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Securities Code: 4611

June 7, 2021

To our shareholders:

Takayuki Sato President

Dai Nippon Toryo Co., Ltd.

18-11 Minamisemba 1-chome, Chuo-ku, Osaka

NOTICE OF THE 138TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dai Nippon Toryo Co., Ltd. (the “Company”) would hereby like to inform you that the 138th Ordinary General Meeting of Shareholders will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail or by the Internet. In this case, after reviewing the attached Reference Documents for the General Meeting of Shareholders, please exercise your voting rights no later than 5:00 p.m., Monday, June 28, 2021 (Japan Standard Time).

- 1. Date and Time:** Tuesday, June 29, 2021 at 10:00 a.m. (Japan Standard Time) (Reception scheduled to open at 9:00 a.m.)
- 2. Venue:** SR Building Nagahori, 9th Floor Conference Room
18-11 Minamisemba 1-chome, Chuo-ku, Osaka

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 138th Term (from April 1, 2020 to March 31, 2021), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors.
2. Non-Consolidated Financial Statements for the 138th Term (from April 1, 2020 to March 31, 2021)

Items to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Eight (8) Directors
- Proposal 3:** Election of One (1) Corporate Auditor
- Proposal 4:** Election of One (1) Substitute Corporate Auditor
- Proposal 5:** Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Outside Directors)

- If you attend the meeting in person, please submit the enclosed voting form at the reception.
- Of documents to be attached to this notice, the Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements are not included in the attached documents of this notice because they are posted on the Company’s website (<https://www.dnt.co.jp/>) in accordance with laws and regulations and Article 14 of the Articles of Incorporation. The Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements are a portion of the Consolidated Financial Statements and Non-Consolidated Financial Statements that were audited by Corporate Auditors and the Accounting Auditor, in producing the audit reports.
- In case any changes are made to the Business Report, the Consolidated Financial Statements, the Non-Consolidated Financial Statements and Reference Documents for the General Meeting of Shareholders, the Company will post such changes on the Company’s website (<https://www.dnt.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Matters

Proposal 1: Appropriation of Surplus

Returning profits stably to our shareholders is one of the important management issues, and the Company aims to maintain consistent and stable payment of dividends as our basic policy, while striving to strengthen corporate structure and maintaining financial soundness of the Company.

Based on the business performance for the current fiscal year and future business development of the Company, we plan to pay a year-end dividend of ¥25 per share, the same as the previous year-end dividend.

1. Type of dividend property
Cash
2. Allocation of dividend property to shareholders and total amount thereof
¥25 per common share of the Company
Total amount of dividends: ¥707,633,725
3. Effective date of distribution of dividends of surplus
June 30, 2021

(Reference) Basic Strategy for Capital Policy

The Company recognizes its priority challenges in achieving a medium- and long-term increase in its share value in three columns: improving financial health; effective utilization of the investors' equity to boost its earnings power; and amplified returns to shareholders. The Company makes it a basic principle that underlies its capital policies, based on which it takes into overall consideration the optimal balance between these three challenges, to attain continued growth.

Note: The Company conducted a five-to-one consolidation of common shares on October 1, 2017. The dividend amount for the 134th term has been recalculated on the assumption that the share consolidation was conducted prior to that term.

Proposal 2: Election of Eight (8) Directors

The term of office of all nine (9) Directors will expire at the conclusion of this meeting. Therefore, we propose the election of eight (8) Directors (of whom three (3) are Outside Directors).

Candidates for Directors have been determined by the Board of Directors based on the recommendation of the Nominating Committee, a majority of which consists of Outside Directors.

The candidates for Directors are as follows:

No.	Name	Position and responsibilities in the Company	Attendance to the Board of Directors	Gender	Tenure as Director (at the conclusion of this meeting)
1	Takayuki Sato Reelection	Representative Director and President	100% (12/12)	Male	Nine (9) years
2	Naoyuki Kimura Reelection	Director, Managing Executive Officer General Manager, Overseas Operations Division, and in charge of Procurement	100% (12/12)	Male	Four (4) years
3	Tatsuhiko Nagano Reelection	Director, Managing Executive Officer General Manager, Administrative Division, and in charge of Promotion of Dealer's collaboration	100% (12/12)	Male	Three (3) years
4	Hideyoshi Noda Reelection	Director, Executive Officer General Manager, Production Division	100% (12/12)	Male	Six (6) years
5	Motohiro Yamamoto Reelection	Director, Executive Officer General Manager, Coating Business Division	100% (12/12)	Male	Four (4) years
6	Kyoichi Haizaki Reelection Outside Independent	Director	100% (12/12)	Male	Five (5) years
7	Michitaka Mukohara Reelection Outside Independent	Director	92% (11/12)	Male	Three (3) years
8	Kimiyo Hayashi Reelection Outside Independent	Director	100% (12/12)	Female	Two (2) years

No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]	Number of the Company's shares owned
1	<p style="text-align: center;">Takayuki Sato (January 15, 1961) Reelection Tenure as Director (at the conclusion of this meeting) Nine (9) years</p>	<p>Apr. 1984 Joined the Company</p> <p>Apr. 2009 Deputy General Manager, Protective Coating Department, General Coating Business Division of the Company</p> <p>Apr. 2010 General Manager, Development Department, Technical Development Division of the Company</p> <p>Apr. 2011 Executive Officer, Deputy General Manager, General Coating Business Division (Head of Technology), and Deputy General Manager, Industrial Coating Business Division (Head of Technology) of the Company</p> <p>Apr. 2012 General Manager, Technical Development Division, and Deputy General Manager, Coating Business Division (Head of Technology) of the Company</p> <p>June 2012 Director of the Company</p> <p>Apr. 2014 General Manager, Coating Business Division, and General Manager, Marketing & Sales Department of the Company</p> <p>Apr. 2016 Managing Executive Officer, General Manager, Protective & Decorative Coatings Department, Coating Business Division of the Company</p> <p>Apr. 2018 Senior Managing Executive Officer, Overall management of the Company</p> <p>June 2018 Representative Director and President of the Company (present position)</p>	<p style="text-align: center;">12,600 shares</p>
<p>[Reasons for nomination as candidate for Director] Takayuki Sato has a long and proven track record in the technical and marketing divisions of the Company, and is currently leading management of the Company's Group as the Representative Director and President, making important decisions at the Board of Directors and supervising business operations. Because of this wealth of experience and achievements, in addition to having strong leadership, the Company requests his reelection as a Director as it has judged that he will strengthen the decision-making and supervisory functions of the Board of Directors, and will contribute towards continuous growth and further improvement of the corporate value of the Group.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]	Number of the Company's shares owned
2	<p>Naoyuki Kimura (May 28, 1959) Reelection Tenure as Director (at the conclusion of this meeting) Four (4) years</p>	<p>Apr. 1982 Joined Mitsubishi Corporation Mar. 2003 CEO of Miteni S.p.A (Italy) July 2006 Manager, Fine Chemicals Unit, Head Office, Mitsubishi Corporation Mar. 2010 President of PT.Kaltim Parna Industri (Indonesia) Apr. 2013 General Manager, Warsaw Branch, Mitsubishi Corporation Apr. 2016 Executive Officer, Deputy General Manager, Overseas Operations Division; General Manager, Overseas Business Planning Department; and Deputy General Manager, Procurement Division of the Company Apr. 2017 General Manager, Overseas Operations Division (present position), and in charge of Procurement (present position) of the Company June 2017 Director (present position), Managing Executive Officer of the Company (present position) [Responsibilities] Overseas Operations Division, Procurement Division</p>	1,300 shares
<p>[Reasons for nomination as candidate for Director] Naoyuki Kimura has ample expertise gained through his experience in international business and material procurement in a general trading company. In the Company, he is responsible for the Overseas Operations Division and the Procurement Division, and manages overseas subsidiaries. Considering this wealth of experience and achievements, the Company requests his reelection as a Director in the belief that he will strengthen the decision-making and supervisory functions of the Board of Directors, and will contribute towards continuous growth and further improvement of corporate value of the Company's Group.</p>			
3	<p>Tatsuhiko Nagano (September 22, 1963) Reelection Tenure as Director (at the conclusion of this meeting) Three (3) years</p>	<p>Apr. 1987 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.) May 2012 General Manager, Corporate Banking Division No. 5, Corporate Banking Group No. 2, The Mitsubishi Bank, Ltd. June 2014 General Manager, Marunouchi Branch, The Mitsubishi Bank, Ltd. June 2017 Executive Officer, Deputy General Manager, Administrative Division, and in charge of Finance of the Company Apr. 2018 General Manager, Administrative Division of the Company (present position) June 2018 Director (present position), Managing Executive Officer of the Company (present position) Oct. 2020 In charge of Promotion of Dealer's collaboration of the Company (present position) [Responsibilities] Administrative Division</p>	700 shares
<p>[Reasons for nomination as candidate for Director] Tatsuhiko Nagano has ample expertise gained through his experience in finance and management strategies in a financial organization. He is leading the Administrative Division, while chairing the Compliance Committee and Risk Management Committee, thereby contributing towards sound management of the Company's Group. Considering this wealth of experience and achievements, the Company requests his reelection as a Director in the belief that he will strengthen the decision-making and supervisory functions of the Board of Directors, and will contribute towards continuous growth and further improvement of corporate value of the Company's Group.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]	Number of the Company's shares owned
4	<p style="text-align: center;">Hideyoshi Noda (September 28, 1962) Reelection Tenure as Director (at the conclusion of this meeting) Six (6) years</p>	<p>Apr. 1985 Joined Nippon Paint Co., Ltd. Apr. 1991 Joined Nippon Steel Chemical Co., Ltd. (currently NIPPON STEEL Chemical & Material Co., Ltd.) Apr. 2007 Joined NITTO CHEMICAL CO., LTD. Apr. 2010 Joined the Company as Deputy General Manager, Production Engineering Department, Production Division Oct. 2010 General Manager, Production Engineering Department, Production Division of the Company Apr. 2013 Executive Officer of the Company (present position) May 2013 Deputy General Manager, Coating Business Division, and General Manager, Coating Business Planning Department of the Company Apr. 2015 General Manager, Production Division of the Company (present position) June 2015 Director (present position), General Manager, Production Engineering Department, Production Division of the Company</p> <p>[Responsibilities] Production Division</p> <p>[Significant concurrent positions outside the Company] Representative Director and President, NITTO CHEMICAL CO., LTD. Representative Director and President, BO CHEMICAL CO., LTD.</p>	<p style="text-align: center;">11,300 shares</p>
<p>[Reasons for nomination as candidate for Director] Hideyoshi Noda has ample expertise gained through his experience in the coating and other industries. In the Company, in addition to having experience in the Sales & Marketing Department, he is responsible for the Production Division. He is also responsible for production subsidiaries, and manages the production of the Group. Considering this wealth of experience and achievements, the Company requests his reelection as a Director in the belief that he will strengthen the decision-making and supervisory functions of the Board of Directors, and will contribute towards continuous growth and further improvement of corporate value of the Company's Group.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]	Number of the Company's shares owned
5	Motohiro Yamamoto (January 18, 1964) Reelection Tenure as Director (at the conclusion of this meeting) Four (4) years	Apr. 1986 Joined the Company Apr. 2014 Deputy General Manager, Technical Development Division, General Manager, Development Department, Head of First Technical Development Group, and Deputy General Manager, Protective & Decorative Coatings Department of the Company Apr. 2015 Executive Officer of the Company (present position) Apr. 2016 General Manager, Technical Development Division, and Deputy General Manager, Coating Business Division (Head of Technology) of the Company June 2017 Director of the Company (present position) Apr. 2018 General Manager, Coating Business Division of the Company (present position) [Responsibilities] Coating Business Division, Specialty Business Division, Technical Development Division	3,400 shares
[Reasons for nomination as candidate for Director] Motohiro Yamamoto has ample expertise gained through his many years of experience in coating development and market development in the technical divisions of the Company. Currently he is leading the marketing division by applying these skills. The Company requests his reelection as a Director in the belief that he will strengthen the decision-making and supervisory functions of the Board of Directors, and will contribute towards continuous growth and further improvement of corporate value of the Company's Group.			
6	Kyoichi Haizaki (December 22, 1948) Reelection Outside Independent Tenure as Outside Director (at the conclusion of this meeting) Five (5) years	Mar. 1971 Joined Nippon Yusoki Co., Ltd. (currently Mitsubishi Logisnext Co., Ltd.) Sept. 2005 General Manager, Domestic Sales Planning Department, Domestic Sales Division, Nippon Yusoki Co., Ltd. June 2006 Executive Officer, Nippon Yusoki Co., Ltd. June 2007 Director, Nippon Yusoki Co., Ltd. June 2008 Managing Director, Nippon Yusoki Co., Ltd. Apr. 2009 Director, Nippon Yusoki Co., Ltd. Representative Director and President, Nichiyu MHI Forklift Co., Ltd. June 2010 Managing Director, Nippon Yusoki Co., Ltd. June 2011 Senior Managing Director, Nippon Yusoki Co., Ltd. Apr. 2013 Director, Senior Managing Executive Officer, Mitsubishi Nichiyu Forklift Co., Ltd. (Currently Mitsubishi Logisnext Co., Ltd.) June 2015 Senior Advisor, Mitsubishi Nichiyu Forklift Co., Ltd. June 2016 Advisor, Mitsubishi Nichiyu Forklift Co., Ltd. (retired in June 2017) Director of the Company (present position)	700 shares
[Summary of reasons for nomination as candidate for Outside Director and expected roles] Kyoichi Haizaki has ample expertise related to corporate management gained through his many years of experience as a director of listed enterprises. The Company requests his reelection as an Outside Director in the expectation that his advice on the Company's overall management will contribute towards reinforcement of corporate governance of the Company, which leads to accomplishing continuous growth and further improvement of corporate value of the Company's Group. Moreover, if he is elected, the Company will seek his continued involvement in selecting the Company's officer candidates and making decisions on officer remuneration and other matters from an objective and neutral perspective as a member of the Nominating Committee and the Remuneration Advisory Committee.			

No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]	Number of the Company's shares owned
7	<p style="text-align: center;">Michitaka Mukohara (November 3, 1954) Reelection Outside Independent Tenure as Outside Director (at the conclusion of this meeting) Three (3) years</p>	<p>Apr. 1977 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Jan. 1997 General Manager, Tamachi Higashi-guchi Branch, The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Oct. 2000 General Manager, Media Relations Office, The Bank of Tokyo-Mitsubishi, Ltd.</p> <p>June 2004 Executive Officer, General Manager of Credit Department, The Bank of Tokyo-Mitsubishi, Ltd. (retired in June 2006)</p> <p>June 2006 Representative Director and President, Marunouchi Yorozu Co., Ltd. (retired in June 2007)</p> <p>June 2007 Representative Director and Deputy President, Mitsubishi UFJ Capital Co., Ltd.</p> <p>June 2008 President, Mitsubishi UFJ Capital Co., Ltd. (retired in June 2011)</p> <p>June 2011 Full-time Audit & Supervisory Board Member, MARUI GROUP CO., LTD. (retired in June 2015)</p> <p>Dec. 2015 Representative Director and Deputy President, MST Insurance Service Co., Ltd. (retired in June 2018)</p> <p>June 2018 Corporate Auditor, Marunouchi Yorozu Co., Ltd. (retired in June 2019) Director of the Company (present position)</p> <p>June 2019 Representative Director and President, Ryoka Sangyo Co., Ltd. (present position)</p> <p>[Significant concurrent position outside the Company] Representative Director and President, Ryoka Sangyo Co., Ltd.</p>	1,800 shares
<p>[Summary of reasons for nomination as candidate for Outside Director and expected roles] Michitaka Mukohara has ample expertise related to corporate management gained through his experience as the full-time corporate auditor of listed enterprises and a senior corporate executive of business companies, in addition to many years of experience in financial institutions. The Company requests his reelection as an Outside Director in the expectation that his advice on the Company's overall management will contribute towards reinforcement of corporate governance of the Company, which leads to accomplishing continuous growth and further improvement of corporate value of the Company's Group. Moreover, if he is elected, the Company will seek his continued involvement in selecting the Company's officer candidates and making decisions on officer remuneration and other matters from an objective and neutral perspective as a member of the Nominating Committee and the Remuneration Advisory Committee.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]	Number of the Company's shares owned
8	<p style="text-align: center;">Kimiyo Hayashi (April 29, 1958) Reelection Outside Independent Tenure as Outside Director (at the conclusion of this meeting) Two (2) years</p>	<p>Oct. 1982 Joined Asahi & Co. (currently KPMG AZSA LLC)</p> <p>Mar. 1986 Registered as a certified public accountant (to the present)</p> <p>Oct. 1995 Senior Manager, Asahi & Co. (retired in September 2009)</p> <p>Oct. 2009 Representative, Hayashi Kimiyo Certified Public Accountant Office (present position)</p> <p>Oct. 2010 Corporate Auditor, Iwatani Direct Co., Ltd. (currently IWATANI-I-COLLECT Co., Ltd.) (present position)</p> <p>June 2019 Director of the Company (present position)</p> <p>June 2020 Outside Auditor, NEW COSMOS ELECTRIC CO., LTD. (present position)</p> <p>[Significant concurrent positions outside the Company] Representative, Hayashi Kimiyo Certified Public Accountant Office Outside Auditor, NEW COSMOS ELECTRIC CO., LTD.</p>	1,400 shares
<p>[Summary of reasons for nomination as candidate for Outside Director and expected roles]</p> <p>In addition to her wealth of insight in finance and accounting as a certified public accountant, Kimiyo Hayashi has ample experience as an auditor of business corporations. The Company requests her reelection as an Outside Director in the expectation that, in addition to the above, her advice on the Company's overall management drawing on her perspective of diversity will contribute towards reinforcement of corporate governance of the Company, which leads to accomplishing continuous growth and further improvement of corporate value of the Company's Group. Moreover, if she is elected, the Company will seek her continued involvement in selecting the Company's officer candidates and making decisions on officer remuneration and other matters from an objective and neutral perspective as a member of the Nominating Committee and the Remuneration Advisory Committee.</p> <p>Although she has never been involved in the management of a company except as an outside officer in the past, the Company deems her capable of appropriately performing her professional duties as an Outside Director due to the reasons above.</p>			

- Notes:
1. Hideyoshi Noda, a candidate for Director, serves concurrently as Representative Director and President of NITTO CHEMICAL CO., LTD. and BO CHEMICAL CO., LTD. The Company outsources the production of paints to both companies.
 2. There are no special interests between the other candidates and the Company.
 3. Matters pertaining to candidates for Outside Director are as follows.
 - (1) Kyoichi Haizaki, Michitaka Mukohara and Kimiyo Hayashi are candidates for Outside Director. The Company has designated Kyoichi Haizaki, Michitaka Mukohara and Kimiyo Hayashi as Independent Officers and notified such designations to the Tokyo Stock Exchange in accordance with the rules of Tokyo Stock Exchange, Inc.
 - (2) The Company has entered into limited liability agreements with Kyoichi Haizaki, Michitaka Mukohara, and Kimiyo Hayashi under Article 423, paragraph (1) of the Companies Act. Limitation on liability of Outside Director to compensate damages under such agreements is set out to be the minimum amounts set forth in the relevant laws and regulations. If the reappointments of Kyoichi Haizaki, Michitaka Mukohara, and Kimiyo Hayashi are approved, the Company intends to continue the above limited liability agreements.
 - (3) There are business transactions such as providing coatings, etc., between the Company and Mitsubishi Logisnext Co., Ltd., where Kyoichi Haizaki served as a business executive, but the amount of these transactions in the most recent fiscal year is negligible (less than 0.2%) for the consolidated net sales of the Company. Accordingly, the Company has determined that the independence of Kyoichi Haizaki is secured.
 - (4) There are business transactions such as borrowings, etc., between the Company and MUFG Bank, Ltd., where Michitaka Mukohara served as a business executive; however, the amount of these borrowings at the end of the most recent fiscal year is small (less than 3.5%) for the consolidated total assets of the Company. Also, a significant period of time (fifteen (15) years) has passed since he left the said bank. There are business transactions such as purchasing of insurance, etc., between the Company and MST Insurance Service Co., Ltd., where Michitaka Mukohara served as a business executive, but the amount of these transactions in the most recent fiscal year is negligible (less than 1.5%) for the consolidated net sales of MST Insurance Service Co., Ltd. Accordingly, the Company has determined that the independence of Michitaka Mukohara is secured.

There has been no transaction in the most recent fiscal year between the Company and other companies where Michitaka Mukohara served as a business executive or where he concurrently holds positions at present.

- (5) Although Kimiyo Hayashi was formerly a member of KPMG AZSA & Co. (currently KPMG AZSA LLC), the accounting auditor of the Company, a significant period of time has passed since she left the said firm (eleven (11) years). Accordingly, the Company has determined that the independence of Kimiyo Hayashi is secured.
4. The Company has taken out a Directors and Officers liability insurance policy with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act, with all of its Directors covered as insured parties thereto. The insurance policy provides coverage with respect to officers and others who are the insured parties for losses that arise from their assumption of liability incurred in the course of performing their professional duties or otherwise arising as a result of them having become subject to claims pertaining to the pursuit of such liability. However, there are certain reasons for coverage exclusion in that, for instance, the policy does not provide coverage for losses arising due to performance of an illegal act with full knowledge of its illegality. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms. All candidates for Director have been listed as insured parties under the insurance policy.

Proposal 3: Election of One (1) Corporate Auditor

The term of office of Corporate Auditor Yasuyuki Fukuoka will expire at the conclusion of this meeting. Therefore, we propose the election of one (1) Corporate Auditor.

The candidate for Corporate Auditor has been determined by the Board of Directors based on the recommendation of the Nominating Committee, a majority of which consists of Outside Directors.

The Board of Corporate Auditors has given its consent to this proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Career summary, position and responsibilities [significant concurrent positions outside the Company]	Number of the Company's shares owned
<p>Hideki Sugiura (February 2, 1966) New candidate Outside Independent</p>	<p>Apr. 1989 Joined The Mitsubishi Trust and Banking Corporation (Currently Mitsubishi UFJ Trust and Banking Corporation)</p> <p>Feb. 2012 Deputy General Manager, Corporate Advisory Service Division, Mitsubishi UFJ Trust and Banking Corporation</p> <p>Oct. 2013 Deputy General Manager, Credit Supervisory Division, Mitsubishi UFJ Trust and Banking Corporation</p> <p>Aug. 2014 General Manager, Real Estate Finance Credit Division, Mitsubishi UFJ Trust and Banking Corporation</p> <p>Apr. 2017 Deputy General Manager, Real Estate Trust Division, Mitsubishi UFJ Trust and Banking Corporation</p> <p>Apr. 2018 Deputy General Manager, Group Real Estate Business Division, Mitsubishi UFJ Trust and Banking Corporation</p> <p>Apr. 2021 Seconded to MU Trust Apple Planning Company, Ltd. (present position)</p>	<p>0 shares</p>
<p>[Reasons for nomination as candidate for Outside Corporate Auditor] Hideki Sugiura has ample expertise in finance, accounting, and risk management gained through his many years of experience in a financial institution. The Company requests his election as an Outside Corporate Auditor in the expectation that he will execute his duties as Corporate Auditor from his expert perspective drawing on such expertise. Although he has never been directly involved in the management of a company, the Company deems him capable of appropriately performing his professional duties as an Outside Corporate Auditor based on his many years of experience in a financial institution.</p>		

- Notes:
1. There is no special interest between Hideki Sugiura, a candidate for Outside Corporate Auditor, and the Company.
 2. Hideki Sugiura is a candidate for Outside Corporate Auditor.
The Company has designated Hideki Sugiura as an Independent Officer and notified such designation to the Tokyo Stock Exchange in accordance with the rules of Tokyo Stock Exchange, Inc.
 3. If the election of Hideki Sugiura is approved, the Company intends to enter into a limited liability agreement with him under Article 423, paragraph (1) of the Companies Act. Limitation on liability of Outside Corporate Auditor to compensate damages under such agreements is set out to be the minimum amounts set forth in the relevant laws and regulations.
 4. The Company has taken out a Directors and Officers liability insurance policy with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act, with all of its Corporate Auditors covered as insured parties thereto. The insurance policy provides coverage with respect to officers and others who are the insured parties for losses that arise from their assumption of liability incurred in the course of performing their professional duties or otherwise arising as a result of them having become subject to claims pertaining to the pursuit of such liability. However, there are certain reasons for coverage exclusion in that, for instance, the policy does not provide coverage for losses arising due to performance of an illegal act with full knowledge of its illegality. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms. If the election of Hideki Sugiura is approved, the Company intends to list him as an insured party under the insurance policy.
 5. There are business transactions, such as stock transfer agency business and consulting services, between the Company and Mitsubishi UFJ Trust and Banking Corporation, where Hideki Sugiura served as a business executive, but the amount of these transactions as of the end of the most recent fiscal year is negligible (less than 0.01%) for the consolidated net sales of Mitsubishi UFJ Trust and Banking Corporation. Accordingly, the Company has determined that the independence of Hideki Sugiura is secured.

Proposal 4: Election of One (1) Substitute Corporate Auditor

The effect of assignment of substitute Corporate Auditor Hiroshi Maeshima will expire at the commencement of this meeting. Therefore, we propose the election of one (1) substitute Corporate Auditor, to prepare for a situation where the number of Corporate Auditor does not satisfy the number prescribed by laws and regulations.

The candidate for substitute Corporate Auditor has been determined by the Board of Directors based on the recommendation of the Nominating Committee, a majority of which consists of Outside Directors.

The Board of Corporate Auditors has given its consent to this proposal.

The candidate for substitute Corporate Auditor is as follows:

Name (Date of birth)	Career summary [Significant concurrent positions outside the Company]	Number of the Company's shares owned
Koji Baba (August 22, 1957) Outside Independent	Apr. 1981 Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.) May 2007 General Manager, Johannesburg Representative Office, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.) Dec. 2010 Joined Nippon Yusoki Co., Ltd. (currently Mitsubishi Logisnext Co., Ltd.) Apr. 2011 General Manager, Business Planning Office, Sales and Marketing Headquarters, Nippon Yusoki Co., Ltd. Apr. 2013 Division Head, General Manager, Overseas Business Planning Division, Overseas Sales and Marketing Headquarters, Mitsubishi Nichiyu Forklift Co., Ltd. June 2014 Executive Officer, Division Head, General Manager, Overseas Business Planning Division, Overseas Sales and Marketing Headquarters, Mitsubishi Nichiyu Forklift Co., Ltd. Oct. 2017 Member of the Executive Team, Deputy Head, Overseas Sales and Marketing Headquarters and Division Head, General Manager, Overseas Business Planning Division, Mitsubishi Logisnext Co., Ltd. June 2019 Audit and Supervisory Board Member, Mitsubishi Logisnext Co., Ltd. (present position) [Significant concurrent positions outside the Company] Audit and Supervisory Board Member, Mitsubishi Logisnext Co., Ltd.	0 shares

[Reasons for nomination as candidate for substitute Outside Corporate Auditor]

Koji Baba has ample expertise related to finance and accounting as well as overseas business gained through his experience as an executive officer in charge of overseas sales and a full-time corporate auditor of a listed enterprise, in addition to many years of experience in financial institutions. The Company requests his election as a substitute Outside Corporate Auditor in the expectation that he will appropriately execute his duties as Corporate Auditor from his expert perspective drawing on such expertise.

- Notes:
1. There is no special interest between Koji Baba, a candidate for substitute Outside Corporate Auditor, and the Company.
 2. Koji Baba is a candidate for substitute Outside Corporate Auditor. If he is appointed Corporate Auditor, the Company plans to designate Koji Baba as an Independent Officer and notify such designation to the Tokyo Stock Exchange in accordance with the rules of Tokyo Stock Exchange.
 3. If Koji Baba is appointed Corporate Auditor, the Company intends to enter into a limited liability agreement with him under Article 423, paragraph (1) of the Companies Act. Limitation on liability of Outside Corporate Auditor to compensate damages under such agreements is set out to be the minimum amounts set forth in the relevant laws and regulations.
 4. The Company has taken out a Directors and Officers liability insurance policy with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act, with all of its Corporate Auditors covered as insured parties thereto. The insurance policy provides coverage with respect to officers and others who are the insured parties for losses that arise from their assumption of liability incurred in the course of performing their professional duties or otherwise arising as a result of them having become subject to claims pertaining to the pursuit of such liability. However, there are certain reasons for coverage exclusion in that, for instance, the policy does not provide coverage for losses arising due to performance of an illegal act with full knowledge of its illegality. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms. If Koji Baba is appointed Corporate Auditor, the Company intends to list him as an insured party under the insurance policy.
 5. There are business transactions such as providing coatings, etc. between the Company and Mitsubishi Logisnext Co., Ltd., where Koji Baba serves as an Audit and Supervisory Board Member, but the amount of these transactions in the most

recent fiscal year is negligible (less than 0.2%) for the consolidated net sales of the Company. Accordingly, the Company has determined that the independence of Koji Baba is secured.

Proposal 5: Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Outside Directors)

At the 136th Ordinary General Meeting of Shareholders held on June 27, 2019, remuneration for the Company's Directors was approved at an amount not to exceed ¥300 million p.a. In addition, at the 132nd Ordinary General Meeting of Shareholders held on June 26, 2015, separately from the above remuneration for Directors, remuneration, etc. in the form of share acquisition rights as stock options for Directors (excluding Outside Directors) was approved at an amount not to exceed ¥60 million p.a.

On this occasion, as part of the review of the officer remuneration plan, the Company proposes to grant common shares of the Company that are subject to the provisions for a certain transfer restriction period, events of acquisition without contribution by the Company, etc. (hereinafter "Restricted Shares") to its Directors (excluding Outside Directors) as follows, in order to provide an incentive for sustainable improvement in its medium- to long-term business performance and corporate value to its Directors (excluding Outside Directors) as well as to further share the benefits and risks of stock price fluctuations with shareholders and increase their motivation to contribute to increases in stock price more than ever.

In this regard, aside from the above remuneration for Directors, the Company proposes to set the total amount of monetary remuneration claims provided as remuneration, etc. in the form of Restricted Shares to Directors (excluding Outside Directors) of the Company at an amount not to exceed ¥60 million p.a., comprehensively taking into consideration various factors such as Directors' contribution at the Company. The Company has determined the granting of Restricted Shares by comprehensively taking into consideration various factors such as Directors' contribution at the Company in addition to the above purpose, and believes that the content is appropriate.

The Company established the policy for deciding on the content of individual remuneration, etc. for Directors at the meeting of its Board of Directors held on February 25, 2021, and its summary is as stated in the Business Report. The granting of Restricted Shares based on this proposal is in line with this policy.

This proposal has been prepared by the Board of Directors based on the recommendation of the Remuneration Advisory Committee, a majority of which consists of Outside Directors. Furthermore, subject to this proposal being approved and adopted, the Company will abolish the provisions for the amount of remuneration, etc. in the form of share acquisition rights as stock options, which was approved at its 132nd Ordinary General Meeting of Shareholders held on June 26, 2015, and will not issue any share acquisition rights as stock options based on these provisions in the future, except for such rights that have already been allotted.

Currently, there are nine (9) Directors (of whom three (3) are Outside Directors) of the Company, but the number will decrease to eight (8) Directors (of whom three (3) are Outside Directors) upon approval of Proposal 2.

Specific details and maximum number of Restricted Shares to be granted to Directors (excluding Outside Directors) of the Company

1. Granting of and payment for Restricted Shares

The Company provides monetary remuneration claims within the above limit of the annual amount as remuneration, etc. in the form of Restricted Shares to its Directors (excluding Outside Directors) based on resolution of its Board of Directors, and each Director receives the grant of Restricted Shares by providing all the monetary remuneration claims by way of contribution in kind.

The amount to be paid for Restricted Shares is determined by the Board of Directors of the Company based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of its Board of Directors for the issuance or disposal (if there is no closing price on such a business day, the closing price on the trading day immediately prior thereto), within a range that will not be particularly favorable to the Director who accepts these Restricted Shares.

In addition, the above monetary remuneration claims are provided on the condition that Directors (excluding Outside Directors) of the Company agree on the above contribution in kind and enter into a Restricted Shares grant agreement including the content specified in 3. below.

2. Total number of Restricted Shares

The total number of Restricted Shares granted to Directors (excluding Outside Directors) of the Company at 86,000 shares shall be the maximum number of Restricted Shares granted during each fiscal year.

However, in the case where the Company conducts a share split (including allotment of its common shares without contribution) or a share consolidation of its common shares after the date of resolution on this proposal, or any other similar cases where the total number of Restricted Shares granted needs to be adjusted, the total number of the Restricted Shares may be reasonably adjusted.

3. Content of Restricted Shares grant agreements

In the granting of Restricted Shares, a Restricted Shares grant agreement concluded between the Company and a Director who receives the grant of Restricted Shares shall include the following content, based on the resolution of the Board of Directors of the Company.

(1) Content of restriction on transfer

A Director who received the grant of Restricted Shares shall not conduct transfer to a third party, establishment of the right of pledge, establishment of mortgage, gift during life, bequest, or any other disposal of Restricted Shares granted to the Director (hereinafter “Granted Shares”), in the period between the date of granting of the Restricted Shares and the date on which the Director retires from all positions of Director, Corporate Auditor, and Executive Officer of the Company (hereinafter the “Transfer Restriction Period”) (hereinafter “Transfer Restriction”).

(2) Acquisition of Restricted Shares without contribution

If a Director who received the grant of Restricted Shares retires from all positions of Director, Corporate Auditor, and Executive Officer of the Company by the day prior to the date of holding its Ordinary General Meeting of Shareholders that first comes on or after the start date of the Transfer Restriction Period, the Company automatically acquires these Granted Shares without contribution, unless there is any legitimate reason approved by its Board of Directors. Moreover, of the Granted Shares, if there are any Restricted Shares for which the Transfer Restriction has not been lifted based on the provisions for events of lifting Transfer Restriction in (3) below at the expiry of the Transfer Restriction Period in (1) above, the Company automatically acquires these Restricted Shares without contribution.

(3) Lifting of Transfer Restriction

On the condition that a Director who received the grant of Restricted Shares has continuously remained in the position of either Director, Corporate Auditor, or Executive Officer of the Company until the date of holding its Ordinary General Meeting of Shareholders that first comes on or after the start date of the Transfer Restriction Period, the Company lifts the Transfer Restriction for all the Granted Shares at the expiry of the Transfer Restriction Period.

However, if the Director retires from all positions of Director, Corporate Auditor, and Executive Officer of the Company by the day prior to the date of holding its Ordinary General Meeting of Shareholders that first comes on or after the start date of the Transfer Restriction Period for any legitimate reason approved by its Board of Directors, the number of the Granted Shares for which the Transfer Restriction is lifted and the timing when the Transfer Restriction is lifted shall be reasonably adjusted as needed.

(4) Treatment in organizational restructuring, etc.

If a proposal for a merger agreement where the Company becomes the extinguished entity, a share exchange agreement or share transfer plan where the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (however, in cases where approval at a General Meeting of Shareholders of the Company is not required for the organizational restructuring, etc., by the Board of Directors of the Company) during the Transfer Restriction Period, Transfer Restriction is lifted for the Granted Shares in the number reasonably stipulated by taking into account the period from the start date of the Transfer Restriction Period to the date of approval for the organizational restructuring, etc., by resolution of its Board of Directors, prior to the effective date of the organizational restructuring, etc.

In this case, the Company automatically acquires the Granted Shares for which the Transfer Restriction has still not been lifted without contribution at the time immediately after the Transfer Restriction is lifted based on the provision above.

(Reference)

If this proposal is approved at this meeting, the Company plans to also introduce a restricted share-based remuneration plan similar to the above Restricted Shares for Executive Officers who do not serve concurrently as Director of the Company.