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(Securities code: 3116)

May 27, 2022

**To Those Shareholders with Voting Rights**

Takeshi Numa

President

TOYOTA BOSHOKU CORPORATION

1-1 Toyoda-cho, Kariya-shi, Aichi, Japan

**NOTICE OF THE 97<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 97<sup>th</sup> Ordinary General Meeting of Shareholders of Toyota Boshoku Corporation (hereinafter, the “Company”). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by mailing the enclosed Voting Rights Exercise Form or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than 5:30 p.m. on Monday, June 13, 2022 (JST).

1. **Date and time:** Tuesday, June 14, 2022 at 10:00 a.m. (JST)

2. **Venue:** Head office, Toyota Boshoku Corporation  
1-1 Toyoda-cho, Kariya-shi, Aichi, Japan

3. **Agenda of the Meeting:**

**Matters to be reported:**

- I. The Business Report, the Consolidated Financial Statements, and the audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 97<sup>th</sup> Fiscal Term (from April 1, 2021 to March 31, 2022)
- II. Report on the Non-Consolidated Financial Statements for the 97<sup>th</sup> Fiscal Term (from April 1, 2021 to March 31, 2022)

**Proposals to be resolved:**

- Proposal No. 1:** Partial revision of the Articles of Incorporation  
**Proposal No. 2:** Election of Nine (9) Directors  
**Proposal No. 3:** Election of One (1) Audit & Supervisory Board Member  
**Proposal No. 4:** Election of One (1) Substitute Audit & Supervisory Board Member  
**Proposal No. 5:** Revision of Compensation Amount for Audit & Supervisory Board Members

**Online disclosure of Notes**

Consolidated and non-consolidated statements of Changes in net assets, and notes to the consolidated and non-consolidated financial statements are listed on the Toyota Boshoku website in accordance with law and with Article 15 of the Articles of Incorporation. The notes can be viewed online and, therefore, are not included in this notice or accompanying materials. The consolidated and non-consolidated financial statements audited by the Accounting Auditor and the Audit & Supervisory Board include the notes listed on the website as well as the contents of this notice and accompanying materials. (Japanese only)

website: <https://www.toyota-boshoku.com/>

If any corrections are made to the reference materials for the Ordinary General Meeting of Shareholders, as well as the business report and financial statements (consolidated and non-consolidated), such corrections will also be listed on the aforementioned website.

## Reference Documents for the Ordinary General Meeting of Shareholders

### Proposals and references

Proposal No. 1

**Partial revision of the Articles of Incorporation**

#### 1. Reason for the revision

##### **(1) Revision to the corporate purpose**

- i) The Company wishes to partially revise Articles 2 (Corporate purpose) of the “Current Articles of Incorporation” in order to add the purpose in preparation for business expansion.
- ii) The Company wishes to partially revise the numbering of items of the Articles of Incorporation in connection with i) above.

##### **(2) Introduction of the system for providing informational materials for the general meeting of shareholders in electronic format**

Since the revised provisions provided for in a proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- i) Article 15, paragraph 1 in “Proposed Changes” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- ii) Article 15, paragraph 2 in “Proposed Changes” below will establish the provision to limit the scope of the items to be stated in the paper-based documents, which shall be delivered to shareholders who requested the delivery of paper-based documents.
- iii) As the provision for internet disclosure and deemed provision of reference documents for the general meeting of shareholders, etc. (Article 15 in “Current Articles of Incorporation”) shall no longer be required with the adoption of the system for providing informational materials for the general meeting of shareholders in electronic format, this provision shall be deleted.
- iv) Accompanying the aforementioned new establishment and deletion, supplementary provisions regarding the effective date, etc. will be established. These supplementary provisions shall be deleted after the specified date elapses.



Current Articles of Incorporation	Proposed Changes
	<p>1. <u>The deletion of Article 15 of the current Articles of Incorporation (Internet-based disclosure of reference documents, etc., for general meetings of shareholders, and deemed provision) and the establishment of Article 15 (Measures for Providing Information in Electronic Format, Etc.) in the proposed changes shall be effective from the date of enforcement provided for in the revised proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p> <p>2. <u>Notwithstanding the provision of the preceding paragraph, Article 15 of the current Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date that is set for the general meeting of shareholders within six months from the Date of Enforcement.</u></p> <p>3. <u>These supplementary provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

The term of office of all Nine (9) current Directors will expire at the closing of this Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of Nine (9) Directors. The candidates for Directors are as follows:

Candidate No.	Name (Date of Birth)	Career summary, posts, and responsibilities at the Company		Number of the Company's shares owned
1	Shuhei Toyoda (June 25, 1947) <u>Reappointment</u>	April 1977	Joined Toyota Motor Co., Ltd.	1,055,450
		June 1998	Member of the Board of Directors, Toyota Motor Corporation	
		June 2001	Managing Director, Toyota Motor Corporation	
		June 2001	President & CEO, Toyota Motor Engineering & Manufacturing Europe NV/SA	
		September 2001	Member of the Board of Directors (with Managing Director status), Toyota Motor Corporation	
		April 2002	President & CEO, Toyota Motor Europe NV/SA	
		June 2003	Member of the Board of Directors (with Senior Managing Director status), Toyota Motor Corporation	
		June 2004	Executive Vice President, the Company	
		June 2006	President, the Company	
		June 2015	Chairman, the Company (to present)	
		June 2018	Outside Audit & Supervisory Board Member, Toyota Tsusho Corporation (to present)	
			<u>[Important concurrent position]</u> Outside Audit & Supervisory Board Member, Toyota Tsusho Corporation	
		<p><u>Reasons for selection as a candidate for Director</u> In addition to having held important positions in overseas bases of Toyota Motor Corporation (TMC) and his experience as a director of TMC, Mr. Toyoda has held posts successively as President and Chairman of the Company and possesses experience based on many years of involvement in the Company's operations. The Company is requesting his appointment as Director to make use of his wealth of experience and broad insight for management of the Company and to enhance corporate value.</p>		
<p><u>Term of office as Director at the closing of this General Meeting of Shareholders</u> 18 years</p>		<p><u>Attendance at Board of Directors Meetings for FY2021</u> Regular : 12/12, Extraordinary : -</p>		

Candidate No.	Name (Date of Birth)	Career summary, posts, and responsibilities at the Company		Number of the Company's shares owned
2	Naoki Miyazaki (May 23, 1957) <u>Reappointment</u>	April 1980	Joined Toyota Motor Co., Ltd.	14,490
		June 2008	Managing Officer, Toyota Motor Corporation	
		April 2013	Senior Managing Officer, Toyota Motor Corporation	
		June 2014	Executive Vice President, Toyoda Gosei Co., Ltd.	
		June 2015	President, Toyoda Gosei Co., Ltd.	
		June 2020	Chairman, Toyoda Gosei Co., Ltd.	
		June 2021	Vice Chairman, the Company (to present)	
		June 2021	Director, Toyoda Gosei Co., Ltd. (to present)	
		June 2021	Outside Audit & Supervisory Board Member, Hino Motors, Ltd.(to present)	
			[Important concurrent position] Director, Toyoda Gosei Co., Ltd. Outside Audit & Supervisory Board Member, Hino Motors, Ltd.	
<p><b>Reasons for selection as a candidate for Director</b>            In addition to his experience as a senior managing officer of Toyota Motor Corporation (TMC), Mr. Miyazaki has been involved in the management of Toyoda Gosei Co., Ltd. as President since June 2015 and as Chairman since June 2020. The Company is requesting his appointment as Director to make use of his wealth of experience and broad insight for management of the Company and to enhance corporate value.</p>				
<p><b>Term of office as Director at the closing of this General Meeting of Shareholders</b> 1 year</p>		<p><b>Attendance at Board of Directors Meetings for FY2021</b> Regular : 10/10, Extraordinary : -</p>		

Candidate No.	Name (Date of Birth)	Career summary, posts, and responsibilities at the Company		Number of the Company's shares owned
3	Masayoshi Shirayanagi (February 28, 1962) <u>New appointment</u>	April 1984	Joined Toyota Motor Corporation	0
		April 2013	Managing Officer, Toyota Motor Corporation	
		January 2018	Senior Managing Officer, Toyota Motor Corporation	
		January 2019	Operating Officer, Toyota Motor Corporation	
		January 2022	Operating Officer, the Company (to present)	
<p><b>Reasons for selection as a candidate for Director</b>  In addition to having held important positions in purchasing, accounting, and external and public affairs divisions, and overseas bases of Toyota Motor Corporation, Mr. Shirayanagi has been involved in the management of the Company as Segment Chief of the Corporate Planning &amp; Innovation Segment since January 2022. The Company is requesting his appointment as Director to make use of his aforementioned wealth of experience and broad insight for management of the Company and to enhance corporate value.</p>				
<p><b>Term of office as Director at the closing of this General Meeting of Shareholders</b> -</p>			<p><b>Attendance at Board of Directors Meetings for FY2021</b> Regular : -, Extraordinary : -</p>	

Candidate No.	Name (Date of Birth)	Career summary, posts, and responsibilities at the Company		Number of the Company's shares owned
4	Takashi Yamamoto (November 26, 1957) <u>Reappointment</u>	April 1982	Joined Toyota Motor Co., Ltd.	20,141
		April 2014	Managing Officer, Toyota Motor Corporation	
		January 2018	Advisor, the Company	
		April 2018	Executive Managing Officer, the Company	
		April 2019	Operating Officer, the Company	
		April 2020	Vice President, the Company	
		June 2020	Executive Vice President, the Company	
		April 2021	Director, Operating Officer, the Company (to present)	
<p><b>Reasons for selection as a candidate for Director</b>            In addition to his experience in vehicle development (as a chief engineer) of Toyota Motor Corporation (TMC), Mr. Yamamoto has been involved in aircraft seat and textile businesses in the New Business Promotion Segment of the Company since April 2018. Moreover, he also has experience as Segment Chief of the Seat Business Segment, and at present he is serving as Chief Technology Officer. The Company is requesting his appointment as Director to make use of his wealth of experience and broad insight for management of the Company and to enhance corporate value.</p>				
<p><b>Term of office as Director at the closing of this General Meeting of Shareholders</b>            2 years</p>		<p><b>Attendance at Board of Directors Meetings for FY2021</b>            Regular : 12/12, Extraordinary : -</p>		

Candidate No.	Name (Date of Birth)	Career summary, posts, and responsibilities at the Company		Number of the Company's shares owned
5	Shunichi Iwamori (April 18, 1965) <u>New appointment</u>	April 1989	Joined Toyoda Boshoku Corporation	9,600
		April 2017	Functional Officer, the Company	
		April 2019	Global Grade S*, the Company	
		April 2022	Operating Officer, the Company (to present)	
		* Equivalent to previous Managing Officer, Executive Functional Officer and Functional Officer		
<p><b>Reasons for selection as a candidate for Director</b></p> <p>In addition to his experience in the accounting and purchasing divisions of the Company, Mr. Iwamori has been involved in financial and revenue control of U.S. affiliates as the Financial Officer at the regional headquarters in the Americas. Moreover, he also has experience as Division General Manager of the Accounting &amp; Finance Div., and Deputy Segment Chief of the Audit &amp; Kaizen Dept., the division that evaluates governance, and at present he is serving as Chief Financial Officer and Field Chief of the Purchasing Field. The Company is requesting his appointment as Director to make use of his aforementioned experience in the accounting and purchasing fields, and his broad insight in the management of the Company, believing it will lead to enhanced corporate value.</p>				
<p><b>Term of office as Director at the closing of this General Meeting of Shareholders</b></p> <p>-</p>			<p><b>Attendance at Board of Directors Meetings for FY2021</b></p> <p>Regular : -, Extraordinary : -</p>	

Candidate No.	Name (Date of Birth)	Career summary, posts, and responsibilities at the Company		Number of the Company's shares owned
6	Akihiro Koyama (June 9, 1953) Reappointment Outside Director Independent Director	April 1981	Lecturer (Full-Time), Faculty of Economics, Gakushuin University	0
		April 1988	Professor, Faculty of Economics, Gakushuin University	
		March 1995	C4 (Full-Time) Professor, Faculty of Law and Economics, Bayreuth University, Germany	
		September 1995	Professor, Faculty of Economics, Gakushuin University (to present)	
		June 2018	Director, the Company (to present)	
		[Important concurrent position] Professor, Faculty of Economics, Gakushuin University		
<p><b>Reasons for selection as a candidate for Outside Director</b></p> <p>In addition to conducting research on topics such as business finance and corporate governance over many years as a university professor, Dr. Koyama has held posts successively as a visiting professor at overseas universities and possesses expert knowledge in enterprise management from a global perspective. And he has provided advice to management from a broad perspective as Outside Director of the Company since June 2018. Dr. Koyama has not been directly involved in corporate management, but the Company is requesting his appointment as Outside Director because it believes he will reflect in the Company's management the deep insight gained through his career as described above and contribute to the maintenance and enhancement of the Company's corporate governance.</p>				
Term of office as Director at the closing of this General Meeting of Shareholders 4 years		Attendance at Board of Directors Meetings for FY2021 Regular : 12/12, Extraordinary : -		

Candidate No.	Name (Date of Birth)	Career summary, posts, and responsibilities at the Company		Number of the Company's shares owned
7	Junko Shiokawa (January 6, 1970) <u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u>	April 1995	Registered with Daiichi Tokyo Bar Association Joined Nagashima & Ohno (currently known as Nagashima Ohno & Tsunematsu)	0
		July 1998	Seconded to London Office, European Bank for Reconstruction and Development	
		October 2000	Joined New York Office, Sullivan & Cromwell LLP	
		April 2002	Admitted as Attorney-at-Law in New York, the United States of America	
		April 2005	Joined Barclays Capital Japan Limited (currently known as Barclays Securities Japan Limited)	
		June 2010	Joined Hong Kong Office, Conyers Dill & Pearman	
		July 2010	Registered as Foreign Attorney-at-Law in Hong Kong	
		November 2014	Joined Hong Kong Office, Harneys (Partner)	
		June 2017	Outside Director of Asahi Net, Inc.	
		September 2018	Joined Hong Kong Office, Withers LLP (Partner)	
		June 2021	Director, the Company (to present)	
		January 2022	Joined Hong Kong Office, Conyers Dill & Pearman(Consultant) (to present)	
			[Important concurrent position] Attorney-at-Law, Hong Kong Office, Conyers Dill & Pearman(Consultant)	
<p><b>Reasons for selection as a candidate for Outside Director</b> As a Attorney-at-Law, Ms. Shiokawa possesses a wealth of knowledge on global business cases related to investment funds, finance, cross-border M&amp;A and investment fund-related dispute settlement. The Company expects her to provide assessment and advice on its global venture capital business toward the future. Ms. Shiokawa has not been directly involved in corporate management, but the Company is requesting her appointment as Outside Director because it believes she will reflect in the Company's management the deep insight gained through her career as described above and contribute to the maintenance and enhancement of the Company's corporate governance.</p>				
Term of office as Director at the closing of this General Meeting of Shareholders 1 year		Attendance at Board of Directors Meetings for FY2021 Regular : 10/10, Extraordinary : -		

Candidate No.	Name (Date of Birth)	Career summary, posts, and responsibilities at the Company		Number of the Company's shares owned
8	Takafumi Seto (November 25, 1969) <u>New appointment</u> <u>Outside Director</u> <u>Independent Director</u>	April 1996	Postdoctoral fellow, Japan Society for the Promotion of Science	0
		April 1997	Joined Mechanical Engineering Laboratory	
		October 2001	Joined National Institute of Advanced Industrial Science and Technology	
		April 2007	Associate Professor, Division of Natural System, National University Corporation Kanazawa University	
		September 2013	Professor, Faculty of Frontier Engineering, Institute of Science and Engineering, National University Corporation Kanazawa University (to present)	
		[Important concurrent position] Professor, Faculty of Frontier Engineering, Institute of Science and Engineering, National University Corporation Kanazawa University		
		<p><b>Reasons for selection as a candidate for Outside Director</b>            In conjunction with this various engineering knowledge and skill as a university professor, Dr. Seto has been providing the Company with valuable opinions regarding pioneering research for future society and joint research with the Company that is themed on the realization of comfortable spaces in near-future automobiles. Although Dr. Seto has not been directly involved in corporate management, the Company is requesting his appointment as Outside Director because it believes, based on the aforementioned reasons, he will reflect his high level of scientific insight in the Company's management and contribute to future business.</p>		
Term of office as Outside Director at the closing of this General Meeting of Shareholders		Attendance at Board of Directors Meetings for FY2021 Regular : -, Extraordinary : -		
-				

Candidate No.	Name (Date of Birth)	Career summary, posts, and responsibilities at the Company		Number of the Company's shares owned
9	Kenichiro Ito (October 1, 1962) New appointment Outside Director Independent Director	April 1985	Joined NIPPONDENSO CO., LTD.	0
		June 2012	Executive Director, DENSO CORPORATION	
		April 2019	Senior Executive Officer, DENSO CORPORATION	
		June 2021	Member of the Board of Directors and Senior Executive Officer, DENSO CORPORATION (to present)	
		[Important concurrent position] Member of the Board of Directors and Senior Executive Officer, DENSO CORPORATION		
<p><b>Reasons for selection as a candidate for Outside Director</b>  Mr. Ito is currently a Member of the Board of Directors and Senior Executive Officer of DENSO CORPORATION, where he also serves as Chief Human Resources Officer, the Head of the general administration and human resources division, the Head of North America, the Head of Europe, and the Head of South Korea, and he has a wealth of overseas experience and insight in the fields of human resources and finance. The Company is requesting his appointment as Outside Director so that he can reflect the aforementioned wealth of experience and broad insight in the management of the Company and contribute to upholding and strengthening governance.</p>				
<p><b>Term of office as Outside Director at the closing of this General Meeting of Shareholders</b> -</p>			<p><b>Attendance at Board of Directors Meetings for FY2021</b> Regular : -, Extraordinary : -</p>	

(Notes)

- Dr. Koyama, Ms. Shiokawa, Dr. Seto and Mr. Ito are candidates for the position of Outside Director.
- The Company has concluded an agreement with Dr. Koyama and Ms. Shiokawa to limit their liabilities for damages under Article 423 paragraph (1) of the Companies Act, and limited the maximum amount of their liabilities for damages based on said agreement to the amount stipulated in Article 425 paragraph (1) of the Act. Furthermore, if the proposal of Dr. Seto and Mr. Ito for the positions of Outside Director is approved as submitted, the Company intends to conclude an agreement with Dr. Seto and Mr. Ito to limit their liabilities for damages under Article 423 paragraph (1) of the Companies Act.
- The Company has entered into a directors and officers liability insurance (D&O insurance) contract stipulated in Article 430-3 of the Companies Act with the candidates as the insured to ensure that officers can fully perform their expected roles in the course of executing their duties and to allow the Company to obtain superior talent. If this proposal is approved as originally proposed and the candidates are appointed as Directors, they will be the insured under the said insurance contract.  
Under the said insurance contracts, damage that may be caused as a result of the insured officers, etc. assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities shall be covered. Provided, however, that there are certain exemptions; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered.  
(The insurance fee for the policy including added special clauses is fully borne by the Company and no substantial insurance fee is borne by the insured. The said insurance contract has a provision of the deductible amount, up to which the insured are not covered for damage.)  
Note that the said insurance contract will be renewed on October 1, 2022, which falls within the candidate's term of office.
- Dr. Koyama, Ms. Shiokawa, Dr. Seto and Mr. Ito are candidates for Independent Director pursuant to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange.

The Company requests the appointment of one (1) Audit & Supervisory Board Member because Audit & Supervisory Board Member, Masakazu Aida will resign his position upon the conclusion of this Ordinary General Meeting of Shareholders.

As the candidate for Audit & Supervisory Board Member, Hiroshi Miura is to be elected as a substitute for Audit & Supervisory Board Member, Masakazu Aida, his term of office shall be the remaining part of the term of Masakazu Aida in accordance with the Articles of Incorporation of the Company.

The Audit & Supervisory Board has already given its consent regarding this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of Birth)	Career summary, posts, and responsibilities at the Company		Number of the Company's shares owned
Hiroshi Miura (April 16, 1959) <u>New appointment</u> <u>Outside Director</u> <u>Independent Director</u>	April 1985	Joined Eiwa Audit Corporation (currently known as KPMG AZSA LLC)	0
	August 1989	Registered as Certified Public Accountant	
	February 1992	Seconded to New York Office of Arthur Andersen LLP	
	June 2006	Representative Partner, KPMG AZSA & Co. (currently known as KPMG AZSA LLC)	
	July 2009	Seconded to KPMG London Office (Head of EMA Global Japanese Practice (GJP))	
	October 2013	Executive Board Member, KPMG AZSA LLC	
	July 2019	Executive Officer, KPMG AZSA LLC	
	June 2021	Outside Audit & Supervisory Board Member, Maruwa Unyu Kikan Co., Ltd. (to present)	
	July 2021	Representative CPA, Global Management Advisory Office (to present)	
	August 2021	Managing Director, Plante & Moran Japan PLLC (to present)	
	November 2021	Executive Director, ORIX JREIT Inc. (to present)	
	March 2022	Outside Director, MonotaRO Co., Ltd. (to present)	
		[Important concurrent position] Certified Public Accountant Outside Audit & Supervisory Board Member, Maruwa Unyu Kikan Co., Ltd. Executive Director, ORIX JREIT Inc. Outside Director, MonotaRO Co., Ltd. Managing Director, Plante & Moran Japan PLLC	

Name (Date of Birth)	Career summary, posts, and responsibilities at the Company	Number of the Company's shares owned
<p><b>Reasons for selection as a candidate for Outside Audit &amp; Supervisory Board Member</b> As a certified public accountant, Mr. Miura has broad insights related to accounting, financial auditing and governance from his experience over many years in financial auditing and corporate management advisory services. The Company is requesting his appointment as Outside Audit &amp; Supervisory Board Member to reflect the aforementioned abundant experience and broad insights in audits of the Company.</p>		
<p><b>Term of office as Audit &amp; Supervisory Board Member at the closing of this General Meeting of Shareholders</b> -</p>	<p><b>Attendance at Board of Directors Meetings for FY2021</b> Regular : -, Extraordinary : - <b>Attendance at Audit &amp; Supervisory Board Meetings for FY2021</b> Regular : -, Extraordinary : -</p>	

(Notes)

- Mr. Miura is a candidate for the position of Outside Audit & Supervisory Board Member.
- If this proposal is approved as submitted, the Company intends to conclude an agreement with Mr. Miura to limit his liability for damages under Article 423 paragraph (1) of the Companies Act, and intends to limit the maximum amount of his liability for damages based on said agreement to the amount stipulated in Article 425 paragraph (1) of the Act.
- The Company has entered into a directors and officers liability insurance (D&O insurance) contract stipulated in Article 430-3 of the Companies Act with the candidate as the insured to ensure that officers can fully perform their expected roles in the course of executing their duties and to allow the Company to obtain superior talent. If this proposal is approved as submitted and Mr. Miura has assumed the position of Audit & Supervisory Board Member, he will be the insured under the said insurance contract.  
Under the said insurance contracts, damage that may be caused as a result of the insured officers, etc. assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities shall be covered. Provided, however, that there are certain exemptions; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered.  
(The insurance fee for the policy including added special clauses is fully borne by the Company and no substantial insurance fee is borne by the insured. The said insurance contract has a provision of the deductible amount, up to which the insured are not covered for damage.)  
Note that the said insurance contract will be renewed on October 1, 2022, which falls within the candidate's term of office.
- Mr. Miura is a candidate for the position as an Independent Director as defined by the Tokyo Stock Exchange and the Nagoya Stock Exchange.

To prepare for cases in which the Company lacks the number of Audit & Supervisory Board Members set by laws and regulations, the Company requests the appointment of One (1) Substitute Audit & Supervisory Board Member.

This proposal is made to elect a substitute for Mr. Hiroyuki Yokoyama and Mr. Masakazu Aida. In the event the candidate becomes an Audit & Supervisory Board Member, his term of office shall be the remaining part of his predecessor's term.

This resolution shall be effective until the commencement of the next Ordinary General Meeting of Shareholders. However, this resolution may be cancelled before the proposed Substitute Audit & Supervisory Board Member assumes office, by a resolution of the Board of Directors, subject to the approval of the Audit & Supervisory Board.

The Audit & Supervisory Board has already given its agreement regarding this proposal.

The candidate for Substitute Audit and Supervisory Board Member is as follows:

Name (Date of Birth)	Career summary, posts, and responsibilities at the Company		Number of the Company's shares owned
Kazuo Kawamura (February 13, 1953) <u>Reappointment</u>	April 1978	Registered as attorney in Nagoya	0
	April 1983	Established Kawamura Law Office (to present)	
	[Important concurrent positions] Attorney-at-Law Outside Director and Audit and Supervisory Committee Member, Trancom Co.,Ltd.		
<p><b>Reasons for selection as a candidate for Substitute Outside Auditor</b></p> <p>The Company proposes Mr. Kawamura as a candidate for Substitute Audit &amp; Supervisory Board Member so that if he is appointed as an Outside Audit &amp; Supervisory Board Member, the Company may effectively use his legal expertise gained over many years as an Attorney-at-Law for the Company's Auditing System. Although Mr. Kawamura has not been directly involved in corporate management, the Company judges that if he assumes the position of Outside Auditor he will be able to appropriately accomplish the duties of the position and contribute to the maintenance and enhancement of the Company's corporate governance because he is well versed in corporate law as an Attorney-at-Law and possesses sufficient insight to administer corporate management.</p>			

(Note)

1. Mr. Kawamura is a candidate for the position of Substitute Outside Auditor.
2. If this proposal is approved as submitted and Mr. Kawamura has assumed the position of Auditor, the Company intends to conclude an agreement with Mr. Kawamura to limit his liability for damages under Article 423 paragraph (1) of the Companies Act, and intends to limit the maximum amount of his liability for damages based on said agreement to the amount stipulated in Article 425 paragraph (1) of the Act.
3. The Company has entered into a directors and officers liability insurance (D&O insurance) contract stipulated in Article 430-3 of the Companies Act with Directors, Audit & Supervisory Board Members, Operating Officers, and Executives of subsidiary companies as the insured to ensure that officers can fully perform their expected roles in the course of executing their duties and to allow the Company to obtain superior talent. If this proposal is approved as submitted and Mr. Kawamura has assumed the position of Auditor, he will be the insured under the said insurance contract.

Under the said insurance contracts, damage that may be caused as a result of the insured officers, etc. assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such

responsibilities shall be covered. Provided, however, that there are certain exemptions; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered.

(The insurance fee for the policy including added special clauses is fully borne by the Company and no substantial insurance fee is borne by the insured. The said insurance contract has a provision of the deductible amount, up to which the insured are not covered for damage.)

4. If this proposal is approved as submitted and Mr. Kawamura has assumed the position of Auditor, the Company intends to report him as an Independent Director to the Tokyo Stock Exchange and Nagoya Stock Exchange.

〈Reference〉

Officers structure if Proposals No. 2 and No. 3 are approved

The skills and experience of candidates for Directors will be as follows:

		1	2	3	4	5	6	7	8	9	10	11
		Company management	Industry knowledge	Governance	Overseas experience	Technology development	Production engineering / Manufacturing	Sales / Procurement	Finance / Accounting	Human resources	Legal / Compliance	Environment / Energy
Directors	Shuhei Toyoda	●	●	●	●	●	●	●				
	Naoki Miyazaki	●	●	●	●				●	●	●	●
	Masayoshi Shirayanagi	●	●	●	●			●	●			●
	Takashi Yamamoto	●	●	●		●	●					●
	Shunichi Iwamori		●	●	●			●	●			●
	Akihiro Koyama			●					●	●	●	
	Junko Shiokawa			●	●				●		●	
	Takafumi Seto			●		●	●			●		●
	Kenichiro Ito	●	●	●	●				●	●		

Audit & Supervisory Board Members	Yasushi Minami	●	●	●	●	●	●					
	Yasuhiro Fueta		●	●	●		●		●	●	●	
	Hiroyuki Yokoyama	●	●	●	●	●	●				●	
	Hiroshi Miura	●		●	●				●		●	

The compensation amount for Audit & Supervisory Board Members of the Company was approved to be up to 8,000,000 yen per month at the 87th Ordinary General Meeting of Shareholders held on June 14, 2012, which has remained valid until today.

In consideration to various changes in circumstance that have occurred since then, such as changes to the state of the economy, changes in the business environment, and the resulting increase in duties expected of Audit & Supervisory Board Members, the Company proposes to change the stipulated compensation amount for Audit & Supervisory Board Members from a monthly amount to an annual amount and to set the amount at up to 130,000,000 yen per year.

Going forward, the Audit & Supervisory Board Members shall continue to be paid only monthly fixed compensation, and shall not be paid performance-linked compensation or share-based compensation.

In addition, the number of Audit & Supervisory Board Members is currently four (4), and even if Proposal No. 3 Election of One (1) Audit & Supervisory Board Member is approved and adopted in its original form, the number of Audit & Supervisory Board Members will not change.