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(Securities Code 7282)

May 27, 2020

To All Shareholders:

1 Haruhinagahata, Kiyosu, Aichi  
**TOYODA GOSEI CO., LTD.**  
President Naoki Miyazaki

## NOTICE OF THE 97th ORDINARY GENERAL SHAREHOLDERS' MEETING

Dear Shareholder,

Please refer to the following for information about the upcoming 97th Ordinary General Shareholders' Meeting (the "General Shareholders' Meeting") of Toyoda Gosei Co., Ltd. (the "Company").

In lieu of attending the meeting, you can exercise your voting rights by paper ballot or by electromagnetic means (the Internet, etc.). Please review the enclosed Reference Documents and exercise your voting rights by no later than 5:15 p.m. on Thursday, June 11, 2020 (Japan Time). Thank you very much for your cooperation.

**1. Date and time:** 10:00 a.m., Friday, June 12, 2020  
(Reception start time: 9:00 a.m.)

**2. Venue:** Sun Court East of the Company  
4500 Nakashitanbata, Inokuchi-cho, Inazawa, Aichi

### 3. Agenda:

#### Reports:

- (1) Reports on business review and consolidated and non-consolidated financial statements for the 97th Fiscal Year (April 1, 2019 through March 31, 2020)
- (2) Report by the Accounting Auditor and the Audit & Supervisory Board on the audit results of the consolidated financial statements.

#### Resolutions:

- Proposed Resolution 1: Distribution of Surplus
- Proposed Resolution 2: Election of 9 Directors
- Proposed Resolution 3: Election of 2 Audit & Supervisory Board Members
- Proposed Resolution 4: Payment of Bonuses to Directors
- Proposed Resolution 5: Revision of Compensation Amount for Directors
- Proposed Resolution 6: Determination of Compensation for Granting of Restricted Shares to Directors (excluding Outside Directors)

Notes: - "Systems to Ensure Adequacy of Business and Overview of their Operational Status" in the Business Report, "Consolidated statement of changes in equity", "Notes to the consolidated

financial statements”, “Statement of changes in net assets” and “Notes to non-consolidated financial statements” are not included in the attachments since they are posted on the Company’s website as provided by laws and regulations and Article 14 of the Company’s Articles of Incorporation.

Accordingly, the attachments to this Notice are a portion of the Business Report, consolidated and non-consolidated financial statements audited by the Audit & Supervisory Board Members in the formulation of the Audit Report. Similarly, they are a portion of the consolidated and non-consolidated financial statements audited by the Accounting Auditor in the formulation of the Financial Audit Report.

- In the event where revisions are necessary for the Reference Documents or attachments of the General Shareholders’ Meeting, the revised information will be posted on the Company’s website.

The Company’s website: [https:// www.toyoda-gosei.co.jp/](https://www.toyoda-gosei.co.jp/)

## Reference Documents

Proposed resolutions and reference matters

### Proposed Resolution 1: Distribution of Surplus

We are promoting business development to achieve steady growth, while improving and strengthening the corporate structure in pursuit of increased corporate value. Regarding the distribution of surplus, we have a basic policy to pay stable dividends to shareholders in a consistent manner, while giving comprehensive consideration to factors such as business results, demand for funds, and dividend payout ratio, so as to live up to the expectations of shareholders.

We would like to offer a year-end dividend of 30 yen per share as follows. Combined with the interim dividend, the total amount of the annual dividends for the fiscal year ended March 31, 2020 will be 60 yen per share.

- (1) Type of dividend assets

Cash

- (2) Allocation of dividend assets and the total amount of dividends

Payment of 30 yen per share of common stock

Total amount of dividends: 3,883,686,000 yen

- (3) Effective date of distribution of surplus

June 15, 2020

## Proposed Resolution 2: Election of 9 Directors


All 9 Directors will retire upon the expiration of their term of office at the conclusion of this General Shareholders' Meeting. Accordingly, we hereby request that 9 Directors be elected.


This proposal resolution has been submitted to and reviewed by the Executive Appointment Committee.


The candidates for the positions of Director are as follows:


No.	Name (birth date)	Current position	Current Responsibilities
1	Naoki Miyazaki (May 23, 1957) Re-appointed	President	-
2	Toru Koyama (December 1, 1959) Re-appointed	Executive Vice President	Assistant to the President
3	Tomonobu Yamada (February 4, 1959) Re-appointed	Director, Corporate Officer	Chief of Sales Headquarters
4	Hiroshi Yasuda (October 5, 1959) Re-appointed	Director, Corporate Officer	Chief of Production Headquarters Chief of Safety & Health Promotion Division Chief of Environment Division
5	Masaki Oka (February 20, 1962) Re-appointed	Director, Corporate Officer	Chief of Finance and Accounting Headquarters Chief of IT Headquarters
6	Takashi Ishikawa (February 7, 1961) Newly Appointed	Corporate Officer	Chief of Research and Development Headquarters
7	Sojiro Tsuchiya (May 17, 1949) Re-appointed Outside Director Independent Director	Director	-
8	Kimio Yamaka (April 6, 1956) Re-appointed Outside Director Independent Director	Director	-
9	Mayumi Matsumoto (March 10, 1963) Re-appointed Outside Director Independent Director	Director	-


Note: There are no special conflicts of interest between each of the candidates and the Company.


No.	Name (birth date)	Brief career summary, position and main areas of responsibility at the Company, and important concurrent duties			Number of the Company's shares owned
1	 Naoki Miyazaki (May 23, 1957) Re-appointed	April 1980	Joined Toyota Motor Co., Ltd.	15,700 shares	
		June 2008	Managing Officer of Toyota Motor Corporation		
		April 2013	Senior Managing Officer of Toyota Motor Corporation	Attendance at Board of Directors Meetings	
		April 2014	Adviser of the Company	13/13(100%)	
		June 2014	Executive Vice President of the Company		
June 2015	President of the Company (to the present)	Number of years served as a director			
Reason for nomination as candidate for Director					
<p>Mr. Naoki Miyazaki holds many years of experience in corporate management, having served as a Senior Managing Officer of Toyota Motor Corporation and also as an Executive Vice President of the Company from 2014 and President of the Company from 2015. We therefore re-nominate him as a candidate to become a Director as we expect him to reflect his extensive experience and high-level insight on the Company's management.</p>					

No.	Name (birth date)	Brief career summary, position and main areas of responsibility at the Company, and important concurrent duties			Number of the Company's shares owned
2	 Toru Koyama (December 1, 1959) Re-appointed	April 1982	Joined the Company	8,144 shares	
		June 2012	Corporate Officer of the Company		
		June 2015	Managing Officer of the Company	Attendance at Board of Directors Meetings	
		June 2016	Director, Managing Officer of the Company	13/13(100%)	
		June 2018	Director, Senior Managing Officer of the Company		
June 2019	Executive Vice President of the Company (to the present)	Number of years served as Director			
		(areas of responsibility at the Company) Assistant to the President			4 years (Upon the conclusion of this General Shareholders' Meeting)
Reason for nomination as candidate for Director					
<p>Mr. Toru Koyama holds experience working in the safety systems development division of the Company, served as a management member of an overseas subsidiary, and has been involved in corporate management as a Director of the Company from 2016. We therefore re-nominate him as a candidate to become a Director as we expect him to reflect his extensive experience and high-level insight on the Company's management.</p>					

No.	Name (birth date)	Brief career summary, position and main areas of responsibility at the Company, and important concurrent duties	Number of the Company's shares owned	
3	 Tomonobu Yamada (February 4, 1959) Re-appointed	April 1981	Joined the Company	7,600 shares
		June 2010	Director of the Company	Attendance at Board of Directors Meetings
		June 2012	Corporate Officer of the Company	
		June 2014	Managing Officer of the Company	13/13(100%)
		June 2016	Director, Managing Officer of the Company	
June 2017	Director, Senior Managing Officer of the Company	Number of years served as Director		
		June 2019	Director, Corporate Officer of the Company (to the present)	4 years (Upon the conclusion of this General Shareholders' Meeting)
(areas of responsibility at the Company) Chief of Sales Headquarters				
Reason for nomination as candidate for Director				
Mr. Tomonobu Yamada holds experience working in the sales division of the Company and has been involved in corporate management as a Director of the Company from 2016. We therefore re-nominate him as a candidate to become a Director as we expect him to reflect his extensive experience and high-level insight on the Company's management.				

No.	Name (birth date)	Brief career summary, position and main areas of responsibility at the Company, and important concurrent duties	Number of the Company's shares owned	
4	 Hiroshi Yasuda (October 5, 1959) Re-appointed	April 1982	Joined the Company	5,379 shares
		June 2012	Corporate Officer of the Company	Attendance at Board of Directors Meetings
		June 2016	Director, Managing Officer of the Company	
		June 2018	Director, Senior Managing Officer of the Company	13/13(100%)
		June 2019	Director, Corporate Officer of the Company (to the present)	
				Number of years served as Director
				4 years (Upon the conclusion of this General Shareholders' Meeting)
(areas of responsibility at the Company) Chief of Production Headquarters Chief of Safety & Health Promotion Division Chief of Environment Division				
Reason for nomination as candidate for Director				
Mr. Hiroshi Yasuda holds experience working mainly on safety systems products in the production engineering division of the Company, served as a management member of an overseas subsidiary, and has been involved in corporate management as a Director of the Company from 2016. We therefore re-nominate him as a candidate to become a Director as we expect him to reflect his extensive experience and high-level insight on the Company's management.				

No.	Name (birth date)	Brief career summary, position and main areas of responsibility at the Company, and important concurrent duties	Number of the Company's shares owned
5	 Masaki Oka (February 20, 1962) Re-appointed	April 1985 Joined Toyota Motor Corporation January 2014 General Manager of Affiliated Companies Finance Dept. of Toyota Motor Corporation January 2015 Adviser of the Company June 2015 Corporate Officer of the Company June 2018 Director, Managing Officer of the Company June 2019 Director, Corporate Officer of the Company (to the present)	5,600 shares
			Attendance at Board of Directors Meetings
			13/13(100%)
			Number of years served as Director
			2 years (Upon the conclusion of this General Shareholders' Meeting)
Reason for nomination as candidate for Director			
Mr. Masaki Oka holds experience working in the finance & accounting area of Toyota Motor Corporation and the Company and has been involved in corporate management as a Director of the Company from 2018. We therefore re-nominate him as a candidate to become a Director as we expect him to reflect his extensive experience and high-level insight on the Company's management.			

No.	Name (birth date)	Brief career summary, position and main areas of responsibility at the Company, and important concurrent duties	Number of the Company's shares owned
6	 Takashi Ishikawa (February 7, 1961) Newly Appointed	April 1985 Joined Toyota Motor Corporation June 2008 General Manager of Upper Body Design Dept. No.2 of Toyota Motor Corporation January 2013 Adviser of the Company June 2013 Corporate Officer of the Company June 2016 Managing Officer of the Company June 2019 Corporate Officer of the Company (to the present)	3,200 shares
Reason for nomination as candidate for Director			
Mr. Takashi Ishikawa holds experience working in the technical development area of Toyota Motor Corporation and the Company. We therefore nominate him as a candidate to become a Director as we expect him to reflect his extensive experience and high-level insight on the Company's management.			


No.	Name (birth date)	Brief career summary, position and main areas of responsibility at the Company, and important concurrent duties	Number of the Company's shares owned	
7	 Sojiro Tsuchiya (May 17, 1949) Re-appointed Outside Director Independent Director	April 1975	Joined Nippondenso Co., Ltd.	0 shares
		June 2002	Director of Denso Corporation	Attendance at Board of Directors Meetings
		June 2004	Managing Officer of Denso Corporation	
		June 2007	Senior Managing Director of Denso Corporation	13/13(100%)
		June 2011	Executive Vice President of Denso Corporation	Number of years served as Director
		June 2013	Adviser, Senior Technical Executive of Denso Corporation	
		June 2015	Director of the Company (to the present)	5 years (Upon the conclusion of this General Shareholders' Meeting)
		June 2015	Adviser of Denso Corporation (Retired in June 2016)	
(important concurrent duties) Outside Director of Nissei Corporation External Auditor of DMG Mori Co., Ltd.				
Reason for nomination as candidate for Outside Director				
Mr. Sojiro Tsuchiya holds experience working mainly in the production engineering area of Denso Corporation, as well as experience in the corporate management of Denso Corporation as a Director. We therefore re-nominate him as a candidate to become an Outside Director as we expect him to reflect his extensive experience and high-level insight on the Company's management.				

- Notes:
1. Mr. Sojiro Tsuchiya is a candidate to become an Outside Director.
  2. Upon the conclusion of this General Shareholders' Meeting, he would serve as an Outside Director of the Company for 5 years.
  3. The Company has entered into an agreement limiting liability for damages provided for in Article 423, Paragraph 1 of the Companies Act with him. The outline of the limited liability agreement is that he shall be held liable for damages up to the amount stipulated in Article 425, Paragraph 1 of the Companies Act.
  4. As the Company has determined that he fulfills the provisions of an Independent Director based on the stipulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and is unlikely to have any conflicts of interests with general shareholders, the Company has registered him as an Independent Director. In addition, it has been 7 years since he retired from his position as a business executive of Denso Corporation in June 2013. Although the Company has a transactional relationship with the said company, the transactional amount is 0.1% or less of the Company's net sales.



No.	Name (birth date)	Brief career summary, position and main areas of responsibility at the Company, and important concurrent duties	Number of the Company's shares owned	
8	 Kimio Yamaka (April 6, 1956) Re-appointed Outside Director Independent Director	April 1980	Joined Japan Development Bank	0 shares
		April 2007	Deputy Director-General of Development Bank of Japan	Attendance at Board of Directors Meetings
		July 2009	Director of the Energy Strategy Institute Co., Ltd. (to the present)	13/13(100%)
		December 2012	General Advisor of Energy Policy for Yamagata Pref. (to the present)	Number of years served as Director
		April 2014	Project Professor of Graduate School of Economics, Kyoto University (to the present)	4 years (Upon the conclusion of this General Shareholders' Meeting)
		June 2016	Director of the Company (to the present)	
		(important concurrent duties) Director of the Energy Strategy Institute Co., Ltd. Project Professor of Graduate School of Economics, Kyoto University General Advisor of Energy Policy for Yamagata Pref.		
Reason for nomination as candidate for Outside Director				
Mr. Kimio Yamaka holds experience working in the fields of finance and project review mainly for government policy finance and in the field of environment and energy. We therefore re-nominate him as a candidate to become an Outside Director as we expect him to reflect his extensive experience and high-level insight on the Company's management.				

- Notes:
1. Mr. Kimio Yamaka is a candidate to become an Outside Director.
  2. Upon the conclusion of this General Shareholders' Meeting, he would serve as an Outside Director of the Company for 4 years.
  3. The Company has entered into an agreement limiting liability for damages provided for in Article 423, Paragraph 1 of the Companies Act with him. The outline of the limited liability agreement is that he shall be held liable for damages up to the amount stipulated in Article 425, Paragraph 1 of the Companies Act.
  4. As the Company has determined that he fulfills the provisions of an Independent Director based on the stipulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and is unlikely to have any conflicts of interests with general shareholders, the Company has registered him as an Independent Director. In addition, there are no attributes that are relevant to his eligibility as an Independent Director.

No.	Name (birth date)	Brief career summary, position and main areas of responsibility at the Company, and important concurrent duties	Number of the Company's shares owned
9	 Mayumi Matsumoto (March 10, 1963) Re-appointed Outside Director Independent Director	October 1987 News Anchor of TV Asahi	0 shares
		April 1993 News Anchor of NHK	
		July 2003 News Reporter managed by HoriPro Inc. (resigned in April 2009)	Attendance at Board of Directors Meetings
		May 2008 Cooperative Researcher of Research Center for Advanced Science and Technology, the University of Tokyo	11/11(100%)
		May 2009 Project Researcher of Research Center for Advanced Science and Technology, the University of Tokyo	
		April 2011 Senior Fellow and Director of the International Environment and Economy Institute (IEEI) (to the present)	Number of years served as Director
		April 2014 Visiting Associate Professor of Special Division of Environment and Energy Science, Komaba Organization for Educational Excellence (KOMEX), the University of Tokyo (to the present)	1 year (Upon the conclusion of this General Shareholders' Meeting)
		July 2017 Director of Japan Council for Renewable Energy (JCRE) (to the present)	
(important concurrent duties) Visiting associate professor of KOMEX, the University of Tokyo Senior Fellow and Director of the International Environment and Economy Institute (IEEI) Director of Japan Council for Renewable Energy (JCRE)			
Reason for nomination as candidate for Outside Director			
<p>Ms. Mayumi Matsumoto holds experience working mainly as a news anchor and researcher in the broad fields of social issues, environment and energy. We therefore re-nominate her as a candidate to become an Outside Director as we expect her to reflect her extensive experience and high-level insight on the Company's management.</p> <p>While she has not been involved in corporate management other than having served as an outside director or outside audit &amp; supervisory board member in the past, we believe that she would adequately fulfill her duties as an Outside Director for the reason set forth above.</p>			


- Notes:
- Ms. Mayumi Matsumoto is a candidate to become an Outside Director.
  - Upon the conclusion of this General Shareholders' Meeting, she would serve as an Outside Director of the Company for 1 year.
  - The Company has entered into an agreement limiting liability for damages provided for in Article 423, Paragraph 1 of the Companies Act with her. The outline of the limited liability agreement is that she shall be held liable for damages up to the amount stipulated in Article 425, Paragraph 1 of the Companies Act.
  - As the Company has determined that she fulfills the provisions of an Independent Director based on the stipulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and is unlikely to have any conflicts of interests with general shareholders, the Company has registered her as an Independent Director. In addition, there are no other attributes that are relevant to his eligibility as an Independent Director.

### Proposed Resolution 3: Election of 2 Audit & Supervisory Board Members


The term of office of Mr. Hitoshi Mizutani as an Audit & Supervisory Board Member will expire upon the conclusion of this General Shareholders' Meeting and Mr. Takeshi Uchiyamada will resign as an Audit & Supervisory Board Member upon the conclusion of this General Shareholders' Meeting. Accordingly, we hereby request that 2 Audit & Supervisory Board Members be elected.

This proposal resolution has been submitted to and reviewed by the Executive Appointment Committee and the Audit & Supervisory Board has given its prior consent to this proposed resolution.

The candidate for the position of the Audit & Supervisory Board Members are as below.

No.	Name (birth date)	Brief career summary, position at the Company, and important concurrent duties	Number of the Company's shares owned
1	 <p>Kenji Oiso (January 22, 1958) Newly Appointed</p>	<p>April 1980 Joined Sumitomo Metal Industries Ltd.</p> <p>April 2002 Deputy Manager of Finance &amp; Accounting Div. of Sumitomo Metal Industries Ltd.</p> <p>June 2004 Joined Mitsubishi Sumitomo Silicon Co., Ltd.</p> <p>March 2006 General Manager of Finance &amp; Accounting Div. of SUMCO Corporation</p> <p>April 2011 Corporate Officer of SUMCO Corporation (retired in April 2014)</p> <p>April 2014 Functional Officer of Yokogawa Sumikin Bridge Corp. (retired in December 2015)</p> <p>January 2016 Joined Miraial Co., Ltd.</p> <p>February 2016 General Manager of Administration Div. of Miraial Co., Ltd.</p> <p>April 2017 Project General Manager of Finance &amp; Accounting Div. of the Company</p> <p>April 2019 Managing Director of Toyoda Gosei Corporate Pension Fund (Scheduled to retire in June 2020)</p>	0 shares
Reason for nomination as candidate for Audit & Supervisory Board Member			
Mr. Kenji Oiso holds experience working in the finance & accounting area of manufacturing corporations including the Company. We therefore nominate him as a candidate to become an Audit & Supervisory Board Member as we expect him to reflect his extensive experience and high-level insight on the audit of the Company.			

Note: There are no special conflicts of interest between Mr. Kenji Oiso and the Company.

No.	Name (birth date)	Brief career summary, position at the Company, and important concurrent duties	Number of the Company's shares owned
2	 Chika Kako (February 27, 1967) Newly Appointed Outside Audit & Supervisory Board Member	April 1989 Joined Toyota Motor Corporation January 2015 Chief Engineer of Lexus International Co. ZL of Toyota Motor Corporation January 2018 Managing Officer of Toyota Motor Corporation January 2019 Field General Manager of Advanced R&D and Engineering Company Material Technology Field of Toyota Motor Corporation January 2020 Senior General Manager of Advanced R&D and Engineering Company Material Technology Field of Toyota Motor Corporation (to the present)	0 shares
		(important concurrent duties) Senior General Manager of Advanced R&D and Engineering Company Material Technology Field of Toyota Motor Corporation	
Reason for nomination as candidate for Outside Audit & Supervisory Board Member			
<p>Ms. Chika Kako holds experience mainly in the vehicle development and materials development divisions of Toyota Motor Corporation, as well as experience with management of Toyota Motor Corporation as a Managing Officer. We therefore nominate her as a candidate to become an Outside Audit &amp; Supervisory Board Member as we expect her to reflect her extensive experience and high-level insight on the audit of the Company.</p>			

- Notes:
1. Ms. Chika Kako is a candidate to become an Outside Audit & Supervisory Board Member.
  2. She currently serves and has served in the past for five years as an executive of Toyota Motor Corporation, a specified associated company of the Company.
  3. Upon approval of her election in this Proposed Resolution, the Company will enter into an agreement limiting liability for damages provided for in Article 423, Paragraph 1 of the Companies Act with her after she will be elected. The outline of the limited liability agreement is that she shall be held liable for damages up to the amount stipulated in Article 425, Paragraph 1 of the Companies Act.

#### **Proposed Resolution 4: Payment of Bonuses to Directors**

In consideration of the results for the 97th Fiscal Year and other factors, the 6 Directors (excluding the Outside Directors) in office as of the end of the 97th Fiscal Year will be paid a total amount of 73,000,000 yen as bonuses.

#### **Proposed Resolution 5: Revision of Compensation Amount for Directors**

The current compensation amount for Directors is within 60 million yen per month, an amount approved at the 85th Ordinary General Shareholders' Meeting held on June 25, 2008. However, in order to further promote initiatives aimed at improving corporate value in the medium to long term, the Company has decided to review the compensation system of Directors. Accordingly, the Company proposes to change the compensation amount for Directors from a monthly figure to an annual figure, and to revise that compensation amount to within 650 million yen per year (including compensation for Outside Directors of within 65 million yen per year).

Within the above compensation category, on top of the monthly fixed compensation for Directors including Outside Directors, performance-based compensation of cash bonuses shall be paid to Directors excluding Outside Directors.

Monthly compensation is a form of compensation that reflects the Director's responsibilities and experience, as well as trends at other companies. On the other hand, using the consolidated operating profit of each fiscal year as the base, upon a comprehensive consideration of dividends, employee bonus levels, trends at other companies, medium- to long-term performance, and past bonus payments made, cash bonuses are discussed by the Executive Compensation Committee, and subsequently determined by the Board of Directors.

As per current practice, the compensation amount for Directors shall not include the employee salary given to Directors who concurrently serve as employees.

If Proposed Resolution 2 is approved, there will be 9 Directors (including 3 Outside Directors) at the conclusion of this General Shareholders' Meeting.

This proposal has been submitted to and reviewed by the Executive Compensation Committee.

#### **Proposed Resolution 6: Determination of Compensation for Granting of Restricted Shares to Directors (excluding Outside Directors)**

If Proposed Resolution 5 is approved, the compensation amount for the Company's Directors will be within 650 million yen per year (including compensation for Outside Directors of within 65 million yen per year).

As part of the process to review the executive compensation system, with the purpose of providing an incentive aimed at encouraging sustainable improvement of the Company's corporate value, and of promoting further sharing of value between the Company's Directors (excluding Outside Directors, hereinafter known as "Eligible Directors") and shareholders, the Company hereby proposes to pay compensation to Eligible Directors for the granting of new restricted shares (shares with transfer restrictions) as a separate category from the above-mentioned compensation.

Based on this proposed resolution, the compensation paid to Eligible Directors for the granting of restricted shares shall be monetary receivables (hereinafter known as "Monetary Compensation

Receivables”). The total amount of Monetary Compensation Receivables shall be within 100 million yen per year, which is deemed reasonable in consideration of the above-mentioned purposes. Furthermore, the specific payment period and amount allocated to each Eligible Director shall be discussed by the Executive Compensation Committee, and determined by the Board of Directors.

The above compensation amount shall not include the employee salary given to Directors who concurrently serve as employees.

If Proposed Resolution 2 is approved, there will be 9 Directors (including 3 Outside Directors) at the conclusion of this General Shareholders’ Meeting.

Based on a resolution by the Company’s Board of Directors, Eligible Directors shall pay in all of the Monetary Compensation Receivables to be granted according to this proposed resolution in the form of property contributed in kind, and receive the issuance or disposal of the Company’s common shares. The corresponding issuance or disposal of the Company’s common shares shall be within 100,000 shares a year (if, however, there is a stock split [including allocation of the Company’s common shares at no cost] or stock consolidation of the Company’s common shares on or after the approval date of this proposed resolution, or any other circumstance resulting in the need to adjust the total number of the Company’s common shares to be issued or disposed as restricted shares, the said total number shall be adjusted within a reasonable scope).

Using the final value of the Company’s common shares on the Tokyo Stock Exchange on the business day prior to the date of each Board of Directors’ resolution (if there are no valid transactions on that day, the final value on the most recent transaction day prior to that) as the base, the amount paid per share shall be determined by the Board of Directors within a scope that will not be particularly beneficial to the Eligible Director receiving the said common shares. Furthermore, the issuance or disposal of the Company’s common shares through this proposed resolution shall require the conclusion of a restricted shares allocation contract (hereinafter known as the “Allocation Contract”), which includes the details below, between the Company and each Eligible Director.

(1) Transfer Restriction Period

Eligible Directors shall not be able to transfer, set security interests on or in any other way dispose of (hereinafter known as “Transfer Restrictions”) the Company’s common shares they have received in the allocation according to the Allocation Contract (hereinafter known as “Allocated Shares”) during a period from the date of allocation to the date immediately after his or her retirement from the position predetermined by the Company’s Board of Directors (hereinafter known as the “Transfer Restriction Period”).

(2) Provisions in the Case of Retirement

Before the period from the starting date of the Transfer Restriction Period to the time right before the conclusion of the first subsequent Ordinary General Shareholders’ Meeting (hereinafter known as the “Service Provision Period”) ends, if an Eligible Director retires from his or her position predetermined by the Company’s Board of Directors, except in cases where the Eligible Director has completed his or her term, is deceased, or has any other justifiable reason, the Company shall be able to fairly acquire the Allocated Shares at no cost.

(3) Removal of Transfer Restrictions

Notwithstanding the provisions in (1) above, upon the condition that the Eligible Director remains in the position predetermined by the Company’s Board of Directors continuously during the Service Provision Period, the Company shall remove the Transfer Restrictions on all the Allocated Shares at the end of the

Transfer Restriction Period. However, if the said Eligible Director retires from his or her position stipulated in (2) above before the end of the Service Provision Period due to the completion of his or her term, being deceased, or any other justifiable reason as stated in (2) above, the number of Allocated Shares for which Transfer Restrictions will be removed shall be adjusted as necessary. In the time right after Transfer Restrictions have been removed based on the above provisions, if there are still Allocated Shares for which Transfer Restrictions have not been removed, the Company shall be able to fairly acquire the Allocated Shares at no cost.

(4) Provisions in the Case of Organizational Restructuring

Notwithstanding the provisions in (1) above, if, during the Transfer Restriction Period, a merger contract where the Company is the disappearing company, a share exchange contract where the Company becomes a wholly-owned subsidiary, a share transfer plan, or any other matter concerning organizational restructuring is approved at the Company's General Shareholders' Meeting (if the said organizational restructuring, etc. does not require approval at the Company's General Shareholders' Meeting, by the Company's Board of Directors), the Company may, through a Board of Directors' resolution, remove Transfer Restrictions before the effective date of the said organizational restructuring, etc. for a number of Allocated Shares, determined reasonably based on the period from the starting date of the Transfer Restriction Period to the approval date of the said organizational restructuring, etc. In addition, in the case stipulated above, in the time right after Transfer Restrictions have been removed, the Company shall be able to fairly acquire, at no cost, the Allocated Shares for which Transfer Restrictions have not been removed.

(5) Other Matters

Other matters concerning the Allocation Contract shall be determined by the Company's Board of Directors.

This proposed resolution has been submitted to and reviewed by the Executive Compensation Committee.

End