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(Securities code: 6390)

June 5, 2020

To Shareholders with Voting Rights

Kimiyasu Kato
President and Representative Director
KATO WORKS CO., LTD.
9-37, Higashi-ohi 1-chome,
Shinagawa-ku, Tokyo, Japan

Notice of the 121st Annual General Meeting of Shareholders

You are cordially notified that the 121st Annual General Meeting of Shareholders (the “Meeting”) of KATO WORKS CO., LTD. (the “Company”) will be held for the purposes as described below.

In order to protect against infection and prevent the spread of COVID-19, shareholders are requested to pay careful attention to the condition of your own health in making your decision as to whether you should attend the Meeting.

Instead of attending the Meeting in person, you can exercise your voting rights in writing or through electromagnetic means. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by either returning the enclosed Voting Rights Exercise Form by mail or entering your votes online so that they are received by 5:30 p.m. Japan time on Thursday, June 25, 2020.

1. Date and Time: Friday, June 26, 2020 at 10:00 a.m. Japan time

2. Place: 10-30, Takanawa 4-chome, Minato-ku, Tokyo, Japan
32F, Aquamarine 32, Main Tower, Shinagawa Prince Hotel

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and the results of audits of the Consolidated Financial Statements for the Company’s 121st Fiscal Year (April 1, 2019 - March 31, 2020) by the Accounting Auditor and the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the Company’s 121st Fiscal Year (April 1, 2019 - March 31, 2020)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendment to Articles of Incorporation
Proposal 3: Election of Eight (8) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
Proposal 4: Election of Four (4) Directors Serving as Audit and Supervisory Committee Members

○ Request

- If you are attending the Meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception. Please also bring this Notice with you to save paper resources.
- Souvenirs will not be provided to shareholders attending the Meeting in person. We appreciate your understanding.

○ Notes

- Among the documents to be attached to this Notice, the following items are not stated in the attached documents, as they are posted on the Company’s website (<http://www.kato-works.co.jp/>) (in Japanese) in accordance with provisions of laws and regulations as well as Article 14 of the Company’s Articles of Incorporation. Therefore, these attached documents are part of the Business Report and the consolidated and non-consolidated financial statements audited by the Audit and Supervisory Committee in preparing their audit report, and the consolidated and non-consolidated financial statements audited by the accounting

auditor in preparing their accounting audit report.

- (1) “System to Ensure Appropriate Operations (Internal Control System) and Its Operating Status” and “Policy to Determine the Distribution of Surplus, etc.” in the Business Report
 - (2) “Consolidated Statements of Changes in Net Assets” and “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements
 - (3) “Non-consolidated Statements of Changes in Net Assets” and “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial Statements
- Should there be revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated and Consolidated Financial Statements, the details of the revisions will be posted on the Company’s website (<http://www.kato-works.co.jp/>) (in Japanese).

Notice on Measures Against COVID-19

We would like to inform you of our measures to protect against infection and prevent the spread of COVID-19 at this Annual General Meeting of Shareholders.

Your understanding and cooperation would be much appreciated.

- If you are considering attending the Meeting, please pay careful attention to the condition of your own health in the days leading up to the Meeting, and do not overexert yourself by any means.
- Seniors, those with preexisting medical conditions, pregnant women and those who feel unwell in general are all requested to consider refraining from attending the Meeting.
- Shareholders in attendance will be requested to cooperate in wearing face masks and using alcohol-based disinfectant.
- If any shareholders in attendance are deemed to be unwell, we will restrict their entrance to the venue.
- We may not be able to provide a sufficient number of seats due to ensuring wide spaces between seating at the venue. Shareholders in attendance may not be provided a seat, or may not be able to enter the venue.
- Directors and administrative staff in attendance will wear face masks at the Meeting.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company intends to respond to shareholder expectations basically through stable dividends while paying attention to internal reserves to strengthen the corporate standing and upon comprehensively taking into account the business environment, revenue status and other factors.

The Company proposes year-end dividend for this fiscal year at 15 yen in view of the performance for the fiscal year and future business development. Accordingly, the annual dividend will be 30 yen per share including the interim dividend of 15 yen.

Matters relating to year-end dividend

1. Matters relating to allotment of dividend property and its total amount
15 yen per common share of the Company at a total of 175,763,475 yen
2. Effective date of the distribution of surplus
June 29, 2020

Proposal 2: Partial Amendment to Articles of Incorporation

1. Reasons for the proposal

In order to enable the Company to diversify its business in the future, Article 2 (Objectives) of the current Articles of Incorporation shall be amended to include additional businesses.

2. Details of the amendment

The details of the amendment are as follows:

(Amended parts are underlined.)

Current	Proposed amendment
<p>(Objectives) Article 2 The objectives of the Company shall be to carry out the following businesses:</p> <p>1. Manufacturing, maintenance <u>and sale</u> of construction equipment, transportation equipment and industrial equipment, automobiles, machinery with internal combustion engines and spare parts for various other equipment</p> <p>2. - 4. (Omitted) (Newly established)</p> <p>(Newly established)</p> <p><u>5.</u> (Omitted)</p>	<p>(Objectives) Article 2 (Same as current)</p> <p>1. Manufacturing, maintenance, <u>sale and leasing</u> of construction equipment, transportation equipment and industrial equipment, automobiles, machinery with internal combustion engines and spare parts for various other equipment</p> <p>2. - 4. (Unchanged)</p> <p><u>5. Operation and management of professional sports, accommodation facilities, restaurants, stores, etc.</u></p> <p><u>6. Inspection, measurement and analysis of water, air, food, industrial waste, etc., and provision of relevant guidance and sales of related products</u></p> <p><u>7.</u> (Unchanged)</p>

Proposal 3: Election of Eight (8) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The terms of office of all the eight (8) Directors (excluding Directors serving as Audit and Supervisory Committee Members) will expire at the conclusion of the Meeting. Accordingly, the Company proposes to elect eight (8) Directors (excluding Directors serving as Audit and Supervisory Committee Members).

The Company has obtained comments from the Audit and Supervisory Committee that this Proposal is reasonable and there are no special matters to be noted at the Meeting.

The candidates for Directors (excluding Directors serving as Audit and Supervisory Committee Members) are as follows:

No.	Name	Current positions at the Company	
1	Kimiyasu Kato	President and Representative Director	Reappointment
2	Mitsuo Okada	Director, Managing Executive Officer	Reappointment
3	Yoshiki Inoue	Director, Managing Executive Officer	Reappointment
4	Jiro Konishi	Director, Executive Officer	Reappointment
5	Yunfeng Bai	Director, Executive Officer	Reappointment
6	Takao Watanabe	Director, Executive Officer	Reappointment
7	Takatsugu Ishii	Director, Executive Officer	Reappointment
8	Yoshiaki Ohkami	Director	Reappointment Outside Independent

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of the Company's shares held
1	<p>Kimiyasu Kato (Aug. 25, 1968)</p> <p><u>Reappointment</u></p> <p>Attendance at the Board of Directors meetings: 13/13 (100%)</p>	<p>Apr. 1991 Joined the Company</p> <p>Jul. 1993 General Manager, Corporate Auditors' Office</p> <p>Aug. 1996 General Manager, Engineering Division</p> <p>May 1997 General Manager, Materials Division</p> <p>Jun. 1997 Director, General Manager, Engineering Division and General Manager, Materials Division</p> <p>Jun. 2001 Director, Managing Executive Officer in charge of Corporate Planning</p> <p>Jun. 2004 President and Representative Director (to present) (Significant concurrent positions)</p> <p>Director, KATO WORKS (CHINA) LTD.</p> <p>Director, KATO WORKS (THAILAND) CO., LTD.</p>	348,784	
		<p>Reason for nomination as candidate for Director</p> <p>Kimiyasu Kato has abundant experience as the Company's President and Representative Director, and is demonstrating leadership as the chief operating officer. He is playing a sufficient part in important management decision-making and supervision of business execution by the Board of Directors. Therefore, in order to make use of his capabilities and experience in management, the Company proposes his re-election as a Director.</p>		
2	<p>Mitsuo Okada (Jul. 13, 1954)</p> <p><u>Reappointment</u></p> <p>Attendance at the Board of Directors meetings: 13/13 (100%)</p>	<p>Apr. 1977 Joined the Company</p> <p>Jul. 2006 General Manager, Design Department I</p> <p>Jun. 2010 Executive Officer, General Manager, Development Division</p> <p>Jun. 2012 Director, Executive Officer, General Manager, Development Division</p> <p>Jun. 2014 Director, Executive Officer, General Manager, Manufacturing Division and General Manager, Development Division</p> <p>Jun. 2016 Director, Managing Executive Officer, in charge of the Manufacturing and Development Segments and ISO (to present)</p>	5,043	
		<p>Reason for nomination as candidate for Director</p> <p>Mitsuo Okada has abundant experience and achievements in the engineering development field, having long been engaged in the Company's manufacturing and development segment operations. He is playing a sufficient part in important management decision-making and supervision of business execution by the Board of Directors. Therefore, in order to make use of his capabilities and experience in management, the Company proposes his re-election as a Director.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of the Company's shares held
3	Yoshiaki Inoue (Sep. 7, 1954) <u>Reappointment</u> Attendance at the Board of Directors meetings: 13/13 (100%)	Apr. 1977	Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (presently IHI Corporation)	1,361
		Apr. 2004	General Manager, Procurement Division, Transport & Logistics Systems Division, Logistics Systems & Structures Operations	
		Oct. 2005	General Manager, Construction Division, Transport Systems Division, Transport & Logistics Systems Operations, Ishikawajima Transport Machinery Co., Ltd. (presently IHI Transport Machinery Co., Ltd.)	
		Jun. 2010	Director, General Manager, Administration Division, Transport Systems Operations, in charge of Materials Division and General Transport Systems Division	
		Jun. 2014	Managing Director, General Manager, Parking Systems Division	
		Jun. 2016	President, IHI Construction Machinery Limited (renamed KATO HEAVY INDUSTRIES CONSTRUCTION MACHINERY CO., LTD. in November 2016)	
		Mar. 2018	General Manager, HICOM Business Department of the Company	
		Jun. 2018	Director, Managing Executive Officer, General Manager, HICOM Business Department, in charge of Corporate Planning and Compliance (to present)	
Reason for nomination as candidate for Director Yoshiaki Inoue has abundant experience and achievements, having been engaged mainly in procurement and logistics operations at IHI Corporation as well as corporate management at IHI Construction Machinery Limited. He is playing a sufficient part in important management decision-making and supervision of business execution by the Board of Directors. Therefore, in order to make use of his capabilities and experience in management, the Company proposes his re-election as a Director.				
4	Jiro Konishi (Feb. 26, 1953) <u>Reappointment</u> Attendance at the Board of Directors meetings: 13/13 (100%)	Apr. 1975	Joined the Company	7,578
		Mar. 2010	General Manager, Administration Department	
		Jun. 2012	Executive Officer, General Manager, Administration Department	
		Jun. 2013	Executive Officer, General Manager, Finance Department	
		Jun. 2014	Director, Executive Officer, General Manager, Finance Control Department	
		Jun. 2016	Director, Executive Officer, General Manager, Finance Control Department, in charge of Compliance and IR	
		Jun. 2018	Director, Executive Officer, General Manager, Finance Control Department, in charge of IR (to present)	
		(Significant concurrent positions) Auditor, KATO WORKS (CHINA) LTD.		
Reason for nomination as candidate for Director Jiro Konishi has abundant experience and achievements in finance and accounting, having long been engaged in the Company's accounting segment operations. He is playing a sufficient part in important management decision-making and supervision of business execution by the Board of Directors. Therefore, in order to make use of his capabilities and experience in management, the Company proposes his re-election as a Director.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of the Company's shares held
5	Yunfeng Bai (Sep. 14, 1962) <u>Reappointment</u> Attendance at the Board of Directors meetings: 10/13 (77%)	Aug. 1992	Joined the Company	2,095
		Mar. 2010	General Manager, China Office, Overseas Marketing Department	
Jun. 2012	Executive Officer, General Manager, Overseas Marketing Department I			
Jun. 2016	Director, Executive Officer, General Manager, Overseas Marketing Control Department			
Jun. 2017	Director, Executive Officer, General Manager, Overseas Marketing Division			
Jun. 2018	Director, Executive Officer, General Manager, China Business Control Division (to present)			
		(Significant concurrent positions) Chairman and Representative Director, KATO WORKS (CHINA) LTD. Director, KATO WORKS (THAILAND) CO., LTD.		
Reason for nomination as candidate for Director Yunfeng Bai has abundant experience and achievements in the overseas market, having long been engaged in the Company's marketing segment operations. He is playing a sufficient part in important management decision-making and supervision of business execution by the Board of Directors. Therefore, in order to make use of his capabilities and experience in management, the Company proposes his re-election as a Director.				
6	Takao Watanabe (Dec. 25, 1961) <u>Reappointment</u> Attendance at the Board of Directors meetings: 13/13 (100%)	Apr. 1984	Joined the Company	1,089
		Apr. 2012	General Manager, Nagoya Branch	
May 2015	General Manager, Construction Machinery Marketing Department			
Jul. 2015	Executive Officer, General Manager, Marketing Department (in charge of Construction Machinery)			
Jun. 2018	Director, Executive Officer, General Manager, Marketing Division, General Manager, Construction Machinery Marketing Department (to present)			
Reason for nomination as candidate for Director Takao Watanabe has abundant experience and achievements in the domestic market, having long been engaged in the Company's marketing segment operations. He is playing a sufficient part in important management decision-making and supervision of business execution by the Board of Directors. Therefore, in order to make use of his capabilities and experience in management, the Company proposes his re-election as a Director.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares held
7	<p>Takatsugu Ishii (Jan. 30, 1955)</p> <p><u>Reappointment</u></p> <p>Attendance at the Board of Directors meetings: 12/13 (92%)</p>	<p>Apr. 1977 Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (presently IHI Corporation)</p> <p>Jul. 2003 General Manager, Power Project Overseas Sales Division, Energy Operations</p> <p>Jul. 2007 General Manager, Kuala Lumpur Office</p> <p>Jun. 2012 Director, General Manager, Sales Control Division, IHI Construction Machinery Limited (renamed KATO HEAVY INDUSTRIES CONSTRUCTION MACHINERY CO., LTD. in November 2016)</p> <p>Jun. 2017 Director, General Manager, Sales Control Division, KATO HEAVY INDUSTRIES CONSTRUCTION MACHINERY CO., LTD. and General Manager, Overseas Marketing Control Department of the Company</p> <p>Mar. 2018 General Manager, Overseas Marketing Control Department and General Manager, Marketing Control Department, HICOM Business Department of the Company</p> <p>Jun. 2018 Director, Executive Officer, General Manager, Overseas Marketing Division (to present)</p> <p>(Significant concurrent positions) Auditor, Kato SCE (Xiamen) Construction Machinery Co., Ltd.</p>	1,089
<p>Reason for nomination as candidate for Director Takatsugu Ishii has abundant experience and achievements, having been engaged mainly in the overseas sales at IHI Corporation as well as domestic and overseas sales at IHI Construction Machinery Limited. He is playing a sufficient part in important management decision-making and supervision of business execution by the Board of Directors. Therefore, in order to make use of his capabilities and experience in management, the Company proposes his re-election as a Director.</p>			
8	<p>Yoshiaki Ohkami (Jul. 26, 1939)</p> <p><u>Reappointment</u> <u>Outside</u> <u>Independent</u></p> <p>Attendance at the Board of Directors meetings: 13/13 (100%)</p>	<p>Apr. 1968 Research Engineer, Space Research Group, National Aerospace Laboratory, Science and Technology Agency</p> <p>Apr. 1991 Professor, Department of Mechano-Aerospace Engineering, School of Engineering, Tokyo Institute of Technology</p> <p>Apr. 1999 Special Advisor and Executive Research Inspector, Technical Research and Development Department, National Space Development Agency</p> <p>Apr. 2000 Professor Emeritus, Tokyo Institute of Technology (to present)</p> <p>Apr. 2000 Professor, Department of System Design Engineering, Keio University</p> <p>Apr. 2008 Dean and Professor, Graduate School of System Design and Management, Keio University</p> <p>Apr. 2011 Executive Advisor, System Design and Management Research Institute, Keio University (to present)</p> <p>Apr. 2011 Chairman, Committee on Basic Technology of Space Solar Power Systems, Japan Aerospace Exploration Agency (JAXA) (to present)</p> <p>Jun. 2014 Director of the Company (to present)</p> <p>(Significant concurrent positions) Professor Emeritus, Tokyo Institute of Technology Executive Advisor, System Design and Management Research Institute, Keio University Chairman, Committee on Basic Technology of Space Solar Power Systems, Japan Aerospace Exploration Agency (JAXA)</p>	2,045
<p>Reason for nomination as candidate for Outside Director Yoshiaki Ohkami has served many positions as a university professor and has long been engaged in the research of aerospace engineering. In order to make use of his abundant knowledge and experience thus accumulated for improving the corporate value of the Company, which is a machinery manufacturer, the Company proposes his re-election as an Outside Director. Although the candidate has not been directly involved in corporate management, the Company believes he may appropriately fulfill his duties as the Company's Outside Director for the above reason. The candidate's term of office as an Outside Director will be six (6) years at the conclusion of the Meeting.</p>			

Notes:

1. There are no special interests between the candidates and the Company.
2. If Yoshiaki Ohkami's re-election is approved, the Company intends to continue the agreement with him to limit his liabilities as provided in Article 427, Paragraph 1 of the Companies Act. The limit of liabilities under the agreement is the amount stipulated by laws and regulations.
3. The Company has designated Yoshiaki Ohkami as an independent director stipulated by the provisions of the Tokyo Stock Exchange and has notified the said Exchange accordingly. If his re-election is approved at the Meeting, the Company intends to maintain his status as an independent director.
4. The number of the Company's shares held by each candidate includes holdings in the officers' shareholding association.

Proposal 4: Election of Four (4) Directors Serving as Audit and Supervisory Committee Members

The terms of office of all the four (4) Directors serving as Audit and Supervisory Committee Members will expire at the conclusion of the Meeting. Accordingly, the Company proposes to elect four (4) Directors serving as Audit and Supervisory Committee Members.

The Company has obtained the consent of the Audit and Supervisory Committee with respect to this Proposal. The candidates for Directors serving as Audit and Supervisory Committee Members are as follows:

No.	Name	Current positions at the Company	
1	Michio Muronaka	Director and Audit and Supervisory Committee Member	Reappointment Outside Independent
2	Hiroki Imai	Director and Audit and Supervisory Committee Member	Reappointment Outside Independent
3	Shinichiro Zama	Director and Audit and Supervisory Committee Member	Reappointment Outside Independent
4	Yoshitaka Yanagi	Executive Officer, General Manager, Product Support Division	New Candidate

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of the Company's shares held
1	Michio Muronaka (Dec. 20, 1949) Reappointment Outside Independent Attendance at the Board of Directors meetings: 13/13 (100%)	Sep. 1980 Aug. 1981 Jun. 2011 Jun. 2016 (Significant concurrent positions) Representative, Muronaka & Co	Registered as a certified public accountant Established Muronaka & Co Corporate Auditor of the Company Director and Audit and Supervisory Committee Member (to present)	2,648
	<p>Reason for nomination as candidate for Outside Director Michio Muronaka has advanced expert knowledge regarding corporate accounting from many years of experience as a certified public accountant, and currently provides appropriate supervision and advice regarding the execution of duties from an outside perspective, across all aspects of the management of the Company. Therefore, the Company proposes his re-election as a Director (Outside Director) serving as Audit and Supervisory Committee Member. Although the candidate has not been directly involved in corporate management, the Company believes he may appropriately fulfill his duties as the Company's Outside Director for the above reason. The candidate's term of office as an Outside Director (Audit and Supervisory Committee Member) will be four (4) years at the conclusion of the Meeting.</p>			
2	Hiroki Imai (Jan. 15, 1971) Reappointment Outside Independent Attendance at the Board of Directors meetings: 13/13 (100%)	Apr. 1997 Jun. 2015 Jun. 2016 (Significant concurrent positions) Attorney, Tada Law Office	Registered as an attorney with Daini Tokyo Bar Association Corporate Auditor of the Company Director and Audit and Supervisory Committee Member (to present)	2,122
	<p>Reason for nomination as candidate for Outside Director Hiroki Imai has advanced expert knowledge regarding all aspects of corporate law from many years of experience as an attorney, and currently provides appropriate supervision and advice regarding the execution of duties from an outside perspective, across all aspects of the management of the Company. Therefore, the Company proposes his re-election as a Director (Outside Director) serving as Audit and Supervisory Committee Member. Although the candidate has not been directly involved in corporate management, the Company believes he may appropriately fulfill his duties as the Company's Outside Director for the above reason. The candidate's term of office as an Outside Director (Audit and Supervisory Committee Member) will be four (4) years at the conclusion of the Meeting.</p>			
3	Shinichiro Zama (Oct. 11, 1954) Reappointment Outside Independent Attendance at the Board of Directors meetings: 13/13 (100%)	Apr. 1977 Apr. 2001 Apr. 2006 Apr. 2009 Mar. 2015 Apr. 2015 Jun. 2019 (Significant concurrent positions) Director, Tamagawa Gakuen, Incorporated Educational Institution	Joined Finance Department, Tamagawa Gakuen, Incorporated Educational Institution General Manager, Secretariat General Manager, Accounting Department Councilor Corporate Auditor, HyphaGenesis Inc. Director, Tamagawa Gakuen, Incorporated Educational Institution (to present) Director and Audit and Supervisory Committee Member of the Company (to present)	907
	<p>Reason for nomination as candidate for Outside Director Shinichiro Zama has experience in financial departments and wide-ranging knowledge related to management, having been engaged in the management of an educational institution as Director of Tamagawa Gakuen, Incorporated Educational Institution. The Company believes he may provide appropriate supervision and advice regarding the execution of duties from an outside perspective, across all aspects of the management of the Company, and therefore the Company proposes his re-election as a Director (Outside Director) serving as Audit and Supervisory Committee Member. The candidate's term of office as an Outside Director (Audit and Supervisory Committee Member) will be two (2) years at the conclusion of the Meeting.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares held
4	Yoshitaka Yanagi (Aug. 26, 1952) <u>New Candidate</u>	Apr. 1975 Joined the Company May 2005 General Manager, Quality Assurance Department Jun. 2009 Executive Officer, General Manager, Quality Assurance Department Jun. 2014 Executive Officer, General Manager, Gunma Plant Jun. 2017 Executive Officer, General Manager, Product Support Division (to present)	3,807
	<p>Reason for nomination as candidate for Director Yoshitaka Yanagi has wide-ranging knowledge and experience relating to all aspects of the Company's operations, having played a part in the management team in positions including Executive Officer, General Manager, Gunma Plant and General Manager, Product Support Division. The Company believes he may provide appropriate supervision and advice regarding the execution of duties, and therefore the Company proposes his election as a Director serving as Audit and Supervisory Committee Member.</p>		

Notes:

1. There are no special interests between the candidates and the Company.
2. If the re-elections of Michio Muronaka, Hiroki Imai and Shinichiro Zama are approved, the Company intends to continue the agreements with them to limit their liabilities as provided in Article 427, Paragraph 1 of the Companies Act. The limit of liabilities under the agreement is the amount stipulated by laws and regulations.
In addition, if the election of Yoshitaka Yanagi is approved, the Company intends to conclude the same agreement with him.
3. Michio Muronaka, Hiroki Imai, and Shinichiro Zama are candidates for Outside Directors.
The Company has designated Michio Muronaka, Hiroki Imai, and Shinichiro Zama as independent directors stipulated by the provisions of the Tokyo Stock Exchange and has notified the said Exchange accordingly. If their re-elections are approved at the Meeting, the Company intends to maintain their status as independent directors.
4. The number of the Company's shares held by each candidate includes holdings in the officers' shareholding association.

[Reference] Independence Criteria for Outside Directors

Persons who satisfy the independence requirements provided by the Tokyo Stock Exchange shall be deemed independent from the Company.

However, the independence of those who fall under the following shall be carefully determined according to actual circumstances.

1. Consultants, accounting or legal professionals who receive a large amount of compensation from the Company other than directors' compensation.
2. Persons who receive a large amount of donation, etc. from the Company, or in case the recipient is a corporation, etc., an executive thereof.
3. A major shareholder of the Company, or in case the entity is a corporation, etc., an executive thereof.
4. Close relatives of the following (excluding those who are irrelevant):
 - A. Persons who fall under 1 through 3 above.
 - B. Directors, Audit & Supervisory Board Members, Executive Officers and important employees, etc. of the Company and its subsidiaries.