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(Securities code: 3116)

June 1, 2020

To Those Shareholders with Voting Rights

Takeshi Numa

President

TOYOTA BOSHOKU CORPORATION

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

NOTICE OF THE 95th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 95th 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 Tuesday, June 16, 2020 (JST).

1. Date and time: Wednesday, June 17, 2020 at 10:00 a.m. (JST)

2. Place: Head office, Toyota Boshoku Corporation
1-1 Toyoda-cho, Kariya-shi, Aichi, Japan
(The place is different from the last year.)

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 95th Fiscal Term (from April 1, 2019 to March 31, 2020).
- II. Report on the Non-Consolidated Financial Statements for the 95th Fiscal Term (from April 1, 2019 to March 31, 2020).

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- 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:** Payment of Bonuses to Directors
- Proposal No. 6:** Revision of Compensation Amount for Directors
- Proposal No. 7:** Determination of Compensation for Granting Restricted Shares to Directors
(Excluding Outside Directors)

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

Appropriation of Surplus

The Company proposes the appropriation of surplus as follows.

Year-end dividend

In light of the Company's desire to maintain a stable level of dividends over the long term, and in overall consideration of the Toyota Boshoku Group's consolidated operating results and dividend payout ratio and others, the Company intends to pay year-end dividends for FY2019 as follows.

1	Type of dividend assets	Cash
2	Appropriation of dividend assets to shareholders and total amount thereof	26 yen per common share Total amount of dividends: 4,857,320,052 yen The cash dividend for the fiscal term, including an interim dividend, is 54 yen per share.
3	Effective date of distribution of surplus	Thursday, June 18, 2020 (JST)

The term of office of all Ten (10) current Directors will expire at the closing of this Ordinary General Meeting of Shareholders. The Company proposes the election of Nine (9) Directors, decrease one (1) Director for the purpose of accelerating decision-making. 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.	1,042,600
		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)	
			[Important concurrent position] Outside Audit & Supervisory Board Member, Toyota Tsusho Corporation	
<p>Reasons for selection as a candidate for Director In addition to having held important positions in overseas branches 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>Note There is no special interest between the candidate and the Company.</p>				
<p>Term of office as Director at the closing of this General Meeting of Shareholders 16 years</p>			<p>Attendance at Board of Directors Meetings for FY2019 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	Takeshi Numa (June 14, 1958) <u>Reappointment</u>	April 1981	Joined Toyota Motor Co., Ltd.	26,400
		April 2012	Managing Officer, Toyota Motor Corporation	
		April 2016	Vice President, the Company	
		June 2016	Executive Vice President, the Company	
		April 2018	President, the Company (to present)	
	<p>Reasons for selection as a candidate for Director In addition to having held important positions in the manufacturing division and overseas branches of Toyota Motor Corporation (TMC) and his experience as a managing officer of TMC, Mr. Numa has been involved in the management of the Company as Vice President since April 2016 and as President since April 2018. The Company is requesting his appointment as Director to make use of his wealth of experience and broad insight spanning operations as a whole for management of the Company and to enhance corporate value.</p> <p>Note There is no special interest between the candidate and the Company.</p>			
Term of office as Director at the closing of this General Meeting of Shareholders 4 years		Attendance at Board of Directors Meetings for FY2019 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
3	Yoshihiro Ito (August 23, 1957) <u>Reappointment</u>	April 1980	Joined Arakawa Auto Body Co., Ltd.	19,700
		June 2009	Operating Officer, the Company	
		June 2010	Managing Officer, the Company	
		June 2010	Director and Vice President, Toyota Boshoku America, Inc.	
		June 2014	Director serving concurrently as Executive Managing Officer, the Company	
		April 2016	Director and Chairman serving concurrently as President, Toyota Boshoku America, Inc.	
		June 2016	Executive Managing Officer, the Company	
		April 2017	President, Toyota Boshoku America, Inc.	
		April 2018	Vice President, the Company	
		June 2018	Executive Vice President, the Company (to present)	
		<p>Reasons for selection as a candidate for Director In addition to his experience in the operations and business administration divisions of the Company, Mr. Ito possesses experience based on his involvement in management at the Company's U.S. affiliate and at the regional headquarters in the Americas. 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>Note There is no special interest between the candidate and the Company.</p>				
<p>Term of office as Director at the closing of this General Meeting of Shareholders 2 year</p>		<p>Attendance at Board of Directors Meetings for FY2019 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
4	Shinji Kano (November 21, 1957) <u>Reappointment</u>	April 1980	Joined Toyota Motor Co., Ltd.	14,100
		January 2013	Advisor, the Company	
		June 2013	Managing Officer, the Company	
		April 2017	Executive Managing Officer, the Company	
		April 2019	Vice President, the Company	
		June 2019	Executive Vice President, the Company (to present)	
	<p>Reasons for selection as a candidate for Director In addition to having held important positions in the manufacturing division and overseas branches of Toyota Motor Corporation (TMC), Mr. Kano possesses experience based on broad responsibility in various areas at the Company including production engineering, production control, and safety and health. 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>Note There is no special interest between the candidate and the Company.</p> <p>Term of office as Director at the closing of this General Meeting of Shareholders 1 year</p> <p>Attendance at Board of Directors Meetings for FY2019 Regular : 10/10, Extraordinary : -</p>			
5	Takashi Yamamoto (November 26, 1957) <u>New appointment</u>	April 1982	Joined Toyota Motor Co., Ltd.	10,700
		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 (to present)	
	<p>Reasons for selection as a candidate for Director 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. 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>Note There is no special interest between the candidate and the Company.</p> <p>Term of office as Director at the closing of this General Meeting of Shareholders -</p> <p>Attendance at Board of Directors Meetings for FY2019 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	Takeshi Ogasawara (August 1, 1953) <u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u>	April 1977	Joined The Tokai Bank, Ltd.	0
		May 2004	Executive Officer, UFJ Bank, Limited	
		June 2004	Executive Director, UFJ Bank, Limited	
		January 2006	Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU)	
		May 2007	Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
		June 2008	Managing Executive Director, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
		May 2011	Senior Managing Director, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
		June 2012	Deputy President and Representative Director, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
		June 2016	Executive Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
		June 2017	Director, the Company (to present)	
		June 2018	Advisor, MUFG Bank, Ltd. (to present)	
<p>Reasons for selection as a candidate for Outside Director Mr. Ogasawara possesses experience as a business executive over many years at MUFG Bank, Ltd. In addition, he has provided advice to management from a broad perspective as Outside Director of the Company since June 2017. The Company is requesting his appointment as Outside Director because it believes he will reflect this abundant experience and broad insight in the Company's management and contribute to the maintenance and enhancement of the Company's corporate governance.</p>				
<p>Notes</p> <ol style="list-style-type: none"> There is no special interest between the candidate and the Company. Mr. Ogasawara is a candidate for the position of Outside Director. The Company has concluded an agreement with Mr. Ogasawara to limit his liability for damages under Article 423 paragraph (1) of the Companies Act, and limited the maximum amount of his liability for damages based on said agreement to the amount stipulated in Article 425 paragraph (1) of the Act. Mr. Ogasawara is a candidate for Independent Director pursuant to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange. 				
<p>Term of office as Director at the closing of this General Meeting of Shareholders 3 years</p>			<p>Attendance at Board of Directors Meetings for FY2019 Regular : 10/12, Extraordinary : -</p>	

Candidate No.	Name (Date of Birth)	Career summary, posts, and responsibilities at the Company		Number of the Company's shares owned
7	Akihiro Koyama (June 9, 1953) <u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u>	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>Reasons for selection as a candidate for Director</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>		
<p>Notes</p> <ol style="list-style-type: none"> There is no special interest between the candidate and the Company. Dr. Koyama is a candidate for the position of Outside Director. The Company has concluded an agreement with Dr. Koyama to limit his liability for damages under Article 423 paragraph (1) of the Companies Act, and limited the maximum amount of his liability for damages based on said agreement to the amount stipulated in Article 425 paragraph (1) of the Act. Dr. Koyama is a candidate for Independent Director pursuant to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange. 				
<p>Term of office as Director at the closing of this General Meeting of Shareholders</p> <p>2 year</p>		<p>Attendance at Board of Directors Meetings for FY2019</p> <p>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
8	Kazue Sasaki (March 5, 1954) <u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u>	April 1977	Joined Toyoda Automatic Loom Works, Ltd.	2,000
		June 2003	Director, Toyota Industries Corporation	
		June 2006	Managing Director, Toyota Industries Corporation	
		June 2008	Senior Managing Officer , Toyota Industries Corporation	
		June 2009	President, Toyota Industrial Equipment Manufacturing, Inc.	
		June 2010	Director (with Senior Managing Director status), Toyota Industries Corporation	
		June 2011	Senior Managing Director, Toyota Industries Corporation	
		June 2013	Executive Vice President, Toyota Industries Corporation (to present)	
		June 2016	Director, the Company (to present)	
			[Important concurrent position] Executive Vice President, Toyota Industries Corporation	
<p>Reasons for selection as a candidate for Outside Director</p> <p>Mr. Sasaki has experience as a business executive over many years at Toyota Industries Corporation. In addition, he has provided advice to management from a broad perspective as Outside Director of the Company since June 2016. The Company is requesting his appointment as Outside Director because it believes he will reflect this abundant experience and broad insight in the Company's management and contribute to the maintenance and enhancement of the Company's corporate governance.</p>				
<p>Note</p> <ol style="list-style-type: none"> There is no special interest between the candidate and the Company. Mr. Sasaki is a candidate for the position of Outside Director. The Company has concluded an agreement with Mr. Sasaki to limit his liability for damages under Article 423 paragraph (1) of the Companies Act, and limited the maximum amount of his liability for damages based on said agreement to the amount stipulated in Article 425 paragraph (1) of the Act. Mr. Sasaki is a candidate for Independent Director pursuant to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange. 				
<p>Term of office as Director at the closing of this General Meeting of Shareholders</p> <p>4 years</p>			<p>Attendance at Board of Directors Meetings for FY2019</p> <p>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
9	Hiroyuki Ina (November 27, 1958) Reappointment Outside Director Independent Director	April 1981	Joined Nippondenso Co., Ltd.	0
		June 2009	Executive Director, DENSO Corporation	
		June 2015	Senior Executive Director, DENSO Corporation	
		April 2019	Senior Executive Officer, DENSO Corporation (to present)	
		June 2019	Director, the Company (to present)	
		[Important concurrent position]	Senior Executive Officer, DENSO Corporation	
		<p>Reasons for selection as a candidate for Outside Director As a serving Senior Executive Officer at DENSO Corporation, Mr. Ina is Head of the Sensor & Semiconductor Business Group, and also he is responsible for the Tokyo Office. He has been involved in business management for electronic components that constitute the heart of in-car electronic platforms over many years. The Company is requesting his appointment as Outside Director because it believes he will reflect this abundant experience and broad insight in the Company's management and contribute to the maintenance and enhancement of the Company's corporate governance.</p>		
<p>Note</p> <ol style="list-style-type: none"> There is no special interest between the candidate and the Company. Mr. Ina is a candidate for the position of Outside Director. The Company has concluded an agreement with Mr. Ina to limit his liability for damages under Article 423 paragraph (1) of the Companies Act, and limited the maximum amount of his liability for damages based on said agreement to the amount stipulated in Article 425 paragraph (1) of the Act. Mr. Ina is a candidate for Independent Director pursuant to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange. 				
<p>Term of office as Director at the closing of this General Meeting of Shareholders 1 year</p>		<p>Attendance at Board of Directors Meetings for FY2019 Regular : 9/10, Extraordinary : -</p>		

Because Standing Audit & Supervisory Board Member, Sunao Yamamoto will expire his position upon the conclusion of this Ordinary General Meeting of Shareholders, the Company requests the appointment of One (1) Audit & Supervisory Board Member.

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

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

Candidate No.	Name (Date of Birth)	Career summary, posts, and responsibilities at the Company		Number of the Company's shares owned
1	Yasushi Minami (March 25, 1955) <u>New appointment</u>	April 1977	Joined Toyota Motor Co., Ltd.	7,500
		February 2012	Advisor, the Company	
		June 2012	Managing Officer, the Company	
		June 2015	Executive Managing Officer, the Company	
		April 2016	Chairman, Toyota Boshoku Asia Co.,LTD.	
		April 2017	President, Toyota Boshoku Asia Co., LTD.	
		April 2019	Operating Officer, the Company	
<p>Reasons for selection as a candidate for Audit & Supervisory Board Member In addition to having held important positions in the production control division and overseas branches of Toyota Motor Corporation (TMC), Mr. Minami possesses experience in global production control of the Company and experience from his involvement in management at the regional headquarters in Asia and Oceania. The Company is requesting his appointment as Standing Audit & Supervisory Board Member to reflect this abundant experience and broad insight in audits of the Company.</p>				
<p>Note There is no special interest between the candidate and the Company.</p>				
<p>Term of office as Audit & Supervisory Board Member at the closing of this General Meeting of Shareholders -</p>			<p>Attendance at Board of Directors Meetings for FY2019 Regular : -, Extraordinary : - Attendance at Audit & Supervisory Board Meetings for FY2019 Regular : -, Extraordinary : -</p>	

To prepare in the event 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.

Candidate No.	Name (Date of Birth)	Career summary, posts, and responsibilities at the Company		Number of the Company's shares owned
1	Kazuo Kawamura (February 13, 1953) <u>Reappointment</u>	April 1978	Registered as attorney in Nagoya	0
		April 1983	Established Kawamura Law Office	
		[Important concurrent positions] Attorney-at-Law Outside Director and Audit and Supervisory Committee Member, Trancom Co.,Ltd.		
		Reasons for selection as a candidate for Substitute Outside Auditor The Company proposes Mr. Kawamura as a candidate for Substitute Audit & Supervisory Board Member so that if he is appointed as an Outside Audit & 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 that 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.		
Notes 1. There is no special interest between the candidate and the Company. 2. Mr. Kawamura is a candidate for the position of Substitute Outside Auditor. 3. 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. 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.				

In light of the Company's performance in FY2019, the Company intends to pay a total of 134,830,000 yen in bonuses to Six (6) Directors (excluding Outside Directors) as of the end of the fiscal year.

The compensation amount for Directors of the Company was approved to be up to 50,000,000 yen per month at the 87th Ordinary General Meeting of Shareholders held on June 14, 2012, which has remained valid until today. Since then, the compensation ceiling has been treated as the maximum amount of monthly compensation for Directors, and when bonuses have been paid to Directors, their specific amounts were separately approved for each case at the Ordinary General Meetings of Shareholders.

Upon the revisions to the composition and number of Directors, the Company has decided to also revise the compensation system and therefore proposes to change the compensation amount for Directors from a monthly amount to an annual amount as well as set the compensation amount at up to 600,000,000 yen per year (of which up to 70,000,000 yen for Outside Directors).

In addition to monthly compensation as fixed compensation, the Company intends to pay a performance-based cash bonus within the scope of this compensation amount. The monthly compensation shall reflect work responsibilities and experience of each Director, and trends in other companies. Meanwhile, the cash bonus shall be determined based on consolidated operating profit for each fiscal year by the Board of Directors after being deliberated by the Management Advisory Council, which Outside Directors account for the majority of the members, taking into comprehensive consideration such factors as dividends, company member bonus levels, trends in other companies as well as the Company's medium- to long-term performance and past bonus payments.

The Company currently has ten (10) Directors (of which four (4) are Outside Directors). If Proposal No. 2 "Election of Nine (9) Directors" is approved and adopted as submitted, the number of Directors shall be nine (9) (of which four (4) are Outside Directors).

The bonus shall not be paid to Outside Directors as their responsibility is to be in charge of the monitoring and supervisory function over the Company's management from an independent standpoint.

If Proposal No. 6 “Revision of Compensation Amount for Directors” is approved and adopted as submitted, the compensation amount for Directors of the Company shall be up to 600,000,000 yen per year (of which up to 70,000,000 yen for Outside Directors).

The Company hereby proposes to pay a new compensation for granting shares with transfer restrictions (hereinafter, the “Restricted Shares”) to Directors of the Company (excluding Outside Directors; hereinafter the “Eligible Directors”) separately from the aforementioned amount of compensation, as part of the revisions to the director compensation system, in order to provide them with an incentive to sustainably increase the Company’s corporate value as well as to further promote the creation of shared value with shareholders.

The compensation to be paid to the Eligible Directors for granting the Restricted Shares based on this proposal shall be monetary claims (“hereinafter, the “Monetary Compensation Claims”) and its total amount shall be up to 100,000,000 yen per year, which is deemed reasonable in light of the aforementioned purpose. The specific timing of payment and the allocation to each Eligible Director shall be determined by the Board of Directors. Provided, however, that the compensation for granting the Restricted Shares shall not be paid to Outside Directors.

The Company currently has ten (10) Directors (of which four (4) are Outside Directors). If Proposal No. 2 “Election of Nine (9) Directors” is approved and adopted as submitted, the number of Directors shall be nine (9) (of which four (4) are Outside Directors).

The Eligible Directors shall pay all the Monetary Compensation Claims to be provided under this proposal in the form of property contribution in kind, in accordance with the resolution of the Board of Directors of the Company, and shall, in return, receive the Company’s common shares to be issued or disposed of by the Company. The total number of common shares of the Company to be issued or disposed of thereby shall be 100,000 shares or less per year (provided, however, that in the event of a share split of the Company’s common shares (including allotment of the Company’s common shares without contribution), a share consolidation thereof or any other event that requires adjustment of the total number of commons shares of the Company to be issued or disposed of as the Restricted Shares, on or after the date of approval and adoption of this proposal, such total number shall be adjusted to the reasonable extent).

The amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day prior to the date of each resolution by the Board of Directors (if there is no closing price on such

date, the closing price on the closest preceding trading day) within the extent that the amount will not be particularly advantageous to the Eligible Directors who subscribe such common shares. For such issuance or disposal of the Company's common shares thereby, an agreement on allotment of the Restricted Shares that includes the following provisions (hereinafter, the "Allotment Agreement") shall be entered into between the Company and each Eligible Director.

(1) Restriction Period

The Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the Company's common shares to be allotted under the Allotment Agreement (hereinafter, the "Allotted Shares") for a period from the payment date of the Allotted Shares until the time immediately after their retirement from the position of Director of the Company (hereinafter, the "Restriction Period") (hereinafter the "Transfer Restrictions").

(2) Treatment on retirement from the position

If an Eligible Director retires from the position of Director of the Company before the expiration of the period from the start date of the Restriction Period to the time immediately before the conclusion of the first Ordinary General Meeting of Shareholders thereafter (hereinafter, the "Service Offering Period"), the Company shall automatically acquire the Allotted Shares without contribution, unless the reason for his/her retirement from office is the expiration of the term of his/her office, death or any other justifiable reason.

(3) Lifting of the Transfer Restrictions

The Company shall lift the Transfer Restrictions of all of the Allotted Shares upon the expiration of the Restriction Period, on condition that the Eligible Director has remained in the position of Director of the Company throughout the Service Offering Period. However, if the Eligible Director retires from the position defined in (2) above before the expiration of the Service Offering Period due to the expiration of the term of his/her office, death or any other justifiable reason defined in (2) above, the Company shall rationally adjust the number of the Allotted Shares on which the Transfer Restrictions are to be lifted, and the timing of lifting as needed. Furthermore, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted, in accordance with the provisions above.

(4) Treatment during reorganization, etc.

Notwithstanding the provisions of (1) above, during the Restriction Period, if matters relating to a merger agreement under which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary of another company, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of the Board of Directors in case where approval at the Company's

General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the Transfer Restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the approval date of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by a resolution of the Board of Directors. In cases specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the expiration of the Restriction Period.

(5) Other matters

Other matters with regard to the Allotment Agreement shall be determined by the Board of Directors of the Company.