

*This document has been translated from the Japanese original for the convenience of non-Japanese shareholders. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.*

Securities identification code: 7236

June 5, 2020

To our shareholders:

Tomio Miyazaki  
President & COO

**T.RAD Co., Ltd.**

3-25-3 Yoyogi, Shibuya-ku, Tokyo 151-0053, Japan

## **NOTICE OF THE 118TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

This is to notify you of the 118th Ordinary General Meeting of Shareholders of T.RAD Co., Ltd. (the “Company”), which will be held as described below.

We would appreciate if instead of attending the meeting in person, you exercise your voting rights by one of the following methods after reviewing the attached Reference Documents for the General Meeting of Shareholders since you may exercise your voting rights in writing (by postal mail) or electronically (over the Internet).

[If you are exercising your voting rights in writing]

Indicate your approval or disapproval of the proposals on the enclosed Voting Right Exercise Form and return it by postal mail to reach us no later than 5:30 p.m., Wednesday, June 24, 2020 (Japan Standard Time).

[If you are exercising your voting rights over the Internet]

Access the Company’s designated website for exercising voting rights (<https://www.web54.net>) and following the on-screen instructions to enter your approval or disapproval of the proposal no later than 5:30 p.m., Wednesday, June 24, 2020 (Japan Standard Time).

Please refer to “Information on exercising your voting rights over the Internet” on page 4 when exercising your voting rights over the Internet.

### **Meeting Details**

- 1. Date and time:** Thursday, June 25, 2020 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** 3F Conference Room, Aioi Nissay Dowa Sonpo Shinjuku Bldg.  
3-25-3 Yoyogi, Shibuya-ku, Tokyo

### **3. Purposes:**

#### **Items to be reported:**

1. Business Report and Consolidated Financial Statements for the 118th Term (from April 1, 2019 to March 31, 2020), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 118th Term (from April 1, 2019 to March 31, 2020)

#### **Items to be resolved:**

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Election of eight (8) Directors
- Proposal 3:** Election of one (1) Audit & Supervisory Board Member
- Proposal 4:** Establishment of a Plan for the Granting of Restricted Shares to Directors as Remuneration

#### **4. Information on exercising voting rights**

Refer to “Information on exercising voting rights” on page 3.

#### **5. Matters disclosed on the Internet**

Of the documents to be provided with this Notice of the General Meeting of Shareholders, the matters below have been posted on the Company’s website in accordance with the laws and regulations as well as the provisions of Article 19 of the Articles of Incorporation and are not included in the attached documents in this Notice. Accordingly, the attached documents in this Notice are a part of the documents audited by the Audit & Supervisory Board Members or Accounting Auditor when preparing their audit reports.

1. Consolidated Statement of Changes in Equity of the Consolidated Financial Statements
  2. Notes to Consolidated Financial Statements of the Consolidated Financial Statements
  3. Statement of Changes in Equity of the Non-Consolidated Financial Statements
  4. Notes to Non-consolidated Financial Statements of the Non-Consolidated Financial Statements
- If you are attending the meeting, please submit the enclosed Voting Right Exercise Form at the reception desk. We also ask that you bring this Notice of the General Meeting of Shareholders as a material for the proceeding of the meeting.
  - If you are considering attending the meeting in person, we ask that you carefully judge whether it is correct to do so from the points of view of health and safety after checking the infection status of the novel coronavirus disease (COVID-19). Starting this year, the Company will no longer give gifts to shareholders.
  - If corrections are made to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-Consolidated Financial Statements or the Consolidated Financial Statements, the corrected information shall be posted on the Company’s website.

### Information on exercising voting rights

Voting rights may be exercised with one of the following three (3) methods.

#### 1. If you attend the meeting



If you are attending the meeting, please submit the enclosed Voting Right Exercise Form at the reception desk.

**Date:**

**10:00 a.m., Thursday, June 25, 2020 (Japan Standard Time)**

#### If you are exercising your voting rights in writing



If you are exercising your voting rights in writing, please indicate your approval or disapproval of the proposal on the enclosed Voting Right Exercise Form and return it by post with no stamp affixed.

**Deadline for exercising voting rights:**

**5:30 p.m., Wednesday, June 24, 2020 (Japan Standard Time; deadline for the reception of the form)**

#### If you are exercising your voting rights over the Internet



From a PC, smartphone or mobile phone, please access the website for exercising voting rights (<https://www.web54.net>), enter the Voting Right Exercise Code and password written on the enclosed Voting Right Exercise Form and follow the on-screen instructions to enter your approval or disapproval of the proposal.

**Deadline for exercising voting rights:**

**5:30 p.m., Wednesday, June 24, 2020 (Japan Standard Time; deadline for entry completion)**

- (i) To prevent unauthorized access from individuals other than shareholders (“spoofing”) and alteration of the details of exercised voting rights, note that shareholders using this method will be asked to change their password on the website for exercising voting rights.
- (ii) A new Voting Right Exercise Code and password will be provided each time there is a notice of the General Meeting of Shareholders.
- (iii) You will be liable for any fees incurred to access the website for exercising voting rights (such as Internet connection fees and telephone fees). Also, if you are using a mobile phone, there will be packet communication fees and other such fees associated with the use of a mobile phone. You will be liable for these fees.

- \* If you exercise your voting rights multiple times over the Internet, the last time that you exercise your voting rights will be treated as valid.
- \* If you exercise your voting rights multiple times with different methods such as in writing (by postal mail) and over the Internet, the details with which you exercised your voting rights over the Internet will be treated as valid.

### Information on exercising your voting rights over the Internet

To exercise your voting rights over the Internet, use a PC, smartphone or mobile phone to access the website for exercising voting rights that is specified by the Company. Then, follow the on-screen instructions to exercise your voting rights.

### Website for exercising voting rights

<https://www.web54.net>

You can also connect to the website for exercising voting rights by reading the 2D code shown here with a smartphone or mobile phone equipped with a barcode reading function. For details on how to operate this function, see the instruction manual of your smartphone or mobile phone.

### Deadline for exercising voting rights: 5:30 p.m., Wednesday, June 24, 2020 (Japan Standard Time; deadline for entry completion)

1 Access the website for exercising voting rights.



·Click “Next.”

2 Enter the Voting Right Exercise Code written on the Voting Right Exercise Form.



·Enter the Voting Right Exercise Code.  
·Click “Sign in.”

3 Enter the password written on the Voting Right Exercise Form.



·Enter the initial password.  
·Set the new password that you will actually use.  
·Click “Register.”

\*The operation screens shown here are for reference purposes only.

Next, follow the on-screen instructions to enter your approval or disapproval.

Inquiries regarding exercising your voting rights over the Internet

Sumitomo Mitsui Trust Bank, Limited securities agent web support dedicated phone number

Toll-free number: +81 (0)120-652-031 (hours of operation: 9:00 a.m. to 9:00 p.m.)

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Material

#### Proposal 1: Appropriation of surplus

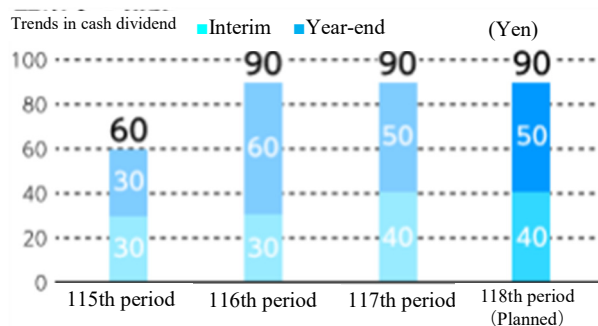
The Company proposes the appropriation of surplus as follows:

Matters related to year-end dividends

Although the environment surrounding the Company is very severe, the Company proposes to pay a year-end dividend for the fiscal year as follows:

- (1) Type of dividend property  
Cash
- (2) Allocation of dividend property and total amount thereof  
¥50 per common stock of the Company Total amount of dividends: ¥359,954,250
- (3) Effective date of distribution of dividends of surplus  
June 26, 2020

#### Reference



(Note) On October 1, 2017, the Company carried out a 1-for-10 reverse share split of its common stock. The amount per share is calculated based on this reverse share split.

**Proposal 2: Election of eight (8) Directors**

The terms of office of all eight (8) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of the following eight (8) Directors.

The candidates for Directors are as follows:

No.	Name	Current Position in the company	
1	Hiromi Kano	Chairman & CEO	[Reelection]
2	Tomio Miyazaki	President & COO	[Reelection]
3	Yoshitaka Momose	Senior Managing Director	[Reelection]
4	Kiyoshi Suzuki	Managing Director	[Reelection]
5	Norio Kanai	Managing Executive Officer	[New election]
6	Hiroshi Shimizu	Outside Director	[Reelection] [Outside Director] [Independent officer]
7	Youichi Kamei	Outside Director	[Reelection] [Outside Director] [Independent officer]
8	Yoshisada Takahashi	Outside Director	[Reelection] [Outside Director] [Independent officer]

No.	Name (Date of birth)	Brief history, positions and assignments at the Company
1	<p><b>Hiromi Kano</b> (October 24, 1945)</p> <p>[Number of the Company's shares owned] 26,128 shares</p> <p>[Number of years in office as a Director of the Company] 20 years</p> <p>[Number of attendances at the Board of Directors Meetings] 16/16</p> <p>[Reelection]</p>	<p>Apr. 1970    Joined Toyo Radiator Co., Ltd. (currently T.RAD Co., Ltd.)</p> <p>Jun. 2000    Director of Toyo Radiator Co., Ltd. (currently T.RAD Co., Ltd.) President of CoPAR Inc. (currently T.RAD North America, Inc.) and General Manager of North America Sales Department of Toyo Radiator Co., Ltd. (currently T.RAD Co., Ltd.)</p> <p>Jun. 2002    Managing Director of Toyo Radiator Co., Ltd. (currently T.RAD Co., Ltd.), in charge of business operations in America / Europe</p> <p>Apr. 2008    President and Representative Director of the Company</p> <p>Jun. 2018    Chairman &amp; CEO of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] -</p> <p>[Reason for Nomination as a Candidate for Director] Possessing extensive experience overseas and a wide range of experience centered on the area of sales, Hiromi Kano has been in charge of group-wide management, providing strong leadership as President and Representative Director beginning in April 2008 and serving as Chairman &amp; CEO since June 2018. He has been selected as a candidate for Director because we believe he is suited to continue his role in management as the Company seeks to achieve the targets of the 11th management plan.</p>

No.	Name (Date of birth)	Brief history, positions and assignments at the Company
2	<p data-bbox="368 454 587 488"><b>Tomio Miyazaki</b></p> <p data-bbox="368 517 587 551">(September 16, 1977)</p> <p data-bbox="344 573 611 651">[Number of the Company's shares owned] 4,979 shares</p> <p data-bbox="344 685 611 786">[Number of years in office as a Director of the Company] 6 years</p> <p data-bbox="344 819 611 920">[Number of attendances at the Board of Directors Meetings] 16/16</p> <p data-bbox="416 954 539 987">[Reelection]</p>	<p data-bbox="635 315 1075 349">Apr. 2002      Joined Honda Motor Co., Ltd.</p> <p data-bbox="635 360 1327 416">Aug. 2002      Joined Wako Fundamental Technology Research Center of Honda R&amp;D Co., Ltd.</p> <p data-bbox="635 439 995 472">Oct. 2009      Joined Jinya Co., Ltd.</p> <p data-bbox="635 483 1187 517">Oct. 2009      Representative Director of Jinya Co., Ltd.</p> <p data-bbox="635 528 1107 562">Apr. 2012      Founded Jinya Connect Co., Ltd.</p> <p data-bbox="635 573 1283 607">Apr. 2012      Representative Director of Jinya Connect Co., Ltd.</p> <p data-bbox="635 618 1107 651">Jun. 2014      Outside Director of the Company</p> <p data-bbox="635 663 1315 719">Jun. 2017      Director in charge of Business Planning Department of the Company</p> <p data-bbox="635 730 1299 763">Jun. 2018      President &amp; COO of the Company (present position)</p> <p data-bbox="635 775 1171 808">[Significant concurrent positions outside the Company]</p> <p data-bbox="635 819 1139 853">President and CEO of T.RAD CONNECT Co., Ltd.</p> <p data-bbox="635 864 1155 898">[Reason for Nomination as a Candidate for Director]</p> <p data-bbox="635 909 1315 1124">From June 2014, Tomio Miyazaki has actively provided opinions and advice as Outside Director on the basis of extensive experience and deep knowledge of corporate management. Since June 2018, he has been responsible for execution of business as President &amp; COO of the Company and has been in charge of group-wide management, providing strong leadership. He has been selected as a candidate for Director because we believe he is suited to continue his role in management as the Company seeks to achieve the targets of the 11th management plan.</p>



No.	Name (Date of birth)	Brief history, positions and assignments at the Company	
3	<p><b>Yoshitaka Momose</b> (December 7, 1957)</p> <p>[Number of the Company's shares owned] 11,496 shares</p> <p>[Number of years in office as a Director of the Company] 11 years</p> <p>[Number of attendances at the Board of Directors Meetings] 16/16</p> <p>[Reelection]</p>	Apr. 1981	Joined Toyo Radiator Co., Ltd. (currently T.RAD Co., Ltd.)
		Oct. 2001	General Manager of Nagoya Works Plant Control Dept. of Toyo Radiator Co., Ltd. (currently T.RAD Co., Ltd.)
		Jul. 2002	General Manager of Hatano Works Plant Control Dept. of Toyo Radiator Co., Ltd. (currently T.RAD Co., Ltd.)
		Nov. 2003	General Manager of Hatano Works Production Dept. and Plant Control Dept. of Toyo Radiator Co., Ltd. (currently T.RAD Co., Ltd.)
		Jun. 2006	Executive Officer of the Company President of T.RAD Czech s.r.o
		Jul. 2008	Managing Executive Officer of the Company
		Jun. 2009	Managing Director of the Company
		Apr. 2017	Supervised North America business, and in charge of Sales, Technical and Quality Division of the Company
		Jun. 2018	Senior Managing Director of the Company (present position)
		Apr. 2020	Supervising Technical and Quality Division and the Production Engineering Center (present position)
	[Significant concurrent positions outside the Company]	-	
	[Reason for Nomination as a Candidate for Director]	Yoshitaka Momose possesses extensive overseas experience and a wide range of experience centered on the areas of production and sales, and he is familiar with global operations. In fiscal 2019, he exercised strong leadership in the areas of overseas business and sales. Since fiscal 2020, he has supervised technology, quality and production engineering. He has been selected as a candidate for Director because we believe he is suited for a role in management as the Company seeks to achieve the targets of the 11th management plan.	

No.	Name (Date of birth)	Brief history, positions and assignments at the Company
4	<p style="text-align: center;"><b>Kiyoshi Suzuki</b> (February 25, 1959)</p> <p>[Number of the Company's shares owned] 3,212 shares</p> <p>[Number of years in office as a Director of the Company] 2 years</p> <p>[Number of attendances at the Board of Directors Meetings] 16/16</p> <p>[Reelection]</p>	<p>Apr. 1982      Joined Toyo Radiator Co., Ltd. (currently T.RAD Co., Ltd.)</p> <p>Apr. 2003      Hatano Works General Manager of Production Dept. of Toyo Radiator Co., Ltd. (currently T.RAD Co., Ltd.)</p> <p>Sep. 2004      General Manager of TATA TOYO RADIATOR LIMITED</p> <p>Sep. 2007      General Manager of T.RAD North America, Inc.</p> <p>Apr. 2010      Hatano Works General Manager of Production Dept. of the Company</p> <p>Apr. 2011      Nagoya Works General Manager of Production Dept. of the Company</p> <p>Jul. 2012      Hatano Works Plant Manager of the Company</p> <p>Apr. 2017      Executive Officer of the Company</p> <p>Jun. 2018      Managing Director of the Company (present position)</p> <p>Apr. 2019      Managing Director of the Company in charge of Production, Purchasing and Production Engineering, General Manager of Production Purchasing Dept., and Plant Manager of Production Engineering Center of the Company</p> <p>Apr. 2020      Supervising Production and Purchasing of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] -</p> <p>[Reason for Nomination as a Candidate for Director] Kiyoshi Suzuki possesses a wide range of experience centered on the areas of production and production engineering and is familiar with plant management as well, having served as plant manager. Since fiscal 2019, he has supervised production and purchasing and has exercised strong leadership. He has been selected as a candidate for Director because we believe he is suited for a role in management as the Company seeks to achieve the targets of the 11th management plan.</p>

No.	Name (Date of birth)	Brief history, positions and assignments at the Company
5	<p><b>Norio Kanai</b> (June 25, 1959)</p> <p>[Number of the Company's shares owned] 5,712 shares</p> <p>[Number of years in office as a Director of the Company] 0 years</p> <p>[Number of attendances at the Board of Directors Meetings] --/--</p> <p>[New election]</p>	<p>Apr. 1982      Joined The Dai-Ichi Kangyo Bank, Limited</p> <p>Jul. 2008      General Manager of Structured Products Department of Mizuho Trust &amp; Banking Co., Ltd.</p> <p>Jul. 2010      Joined T.RAD Co., Ltd. as General Manager of Accounting and Financial Affairs Dept.</p> <p>Apr. 2012      Executive Officer of the Company</p> <p>Jun. 2018      Managing Executive Officer of the Company (present position)</p> <p>Jan. 2020      Supervising Accounting and Financial Affairs, Business Planning and General Affairs, Officer in charge of Accounting, Financial Affairs and Business Planning, and General Manager of Accounting and Financial Affairs Dept. of the Company (present position)</p>
		<p>[Significant concurrent positions outside the Company]</p> <p>-</p>
		<p>[Reason for Nomination as a Candidate for Director]</p> <p>Since joining the Company, Norio Kanai has been in charge of the entirety of the Company's accounting and financial affairs. He has exercised strong leadership in management on the basis of, predominantly, his financial analysis. Since fiscal 2020 he has used his extensive experience and deep insight to supervise business planning. He has been selected as a candidate for Director because we believe he is suited for a role in management as the Company seeks to achieve the targets of the 11th management plan.</p>

No.	Name (Date of birth)	Brief history, positions and assignments at the Company
6	<p data-bbox="368 349 587 416"><b>Hiroshi Shimizu</b> (September 11, 1947)</p> <p data-bbox="344 443 612 521">[Number of the Company's shares owned] 0 shares</p> <p data-bbox="344 551 612 663">[Number of years in office as a Director of the Company] 3 years</p> <p data-bbox="344 692 612 804">[Number of attendances at the Board of Directors Meetings] 15/16</p> <p data-bbox="368 831 587 909">[Reelection] [Outside Director] [Independent officer]</p>	<p data-bbox="635 315 1315 338">Jun. 1976      Joined National Institute for Environmental Studies</p> <p data-bbox="635 367 1086 389">Apr. 1997      Professor of Keio University</p> <p data-bbox="635 418 1267 474">Apr. 2013      Emeritus Professor of Keio University (present position)</p> <p data-bbox="635 495 1251 517">Sep. 2013      President of e-Gle Co., Ltd. (present position)</p> <p data-bbox="635 537 1310 560">Jun. 2017      Outside Director of the Company (present position)</p> <p data-bbox="635 580 1174 669">[Significant concurrent positions outside the Company] Emeritus Professor of Keio University President of e-Gle Co., Ltd.</p> <p data-bbox="635 703 1323 949">[Reason for Nomination as a Candidate for Director] Hiroshi Shimizu possesses extensive specialist knowledge and experience as a university professor and Doctor of Engineering. Since June 2017, he has been providing opinions and advice on general management of the Company as an Outside Director and has satisfactorily fulfilled his duties. He has been selected as a candidate for reelection as Outside Director because we hope that he will continue to provide advice concerning the corporate activities of the Company and supervise general management matters.</p>

No.	Name (Date of birth)	Brief history, positions and assignments at the Company
7	<b>Youichi Kamei</b> (October 16, 1956)	Oct. 2000 Registered as an attorney (Daini Tokyo Bar Association)
	[Number of the Company's shares owned] 0 shares	Oct. 2000 Joined Asahi Law Offices Jan. 2007 Made partner at Asahi Law Offices (present position) Jun. 2017 Outside Director of the Company (present position)
	[Number of years in office as a Director of the Company] 3 years	[Significant concurrent positions outside the Company] Partner at Asahi Law Offices
	[Number of attendances at the Board of Directors Meetings] 15/16  [Reelection] [Outside Director] [Independent officer]	[Reason for Nomination as a Candidate for Director] Youichi Kamei was elected as Outside Director of the Company in June 2017 and has fulfilled his duties based on his specialist legal knowledge and experience as an attorney at law, particularly from the standpoint of legal compliance. He has been selected as a candidate for reelection as Outside Director because we have determined that he will fulfill his duties appropriately based on his high mindset of legal compliance.

No.	Name (Date of birth)	Brief history, positions and assignments at the Company
8	<p data-bbox="344 730 635 797"><b>Yoshisada Takahashi</b> (December 8, 1955)</p> <p data-bbox="344 819 635 902">[Number of the Company's shares owned] 0 shares</p> <p data-bbox="344 931 635 1014">[Number of years in office as a Director of the Company] 1 year</p> <p data-bbox="344 1043 635 1126">[Number of attendances at the Board of Directors Meetings] 11/12</p> <p data-bbox="344 1155 635 1238">[Reelection] [Outside Director] [Independent officer]</p>	<p data-bbox="654 315 1319 344">Apr. 1978      Joined Komatsu Ltd.</p> <p data-bbox="654 360 1319 389">Jun. 1995      Plant Manager of Komatsu Brasil International Ltda.</p> <p data-bbox="654 405 1319 465">Oct. 1999      General Manager of Purchasing Dept., Awazu Plant, Komatsu Ltd.</p> <p data-bbox="654 481 1319 542">Mar. 2001      General Manager of Production Control Dept., Awazu Plant, Komatsu Ltd.</p> <p data-bbox="654 557 1319 618">Apr. 2006      Executive Officer and Plant Manager of Awazu Plant, Komatsu Ltd.</p> <p data-bbox="654 633 1319 694">Apr. 2008      Executive Officer and Plant Manager of Osaka Plant, Komatsu Ltd.</p> <p data-bbox="654 710 1319 792">Apr. 2012      Senior Executive Officer, President of Production Division, Supervising Industrial Machinery Business and Environment of Komatsu Ltd.</p> <p data-bbox="654 808 1319 936">Apr. 2016      Senior Executive Officer, Chief Information &amp; Innovation Officer, President, Information Strategy Division, and Supervising Production and Industrial Machinery Business of Komatsu Ltd.</p> <p data-bbox="654 952 1319 1079">Apr. 2017      Executive Vice President, Chief Information &amp; Innovation Officer, President, Information Strategy Division, Supervising Production and Industrial Machinery Business of Komatsu Ltd.</p> <p data-bbox="654 1095 1319 1124">Apr. 2019      Advisor to President of Komatsu Ltd.</p> <p data-bbox="654 1140 1319 1169">Jun. 2019      Outside Director of the Company (present position)</p> <p data-bbox="654 1184 1319 1214">Jul. 2019      Consultant of Komatsu Ltd. (present position)</p> <p data-bbox="654 1229 1319 1258">Sep. 2019      Consultant of Ishikawa Prefecture (present position)</p> <p data-bbox="654 1274 1319 1357">[Significant concurrent positions outside the Company] Consultant of Komatsu Ltd. Consultant of Ishikawa Prefecture (in charge of industry promotion)</p> <p data-bbox="654 1373 1319 1641">[Reason for Nomination as a Candidate for Director] Since his election to the position of Outside Director of the Company in June 2019, Yoshisada Takahashi has satisfactorily fulfilled his duties by providing opinions and advice on general management of the Company on the basis of his extensive experience and deep knowledge of corporate management. He has been selected as a candidate for reelection as Outside Director because we hope that he will continue to provide advice concerning the corporate activities of the Company and supervise general management matters.</p>

Notes:

1. There is no special interest between the candidates and the Company.
2. The number of the Company's shares owned includes shares of stock in Officer's Shareholding Association.
3. Hiroshi Shimizu, Youichi Kamei, and Yoshisada Takahashi are candidates for Outside Director.
4. There is an advisory contract between Youichi Kamei and the Company, and the Company pays the remuneration defined by the office he belongs to.
5. Hiroshi Shimizu, Youichi Kamei and Yoshisada Takahashi are currently Outside Directors of the Company, and their terms of office as Outside Directors will be three (3) years for Hiroshi Shimizu and Youichi Kamei and one (1) year for Yoshisada Takahashi at the conclusion of this Ordinary General Meeting of Shareholders.
6. The Company has reported Hiroshi Shimizu and Youichi Kamei to the Tokyo Stock Exchange as independent officers as defined by the Exchange, and if their reelections are approved, they will continue to serve as independent officers. Also, if Yoshisada Takahashi is reelected as Outside Director, the Company intends to report him to the Tokyo Stock Exchange as an independent officer as defined by the Exchange.
7. Yoshisada Takahashi was a person who executed business for Komatsu Ltd., a specified associated service provider (an important counterparty) of the Company, within the past five (5) years. Note that his positions and assignments at that company during the past five (5) years are as noted in the above "Brief history, positions and assignments at the Company."
8. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Hiroshi Shimizu, Youichi Kamei and Yoshisada Takahashi to limit their liability for damages under Article 423, paragraph 1 of the same Act. Their maximum amount of the liability for damages under these agreements is the amount stipulated by laws and regulations, and the Company intends to continue the agreements with Hiroshi Shimizu, Youichi Kamei and Yoshisada Takahashi if their reelections are approved.

**Proposal 3: Election of one (1) Audit & Supervisory Board Member**

The term of office of Audit and Supervisory Board Member Yasutaka Ohba will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of one (1) Audit and Supervisory Board Member.

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

The candidate for Audit and Supervisory Board Member is as follows.

Name (Date of birth)	Brief history and positions at the Company
<p><b>Yasutaka Ohba</b> (March 28, 1949)</p> <p>[Number of the Company's shares owned] 0 shares</p>	<p>Mar. 1976 Registered as a certified public accountant</p> <p>Aug. 1976 Registered as a licensed tax accountant</p> <p>Jul. 1981 Director of the Ohba Office of Certified Public Accountants (present position)</p> <p>Jun. 2008 Outside Audit and Supervisory Board Member of the Company (present position)</p>
<p>[Number of years in office as a Director of the Company] 12 years</p>	<p>[Significant concurrent positions outside the Company] Director of the Ohba Office of Certified Public Accountants Representative Director of Ohba Management Consultants Co., Ltd.</p>
<p>[Number of attendances at the Audit &amp; Supervisory Board Meetings] 16/16</p> <p>[Reelection] [Outside Director] [Independent officer]</p>	<p>[Reason for Nomination as a Candidate for Outside Audit and Supervisory Board Member] Since his election to the position of Outside Audit and Supervisory Board Member of the Company in June 2008, Yasutaka Ohba has satisfactorily fulfilled his duties by providing opinions and advice as a certified public accountant at Board of Directors Meetings and Audit &amp; Supervisory Board Meetings on the basis of his specialized knowledge and experiences in the fields of financial affairs and accounting. He has been selected as a candidate for Audit and Supervisory Board Member because we have determined that he will continue to fulfill his duties appropriately.</p>

Notes:

1. There is no special interest between the candidate and the Company.
2. Yasutaka Ohba is a candidate for Outside Audit and Supervisory Board Member.
3. Yasutaka Ohba is currently an Outside Audit and Supervisory Board Member of the Company, and his term of office as Outside Audit and Supervisory Board Member will be 12 years at the conclusion of this Ordinary General Meeting of Shareholders.
4. The Company has reported Yasutaka Ohba to the Tokyo Stock Exchange as an independent officer as defined by the Exchange, and if his reelection is approved, he will continue to serve as an independent officer.
5. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Yasutaka Ohba to limit his liability for damages under Article 423, paragraph 1 of the same Act. His maximum amount of the liability for damages under these agreements is the amount stipulated by laws and regulations, and the Company intends to continue the agreements with him if his reelection is approved.



#### **Proposal 4: Establishment of a Plan for the Granting of Restricted Shares to Directors as Remuneration**

An approval was made at the Ordinary General Meeting of Shareholders held on June 28, 2017, to set the maximum yearly amount of remuneration for Directors of the Company to ¥350 million (in which the maximum yearly amount for Outside Directors is ¥20 million; however, this does not include salaries for employees serving concurrently as Directors). However, with the purposes of providing Directors (excluding Outside Directors; hereinafter the “Eligible Directors”) with the incentive to plan for the continued improvement of the Company’s corporate value and of further proceeding with the sharing of value with all shareholders, the Company asks for the approval of the payment of remuneration, which differs from the above remuneration, to Eligible Directors so as to allow for the new granting of restricted shares.

The total amount of cash remuneration provided to Eligible Directors (as specified by this proposal) for the granting of restricted shares shall not exceed ¥100 million per year, which is deemed to be appropriate in consideration of the aforementioned purposes. Also, the specifics on the allocation of payments to each Eligible Director of the Company shall be determined by resolution of the Board of Directors.

Currently, there are five (5) Eligible Directors. If Proposal 2 is approved and adopted in its original form, the number of Eligible Directors will remain five (5).

Eligible Directors shall, based on a resolution of the Company’s Board of Directors, make an in-kind contribution of all the monetary remuneration receivables to be granted according to this proposal, and receive shares of common stock of the Company that shall be issued or disposed of by the Company and for which the total number of shares of common stock of the Company to be issued or disposed for the Eligible Directors shall not exceed 80 thousand shares per year. (However, the total number may be adjusted within a reasonable range in the case that a share split (including an allotment of the Company’s common stock without contribution) or a share consolidation of the Company’s common stock is conducted, or any other reason that requires an adjustment to the total number of common stock to be issued or disposed of by the Company as restricted shares, on or after the day on which this proposal is approved and adopted.) The amount to be paid per share shall be determined at the Board of Directors Meetings based on the average of the closing prices of common stock of the Company on the Tokyo Stock Exchange for a period of 30 business days up to the business day immediately preceding the day of the resolution of the Board of Directors Meetings, within a scope which would not be considered specially advantageous to the Eligible Directors receiving the allotment of the common stock. With regard to the issuance or disposal of the common stock of the Company, an agreement on allotment of the restricted shares that includes the provisions as summarized below (hereinafter the “Allotment Agreement”) shall be entered into between the Company and each Eligible Director.

- (1) Regarding common stock of the Company allotted according to the Allotment Agreement (hereinafter the “Allotted Shares”), Eligible Directors must not transfer, set security rights on or otherwise dispose of these shares (hereinafter the “Transfer Restrictions”) during a period (hereinafter the “Transfer Restriction Period”) defined as from the day that the Allotted Shares are granted to the day that the Eligible Director resigns from the position of Director of the Company or from some other position prescribed by the Board of Directors of the Company or retires from the Company (However, if a Director resigns from his or her position or retires from the Company before three (3) months have passed after the passing of the fiscal year containing the day on which Allotted Shares are granted, the ending day of this period shall be a day that is separately determined by the Board of Directors of the Company and is within six (6) months after the passing of the corresponding fiscal year provided such a day exists.).

- (2) If an Eligible Director resigns from his or her position or retires from the Company specified in the provisions of (1) above before the expiration of a period as determined by the Company's Board of Directors (hereinafter referred to as the "Service Provision Period"), the Company shall acquire the Allotted Shares by rights without contribution, unless there is a reason the Company's Board of Directors deems justifiable.
- (3) On the condition that an Eligible Director continuously maintains his or her position specified in the provisions of (1) above during the Service Provision Period, the Company shall lift the Transfer Restrictions for all Allotted Shares upon expiration of the Transfer Restriction Period. If, however, an Eligible Director resigns from his or her position or retires from the Company specified in the provisions of (1) above before expiration of the Service Provision Period for a reason the Company's Board of Directors deems justifiable as specified in the provisions of (2) above, the Company shall make reasonable adjustments to the number of the Allotted Shares for which the Transfer Restrictions are lifted as necessary.
- (4) The Company shall acquire without contribution the Allotted Shares for which the Transfer Restrictions have not been lifted at the expiration of the Transfer Restriction Period in accordance with the provisions of (3) above.
- (5) Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, matters relating to a merger agreement in which the Company is the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or in the case where the approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc. in question, a meeting of the Company's Board of Directors), the Company shall lift the Transfer Restrictions on the Allotted Shares in the number that is reasonably determined based on the length of the period from the date of commencement of the Service Provision Period to the date of approval for the reorganization, etc., by resolution of the Company's Board of Directors prior to the effective date of the said reorganization, etc.
- (6) In cases specified in the provision of (5) above, the Company shall acquire by rights without contribution the Allotted Shares for which the Transfer Restrictions have not been lifted in accordance with the above provision of (5) at the time immediately following the lifting of the Transfer Restrictions.
- (7) The method for expressing intentions and giving notifications in the Allotment Agreement, the method for amending the Allotment Agreement, and other matters to be determined by the Board of Directors shall be laid out in the Allotment Agreement.

(Reference)

The Company plans to grant to its Managing Executive Officers restricted shares that are the same as those described above.