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(Stock Exchange Code 7729)
June 1st, 2021

To Shareholders with Voting Rights:

Hitoshi Yoshida
President and CEO
Tokyo Seimitsu Co., Ltd.
2968-2, Ishikawa-machi, Hachioji, Tokyo

**NOTICE OF
THE 98TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 98th Annual General Meeting of Shareholders of Tokyo Seimitsu Co., Ltd. (the “Company”) will be held for the purposes described below.

In lieu of attendance at the meeting, you can exercise your voting rights by mail or via the Internet (personal computers or smartphones). Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights after reading “Guidance on Exercising Voting Rights” on the following page.

- 1. Date and Time:** Monday, June 21st, 2021 at 10 a.m. Japan time
- 2. Place:** “Sho-oh,” 5th Floor, Keio Plaza Hotel Hachioji
located at 14-1, Asahi-cho, Hachioji, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, the Consolidated Financial Statements for the Company’s 98th Fiscal Year (April 1st, 2020 – March 31st, 2021) and the results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. The Non-Consolidated Financial Statements for the Company’s 98th Fiscal Year (April 1st, 2020 – March 31st, 2021)

Proposals to be resolved:

- Proposal 1:** Dividends of Surplus
- Proposal 2:** Election of 9 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 3:** Election of 4 Directors Serving as Audit and Supervisory Committee Member
- Proposal 4:** Revision of the Amount of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 5:** Determination of the Amounts of Remuneration, etc. for the Allotment of Restricted Stock and Stock Acquisition Rights as Stock Options to Directors (Excluding Directors Serving as Audit and Supervisory Committee Members and External Directors) and Specific Details thereof

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Modifications, if any, to the Reference Documents for the General Meeting of Shareholders, as well as the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements, will be posted on the Company's website (<https://www.accretech.jp/>).
- The Notes to the Consolidated Financial Statements and the Notes to the Non-Consolidated Financial Statements are provided to shareholders of the Company by posting on the Company's website (<https://www.accretech.jp/>) in accordance with laws and regulations and Article 16 of the Articles of Incorporation, and accordingly are not included in the Attachments of this convocation notice. The Consolidated Financial Statements and the Non-consolidated Financial Statements in the Attachment of this convocation notice are part of the Consolidated Financial Statements and Non-consolidated Financial Statements subject to audits when the Accounting Auditor prepared its Independent Auditor's Report and the Audit and Supervisory Committee prepared its Audit Report.
- New coronavirus infection is prevalent. We sincerely would like to ask you to carefully check the epidemic situation on the day of the shareholders meeting and your physical condition. Shareholders those who are going to attend the meeting will be asked to prevent the spread of infection such as wearing a mask. If you are not feeling well, we would appreciate your consideration of absence the meeting. We would like to ask our shareholders for their understanding and cooperation.
- Please note that the meeting will be run by a minimum number of staffs with masks.
- Please also note that **no distribution of souvenirs nor informal gathering for discussion** is scheduled.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference

Proposal 1: Dividends of Surplus

Based on a consolidated dividend payout ratio of approximately 35% set forth in the “Policy for Profit Distribution to Shareholders” and taking into account the performance in the fiscal year under review, we hereby propose the Company’s dividend as follows, considering the amount of net profit.

1. Type of property for dividends: Cash
2. Matters concerning allotment of dividend property to shareholders and the total amount thereof
The Company’s common shares: ¥62 per share
Total amount to be distributed: ¥2,544,778,654
3. Effective date for the dividends of surplus: June 22nd, 2021

[Policy for Profit Distribution to Shareholders]

The Company believes the most important management task for the Company is to enhance its corporate value and constantly distribute profits to shareholders through a business model of providing World’s No. 1 products based on state-of-the-art technologies in the growing market.

The Company maintains a core policy regarding the distribution of profits linked to the business performance of the Company and the Company aims to pay stable dividends targeting a consolidated dividend payout ratio of 35%. Also, considering the aim to provide stable and continuous dividend payments, the Company maintains an annual dividend of ¥20 per share regardless of consolidated profits of the Company. However, it is at the discretion of the Board to review this basic policy if the Company experiences deficit in two consecutive years.

The Company’s normal operating procedure for dividends is to pay a dividend twice a year. The General Meeting of Shareholders determines the year-end dividend and the Company’s Board of Directors decides the interim dividend.

Internal reserves will be used effectively for the research and development and capital investment for state-of-the-art technologies, overseas development, sophistication of Information systems, new business development, and M&A investment. Also, since our product lines are greatly impacted by economic fluctuations, the Company considers it important to maintain and strengthen the soundness of our financial position and prepare for possible economic downturns.

The Company’s acquisition of its own outstanding stock is a flexible measure for the profit return that supplements its dividends from retained earnings. The Company will comprehensively analyze its cash flows and internal reserves before undertaking acquisition of its own stock.

Proposal 2: Election of 9 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The terms of office of 9 Directors (excluding Directors serving as Audit and Supervisory Committee Members; the same applies in the rest of this Proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 9 Directors is proposed.

Details of the candidates for Directors are as described in pages 4 through 9 below.

The candidates are capable of performing the duties of Directors appropriately, and regardless of gender, nationality and other individual attributes, have superior dignity, ethics and insight, and are well versed in corporate management and the Company's operations.

Details of all the candidates for Directors and all the candidates for External Directors are as described in page 14 below.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Hitoshi Yoshida (November 26th, 1959)</p>	<p>April 1983 Joined the Company</p> <p>April 2000 Leader, Multipurpose Measuring Instruments Group, Metrology Group, Tsuchiura Plant, Production Division</p> <p>April 2002 Executive Officer, Metrology Company</p> <p>April 2005 Managing Executive Officer, Metrology Company</p> <p>June 2005 Director</p> <p>October 2007 President, Metrology Company</p> <p>June 2011 Representative Director</p> <p>April 2015 President and CEO (to present) In charge of Metrology Company</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> ▪ Chairman, Japan Precision Measuring Instruments Manufacturers Association (May 2010 to May 2016, May 2020 to present) • Chairman, Accretech (China) Co., Ltd. <p>The Company has a business relationship of selling its products to this company.</p> <p>There is no special interest between the candidate and the Company.</p>	7,600
<p>[Reasons for nominating the candidate for Director]</p> <p>As President and CEO, Mr. Hitoshi Yoshida supervises the overall Group, takes command of management and sufficiently plays roles in deciding important managerial matters and supervising business execution. Accordingly, we consider that he is the right person for pushing ahead with global management with his strong leadership based on his extensive experience and track records as a Director, and therefore ask shareholders to elect him as a Director again.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Ryuichi Kimura (December 30th, 1962)</p>	<p>April 1986 Joined the Company</p> <p>April 2005 Executive Officer, Semiconductor Company Manager of the Tokyo Office and the Osaka Office, Sales Division</p> <p>June 2005 Director</p> <p>April 2007 Managing Executive Officer, Semiconductor Company</p> <p>August 2007 President, Semiconductor Company</p> <p>June 2011 Representative Director</p> <p>April 2015 Executive Vice President and COO (to present) In charge of Semiconductor Company</p> <p>April 2019 Head of Semiconductor Company (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Chairman, Accretech America Inc. • Chairman, Accretech (Europe) GmbH • Chairman, Accretech Taiwan Co., Ltd. <p>The Company has a business relationship of selling its products to each of these companies.</p> <p>There is no special interest between the candidate and the Company.</p>	2,912
<p>[Reasons for nominating the candidate for Director]</p> <p>As Executive Vice President and COO, Mr. Ryuichi Kimura takes command of the overall Group and fully plays roles in deciding important managerial matters and supervising business execution. Accordingly, we consider that he is the right person for realizing global management by leveraging his abundant experience in, and knowledge of, the Semiconductor Production Equipment business, which is a principal business of the Group, and therefore ask shareholders to elect him as a Director again.</p>			
3	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Koichi Kawamura (October 5th, 1957)</p>	<p>April 1980 Joined the Fuji Bank, Limited</p> <p>April 2007 General Manager, Financial Institutions & Public Sector Promotion Department, Mizuho Bank, Ltd.</p> <p>April 2008 Joined the Company</p> <p>April 2009 Managing Executive Officer, Administration Company</p> <p>June 2009 Director</p> <p>April 2011 President, Administration Company</p> <p>April 2015 In charge of Administration Company</p> <p>June 2015 Representative Director and CFO (to present)</p> <p>April 2019 Head of Administration Company (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • President, Tosei Systems Co., Ltd. The Company entrusts this company with the development of software relative to its products. • President, Accretech Finance Co., Ltd. The Company receives the provision of financial services from this company. • Chairman, Accretech Korea Co., Ltd. The Company has a business relationship of selling its products to this company. <p>There is no special interest between the candidate and the Company.</p>	6,600
<p>[Reasons for nominating the candidate for Director]</p> <p>As Representative Director and CFO, Mr. Koichi Kawamura takes command of the overall Group and fully plays roles in deciding important managerial matters and supervising business execution. Accordingly, we consider that he is the right person for realizing growth of each business, improvement of performance of the Group as a whole and financial strategies by making the most of his extensive experience and knowledge acquired at financial institutions, and therefore ask shareholders to elect him as a Director again.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
4	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Akihiro Endo (January 10th, 1958)</p>	April 1981	Joined the Oki Electric Industry Co., Ltd. Process Research Section #1, VLSI Research Center, ED Division	3,900
		October 2002	Joined the Company General Manager, Lithography System Group, Semiconductor Company	
		October 2005	Leader, CMP Group; Executive Officer, Semiconductor Company	
		April 2009	Managing Executive Officer, Semiconductor Company General Manager, Technology Division, Semiconductor Company (to present)	
		April 2012	Senior Executive Officer, Semiconductor Company (to present)	
		June 2012	Director (to present)	
		There is no special interest between the candidate and the Company.		
[Reasons for nominating the candidate for Director] Mr. Akihiro Endo has engaged in the technology division of Semiconductor Production Equipment, which is a principal business of the Group, for many years and sufficiently plays roles in deciding important managerial matters and supervising business execution as a Director, by leveraging his abundant experience and knowledge. Accordingly, we consider that he is the right person for realizing growth of business and technological strategies, and therefore ask shareholders to elect him as a Director again.				
5	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Takahiro Hokida (April 24th, 1962)</p>	October 1995	Joined the Company	2,000
		April 2009	Leader, Prober System Group, Test Technology Department, Technology Division, Semiconductor Company (to present)	
		April 2010	Executive Officer, Semiconductor Company	
		April 2012	General Manager, Test Technology Department, Technology Division, Semiconductor Company (to present)	
		April 2014	Managing Executive Officer, Semiconductor Company (to present)	
		June 2015	Director (to present)	
		October 2015	General Manager, Information System Department, Administration Company (to present)	
		There is no special interest between the candidate and the Company.		
[Reasons for nominating the candidate for Director] Mr. Takahiro Hokida has engaged in probing machines, among Semiconductor Production Equipment, which are mainstay products of the Group, for many years and sufficiently plays roles in deciding important managerial matters and supervising business execution as a Director, by making the most of his abundant experience and knowledge. Accordingly, we consider that he is the right person for realizing growth of business, technological innovation and information strategies, and therefore ask shareholders to elect him as a Director again.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	<div style="border: 1px solid black; display: inline-block; padding: 2px;">New appointment</div> Shuichi Tsukada (April 18 th , 1959)	April 1983 Joined the Company Technology Division, Tsuchiura Plant April 2004 General Manager, Sales Engineering and Marketing Department, Metrology Company April 2005 General Manager, Quality Assurance Department, Tsuchiura Plant, Metrology Company October 2008 General Manager, Metrology Center, Metrology Company April 2015 Executive Officer, Metrology Company Plant Manager, Tsuchiura Plant April 2017 Managing Executive Officer, Metrology Company April 2020 Senior Executive Officer, Metrology Company April 2021 Executive Officer and Head of Metrology Company (to present)	-
		There is no special interest between the candidate and the Company.	
[Reasons for nominating the candidate for Director] Mr. Shuichi Tsukada has engaged in the field of Metrology Equipment, which is a principal business of the Company, for many years. Leveraging his abundant experience and knowledge, we expect, he will play roles in deciding important managerial matters and supervising business execution as a Director. We judge that he is the right person for realizing growth of business and global management strategies, and therefore ask shareholders to elect him as a Director.			
7	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Wolfgang Bonatz (December 21 st , 1964)	October 1992 Joined the Tokyo Seimitsu Europe GmbH (currently Accretech (Europe) GmbH) April 1996 General Manager, Operation Department, Tokyo Seimitsu Europe GmbH November 1999 Director, Tokyo Seimitsu Europe GmbH October 2001 President, Tokyo Seimitsu Europe GmbH (to present) June 2002 Director of the Company (to present)	4,300
		[Significant concurrent positions] • President, Accretech (Europe) GmbH The Company has a business relationship of selling its products to this company. There is no special interest between the candidate and the Company.	
[Reasons for nominating the candidate for Director] Mr. Wolfgang Bonatz has engaged in the management of an overseas subsidiary of the Company and fully plays roles in deciding important managerial matters and supervising business execution as a Director, by leveraging his abundant experience and knowledge. Accordingly, we consider that he is the right person for realizing growth strategies of the Group's overseas operations, and ask shareholders to elect him as a Director again.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">External Director</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Independent</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Director</div> <p style="margin-top: 10px;">Shozo Saito (July 9th, 1950)</p> <p>Rate of attendance at the Board of Directors meetings in FY2021/3 100% (18/18)</p>	<p>June 2007 Executive Officer Corporate Senior Vice President, TOSHIBA CORPORATION</p> <p>June 2010 Executive Officer Corporate Executive Vice President, TOSHIBA CORPORATION</p> <p>June 2012 Director and Representative Executive Officer Corporate Senior Executive Vice President, TOSHIBA CORPORATION</p> <p>June 2013 Retired from Director of TOSHIBA CORPORATION External Corporate Director, IBIDEN CO., LTD.</p> <p>June 2015 External Director of the Company (to present)</p> <p>June 2017 Retired from External Corporate Director, IBIDEN CO., LTD.</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Representative Director/Chairman, Nippon Electronic Device Industry Association (NEDIA) • Chairman & CEO, Device & System Platform Development Center Co., Ltd. <p>There is no special interest between the candidate and the Company.</p>	-
8	<p>[Reasons for nominating the candidate for External Director and outline of expected roles]</p> <p>Mr. Shozo Saito is active in diverse fields by serving as the Chairman and President of several organizations in the semiconductor and electronic device industries. We therefore ask shareholders to elect him as an External Director as we anticipate that he will be able to provide valuable opinions and advice on the management of the Company and to nurture and improve our executives and employees through his excellent knowledge about different industries and experience in the corporate management of a large-scale corporation, which also will be highly useful in addressing the interests of our shareholders.</p> <p>Mr. Shozo Saito is a candidate for External Director. His term of office as an External Director of the Company will be six years at the conclusion of this Annual General Meeting of Shareholders. Although the Company has a business relationship of selling its products to TOSHIBA CORPORATION, where he served as a Director, the transaction amount accounts for less than 2% of consolidated net sales. As he satisfies Standards for Independence of External Officers established by the Company (page 14), the Company has appointed him as an Independent Director as prescribed in the regulations of Tokyo Stock Exchange, Inc. and intends to continue to appoint him as such. In addition, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, Mr. Saito entered into a liability limitation agreement with the Company to limit his liability for compensation for damages, which is stipulated in Article 423, Paragraph 1 of the Act. The Company intends to continue this agreement. The limit amount of the liability for compensation for damages under such an agreement is determined to be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	<p data-bbox="204 331 394 450"> New appointment External Director Independent Director </p> <p data-bbox="204 488 394 544">Kiyoshi Takamasu (October 8th, 1954)</p> <p data-bbox="204 577 394 790">Rate of attendance at the Board of Directors meetings in FY2021/3 100% (14/14, since taking office as Director)</p> <p data-bbox="204 824 394 1126">Rate of attendance at the Audit and Supervisory Committee in FY2021/3 100% (5/5, since taking office as Audit and Supervisory Committee Member)</p>	<p data-bbox="432 304 544 327">April 1982</p> <p data-bbox="432 365 571 387">October 1987</p> <p data-bbox="432 425 555 448">March 1990</p> <p data-bbox="432 459 544 481">April 1993</p> <p data-bbox="432 548 592 571">November 2001</p> <p data-bbox="432 638 555 660">March 2006</p> <p data-bbox="432 698 555 721">March 2014</p> <p data-bbox="432 781 555 804">March 2016</p> <p data-bbox="432 792 555 815">March 2018</p> <p data-bbox="432 853 555 875">March 2020</p> <p data-bbox="432 943 555 965">March 2020</p> <p data-bbox="432 1003 539 1025">June 2020</p> <p data-bbox="432 1064 539 1086">June 2021</p> <p data-bbox="432 1124 775 1146">[Significant concurrent positions]</p> <p data-bbox="432 1158 1273 1180">• President, The Japan Society for Precision Engineering (Representative Director)</p> <p data-bbox="416 1218 1114 1240">There is no special interest between the candidate and the Company.</p>	-
<p data-bbox="188 1272 1114 1294">[Reasons for nominating the candidate for External Director and outline of expected roles]</p> <p data-bbox="188 1305 1465 1507">Although he has no experience of having directly engaged in corporate management other than in his role as an External Director, Mr. Kiyoshi Takamasu has professional expertise and abundant experience at universities and research institutes. Having served as President and other positions of business organizations related to precision measurement as well as hosting various international conferences, he has globally sophisticated skills, knowledge and insight. We judge that his skills, knowledge and insight are highly useful for the production of the Group's products and research and development as well as the nurturing of our executives and employees. Expecting that he will play these roles, we ask shareholders to elect him as an External Director Not Serving as an Audit and Supervisory Committee Member.</p> <p data-bbox="188 1518 1465 1574">His term of office as an External Director serving as Audit and Supervisory Committee Member of the Company will be one year at the conclusion of this Annual General Meeting of Shareholders.</p> <p data-bbox="188 1585 1465 1753">As he satisfies Standards for Independence of External Officers established by the Company (page 14), the Company plans to appoint him as an Independent Director as prescribed in the regulations of Tokyo Stock Exchange, Inc. In addition, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, Mr. Takamasu is to enter into a liability limitation agreement with the Company to limit his liability for compensation for damages, which is stipulated in Article 423, Paragraph 1 of the Act. The limit amount of the liability for compensation for damages under such an agreement is determined to be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>			

Proposal 3: Election of 4 Directors Serving as Audit and Supervisory Committee Members

The terms of office of 3 Directors Serving as Audit and Supervisory Committee Member will expire and the current Director Serving as Audit and Supervisory Committee Member Mr. Kiyoshi Takamasu will resign at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 4 Directors serving as Audit and Supervisory Committee Member is proposed.

The Audit and Supervisory Committee has previously given its consent to this proposal. Details of the candidates for Director serving as Audit and Supervisory Committee Member are in pages 10 through 13 below

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p style="text-align: center;">[Reappointment]</p> <p>Shinji Akimoto (November 29th, 1963)</p>	<p>April 1987 Joined the Company Human Resources Section I, Human Resources Dept.</p> <p>April 2000 General Manager, Human Resources Planning Dept., Planning Department</p> <p>April 2002 General Manager, Human Resources Dept., Administration Company</p> <p>April 2007 Executive Officer, Administration Company General Manager, Human Resources Dept.</p> <p>June 2018 Full-time Auditor</p> <p>June 2019 Director (Serving as Full-time Audit and Supervisory Committee Member) (to present)</p> <p>There is no special interest between the candidate and the Company.</p>	2,512
<p>[Reasons for nominating the candidate for Director]</p> <p>Mr. Shinji Akimoto has engaged in the human resources-related division for many years and, since taking office as an Executive Officer in 2007, he has engaged in corporate management. Leveraging his abundant experience he acquired while serving as a member of the Compliance Committee and of the Internal Control Committee, he has reflected the experience in supervision and audits of the management of the Company. We therefore ask shareholders to elect him again as a Director Serving as Audit and Supervisory Committee Member.</p> <p>In addition, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, Mr. Akimoto entered into a liability limitation agreement with the Company to limit his liability for compensation for damages, which is stipulated in Article 423, Paragraph 1 of the Act. If his election is approved, the Company intends to continue this agreement. The limit amount of the liability for compensation for damages under such an agreement is determined to be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	<p style="text-align: center;"> Reappointment External Director Independent Director </p> <p>Yoshiro Hayashi (July 2nd, 1948)</p> <p>Rate of attendance at the Board of Directors meetings in FY2021/3 100% (18/18)</p> <p>Rate of attendance at the Audit and Supervisory Committee in FY2021/3 100% (8/8)</p>	<p>June 2003 Audit & Supervisory Board Member, Toyota Motor Corporation</p> <p>June 2006 President, Panasonic EV Energy Co., Ltd. (currently Primearth EV Energy Co., Ltd.)</p> <p>June 2014 External Director, Toyo Kohan Co., Ltd. Outside Audit & Supervisory Board Member, TOYODA GOSEI CO., LTD.</p> <p>June 2015 External Auditor of the Company</p> <p>June 2019 External Director (Serving as Audit and Supervisory Committee Member) (to present)</p> <p>There is no special interest between the candidate and the Company.</p>	-
<p>[Reasons for nominating the candidate for External Director and outline of expected roles]</p> <p>Mr. Yoshiro Hayashi's term of office as an External Director Serving as Audit and Supervisory Committee Member of the Company will be two years at the conclusion of this Annual General Meeting of Shareholders. His term of office as an External Director of the Company, when combined with that as an Auditor of the Company, will be six years. During his term of office, he has monitored overall management appropriately and provided extensive and valuable advice based on abundant experience and broad global knowledge as an engineer and manager. We expect that he will continue to play these roles, and therefore ask shareholders to elect him again as an External Director Serving as an Audit and Supervisory Committee Member.</p> <p>Furthermore, although the Company has a relationship of selling its products to Toyota Motor Corporation, where he served as Audit & Supervisory Board Member, the transaction amount accounts for less than 2% of the Company's consolidated net sales.</p> <p>As he satisfies Standards for Independence of External Officers established by the Company (page 14), the Company has appointed him as an Independent Director as prescribed in the regulations of Tokyo Stock Exchange, Inc. and intends to continue to appoint him as such.</p> <p>In addition, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, Mr. Hayashi entered into a liability limitation agreement with the Company to limit his liability for compensation for damages, which is stipulated in Article 423, Paragraph 1 of the Act. The Company intends to continue this agreement. The limit amount of the liability for compensation for damages under such an agreement is determined to be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	<p style="text-align: center;"> Reappointment External Director Independent Director </p> <p>Yuriko Sagara (September 6th, 1974)</p> <p>Rate of attendance at the Board of Directors meetings in FY2021/3 100% (18/18)</p> <p>Rate of attendance at the Audit and Supervisory Committee in FY2021/3 100% (8/8)</p>	<p>October 2001 Admitted to the bar (Daini Tokyo Bar Association) Joined Nakamura & Partners</p> <p>August 2005 Registered as a patent attorney</p> <p>May 2008 Duke University School of Law, LL.M.</p> <p>February 2010 Admitted to the bar (New York State Bar Association)</p> <p>January 2013 Partner, Nakamura & Partners (to present)</p> <p>April 2015 Advisory Councillor for Unfair Competition Prevention Law, Ministry of Economy, Trade and Industry (to present)</p> <p>June 2017 Intellectual Property Committee, The Japan Federation of Bar Associations (to present)</p> <p>June 2019 External Director (Serving as Audit and Supervisory Committee Member) of the Company (to present)</p> <p>[Significant concurrent positions] ▪Partner, Nakamura & Partners</p> <p>There is no special interest between the candidate and the Company.</p>	-
<p>[Reasons for nominating the candidate for External Director and outline of expected roles]</p> <p>Although Ms. Yuriko Sagara has no experience of having directly engaged in corporate management other than in her role as an External Director, she has sophisticated skills and knowledge in a global perspective regarding the law as an attorney, in addition to deep insight into intellectual property. She has leveraged these assets in the management of the Group. We expect that she will continue to play these roles, and therefore ask shareholders to elect her again as an External Director Serving as Audit and Supervisory Committee Member.</p> <p>Ms. Yuriko Sagara's name on the family register is Yuriko Hayakawa.</p> <p>Her term of office as an External Director of the Company will be 2 years at the conclusion of this Annual General Meeting of Shareholders.</p> <p>As she satisfies Standards for Independence of External Officers established by the Company (page 14), the Company has appointed her as an Independent Director as prescribed in the regulations of Tokyo Stock Exchange, Inc. and intends to continue to appoint her as such.</p> <p>In addition, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, Ms. Sagara entered into a liability limitation agreement with the Company to limit her liability for compensation for damages, which is stipulated in Article 423, Paragraph 1 of the Act. The Company intends to continue this agreement. The limit amount of the liability for compensation for damages under such an agreement is determined to be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">New appointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">External Director</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Independent</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Director</div> <p>Masaki Sunaga (July 12th, 1961)</p>	<p>October 1985 Joined Aoyama Audit Corporation April 1989 Registered as a certified public accountant (The Japanese Institute of Certified Public Accountants, Tokyo Chapter) August 1995 Partner, Sunaga Certified Public Accountant Office September 1997 Registered as a tax accountant (Tokyo Certified Public Tax Accountants' Association, Kojimachi Branch) August 1999 Representative Partner, YUSEI Audit & Co. January 2012 Representative Partner, Tax Accountant Corporation Marunouchi Business Consulting (to present) June 2016 Auditor, General Incorporated Association The Tokyo New Business Conference (to present) July 2018 Partner, Grant Thornton Taiyo LLC (to present)</p> <p>[Significant concurrent positions] ▪ Representative Partner, Tax Accountant Corporation Marunouchi Business Consulting ▪ Auditor, General Incorporated Association The Tokyo New Business Conference ▪ Partner, Grant Thornton Taiyo LLC</p> <p>There is no special interest between the candidate and the Company.</p>	-
<p>[Reasons for nominating the candidate for External Director and outline of expected roles] Mr. Masaki Sunaga has engaged in audit and tax operations for a variety of companies as a certified public accountant and a tax accountant. In addition to his sophisticated skills and knowledge in the fields of accounting, audit and tax operations, he has abundant experience of management consulting. We expect that he will leverage these assets to supervise and audit the management of the Group, and therefore ask shareholders to elect him as an External Director Serving as Audit and Supervisory Committee Member. As he satisfies Standards for Independence of External Officers established by the Company (page 14), the Company plans to appoint him as an Independent Director as prescribed in the regulations of Tokyo Stock Exchange, Inc. In addition, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, Mr. Sunaga is to enter into a liability limitation agreement with the Company to limit his liability for compensation for damages, which is stipulated in Article 423, Paragraph 1 of the Act. The limit amount of the liability for compensation for damages under such an agreement is determined to be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>			

[Matters related to all of the candidates for Director]

The Company has entered into a directors and officers liability insurance contract that insures all the Directors. The insurance contract covers damages that may arise due to the insured Director assuming liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. However, there are certain exemptions; for instance, damage will not be covered if an insured person has caused it intentionally or with gross negligence. If each of the candidate takes office as a Director, he or she will be unconditionally insured under the said insurance contract.

[Matters related to all of the candidates (excluding Mr. Masaki Sunaga) for External Director]

In February 2021, the Company announced the fact that illegal transactions and other misconducts had been made by the Company's consolidated subsidiary. Although all of the External Directors during their terms of office at the Company were not aware of this fact in advance, they had been calling attention to the importance of legal compliance on a regular basis at the Board of Directors, the Executive Officers Meeting, where senior officials are convened, and other occasions.

Since the case was announced, the External Directors have fulfilled their duties and responsibilities, including taking part in the formation of a special investigation committee (Director Sagara took part in it as a committee member.) and hearing of its investigation report. Furthermore, they were actively engaged in causal analysis and consideration of measures to prevent a recurrence, and they called for the implementation of measures, including strengthening check function, expanding indirect divisions, strengthening management system to subsidiaries, and performing further education on compliance to directors and employees.

[Standards for Independence of External Directors]

In the event that an External Director falls under all of the following items, the Company shall deem the said External Director to have independence.

1. Not having been an executive (*1) of the Tokyo Seimitsu Group (hereinafter the "Accretech Group") in the past 10 years
2. Not being a major shareholder (*2) or an executive of the major shareholder
3. Not having been an executive of a corporation, etc., which falls under any of the following cases, in the past three years
 - (1) An entity for which the Accretech Group is a major business partner (*3)
 - (2) A major business partner (*3) of the Accretech Group
 - (3) A major lender (*4) for the Accretech Group
4. Not being a certified public accountant who belongs to the audit firm that serves as the Accounting Auditor of the Accretech Group
5. Not being a professional, such as consultant, accountant, tax accountant, lawyer, judicial scrivener or patent attorney, who receives a large amount of money (*5) and/or other property from the Accretech Group
6. Other
 - (1) Not being a person from a listed company that has a relationship of interlocking directorate of external officers (*6) with the Accretech Group
 - (2) The spouse, relatives within the second degree of kinship or closer, relatives who live together or persons who depend on the said person for their livelihood not falling under Items 1. through 5. above
 - (3) Not having an important interest in the Accretech Group

Notes:

- *1. Executive: Executive director, operating officer, executive officer and employees who are equivalent to such persons
- *2. Major shareholder: A person who holds 10% or more of the total voting rights directly or indirectly
- *3. Major business partner: A business partner who accounts for 2% or more of consolidated annual net sales in the most recent business year
- *4. Major lender: A lender against whom a borrowing balance accounts for 2% or more of the consolidated total assets in the most recent business year
- *5. A large amount of money: ¥10 million or more on an average of the past three years (excluding compensations received as officers of the Company)
- *6. Interlocking directorate of external officers: To receive external officers to the Company from companies where persons from the Accretech Group serve as external officers

Proposal 4: Revision of the Amount of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The maximum amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) of the Company was approved to be ¥360 million per year at the 83rd Annual General Meeting of Shareholders held on June 29th, 2006, and was subsequently approved to be kept at ¥360 million per year (including a maximum of ¥50 million for External Directors) at the 96th Annual General Meeting of Shareholders held on June 24th, 2019. This amount has remained unchanged. In consideration of various circumstances such as the increasing roles and responsibilities of Directors in response to the rapidly changing business environment and the need to increase the link between performance and remuneration for Officers, the Company proposes that the maximum amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members), which consists of fixed basic remuneration and performance-linked bonus that is linked to indicators set by the Company such as consolidated financial results, shall be revised to ¥480 million per year (including a maximum of ¥70 million for External Directors).

The Company revised the section on remuneration for Directors in the Basic Corporate Governance Policy at a meeting of the Board of Directors of the Company held on February 2nd, 2021. The outline of the revision is provided on pages 38 to 39 of the Business Report (Japanese version only). If this Proposal is approved, the Company plans to make changes to information on pages 24 to 25 below (Japanese version only) at a meeting of the Board of Directors after the conclusion of this Annual General Meeting of Shareholders so that it will be consistent with the approved content of this Proposal. The Company has determined that the above revision of the remuneration amount is necessary and reasonable for establishing the content of individual remuneration, etc. for Directors in line with the revised policy.

The remuneration for External Directors shall be basic remuneration only as before, in view of their responsibilities.

The amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) shall not include the employee salary portion for Directors concurrently serving as employees, as before.

The current number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) of the Company is nine (9) (including two (2) External Directors). Even if Proposal 2 is approved as proposed, the number will remain the same.

Proposal 5: Determination of the Amounts of Remuneration, etc. for the Allotment of Restricted Stock and Stock Acquisition Rights as Stock Options to Directors (Excluding Directors Serving as Audit and Supervisory Committee Members and External Directors) and Specific Details thereof

The 96th Annual General Meeting of Shareholders held on June 24th, 2019 approved that (1) the maximum amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) of the Company shall be ¥360 million per year (including a maximum of ¥50 million for External Directors and excluding the employee salary portion for Directors concurrently serving as employees), and (2) separately from the above-mentioned amount of remuneration for Directors, the maximum amount of remuneration, etc. related to stock acquisition rights allotted as stock options shall be ¥200 million per year (excluding the employee salary portion for Directors concurrently serving as employees). These amounts have remained unchanged (Of these, with regard to (1), if Proposal 4 is approved at this Annual General Meeting of Shareholders, the maximum amount per year will become ¥480 million (including a maximum of ¥70 million for External Directors and excluding the employee salary portion for Directors concurrently serving as employees)).

In order to further motivate the Company's Directors (excluding Directors serving as Audit and Supervisory Committee Members and External Directors; hereinafter, "Eligible Directors") to contribute to improving the share price and corporate value over the medium- to long-term by ensuring that they share the benefits and risks of fluctuations in the share price with shareholders, the Company proposes that (2) shall be abolished, and the Company's common shares that are subject to provisions regarding a certain transfer restriction period and the grounds for acquisition by the Company without consideration (hereinafter, "Restricted Stock"), as well as stock acquisition rights as stock options (the amount to be paid for one share to be delivered upon exercise of stock acquisition rights shall be ¥1; hereinafter, "Stock-Based Remuneration Stock Options"), shall be allotted to Eligible Directors, separately from the amount of remuneration for Directors in (1), with the total amount per year not exceeding ¥300 million (excluding the employee salary portion for Directors concurrently serving as employees). Details of this proposal are provided below.

The allotment of Restricted Stock and Stock-Based Remuneration Stock Options shall be determined by comprehensively considering various matters such as the responsibilities of Eligible Directors. About 0.1% of the total number of shares outstanding will be the number of shares that amount to the maximum number of Restricted Stock units to be allotted in each fiscal year, as stipulated in the below item 1.(2), and may be delivered upon exercise of Stock-Based Remuneration Stock Options amounting to the maximum number of stock acquisition rights to be issued within one year of the date of the annual general meeting of shareholders for each fiscal year, as stipulated in the below item 2.(1) (About 1% of the total number of shares outstanding will be the number of shares resulting if the maximum number of Restricted Stock units stipulated in the below item 1.(2) are allotted, and the maximum number of stock acquisition rights stipulated in the below item 2.(1) are allotted and all of them are exercised over ten years). Accordingly, dilution will be minimum, and the Company believes that the details of the allotment are reasonable.

The Company revised the section on remuneration for Directors in the Basic Corporate Governance Policy at a meeting of the Board of Directors of the Company held on February 2nd, 2021, and the outline of the revision is provided on pages 38 to 39 of the Business Report (Japanese version only). If this Proposal is approved, the Company plans to make changes to information on pages 24 to 25 below (Japanese version only) at a meeting of the Board of Directors after the conclusion of this Annual General Meeting of Shareholders so that it will be consistent with the approved content of this Proposal. The Company has determined that the allotment of Restricted Stock and Stock-Based Remuneration Stock Options under this Proposal is necessary and reasonable for establishing the content of individual remuneration, etc. for Directors in line with the revised policy.

The provisions on the amount of remuneration, etc. for the issuance of stock acquisition rights as stock options, which were approved at the 96th Annual General Meeting of Shareholders held on June 24th, 2019, shall be abolished subject to the approval of this Proposal. Except for those that have already been allotted, stock acquisition rights as stock options shall no longer be issued based on such provisions.

The current number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) of the Company is nine (9) (including two (2) External Directors). Even if Proposal 2 is approved as proposed, the number will remain the same.

The Company proposes the following outline of Restricted Stock and Stock-Based Remuneration Stock Options to be allotted to Eligible Directors.

I. Outline of Restricted Stock

(1) Allotment of and payment for Restricted Stock

In accordance with a resolution of its Board of Directors, the Company shall pay monetary remuneration claims within the above-mentioned amount per year to Eligible Directors as remuneration related to Restricted Stock, and each Eligible Director shall pay all the monetary remuneration claims as investment in kind to receive the allotment of Restricted Stock.

The amount to be paid for Restricted Stock shall be an amount determined by the Company's Board of Directors within a range that will not be a particularly advantageous amount for the Eligible Director who will receive the Restricted Stock, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day before the date of a resolution by the Board of Directors of the Company pertaining to the issuance or disposal of Restricted Stock (if there are no trades on that day, the closing price on the most recent preceding trading day).

In addition, the above-mentioned monetary remuneration claims shall be paid on condition that the Eligible Director has agreed to the above-mentioned investment in kind and has entered into a Restricted Stock allotment agreement containing the content stipulated in the below item (3).

(2) Total number of Restricted Stock shares

The total maximum number of Restricted Stock shares to be allotted to Eligible Directors for each fiscal year shall be 8,000 shares

However, if, on or after the date of a resolution for this Proposal, a stock split (including a gratis allotment of the Company's common shares) or a stock consolidation is conducted in regard to the Company's common stock, or if other circumstances arise that necessitate an adjustment to the total number of Restricted Stock units to be allotted according to these cases, the Company may reasonably adjust the total number of Restricted Stock shares.

(3) Details of a Restricted Stock allotment agreement

A Restricted Stock allotment agreement to be concluded between the Company and Eligible Directors to whom Restricted Stock shall be allotted, when allotting Restricted Stock, pursuant to a resolution of the Board of Directors of the Company, shall have the following content.

(i) Details of transfer restrictions

Eligible Directors to whom Restricted Stock has been allotted shall not transfer to a third party, create pledges on, create transfer security interests on, gift during life, bequeath at death, or otherwise dispose of in any manners (hereinafter, the "Transfer Restrictions") Restricted Stock allotted to them (hereinafter, the "Allotted Shares"), for a period of three or more years determined by the Board of Directors of the Company (hereinafter, the "Transfer Restriction Period").

(ii) Acquisition of Restricted Stock without consideration

If an Eligible Director to whom Restricted Stock has been allotted resigns or retires from all positions of Director, Auditor, Executive Officer, or employee at the Company, subsidiaries, or affiliated companies of the Company (Subsidiaries and affiliated companies refer to those stipulated by the "Regulation on Terminology, Forms and Preparation Methods of Financial Statements." They shall be collectively referred to as "Associated Companies" hereinafter.) prior to the day before the date of the first annual general meeting of shareholders since the start date of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Shares without consideration, unless there is a reason deemed justifiable by the Board of Directors of the Company.

In addition, if there are any Allotted Shares whose Transfer Restrictions have not been removed pursuant to the provision on the grounds for removing the Transfer Restrictions as described in the below item (3) at the end of the Transfer Restriction Period as described in the above item (1), the Company shall automatically acquire them without consideration.

(iii) Removal of the Transfer Restrictions

The Company shall remove the Transfer Restrictions on all Allotted Shares when the Transfer Restriction Period ends, subject to the Eligible Director to whom Restricted Stock has been allotted serving continuously in any position of Director, Auditor, Executive Officer, or employee at the Company or associated companies, until the date of the first annual general meeting of shareholders since the start date of the Transfer Restriction Period.

However, if the Eligible Director resigns or retires from all positions of Director, Auditor, Executive Officer, and employee at the Company and associated companies before the end of the Transfer Restriction Period owing to a reason deemed justifiable by the Board of Directors of the Company, the Company shall reasonably adjust the number of Allotted Shares from which to remove the Transfer Restrictions and the timing of the removal of the Transfer Restrictions, as necessary.

(iv) Treatment in organizational restructuring, etc.

If, during the Transfer Restriction Period, a merger agreement where the Company will be the disappearing company, share exchange agreement or share transfer plan where the Company will become a wholly owned subsidiary, or other proposal related to organizational restructuring, etc. is approved at a general meeting of shareholders of the Company (however, this shall be the Board of Directors of the Company if the organizational restructuring, etc. does not require approval by the general meeting of shareholders of the Company), pursuant to a resolution of the its Board of Directors, the Company shall remove the Transfer Restrictions ahead of the effective date of the organizational restructuring, etc. on a reasonably determined number of Allotted Shares, taking into consideration the period from the start date of the Transfer Restriction Period to the approval date of the organizational restructuring, etc.

In such case, the Company shall automatically acquire any Allotted Shares whose Transfer Restrictions have not been removed without consideration, immediately after the removal of the Transfer Restrictions in accordance with the above provision.

II. Outline of Stock-Based Remuneration Stock Options

(1) Total number of stock acquisition rights and type and number of shares to be issued upon exercise of the stock acquisition rights

The total maximum number of stock acquisition rights to be issued within one year of the date of the annual general meeting of shareholders for each fiscal year shall be 360 units.

In regard to the type and number of shares to be issued upon exercise of the stock acquisition rights, the maximum number of shares that may be delivered upon the exercise of stock acquisition rights issued within one year of the date of the annual general meeting of shareholders for each fiscal year shall be 36,000 common shares of the Company.

The number of shares to be issued upon exercise of each stock acquisition right (hereinafter, the "Number of Shares Allotted") shall be 100 shares.

Furthermore, if a stock split (including a gratis allotment of the Company's common shares) or a stock consolidation, or other similar action is performed by the Company in regard to the Company's common shares, that justifies an adjustment to the Number of Shares Allotted, the Company shall adjust the Number of Shares Allotted as deemed necessary.

(2) Allotment of and payment for stock acquisition rights

In accordance with a resolution of its Board of Directors, the Company shall pay monetary remuneration claims equivalent to the total amount to be paid for stock acquisition rights as stock options to Eligible Directors within the above-mentioned amount per year, and each Eligible Director shall receive the allotment of stock acquisition rights by offsetting the monetary remuneration claims against the payment obligation for the amount to be paid for stock acquisition rights, instead of paying the payment amount. In addition, the above monetary remuneration claims shall be paid on condition that the Eligible Director has agreed to the above offset and has entered into a stock acquisition rights allotment agreement containing the content stipulated in the below item (6).

The amount to be paid per stock acquisition right shall be determined by the Company's Board of Directors at the time of allotment based on its fair value calculated by a fair calculation method, such as the Black-Scholes model.

(3) The value of assets to be contributed upon exercise of the stock acquisition rights

The value of assets to be contributed upon exercise of each stock acquisition right shall be determined by multiplying the amount to be paid for one share to be delivered upon exercise of said stock acquisition rights, which shall be ¥1, by the Number of Shares Allotted.

(4) Exercise period of the stock acquisition rights

A period of 30 years or less, from the day after the date of allotment of stock acquisition rights.

(5) Restriction on acquisition of the stock acquisition rights through transfer
Acquisition of the stock acquisition rights through transfer shall be subject to approval by resolution of the Board of Directors of the Company.

(6) Other conditions for the exercise of the stock acquisition rights
In principle, an Eligible Director shall only be able to exercise the stock acquisition rights upon losing both the positions of Director and Executive Officer with special titles of the Company, during the period in (4) above. Provided, however, that in this case the Eligible Director shall only be able to exercise the stock acquisition rights during the period commencing from the day after he or she loses his or her position (hereinafter, the "Exercise Period Start Date") and ending in seven days after the Exercise Period Start Date (however, if this is not a business day, it shall be the previous business day). Other conditions for the exercise of the stock acquisition rights shall be determined at a general meeting of shareholders or a meeting of the Board of Directors of the Company convened to determine the terms of subscription to the stock acquisition rights.

(Reference)

After the conclusion of this Annual General Meeting of Shareholders, the Company plans to allot Restricted Stock similar to the one above to Executive Officers of the Company and Directors of the Company's associated companies, and Stock-Based Remuneration Stock Options similar to the ones above to the Company's Executive Officers with special titles.

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