the preceding items; and</u></p> <p><u>(10) Any other businesses incidental to those listed in the preceding items.</u></p>
<p>Article 3 (Omitted)</p> <p>(Organizational Bodies)</p> <p>Article 4 The Company shall establish the following organizational bodies in addition to the general meeting of shareholders and directors:</p> <p>(1) Board of Directors;</p> <p>(2) <u>Audit &amp; Supervisory Board Members;</u></p> <p>(3) <u>Audit &amp; Supervisory Board; and</u></p> <p>(4) <u>Accounting Auditor</u></p>	<p>Article 3 (Unchanged)</p> <p>(Organizational Bodies)</p> <p>Article 4 The Company shall establish the following organizational bodies in addition to the general meeting of shareholders and directors:</p> <p>(1) Board of Directors;</p> <p>(2) <u>Audit &amp; Supervisory Committee; and</u></p> <p>(Deleted)</p> <p>(3) <u>Accounting Auditor</u></p>
<p>Article 5 (Omitted)</p>	<p>Article 5 (Unchanged)</p>
<p style="text-align: center;">Chapter 2 Shares</p> <p>Article 6–Article 11 (Omitted)</p>	<p style="text-align: center;">Chapter 2 Shares</p> <p>Article 6–Article 11 (Unchanged)</p>
<p style="text-align: center;">Chapter 3 General Meeting of Shareholders (Convocation and Location)</p> <p>Article 12 (Omitted)</p> <p><u>2. A general meeting of shareholders shall be convened at the Company’s Head Office or in Ashikaga City.</u></p>	<p style="text-align: center;">Chapter 3 General Meeting of Shareholders (Convocation)</p> <p>Article 12 (Unchanged)</p> <p>(Deleted)</p>
<p>Article 13–Article 14 (Omitted)</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.)</u></p> <p><u>Article 15 The Company may, when convening a general meeting of shareholders, deem that it has provided its shareholders with information pertaining to matters to be described or</u></p>	<p>Article 13–Article 14 (Unchanged)</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>indicated in the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements (including the Accounting Audit Report or the Audit Report), by disclosing such information through the internet in accordance with the provisions in the Ordinance of the Ministry of Justice.</u></p>	
<p>(Newly established)</p>	<p><u>(Measures for Electronic Provision, etc.)</u>  <u>Article 15 The Company shall, when convening a general meeting of shareholders, provide information contained in the Reference Documents for the General Meeting of Shareholders, etc. electronically.</u></p>
<p>(Newly established)</p>	<p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>
<p>Article 16–Article 17 (Omitted)</p>	<p>Article 16–Article 17 (Unchanged)</p>
<p>Chapter 4 Directors and Board of Directors          (Number of Directors)          Article 18 The number of directors of the Company shall not exceed <u>fifteen (15)</u>.</p>	<p>Chapter 4 Directors and Board of Directors          (Number of Directors)          Article 18 The number of directors of the Company <u>(excluding directors who are Audit &amp; Supervisory Committee Members)</u> shall not exceed <u>ten (10)</u>.</p>
<p>(Newly established)</p>	<p><u>2. The number of directors of the Company who are Audit &amp; Supervisory Committee Members shall not exceed five (5).</u></p>
<p>(Method of Election)          Article 19 Directors shall be elected at a general meeting of shareholders.</p>	<p>(Method of Election)          Article 19 Directors shall be elected at a general meeting of shareholders, <u>distinguishing between directors who are Audit &amp; Supervisory Committee Members and other directors.</u></p>
<p>2. (Omitted)          3. (Omitted)</p>	<p>2. (Unchanged)          3. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Term of Office)  Article 20 The term of office of directors shall expire at the conclusion of the annual general meeting of shareholders for the final fiscal year that ends within <u>two (2) years</u> from their election.</p> <p><u>2. The term of office of a director elected as a substitute or due to an increase in the number of directors shall expire at the expiration of other serving directors' term of office.</u></p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Term of Office)  Article 20 The term of office of directors <u>(excluding directors who are Audit &amp; Supervisory Committee Members)</u> shall expire at the conclusion of the annual general meeting of shareholders for the final fiscal year that ends within <u>one (1) year</u> from their election.</p> <p>(Deleted)</p> <p><u>2. The term of office of directors who are Audit &amp; Supervisory Committee Members shall expire at the conclusion of the annual general meeting of shareholders for the final fiscal year that ends within two (2) years from their election.</u></p> <p><u>3. The term of office of a director who is an Audit &amp; Supervisory Committee Member and has been elected as a substitute for another director who was an Audit &amp; Supervisory Committee Member and retired before the expiration of his/her term of office shall expire at the end of the term of office of the retired director who was an Audit &amp; Supervisory Committee Member.</u></p>
<p>(Representative Directors and Directors with Special Titles)  Article 21 The Board of Directors, by its resolution, appoints representative directors.</p> <p>2. The Board of Directors may designate, by its resolution, one (1) director and president and, as needed, a few chairs of the Board, director and executive vice presidents, senior managing directors, managing directors, and director and advisers.</p>	<p>(Representative Directors and Directors with Special Titles)  Article 21 The Board of Directors, by its resolution, appoints representative directors <u>from among directors (excluding directors who are Audit &amp; Supervisory Committee Members).</u></p> <p>2. The Board of Directors may designate <u>from among directors (excluding directors who are Audit &amp; Supervisory Committee Members),</u> by its resolution, one (1) director and president and, as needed, a few chairs of the Board, director and executive vice presidents, senior managing directors, managing directors, and director and advisers.</p>
<p>Article 22 (Omitted)</p>	<p>Article 22 (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Notice of Convocation of Board of Directors Meetings)  Article 23 Notice of convocation of a Board of Directors meeting shall be sent to each Director <u>and each Audit &amp; Supervisory Board Member</u> no later than three (3) days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>2. If there is unanimous consent on the part of all Directors <u>and Audit &amp; Supervisory Board Members</u>, a Board of Directors meeting may be held without following the convocation procedures.</p> <p>Article 24 (Omitted)</p> <p>(Newly established)</p> <p>Article <u>25</u> (Omitted)</p> <p>(Remuneration, etc.)  Article <u>26</u> Directors' remuneration, bonuses, and other property benefits which Directors receive from the Company in consideration for the execution of their duties (<u>hereinafter referred to as "Remuneration, etc."</u>) shall be decided by resolution of a general meeting of shareholders.</p> <p>(Exemption from Liability of Directors)  Article <u>27</u> (Omitted)</p> <p>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with</p>	<p>(Notice of Convocation of Board of Directors Meetings)  Article 23 Notice of convocation of a Board of Directors meeting shall be sent to each Director no later than three (3) days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>2. If there is unanimous consent on the part of all Directors, a Board of Directors meeting may be held without following the convocation procedures.</p> <p>Article 24 (Unchanged)</p> <p><u>(Delegation of Decision Making on Important Business Executions to Directors)</u>  <u>Article 25 Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate to Directors all or part of the authority of decision making on important business executions (excluding matters listed in items of Paragraph 5 of the same Article).</u></p> <p>Article <u>26</u> (Unchanged)</p> <p>(Remuneration, etc.)  Article <u>27</u> Directors' remuneration, bonuses, and other property benefits which Directors receive from the Company in consideration for the execution of their duties shall be decided by resolution of a general meeting of shareholders, <u>distinguishing between Directors who are Audit &amp; Supervisory Committee Members and other Directors.</u></p> <p>(Exemption from Liability of Directors)  Article <u>28</u> (Unchanged)</p> <p>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>external directors</u> to limit their liability for damages arising from negligence of their duties; provided, however, that the amount of liability under such agreements is limited to an amount specified in advance which is not less than ten million (10,000,000) yen, or the amount prescribed by laws and regulations, whichever is higher.</p>	<p><u>directors (excluding directors who are executive directors, etc.)</u> to limit their liability for damages arising from negligence of their duties; provided, however, that the amount of liability under such agreements is limited to an amount specified in advance which is not less than ten million (10,000,000) yen, or the amount prescribed by laws and regulations, whichever is higher.</p>
<p>Chapter 5 <u>Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board</u></p>	<p>Chapter 5 <u>Audit &amp; Supervisory Committee</u></p>
<p><u>(Number of Audit &amp; Supervisory Board Members)</u></p>	<p>(Deleted)</p>
<p><u>Article 28 The number of Audit &amp; Supervisory Board Members of the Company shall not exceed four (4).</u></p>	
<p><u>(Method of Election)</u></p>	<p>(Deleted)</p>
<p><u>Article 29 Audit &amp; Supervisory Board Members shall be elected at a general meeting of shareholders.</u></p>	
<p><u>2. A resolution for the election of Audit &amp; Supervisory Board Members shall be adopted by an affirmative vote of a majority of the voting rights of the shareholders present at such meeting and holding the shares representing one-third (1/3) or more of the voting rights granted to all shareholders.</u></p>	
<p><u>(Term of Office)</u></p>	<p>(Deleted)</p>
<p><u>Article 30 The term of office of Audit &amp; Supervisory Board Members shall expire at the conclusion of the annual general meeting of shareholders for the final fiscal year that ends within four (4) years from their election.</u></p>	
<p><u>2. The term of office of an Audit &amp; Supervisory Board Member elected as a substitute for another Audit &amp; Supervisory Board Member who retired before the expiration of his/her term of office shall expire at the end of the term of office of the retired Audit &amp; Supervisory Board Member.</u></p>	

Current Articles of Incorporation	Proposed Amendments
<p><u>(Full-time Audit &amp; Supervisory Board Members)</u>  <u>Article 31 The Audit &amp; Supervisory Board, by its resolution, appoints full-time Audit &amp; Supervisory Board Members.</u></p> <p><u>(Notice of Convocation of Audit &amp; Supervisory Board Meetings)</u>  <u>Article 32 Notice of convocation of an Audit &amp; Supervisory Board meeting shall be sent to each Audit &amp; Supervisory Board Member no later than three (3) days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</u></p> <p>2. If there is unanimous consent on the part of all <u>Audit &amp; Supervisory Board Members</u>, an <u>Audit &amp; Supervisory Board meeting</u> may be held without following the convocation procedures.</p>	<p>(Deleted)</p> <p><u>(Notice of Convocation of Audit &amp; Supervisory Committee Meetings)</u>  <u>Article 29 Notice of convocation of an Audit &amp; Supervisory Committee meeting shall be sent to each Audit &amp; Supervisory Committee Member no later than three (3) days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</u></p> <p>2. If there is unanimous consent on the part of all <u>Audit &amp; Supervisory Committee Members</u>, an <u>Audit &amp; Supervisory Committee meeting</u> may be held without following the convocation procedures.</p>
<p><u>(Audit &amp; Supervisory Board Regulations)</u>  <u>Article 33 In addition to what is provided for by laws and regulations and these Articles of Incorporation, matters on the Audit &amp; Supervisory Board shall be governed by the Audit &amp; Supervisory Board Regulations set by the Audit &amp; Supervisory Board.</u></p>	<p><u>(Audit &amp; Supervisory Committee Regulations)</u>  <u>Article 30 In addition to what is provided for by laws and regulations and these Articles of Incorporation, matters on the Audit &amp; Supervisory Committee shall be governed by the Audit &amp; Supervisory Committee Regulations set by the Audit &amp; Supervisory Committee.</u></p>
<p><u>(Remuneration, etc.)</u>  <u>Article 34 Remuneration, etc. for Audit &amp; Supervisory Board Members shall be decided by resolution of a general meeting of shareholders.</u></p>	<p>(Deleted)</p>
<p><u>(Exemption from Liability of Audit &amp; Supervisory Board Members)</u>  <u>Article 35 Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from liability for damages arising from negligence of their</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>duties, to the extent permitted by laws and regulations.</u></p> <p><u>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with external Audit &amp; Supervisory Board Members to limit their liability for damages arising from negligence of their duties; provided, however, that the amount of liability under such agreements is limited to an amount specified in advance which is not less than ten million (10,000,000) yen, or the amount prescribed by laws and regulations, whichever is higher.</u></p> <p style="text-align: center;">Chapter 6 Accounts</p> <p>Article <u>36</u>–Article <u>40</u> (Omitted)</p> <p>(Newly established) (Newly established)</p> <p>(Newly established)</p>	<p style="text-align: center;">Chapter 6 Accounts</p> <p>Article <u>31</u>–Article <u>35</u> (Unchanged)</p> <p>(Supplementary Provisions) <u>(Transitional Measures Concerning Exemption from Liability of Audit &amp; Supervisory Board Members)</u></p> <p><u>Article 1 Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from liability for damages arising from negligence of their duties before the transition to a company with an Audit &amp; Supervisory Committee, to the extent permitted by laws and regulations.</u></p> <p><u>(Transitional Measures Concerning Electronic Provision of Materials for General Meeting of Shareholders)</u></p> <p><u>Article 2 The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the current Articles of Incorporation and the new establishment of the proposed Article 15 (Measures for Electronic Provision, etc.) shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p><u>the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p><u>2. Notwithstanding the provision of the preceding paragraph, Article 15 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p>
(Newly established)	<p><u>3. This Article shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

**Proposal 3:** Election of Ten (10) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

If Proposal 2 Partial Amendments to the Articles of Incorporation is approved as proposed, the Company will make a transition to a company with an Audit & Supervisory Committee, and the terms of office of all nine (9) directors will expire when the amendments to the Articles of Incorporation take effect.

Accordingly, the Company proposes to elect ten (10) directors (excluding directors who are Audit & Supervisory Committee Members; the same applies hereinafter in this proposal), increasing the number of directors by one (1) to strengthen the management structure. This proposal will come into effect on condition that the amendments to the Articles of Incorporation in Proposal 2 Partial Amendments to the Articles of Incorporation take effect.

The candidates for directors are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings in the fiscal year under review
1	Ichiro Hikage [Reappointment]	Senior Managing Director, Head of Sales Division responsible for Shoes Business Group	100% (16/16)
2	Mamoru Ito [Reappointment]	Representative Director and President	100% (16/16)
3	Minoru Fujisawa [Reappointment]	Managing Director, Head of Administration Division responsible for CSR	100% (16/16)
4	Hiroki Yokoyama [Reappointment]	Director, Head of Production Division, General Manager of Industrial Materials Production Head Office	100% (16/16)
5	Takaya Okura [Reappointment]	Director responsible for Plastic Business Group, General Manager of Automotive Materials Division	100% (16/16)
6	Katsuji Yamamoto [Reappointment]	Director responsible for Industrial Materials Business Group	93.8% (15/16)
7	Tatsuya Yanagawa [New appointment]	Managing Executive Officer responsible for Overseas Business Promotion, General Manager of Industrial Materials Division and Industrial Materials Sales Department	—
8	Kazuaki Kono [New appointment]	Managing Executive Officer, General Manager of Financial Accounting Head Office	—
9	Osamu Sato [Reappointment] [External] [Independent]	Director	100% (16/16)
10	Hitoshi Tachino [New appointment] [External] [Independent]	—	—

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	<p data-bbox="236 645 405 712">Ichiro Hikage (June 4, 1961)</p> <p data-bbox="225 752 416 779">[Reappointment]</p>	<p data-bbox="475 327 911 353">April 1985      Joined the Company</p> <p data-bbox="475 365 1246 432">June 2010      Managing Executive Officer, General Manager of Heat Insulation Materials Division</p> <p data-bbox="475 443 1177 521">June 2012      Director responsible for Industrial Materials Business Group, General Manager of Heat Insulation Materials Division</p> <p data-bbox="475 533 1270 656">January 2014    Director, Assistant Head of Sales Division responsible for Industrial Materials Business Group, General Manager of Heat Insulation Materials Division</p> <p data-bbox="475 667 1270 790">April 2014      Director, Assistant Head of Sales Division responsible for Industrial Materials Business Group, General Manager of Heat Insulation Materials Division and Purchasing Head Office</p> <p data-bbox="475 801 1270 880">June 2014      Director, Assistant Head of Sales Division responsible for Industrial Materials Business Group, General Manager of Purchasing Head Office</p> <p data-bbox="475 891 1270 969">January 2016    Director, Assistant Head of Sales Division responsible for Industrial Materials Business Group and Purchasing</p> <p data-bbox="475 981 1233 1048">June 2018      Managing Director, Head of Production Division responsible for Production Innovation</p> <p data-bbox="475 1059 1249 1104">June 2020      Senior Managing Director, Head of Sales Division responsible for Shoes Business Group (to present)</p>	7,900
<p data-bbox="196 1115 754 1142">[Reason for nomination as candidate for director]</p> <p data-bbox="196 1153 1425 1294">Mr. Ichiro Hikage has a high level of insight and a wealth of experience with regard to the Group's business, including experience leading the sales and production divisions. The Company believes that he drives the Group forward and sustainably improves corporate value, and therefore renominates him as a candidate for a director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Mamoru Ito (January 31, 1954)  [Reappointment]	<p>April 1979      Joined the Company</p> <p>April 2002      Managing Executive Officer responsible for Electronic Materials Development; Manager of First Development Group and General Manager of Static Electricity Technology Department, Research &amp; Development Head Office</p> <p>June 2004      Director responsible for Industrial Materials Production, Deputy General Manager of Research &amp; Development Head Office</p> <p>June 2006      Director, General Manager of Research &amp; Development Head Office</p> <p>September 2006      Director, General Manager of Research &amp; Development Head Office and Intellectual Property Department</p> <p>June 2007      Managing Director responsible for New Businesses, General Manager of Research &amp; Development Head Office</p> <p>June 2008      Managing Director, Head of Industrial Materials Business Group, General Manager of Research &amp; Development Head Office</p> <p>October 2008      Managing Director, Head of Plastic Business Group and Industrial Materials Business Group</p> <p>June 2010      Representative Senior Managing Director in charge of Sales Division and responsible for Overseas Business</p> <p>June 2012      Representative Director and President (to present)</p>	25,100
<p>[Reason for nomination as candidate for director]</p> <p>Mr. Mamoru Ito has a high level of insight and a wealth of experience with regard to the Group's business, including experience serving as the Company's representative for 12 years. The Company believes that he drives the Group forward and sustainably improves corporate value, and therefore renominates him as a candidate for a director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
3	Minoru Fujisawa (March 11, 1960)  [Reappointment]	April 1978	Joined the Company	8,400
		June 2010	Managing Executive Officer, General Manager of Financial Accounting Head Office	
		June 2012	Director, General Manager of Financial Accounting Head Office and Corporate Planning Head Office	
		January 2016	Director, General Manager of Financial Accounting Head Office	
		June 2018	Managing Director responsible for CSR, Personnel and Administration, and Financial Accounting; General Manager for Compliance Head Office	
		June 2020	Managing Director, Head of Administration Division responsible for CSR (to present)	
		[Significant concurrent positions]		
		Representative Director, Achilles Shouji Corporation		
[Reason for nomination as candidate for director] Mr. Minoru Fujisawa has a high level of insight and a wealth of experience with regard to the Group's business, including experience leading the administration division. The Company believes that he drives the Group forward and sustainably improves corporate value, and therefore renominates him as a candidate for a director.				
4	Hiroki Yokoyama (October 22, 1965)  [Reappointment]	February 1992	Joined the Company	3,900
		June 2016	Managing Executive Officer, General Manager of Industrial Materials Production Head Office and Industrial Materials Factory	
		January 2018	Managing Executive Officer, General Manager of Industrial Materials Production Head Office	
		June 2019	Managing Executive Officer, General Manager of Industrial Materials Production Head Office and Industrial Materials Factory	
		January 2020	Managing Executive Officer, General Manager of Industrial Materials Production Head Office	
		June 2020	Director, Head of Production Division, General Manager of Industrial Materials Production Head Office (to present)	
[Reason for nomination as candidate for director] Mr. Hiroki Yokoyama has a high level of insight and a wealth of experience with regard to the Group's business, including experience leading the production division. The Company believes that he drives the Group forward and sustainably improves corporate value, and therefore renominates him as a candidate for a director.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
5	Takaya Okura (August 4, 1960)  [Reappointment]	April 1983 April 2014 April 2015 June 2018 June 2020	Joined the Company Managing Executive Officer, General Manager of Automotive Materials Division and Automotive Materials Sales Department Managing Executive Officer, General Manager of Automotive Materials Division Director responsible for Plastic Business Group and Purchasing, General Manager of Automotive Materials Division Director responsible for Plastic Business Group, General Manager of Automotive Materials Division (to present)	2,900
		[Significant concurrent positions] Chairperson, Achilles (Shanghai) International Trading Co., Ltd. and Achilles (Foshan) New Material Technology Co., Ltd.		
[Reason for nomination as candidate for director] Mr. Takaya Okura has a high level of insight and a wealth of experience with regard to the Group's business, including experience leading the Plastic Business Group and representing overseas subsidiaries. The Company believes that he drives the Group forward and sustainably improves corporate value, and therefore renominates him as a candidate for a director.				
6	Katsuji Yamamoto (November 12, 1957)  [Reappointment]	April 1976 June 2011 January 2013 December 2014 June 2020	Joined the Company Managing Executive Officer, General Manager of Urethane Division and Branch Office Urethane Sales Department Managing Executive Officer, General Manager of Urethane Division Managing Executive Officer, General Manager of Urethane Division and Branch Office Urethane Sales Department Director responsible for Industrial Materials Business Group (to present)	3,000
		[Significant concurrent positions] Chairperson, Achilles (Shanghai) International Trading Co., Ltd. and Achilles (Foshan) New Material Technology Co., Ltd.		
[Reason for nomination as candidate for director] Mr. Katsuji Yamamoto has a high level of insight and a wealth of experience with regard to the Group's business, including experience leading the Industrial Materials Business Group. The Company believes that he drives the Group forward and sustainably improves corporate value, and therefore renominates him as a candidate for a director.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Tatsuya Yanagawa (August 31, 1965)  [New appointment]	April 1989      Joined the Company	2,000
		June 2020      Managing Executive Officer responsible for Overseas Business Promotion, General Manager of Industrial Materials Sales Department	
		October 2021    Managing Executive Officer responsible for Overseas Business Promotion, General Manager of Industrial Materials Division and Industrial Materials Sales Department (to present)	
		[Significant concurrent positions] Chairperson, Achilles Advanced Technology Co., Ltd.	
	[Reason for nomination as candidate for director] Mr. Tatsuya Yanagawa has a high level of insight and a wealth of experience with regard to the Group's business, including experience leading overseas business promotion and the Industrial Materials Division. The Company believes that he drives the Group forward and sustainably improves corporate value, and therefore nominates him as a candidate for a director.		
8	Kazuaki Kono (November 29, 1970)  [New appointment]	April 1993      Joined the Company	2,200
		June 2018      Managing Executive Officer, General Manager of Financial Accounting Head Office and Financial Accounting Department	
		January 2020    Managing Executive Officer, General Manager of Financial Accounting Head Office (to present)	
	[Reason for nomination as candidate for director] Mr. Kazuaki Kono has a high level of insight and a wealth of experience with regard to the Group's business, including experience leading the financial accounting division. The Company believes that he drives the Group forward and sustainably improves corporate value, and therefore nominates him as a candidate for a director.		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	Osamu Sato (April 22, 1955)  [Reappointment] [External] [Independent]	<p>April 1978      Joined KAJIMA CORPORATION</p> <p>August 1995    Chair of Employee Association</p> <p>April 1998      General Manager, Sales and Marketing Department, Sales and Marketing Division</p> <p>April 2004      General Manager, Sales and Marketing Control Department, Sales and Marketing Division</p> <p>April 2010      Executive Officer; Deputy General Manager, Sales and Marketing Division</p> <p>April 2015      Managing Executive Officer; Deputy General Manager, Sales and Marketing Division</p> <p>April 2017      Adviser (Part-time) Senior Managing Executive Officer, Kajima Tatemono Sogo Kanri Co., Ltd</p> <p>April 2018      Adviser (Full-time), KAJIMA CORPORATION</p> <p>June 2018      Director, the Company (to present)</p> <p>April 2019      Senior Managing Executive Officer, Kajima Tatemono Sogo Kanri Co., Ltd</p> <p>April 2021      Specially Appointed Adviser (to present)</p> <p>April 2022      Adviser, Ishiguro Co., Ltd. (to present)</p>	2,500
<p>[Reason for nomination as candidate for external director and expected roles]</p> <p>Mr. Osamu Sato has a high level of insight and a wealth of experience with regard to corporate management and the construction and civil engineering industry, including experience serving as an executive officer of KAJIMA CORPORATION for a long period of time. Since assuming the office of a director of the Company in June 2018, he has appropriately made recommendations and given advice from a standpoint independent of the management team that executes business. His recommendations and advice are relevant to management decisions made by the Board of Directors and expansion of products related to infrastructure development, a priority for the Company, and he is expected to continue to contribute to the Company in the ways described above. For these reasons, the Company believes that he drives the Group forward and sustainably improves corporate value, and therefore renominates him as a candidate for an external director.</p>			



- Notes:
1. There are no special interests between each candidate and the Company.
  2. Mr. Osamu Sato and Mr. Hitoshi Tachino are candidates for external directors.
  3. Mr. Osamu Sato currently serves as an external director of the Company. He will have served as an external director for four (4) years at the conclusion of this meeting.
  4. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered in to an agreement with Mr. Osamu Sato to limit his liability for damages under Article 423, Paragraph 1 of the same Act. An overview of the agreement is as follows:  
The agreement limits the liability for damages to ¥10 million or the amount prescribed by laws and regulations, whichever is higher. If Mr. Osamu Sato's reelection is approved, the Company intends to continue the agreement with him. If Mr. Hitoshi Tachino's election is approved, the Company intends to enter into the same agreement with him.
  5. The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. In the event of a claim for damages submitted by a shareholder or a third party, etc., the insurance policy covers liability, such as damages and legal expenses, to be borne by the insured, including directors. However, there are certain grounds for exemptions; for example, liability arising from actions taken with the knowledge that they are in violation of laws and regulations will not be covered by the policy. The insurance premiums for the policy and all added special clauses are borne by the Company and no substantial insurance premiums are borne by the insured. To ensure that the appropriateness of the performance of duties is not impaired, the policy has a deductible, etc. If the candidates assume the office of directors, all of them will be insured under the insurance contract. The Company intends to renew the insurance contract with the same content during their terms of office.
  6. Mr. Osamu Sato has been designated as an independent director/auditor who is unlikely to have conflicts of interests with general shareholders, as required by the Tokyo Stock Exchange.  
Mr. Osamu Sato serves as an adviser of Ishiguro Co., Ltd. Since the amount of transactions between the Company and Ishiguro Co., Ltd. is immaterial, the Company considers that his holding the position does not affect his independence.
  7. Mr. Hitoshi Tachino meets the conditions to be designated as an independent director/auditor who is unlikely to have conflicts of interests with general shareholders. If he is elected as proposed, the Company intends to designate him as an independent/auditor, as required by the Tokyo Stock Exchange.  
The Company was under an advisory contract with Mr. Hitoshi Tachino until March 2022. Since the amount of fees paid to him, ¥1.8 million per year, was immaterial, the Company considers that the contract does not affect his independence.

**Proposal 4: Election of Five (5) Directors Who Are Audit & Supervisory Committee Members**

If Proposal 2 Partial Amendments to the Articles of Incorporation is approved as proposed, the Company will make a transition to a company with an Audit & Supervisory Committee.

Accordingly, the Company proposes to elect five (5) directors who are Audit & Supervisory Committee Members.

The Audit & Supervisory Board has approved this proposal.

This proposal will come into effect on condition that the amendments to the Articles of Incorporation in Proposal 2 Partial Amendments to the Articles of Incorporation take effect.

The candidates for directors who are Audit & Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
1	Shigeru Yamada (October 9, 1956)  [New appointment]	April 1975	Joined the Company	7,800
		June 2006	General Manager of Cost Accounting Department	
October 2007	General Manager of Financial Accounting Department			
January 2008	General Manager of Cost Accounting Department			
January 2010	General Manager of Ashikaga Administration Department			
January 2013	General Manager of Cost Accounting Department			
June 2015	Full-time Audit & Supervisory Board Member (to present)			
[Reason for nomination as candidate for director] Mr. Shigeru Yamada has a high level of insight and a wealth of experience with regard to the Group's business and finance, accounting, and administration, including experience holding key positions in the financial accounting and general administration divisions. In addition, he has long performed his duties appropriately as an Audit & Supervisory Board Member. The Company believes that he can effectively supervise and audit the Board of Directors, and therefore nominates him as a candidate for a director who is an Audit & Supervisory Committee Member.				
2	Nobuyuki Kikuri (July 29, 1965)  [New appointment]	April 1989	Joined the Company	1,500
		July 2008	General Manager of Personnel and Administration Department	
January 2013	General Manager of Ashikaga Administration Department			
June 2020	Substitute Audit & Supervisory Board Member			
June 2021	Full-time Audit & Supervisory Board Member (to present)			
[Reason for nomination as candidate for director] Mr. Nobuyuki Kikuri has a high level of insight and a wealth of experience with regard to the Group's business and personnel, labor, and administration, including experience holding key positions in the personnel and administration division. In addition, he has performed his duties appropriately as an Audit & Supervisory Board Member. The Company believes that he can effectively supervise and audit the Board of Directors, and therefore nominates him as a candidate for a director who is an Audit & Supervisory Committee Member.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p>Masako Sudo (September 9, 1972)</p> <p>[New appointment] [External] [Independent]</p>	<p>April 1998 Registered as an attorney-at-law Tokyo Aoyama Aoki Law Office</p> <p>June 2002 Established Iwamoto Law Office (to present)</p> <p>June 2011 Audit &amp; Supervisory Board Member, the Company</p> <p>June 2020 Director (to present)</p> <p>June 2021 Outside Audit &amp; Supervisory Board Member, ITOCHU ENEX CO., LTD. (to present)</p> <p>[Significant concurrent positions] Iwamoto Law Office Outside Audit &amp; Supervisory Board Member, ITOCHU ENEX CO., LTD.</p>	—
<p>[Reason for nomination as candidate for external director and expected roles]</p> <p>Ms. Masako Sudo is a licensed attorney-at-law well-versed in corporate law, and has a wealth of experience, including experience serving as an outside Audit &amp; Supervisory Board Member of ITOCHU ENEX CO., LTD. Since assuming the office of an external director of the Company, she has appropriately made recommendations and given advice at Board of Directors meetings based on her expertise. The Company expects her to contribute to the Audit &amp; Supervisory Committee as well in the ways described above. For these reasons, the Company believes that she can effectively supervise and audit the Board of Directors from an objective and fair standpoint, and therefore nominates her as a director who is an Audit &amp; Supervisory Committee Member. Although she has never been involved in corporate management in ways other than being an outside officer, the Company believes, for the above reasons, that she is capable of performing the duties appropriately.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	<p>Yoshinori Ariga (July 19, 1964)</p> <p>[New appointment] [External] [Independent]</p>	<p>October 1989 Chuo Shinko Audit Corporation  March 1994 Registered as a certified public accountant  October 1995 PricewaterhouseCoopers LLP  September 2000 ChuoAoyama Audit Corporation  September 2004 Established Ariga Yoshinori Accounting Office (to present)  September 2004 Sakamaki Keiji Tax Advisor Office  January 2005 Registered as a licensed tax accountant  June 2011 Substitute Audit &amp; Supervisory Board Member, the Company  September 2011 Supervisory Director, Activia Properties Inc. (to present)  January 2013 Established Ariga Yoshinori Tax Advisor Office (to present)  June 2016 Audit &amp; Supervisory Board Member, the Company (to present)</p> <p>[Significant concurrent positions]  Ariga Yoshinori Accounting and Tax Advisor Office  Supervisory Director, Activia Properties Inc.</p>	—
<p>[Reason for nomination as candidate for external director and expected roles]  Mr. Yoshinori Ariga is a licensed certified public accountant and tax accountant well-versed in finance and accounting, and has a wealth of practical experience cultivated over long years. Since assuming the office of an Audit &amp; Supervisory Board Member of the Company, he has appropriately made recommendations and given advice at Audit &amp; Supervisory Board meetings based on his expertise in finance and accounting. The Company expects him to contribute to the Audit &amp; Supervisory Committee as well in the ways described above. For these reasons, the Company believes that he can effectively supervise and audit the Board of Directors from an objective and fair standpoint, and therefore nominates him as a director who is an Audit &amp; Supervisory Committee Member. Although he has never been involved in corporate management in ways other than being an outside officer, the Company believes, for the above reasons, that he is capable of performing the duties appropriately.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	<p>Chie Kasahara (September 15, 1968) (Name on the family register: Chie Fukuda)</p> <p>[New appointment] [External] [Independent]</p>	<p>April 2000 Registered as an attorney-at-law Hayabusa Kokusai Law Offices</p> <p>November 2006 Greenberg Traurig LLP, New York</p> <p>November 2007 Hayabusa Asuka Law Offices</p> <p>January 2008 Partner, Hayabusa Asuka Law Offices</p> <p>January 2009 Atsumi &amp; Partners</p> <p>January 2010 Partner, Atsumi &amp; Partners (currently Atsumi &amp; Sakai) (to present)</p> <p>June 2015 Audit &amp; Supervisory Board Member (Outside), Credit Saison Co., Ltd. (to present)</p> <p>June 2016 Substitute Audit &amp; Supervisory Board Member, the Company</p> <p>June 2019 Audit &amp; Supervisory Board Member (to present)</p> <p>December 2020 Outside Auditor, MTI Ltd. (to present)</p> <p>[Significant concurrent positions] Partner, Atsumi &amp; Sakai Audit &amp; Supervisory Board Member (Outside), Credit Saison Co., Ltd. Outside Auditor, MTI Ltd.</p>	—
<p>[Reason for nomination as candidate for external Director and expected roles]</p> <p>Ms. Chie Kasahara is a licensed attorney-at-law well-versed in corporate law, and has a wealth of experience, including experience serving as an outside Audit &amp; Supervisory Board Member of Credit Saison Co., Ltd. and outside auditor of MTI Ltd. Since assuming the office of an Audit &amp; Supervisory Board Member of the Company, she has appropriately made recommendations and given advice at Audit &amp; Supervisory Board meetings based on her expertise. The Company expects her to contribute to the Audit &amp; Supervisory Committee as well in the ways described above. For these reasons, the Company believes that she can effectively supervise and audit the Board of Directors from an objective and fair standpoint, and therefore nominates her as a director who is an Audit &amp; Supervisory Committee Member. Although she has never been involved in corporate management in ways other than being an outside officer, the Company believes, for the above reasons, that she is capable of performing the duties appropriately.</p>			

- Notes:
1. There are no special interests between each candidate and the Company.
  2. Ms. Masako Sudo, Mr. Yoshinori Ariga, and Ms. Chie Kasahara are candidates for external directors.
  3. Ms. Masako Sudo currently serves as an external director of the Company. She will have served as an external director for two (2) years at the conclusion of this meeting.
  4. Mr. Yoshinori Ariga and Ms. Chie Kasahara currently serve as external Audit & Supervisory Board Members of the Company. They will have served as Audit & Supervisory Board Members for six (6) years and three (3) years respectively at the conclusion of this meeting.
  5. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered in to agreements with Ms. Masako Sudo, Mr. Yoshinori Ariga, and Ms. Chie Kasahara to limit their liability for damages under Article 423, Paragraph 1 of the same Act. An overview of the agreements is as follows:

The agreements limit the liability for damages to ¥10 million or the amount prescribed by laws and regulations, whichever is higher. If the election of Ms. Masako Sudo, Mr. Yoshinori Ariga, and Ms. Chie Kasahara is approved, the Company intends to continue the agreements with them.
  6. The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. In the event of a claim for damages submitted by a shareholder or a third party, etc., the insurance policy covers liability, such as damages and legal expenses, to be borne by the insured, including directors. However, there are certain grounds for exemptions; for example, liability arising from actions taken with the knowledge that they are in violation of laws and regulations will not be covered by the policy. The insurance premiums for the policy and all added special clauses are borne by the Company and no substantial insurance premiums are borne by the insured. To ensure that the appropriateness of the performance of duties is not impaired, the policy has a deductible, etc. If the candidates assume the office of directors who are Audit & Supervisory Committee Members, all of them will be insured under the insurance contract. The Company intends to renew the insurance contract with the same content during their terms of office.
  7. Mr. Yoshinori Ariga and Ms. Chie Kasahara have been designated as independent directors/auditors who are unlikely to have conflicts of interests with general shareholders, as required by the Tokyo Stock Exchange.
  8. Ms. Masako Sudo has been designated as an independent director/auditor who is unlikely to have conflicts of interests with general shareholders, as required by the Tokyo Stock Exchange.

The Company was under a legal advisory contract with Ms. Masako Sudo until March 2011. Since the amount of legal fees paid to her, ¥1.2 million per year, was immaterial, the Company considers that the contract does not affect her independence.

(Reference) Skills Matrix of Candidates for Directors

The candidates in Proposal 3 and Proposal 4 have knowledge, experience, and skills in the following areas:

Name		Corporate management	Sales/ Marketing	Production/ Technology	Personnel/ HR development	Finance/ Accounting/ Tax affairs	Legal affairs/ Compliance	Global	ESG/ Sustainability
Ichiro Hikage		○	○	○			○	○	○
Mamoru Ito		○	○	○			○	○	○
Minoru Fujisawa		○			○	○	○		
Hiroki Yokoyama		○		○	○				○
Takaya Okura		○	○			○		○	
Katsuji Yamamoto		○	○						
Tatsuya Yanagawa			○					○	
Kazuaki Kono						○	○		
Osamu Sato	External	○	○		○				
Hitoshi Tachino	External	○	○	○				○	
Shigeru Yamada*					○	○	○		
Nobuyuki Kikuri*					○		○		
Masako Sudo*	External				○		○		
Yoshinori Ariga*	External					○	○		
Chie Kasahara*	External						○	○	

\*Audit & Supervisory Committee Member

**Proposal 5:** Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member

If Proposal 2 Partial Amendments to the Articles of Incorporation is approved as proposed, the Company will make a transition to a company with an Audit & Supervisory Committee.

Accordingly, the Company proposes to elect one (1) substitute director who is an Audit & Supervisory Committee Member, to prepare for the event that the number of directors who are Audit & Supervisory Committee Members falls below the number required by laws and regulations.

The Audit & Supervisory Board has approved this proposal.

This proposal will come into effect on condition that the amendments to the Articles of Incorporation in Proposal 2 Partial Amendments to the Articles of Incorporation take effect.

The candidate for substitute director who is an Audit & Supervisory Committee Members is as follows:

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
<p>Kazuomi Matsuoka (May 21, 1967)</p> <p>[External] [Independent]</p>	<p>August 1990 TAC Co., Ltd.</p> <p>August 1991 Chuo Shinko Audit Corporation</p> <p>March 1994 Registered as a certified public accountant</p> <p>November 1996 Düsseldorf Office, Coopers &amp; Lybrand (currently PricewaterhouseCoopers), Germany</p> <p>September 1999 Chuo Shinko Audit Corporation</p> <p>July 2000 CFO, Instinet Incorporated</p> <p>April 2001 Auditor, Japancross Securities Co., Ltd.</p> <p>December 2001 Registered as a licensed tax accountant</p> <p>December 2001 Established Kazuomi Matsuoka Accounting and Tax Office (to present)</p> <p>September 2004 Director and General Manager of Administration Division, Instinet Incorporated</p> <p>May 2006 General Counsel attached to Corporate Planning Office, SBI Holdings, Inc.</p> <p>November 2006 Director and Executive Officer, Japannext Co., Ltd.</p> <p>December 2011 Outside Director, IMAGEEPOCH INC.</p> <p>June 2012 Supervisory Director, DREAM Private REIT Inc. (to present)</p> <p>December 2012 Outside Auditor, Good Smile Company, Inc. (to present)</p> <p>March 2014 Outside Auditor, AppBank Inc.</p> <p>July 2016 Auditor, Tama Dohokai (to present)</p> <p>May 2019 Outside Auditor, HOBBY STOCK inc., (to present)</p> <p>May 2020 Outside Director (Audit &amp; Supervisory Committee Member), create restaurants holdings inc. (to present)</p> <p>March 2021 Outside Director (Audit &amp; Supervisory Committee Member), AppBank Inc. (to present)</p> <p>[Significant concurrent positions] Kazuomi Matsuoka Accounting and Tax Office Supervisory Director, DREAM Private REIT Inc. Outside Auditor, Good Smile Company, Inc. Auditor, Tama Dohokai Outside Auditor, HOBBY STOCK inc., Outside Director (Audit &amp; Supervisory Committee Member), create restaurants holdings inc. Outside Director (Audit &amp; Supervisory Committee Member), AppBank Inc.</p>	<p>—</p>
<p>[Reason for nomination as candidate for substitute external director and expected roles] Mr. Kazuomi Matsuoka is a licensed certified public accountant and tax accountant well-versed in finance and accounting, and has a wealth of experience, including experience serving as an outside director (Audit &amp; Supervisory Committee Member) of create restaurants holdings inc. and AppBank Inc. The Company expects him to appropriately make recommendations and give advice at Audit &amp; Supervisory Committee meetings based on his expertise in finance and accounting. For these reasons, the Company believes that he can effectively supervise and audit the Board of Directors from an objective and fair standpoint, and therefore nominates him as a substitute external director who is an Audit &amp; Supervisory Committee Member.</p>		

- Notes:
1. There are no special interests between the candidate and the Company.
  2. The candidate is a candidate for a substitute external director.
  3. If the candidate assumes the office of an external director, the Company intends to enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the Company Act, pursuant to the provisions of Article 427, Paragraph 1 of the same Act. An overview of the agreement is as follows:  
The agreement limits the liability for damages to ¥10 million or the amount prescribed by laws and regulations, whichever is higher.
  4. The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. In the event of a claim for damages submitted by a shareholder or a third party, etc., the insurance policy covers liability, such as damages and legal expenses, to be borne by the insured, including directors. However, there are certain grounds for exemptions; for example, liability arising from actions taken with the knowledge that they are in violation of laws and regulations will not be covered by the policy. The insurance premiums for the policy and all added special clauses are borne by the Company and no substantial insurance premiums are borne by the insured. To ensure that the appropriateness of the performance of duties is not impaired, the policy has a deductible, etc. If the candidate assumes the office of a director who is an Audit & Supervisory Committee Member, he will be insured under the insurance contract. The Company intends to renew the insurance contract with the same content during his term of office.
  5. The candidate meets the conditions to be designated as an independent director/auditor who is unlikely to have conflicts of interests with general shareholders. If he assumes the office of an external director, the Company intends to designate him as an independent/auditor, as required by the Tokyo Stock Exchange.

**Proposal 6:** Determination of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

If Proposal 2 Partial Amendments to the Articles of Incorporation is approved as proposed, the Company will make a transition to a company with an Audit & Supervisory Committee.

The 87th Annual General Meeting of Shareholders held on June 28, 2007, by its resolution, approved the amount of annual remuneration for directors of the Company to be not more than ¥350 million, which has been applied to date. Following the transition to a company with an Audit & Supervisory Committee, the Company proposes to abolish the amount and set a new amount of annual remuneration for directors (excluding directors who are Audit & Supervisory Committee Members), which will be not more than ¥300 million (of which not more than ¥30 million per annum will be for external directors).

The Company considers this proposal to be reasonable because it is in line with the policy for determination of the details of remuneration, etc. for individual directors described from page 45 onward of the Japanese original and is based on comprehensive consideration of the business scale, composition of officers, and business development of the Company.

The Company will be allowed to pay bonuses, etc. within the scope of the proposed amount of remuneration. Meanwhile, the employee salary and bonus portion for directors who serve concurrently as employees will not be included.

The Company currently has nine (9) directors (of which three (3) are external directors). If Proposal 2 and Proposal 3 are approved as proposed, the Company will have ten (10) directors (of which two (2) are external directors; excluding directors who are Audit & Supervisory Committee Members) relevant to this proposal.

This proposal will come into effect on condition that the amendments to the Articles of Incorporation proposed in Proposal 2 Partial Amendments to the Articles of Incorporation take effect.

**Proposal 7:** Determination of the Amount of Remuneration for Directors Who Are Audit & Supervisory Committee Members

If Proposal 2 Partial Amendments to the Articles of Incorporation is approved as proposed, the Company will make a transition to a company with an Audit & Supervisory Committee.

Accordingly, the Company proposes to set the amount of annual remuneration for directors who are Audit & Supervisory Committee Members at not more than ¥70 million.

The Company considers this proposal to be reasonable because it is based on comprehensive consideration of the business scale, composition of officers, and business development of the Company.

The Company will be allowed to pay bonuses, etc. within the scope of the proposed amount of remuneration.

If Proposal 2 and Proposal 4 are approved as proposed, the Company will have five (5) directors who are Audit & Supervisory Committee Members relevant to this proposal.

This proposal will come into effect on condition that the amendments to the Articles of Incorporation proposed in Proposal 2 Partial Amendments to the Articles of Incorporation take effect.