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(Stock Exchange Code 6461)
June 7, 2021

To Shareholders with Voting Rights:

Teruo Takahashi
President
NIPPON PISTON RING CO., LTD.
Head Office: 5-12-10,
Honmachi-Higashi, Chuo-ku,
Saitama City, Saitama

**NOTICE OF CONVOCATION OF
THE 127th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 127th Annual General Meeting of Shareholders of NIPPON PISTON RING CO., LTD. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights by mail or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:30 p.m. on Wednesday, June 23, 2021, Japan time.

- 1. Date and Time:** Tuesday, June 24, 2021 at 10:00 a.m. Japan time
- 2. Place:** 2F Hall, NPR Yono Building (the Company's Head Office Building) located at 5-12-10, Honmachi-Higashi, Chuo-ku, Saitama City, Saitama, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements for the Company's 125th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 125th Fiscal Year (April 1, 2020 - March 31, 2021)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of 6 Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Proposal 4:** Election of 3 Directors Who are Audit & Supervisory Committee Members
- Proposal 5:** Election of 1 Substitute Director Who is an Audit & Supervisory Committee Member
- Proposal 6:** Determination of the Amount of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Proposal 7:** Determination of the Amount of Remuneration for Directors Who Are Audit & Supervisory Committee Members
- Proposal 8:** Determination of Remuneration for Granting Restricted Stock to Directors (excluding Directors who are Audit & Supervisory Committee Members, and Outside Directors)

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. In order to save resources, please bring this Notice with you to the meeting.
- The Systems for Ensuring the Properness of Business Activities, Basic Policy on the Control over the Company, Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements are posted on the Company's website (<https://www.npr.co.jp/>) in accordance with provisions of laws and regulations as well as Article 15 of the Company's Articles of Incorporation and therefore are not provided in the Notice. However, the Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements, as well as the Appendix to the Reported Matters, are subject to audit by the Accounting Auditor and the Audit & Supervisory Board.
- Should the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.npr.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

It is proposed that the surplus be appropriated as indicated below.

1. Matters Concerning Year-End Dividend

It is proposed that the year-end dividend for the 125th fiscal year be as follows, taking into consideration matters such as business results for the fiscal year under review and future business development.

(1) Type of dividend

Cash

(2) Matters concerning allotment of property to be distributed and total amount

20 yen per share of the Company's common stock

The total amount of dividend will be ¥159,680,620 in this case.

(3) Effective date of dividend of surplus

June 25, 2021

2. Matters Concerning Other Appropriation of Surplus

Not applicable.

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reason for the proposal

The Company has been engaged in the initiative for enhancing corporate governance with a view to materializing sustainable growth and enhancing its corporate value over the medium to long-term.

Amid radically changing business environment surrounding the Company at present, the Company, with a view to further accelerating decision-making in management, activating discussions at the Board of Directors on corporate strategies and other issues, and strengthening the supervisory function, intend to transition into a company with an audit & supervisory committee, a framework whereby the Board of Directors can entrust to executive Directors considerable portion of its authority to make decisions on important business execution. In line with this change in structure, the Articles of Incorporation of the Company shall be in need of amendments including changes to provisions regarding Directors and the Board of Directors, deletion of the provisions regarding the Audit & Supervisory Board Members and the Audit & Supervisory Board, and the establishment of provisions regarding the Audit & Supervisory Committee.

2. Details of amendments to the Articles of Incorporation

The details of the amendments are as follows.

These amendments to the Articles of Incorporation shall take effect as at the conclusion of this the General Meeting of Shareholders (Underlining indicates changes).

(Amended sections are underlined)

Current Articles of Incorporation	Proposed Amendments
Article 1 - 3 (Provisions omitted) (Governing bodies) Article 4 The Company shall establish the following governing bodies in addition to the General Meeting of Shareholders and Directors. (1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) Accounting Auditor	Article 1 - 3 (Unchanged) (Governing bodies) Article 4 The Company shall establish the following governing bodies in addition to the General Meeting of Shareholders and Directors. (1) Board of Directors (2) <u>Audit & Supervisory Committee</u> (Deleted) (3) Accounting Auditor
Article 5 - 18 (Provisions omitted)	Article 5 - 18 (Unchanged)
Chapter IV Directors and the Board of Directors	Chapter IV Directors, <u>Board of Directors and Audit & Supervisory Committee</u>
(Number of Directors) Article 19 The number of Directors of the Company shall not exceed nine (9).	(Number of Directors) Article 19 The number of Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> of the Company shall not exceed nine (9), <u>and the number of Directors who are Audit & Supervisory Committee Members shall not exceed five (5).</u>
(Method of Election) Article 20 Directors shall be elected at a General Meeting of Shareholders.	(Method of Election) Article 20 Directors shall be elected at a General Meeting of Shareholders <u>by distinguishing Directors who are Audit & Supervisory Committee Members and other Directors.</u>
2. (Provisions omitted) 3. (Provisions omitted)	2. (Unchanged) 3. (Unchanged)

Current Articles of Incorporation	Proposed Amendments
<p>(Term of Office) Article 21 The terms of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders held with respect to the latest business year that ends within one year after their appointment.</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Term of Office) Article 21 The terms of office of Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> shall expire at the conclusion of the Annual General Meeting of Shareholders held with respect to the latest business year that ends within one year after their appointment.</p> <p><u>2. The term of office of Directors who are an Audit & Supervisory Committee Members shall expire at the conclusion of the Annual General Meeting of Shareholders held with respect to the latest business year that ends within two years after their appointment.</u></p> <p><u>3. The term of office of a Director who is an Audit & Supervisory Committee Member elected as a substitute for a Director who is an Audit & Supervisory Committee Member who retired prior to the expiry of his or her term of office shall be until the expiry of the remaining term of his or her predecessor who has retired.</u></p> <p><u>4. The effective period of the resolution for electing a substitute Director who is an Audit & Supervisory Committee Member shall, unless expressly shortened by the same resolution, expire at the beginning of the Annual General Meeting of Shareholders held with respect to the latest business year that ends within two years after such resolution.</u></p>
<p>(Representative Directors and Directors with Corporate Titles) Article 22 The Board of Directors shall elect Representative Directors by its resolution.</p> <p>2. The Board of Directors may, by its resolution, elect <u>one each</u> of Chairman of the Board of Directors, Director and President, and <u>one or more</u> Director and Vice President, <u>Senior Managing Director, and Managing Director.</u></p>	<p>(Representative Directors and Directors with Corporate Titles) Article 22 The Board of Directors shall, by its resolution, elect Representative Directors <u>from among Directors (excluding Directors who are Audit & Supervisory Committee Members).</u></p> <p>2. The Board of Directors may, by its resolution, elect <u>one each</u> of Chairman of the Board of Directors, Director and President, and Director and Vice President <u>from among Directors (excluding Directors who are Audit & Supervisory Committee Members).</u></p>
<p>(Convener and Chairperson of the Board of Directors) Article 23 (Provisions omitted)</p>	<p>(Convener and Chairperson of the Board of Directors) Article 23 (Unchanged)</p>
<p>(Notice of Convocation of the Board of Directors) Article 24 Notice of a meeting of the Board of Directors shall be sent to each Director <u>and each Audit & Supervisory Board Member</u> at least two days prior to the scheduled date of the meeting, provided, however, that such period may be shortened in case of emergency.</p> <p>2. A meeting of the Board of Directors may be held</p>	<p>(Notice of Convocation of the Board of Directors) Article 24 Notice of a meeting of the Board of Directors shall be sent to each Director at least two days prior to the scheduled date of the meeting, provided, however, that such period may be shortened in case of emergency.</p> <p>2. A meeting of the Board of Directors may be held</p>

Current Articles of Incorporation	Proposed Amendments
without the convocation procedures, subject to the consent of all Directors <u>and the Audit & Supervisory Board Members.</u>	without the convocation procedures, subject to the consent of all Directors.
(Newly established)	<u>(Delegation to Directors)</u>
	<u>Article 25</u> <u>Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate to Directors all or part of decisions on the execution of important operations (excluding matters listed in items of Paragraph 5 of the same Article) that ought to be resolved at the Board of Directors.</u>
(Omission of resolutions by the Board of Directors) Article <u>25</u> (Provisions omitted)	(Omission of Resolutions by the Board of Directors) Article <u>26</u> (Unchanged)
(Remuneration, etc.) Article <u>26</u> Remuneration, bonuses and other economic benefit Directors receive from the Company as consideration of execution of their duties (<u>hereinafter “Remuneration, etc.”</u>) shall be determined by resolution by a General Meeting of Shareholders.	(Remuneration, etc.) Article <u>27</u> Remuneration, bonuses and other economic benefit Directors receive from the Company as consideration of execution of their duties shall be determined by resolution by a General Meeting of Shareholders, <u>by distinguishing Directors who are Audit & Supervisory Committee Members and other Directors.</u>
(Limited Liability Agreement with Outside Directors) Article <u>27</u> (Provisions omitted)	(Limited Liability Agreement with Outside Directors) Article <u>28</u> (Unchanged)
<u>Chapter V Audit & Supervisory Board Members and the Audit & Supervisory Board</u>	(Deleted)
<u>(Number of Audit & Supervisory Board Members)</u> Article <u>28</u> <u>The number of Audit & Supervisory Board Members shall not exceed five (5).</u>	(Deleted)
<u>(Method of Election)</u> Article <u>29</u> <u>The Audit & Supervisory Board Members shall be elected at a General Meeting of Shareholders.</u>	(Deleted)
<u>2. The resolution for electing Audit & Supervisory Board Members shall be passed by a majority of voting rights exercised by shareholders in attendance who collectively hold one third or more of the voting rights of all shareholders entitled to exercise voting rights.</u>	
<u>(Term of Office)</u> Article <u>30</u> <u>The terms of office of Audit & Supervisory Board Members shall expire at the conclusion of the Annual General Meeting of Shareholders held with respect to the latest business year that ends within four years after their appointment.</u>	(Deleted)
<u>(Standing Audit & Supervisory Board Members)</u> Article <u>31</u>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>The Audit & Supervisory Board shall, by its resolution, elect standing Audit & Supervisory Board Members.</u></p>	
<p><u>(Notice of Convocation of the Audit & Supervisory Board)</u></p>	(Deleted)
<p><u>Article 32</u> <u>Notice of a meeting of the Audit & Supervisory Board shall be sent to each Audit & Supervisory Board Member at least two days prior to the scheduled date of the meeting, provided, however, that such period may be shortened in case of emergency.</u></p>	
<p><u>2. A meeting of the Audit & Supervisory Board may be held without the convocation procedures, subject to the consent of all Audit and Supervisory Board Members.</u></p>	
<p><u>(Remuneration, etc.)</u></p>	(Deleted)
<p><u>Article 33</u> <u>Remuneration of the Audit & Supervisory Board Members shall be determined by resolution by the General Meeting of Shareholders.</u></p>	
<p><u>(Limited Liability Agreement with Outside Audit & Supervisory Board Members)</u></p>	(Deleted)
<p><u>Article 34</u> <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into a limited liability agreement with Outside Audit & Supervisory Board Members to limit their liability for damages as provided for in Article 423, Paragraph 1 of the same Act, provided, however, that the maximum amount of their liability for damages prescribed under such agreement shall be the minimum amount prescribed under the relevant law and regulations.</u></p>	
(Newly established)	<p><u>(Standing Audit & Supervisory Committee Members)</u> <u>Article 29</u> <u>The Audit & Supervisory Committee shall, by its resolution, elect standing Audit & Supervisory Committee Members.</u></p>
(Newly established)	<p><u>(Notice of Convocation of the Audit & Supervisory Committee)</u> <u>Article 30</u> <u>Notice of a meeting of the Audit & Supervisory Committee shall be sent to each Audit & Supervisory Committee Member at least two days prior to the scheduled date of the meeting, provided, however, that such period may be shortened in case of emergency.</u></p> <p><u>2. A meeting of the Audit & Supervisory Committee may be held without the convocation procedures, subject to the consent of all Audit & Supervisory Committee Members.</u></p>
(Newly established)	<p><u>(Rules of the Audit & Supervisory Committee)</u> <u>Article 31</u> <u>Matters pertaining to the Audit & Supervisory</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>35</u> - <u>38</u> (Provisions omitted)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p><u>Committee shall be governed by the Rules of the Audit & Supervisory Committee to be established by the Audit & Supervisory Committee, along with laws and regulations or these Articles of Incorporation.</u></p> <p>Article <u>32</u> – <u>35</u> (Unchanged)</p> <p><u>Supplementary Provisions</u> <u>(Transitional Measures Regarding the Exemption of Liability for Outside Audit & Supervisory Board Members)</u></p> <p><u>Article 1</u> <u>As for the limited liability agreement for damages as provided for in Article 423, Paragraph 1 of the Companies Act, with respect to actions by Outside Audit & Supervisory Board Members (including those who were previously Outside Audit & Supervisory Board Members) conducted prior to the conclusion of the 127th Annual General Meeting of Shareholders, the provisions of Article 34 of the Articles of Incorporation before the amendments resolved at the same Annual General Meeting of Shareholders shall apply.</u></p>

Proposal 3: Election of 6 Directors (excluding Directors who are Audit & Supervisory Committee Members)

The Company will transition into a company with an audit & supervisory committee, if Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed.

Accordingly, the Company proposes to elect 6 Directors (excluding Directors who are Audit & Supervisory Committee Members).

The resolution of this proposal shall take effect subject to the taking effect of the amendments to the Articles of Incorporations under Proposal 2.

The candidates for Directors (excluding Director who are Audit & Supervisory Committee Members) are as follows.

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Teruo Takahashi (February 10, 1959) [Reappointment]	<p>April 1981 April 2005 June 2006</p> <p>Joined the Company General Manager, Product Engineering Department II Executive Officer with Development Division, General Manager, Product Engineering Department II, Development Division</p> <p>April 2009</p> <p>Executive Officer and General Manager, Product Engineering Department II, in charge of Technical Planning Department, Product Engineering Department I, Product Engineering Department II, and Research and Development Department</p> <p>June 2009</p> <p>Director and General Manager, Product Engineering Department II, in charge of Technical Planning Department, Product Engineering Department I, Product Engineering Department II, and Research and Development Department</p> <p>February 2014</p> <p>Director, in charge of Technical Planning Department, Product Engineering Department I, Product Engineering Department II, and New Product Business Promotion Department</p> <p>April 2015</p> <p>Director, in charge of Tochigi Plant, Technical Planning Department, Product Engineering Department I, Product Engineering Department II, Research and Development Department, and New Product Business Promotion Department</p> <p>June 2016</p> <p>Managing Director, in charge of Technical Planning Department, Product Engineering Department I, Product Engineering Department II, Research and Development Department, and New Product Business Promotion Department</p> <p>April 2018</p> <p>Managing Director, in charge of Technical Planning Department, Product Engineering Department I, Product Engineering Department II, Research and Development Department, and New Product Business Development Department</p> <p>June 2020</p> <p>Representative Director and President, in charge of Internal Auditors Office (to present)</p>	8,600

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Yuji Sakamoto (October 22, 1957) [Reappointment]	<p>July 1977 Joined the Company</p> <p>April 2001 General Manager, Tokyo East Sales Department</p> <p>April 2004 Executive Officer and General Manager, Tokyo Sales Department, Sales Division</p> <p>June 2006 Director, Deputy General Manager, Sales Division, and General Manager, Business Planning Department, Sales Division</p> <p>June 2013 Managing Director (to present), in charge of Business Planning Department, Tokyo Sales Department, Nagoya Sales Department, Osaka Sales Department, International Sales Department, Marine Business Promotion Department and Nippon Ring Service Co., Ltd.</p> <p>June 2020 Representative Director (to present), in charge of Business Planning Department, Tokyo Sales Department, Nagoya Sales Department, Osaka Sales Department, International Sales Department, METAMOLD Business Promotion Department and Nippon Ring Service Co., Ltd.</p> <p>October 2020 In charge of Business Planning Department, Development Sales Department I, Development Sales Department II, International Sales Department, Production Control Department, Global Procurement Department and Nippon Ring Service Co., Ltd.</p> <p>April 2021 In charge of Business Planning Department, Development Sales Department I, Development Sales Department II, NRS Sales Department, International Sales Department, Production Control Department and Global Procurement Department. (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Director and Chairman, NPR Singapore Pte. Ltd. • Director, NPR of Europe GmbH • Director, NPR ASIMCO Powdered Metals Manufacturing (Yizheng) Co., Ltd. 	13,400
3	Masaaki Fujita (May 30, 1961) [Reappointment]	<p>April 1984 Joined the Company</p> <p>April 2005 General Manager, Corporate Planning Department</p> <p>June 2006 President, NPR of America, Inc.</p> <p>July 2012 Operating Officer, the Company President, NPR of America, Inc.</p> <p>June 2013 Director, General Manager, Corporate Planning Department, in charge of Corporate Planning Department and Overseas Operation Control Department</p> <p>April 2015 Director, General Manager, Corporate Planning Department, in charge of Corporate Planning Department, Accounting and Finance Department and Overseas Operation Control Department</p> <p>April 2018 Director, in charge of Corporate Planning Department, Accounting and Finance Department, and Overseas Operation Control Department</p> <p>April 2021 Director, in charge of Corporate Planning Department and Accounting and Finance Department (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Director, NPR of America, Inc. 	8,684

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Zhongliang Yang (July 20, 1962) [Reappointment]	<p>April 1995 Joined the Company</p> <p>April 2007 Overseas Operation Control Division, the Company Plant Manager, NPR Auto Parts Manufacturing (Yizheng) Co., Ltd.</p> <p>May 2011 Chairman and President, NPR Auto Parts Manufacturing (Yizheng) Co., Ltd.</p> <p>December 2012 Chairman and President, NPR Powdered Metals Manufacturing (Yizheng) Co., Ltd.</p> <p>July 2013 Executive Officer, the Company Chairman and President, NPR ASIMCO Powdered Metals Manufacturing (Yizheng) Co., Ltd.</p> <p>June 2016 Director, the Company, in charge of Quality Assurance Department, Production Control Department, Tochigi Plant, Production Engineering Department I, Production Engineering Department II and Production Engineering Department III</p> <p>June 2020 Chairman and President, NPR ASIMCO Powdered Metals Manufacturing (Yizheng) Co., Ltd.</p> <p>October 2020 Director, in charge of Tochigi Plant, Production Engineering Department I, Production Engineering Department II and Production Engineering Department III (to present)</p> <p>[Significant concurrent positions] <ul style="list-style-type: none"> • President, NPR IWATE CO., Ltd. • President, NPR FUKUSHIMA WORKS CO., LTD. • Director, NPR Auto Parts Manufacturing (Yizheng) Co., Ltd. • President, NPR ASIMCO Powdered Metals Manufacturing (Yizheng) Co., Ltd. </p>	4,783
5	Nobuyasu Nara (September 21, 1963) [Reappointment]	<p>April 1986 Joined The Long-Term Credit Bank of Japan, Limited (present Shinsei Bank, Limited)</p> <p>April 2014 Executive Officer, Executive Officer in charge of Institutional Business and General Manager of Osaka Branch, Shinsei Bank, Limited</p> <p>November 2016 Executive Officer, General Manager, Institutional Credit Management Division, Shinsei Bank, Limited</p> <p>December 2019 Retired from Shinsei Bank, Limited</p> <p>January 2020 Joined the Company, Advisor, the Company</p> <p>June 2020 Director (to present)</p> <p>October 2020 In charge of Safety and Health Promotion Department, Corporate Management Department, General Affairs Department and Information System Department (to present)</p> <p>[Significant concurrent positions] <ul style="list-style-type: none"> • Director, NPR IWATE CO., Ltd. • Director and Chairman, SIAM NPR Co., Ltd. </p>	3,000
6	Hiroshi Nakazawa (September 10, 1964) [Reappointment] [Outside] [Independent]	<p>April 1988 Joined The Mitsui Bank Limited (present Sumitomo Mitsui Banking Corporation)</p> <p>October 1995 Joined Taiyo Audit Corporation (present Grant Thornton Taiyo LLC)</p> <p>January 1998 Joined Ota Showa Audit Corporation (present Ernst & Young ShinNihon LLC)</p> <p>April 1999 Registered as Certified Public Accountant</p> <p>September 2012 Joined Nidec Corporation</p> <p>June 2013 Audit & Supervisory Board Member, C'BON Co., Ltd</p> <p>June 2015 Executive Officer, C'BON Co., Ltd.</p> <p>June 2017 Audit & Supervisory Board Member, C'BON Co., Ltd (to present)</p> <p>June 2020 Outside Director, the Company (to present)</p> <p>[Significant concurrent positions] <ul style="list-style-type: none"> • Audit & Supervisory Board Member, C'BON Co., Ltd </p>	0

(Notes)

1. There are no special interests between the candidates for Directors and the Company.
2. Ms. Hiromi Nakazawa is a candidate for Outside Director. The Company reported Ms. Nakazawa as an independent director as stipulated by Tokyo Stock Exchange, Inc. If the reappointment of Ms. Nakazawa is approved as proposed, she will continue to be reported as an independent director.
3. Number of years since appointment in the case where candidates for Directors are incumbent Outside Audit & Supervisory Board Members
Ms. Hiromi Nakazawa is currently a part-time Director of the Company, and her term of office as Outside Director at the conclusion of this Annual General Meeting of Shareholders is one year.
4. Limited liability agreement with the candidates for Directors
The Company has entered into an agreement with Ms. Hiromi Nakazawa in accordance with Article 427, Paragraph 1 of the Companies Act to limit her liability pursuant to Article 423, Paragraph 1 of the Companies Act. If Ms. Nakazawa is elected, the Company intends to continue the limited liability agreement with her. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.
5. The Company plans to take out a directors and officers liability insurance policy as defined under Article 430-3, Paragraph 1 of the Companies Act, from an insurance company, to ensure that the legally liable damages and associated litigation cost incurred by the insured person will be indemnified under such insurance policy. All candidates shall be covered as the insured person under this insurance policy. The Company intends to renew such insurance policy with the same terms and conditions at its next renewal.

Proposal 4: Election of 3 Directors Who are Audit & Supervisory Committee Members

The Company will transition into a company with an audit & supervisory committee, if Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed.

Accordingly, the Company proposes to elect 3 Directors who are Audit & Supervisory Committee Members.

The resolution of this proposal shall take effect subject to the taking effect of the amendments to the Articles of Incorporations under Proposal 2.

The Audit & Supervisory Committee has previously given its approval to this proposal.

The candidates for Directors who are Audit & Supervisory Committee Members are as follows.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Hiroto Koeba (April 4, 1965)	<p>April 1988 Joined the Company</p> <p>April 2012 General Manager, Accounting and Finance Department</p> <p>July 2016 Executive Officer, General Manager, Accounting and Finance Department</p> <p>July 2018 Executive Officer, Assistant to Officer Responsible for Accounting and Finance Department</p> <p>June 2020 Audit & Supervisory Board Member (to present)</p> <p>[Significant concurrent positions]</p> <p>• Audit & Supervisory Board Member, NPR IWATE CO., Ltd.</p>	1,382
2	Hiroki Kimura (January 19, 1962) [Outside] [Independent]	<p>April 1984 Joined Asahi Mutual Life Insurance Company</p> <p>April 2012 Executive Officer, Head of Finance and Real Estate Division, Asset Management Administration Division, Asahi Mutual Life Insurance Company</p> <p>July 2013 Director, Executive Officer and Head of Asset Management Administration Division, Asahi Mutual Life Insurance Company</p> <p>June 2014 Outside Auditor, Kanto Denka Kogyo Co., Ltd.</p> <p>April 2015 Director, Managing Executive Officer in charge of Asset Management Planning Department and Securities Management Department, Asahi Mutual Life Insurance Company</p> <p>April 2016 Director, Managing Executive Officer in charge of Corporate Planning Department and Finance Department, Asahi Mutual Life Insurance Company</p> <p>June 2016 Audit & Supervisory Board Member (Outside), the Company (to present)</p> <p>April 2017 President and Representative Director, Asahi Mutual Life Insurance Company (to present)</p> <p>March 2019 Audit & Supervisory Board Member (Outside), The Yokohama Rubber Co., Ltd. (to present)</p> <p>June 2020 Audit & Supervisory Board Member (External), Zeon Corporation (to present)</p> <p>[Significant concurrent positions]</p> <p>• President and Representative Director, Asahi Mutual Life Insurance Company</p> <p>• Audit & Supervisory Board Member (Outside), The Yokohama Rubber Co., Ltd.</p> <p>• Audit & Supervisory Board Member (External), Zeon Corporation</p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Yoshihide Hino (August 2, 1962) [Outside] [Independent]	<p>April 1990 Registered as Attorney-at-Law Joined Sakano Seo Hashimoto Law Office</p> <p>April 2000 Partner, Tokyo Hatchobori Law Office (to present)</p> <p>October 2013 Part-time Judge, Tokyo District Court (Civil Conciliation Act)</p> <p>March 2015 Substitute Auditor, LOOK HOLDINGS INCORPORATED (to present)</p> <p>April 2016 Conciliation Commissioner, Tokyo Summary Court (to present)</p> <p>April 2017 Chairperson of the Administration Committee, Investigatory Commission for Housing Disputes, Daini Tokyo Bar Association</p> <p>April 2018 Housing Dispute Resolution Body Examination Committee Member, Japan Federation of Bar Associations (to present)</p> <p>January 2020 Human Rights Volunteer, Ministry of Justice (to present)</p> <p>June 2020 Audit & Supervisory Board Member (Outside), the Company (to present)</p> <p>[Significant concurrent positions] • Partner, Tokyo Hatchobori Law Office</p>	0

(Notes)

1. There are no special interests between Mr. Hiroto Koeba and the Company.
2. There are no special interests between Mr. Yoshihide Hino and the Company.
3. Mr. Hiroki Kimura is President and Representative Director of Asahi Mutual Life Insurance Company. Although said company holds 259,200 shares of the Company, there are no special interests between Mr. Hiroki Kimura and the Company.
4. Messrs. Hiroki Kimura and Yoshihide Hino are candidates for Outside Directors. The Company reported them as independent directors as stipulated by Tokyo Stock Exchange, Inc. If their appointment is approved, they will continue to be reported as independent directors.
5. Limited liability agreement with the candidates for Directors who are Audit & Supervisory Committee Members
The Company has entered into an agreement with Messrs. Hiroki Kimura and Yoshihide Hino in accordance with Article 427, Paragraph 1 of the Companies Act to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations. If the appointment of Messrs. Kimura and Hino under this proposal is approved as proposed, the Company plans to enter into the agreement with them as Outside Directors.
6. The Company plans to take out a directors and officers liability insurance policy as defined under Article 430-3, Paragraph 1 of the Companies Act, from an insurance company, to ensure that the legally liable damages and associated litigation cost incurred by the insured person will be indemnified under such insurance policy. All candidates shall be covered as the insured person under this insurance policy. The Company intends to renew such insurance policy with the same terms and conditions at its next renewal.

(Reference)

Areas of expertise and experience possessed by the candidates for Directors, and Executive Officers (skill matrix)

- The candidates for Directors have expertise and experience in the following areas.

Name	Position	Independence (Outside)	Particular areas of specialty where the individuals excel						Nomination and Remuneration Advisory Committee
			Corporate management Business strategies	Finance & Accounting	Manufacturing & Technologies	Sales/ Marketing	Innovation/ Research and development	Legal/ Compliance	
Teruo Takahashi	Representative Director and President		●	●	●		●		●
Yuji Sakamoto	Representative Director and Senior Managing Executive Officer		●		●	●		●	●
Masaaki Fujita	Director and Managing Executive Officer		●	●		●		●	
Zhongliang Yang	Director and Managing Executive Officer		●	●	●		●		
Nobuyasu Nara	Director and Managing Executive Officer		●	●				●	
Hiroshi Nakazawa	Director	●	●	●				●	●
Hiroto Koeba	Director and Audit & Supervisory Committee Member		●	●				●	
Hiroki Kimura	Director and Audit & Supervisory Committee Member	●	●	●				●	●
Yoshihide Hino	Director and Audit & Supervisory Committee Member	●		●				●	●

- The Company will introduce a delegated executive officer system on June 24, 2021. Areas of expertise and experience possessed by the Executive Officers who do not concurrently serve as Directors, who are scheduled to be appointed at the Board of Directors' meeting to be held immediately after the conclusion of this Annual General Meeting of Shareholders are as follows

Name	Position	Independence (Outside)	Particular areas of specialty where the individuals excel						Nomination and Remuneration Advisory Committee
			Corporate management Business strategies	Finance & Accounting	Manufacturing & Technologies	Sales/ Marketing	Innovation/ Research and development	Legal/ Compliance	
Makoto Kajiwara	Executive Officer				●		●	●	
Nobunori Tsuda	Executive Officer		●	●		●			
Takao Kishitani	Executive Officer				●	●	●		

Proposal 5: Election of 1 Substitute Director Who is an Audit & Supervisory Committee Member

The Company will transition into a company with an audit & supervisory committee, if Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed.

Accordingly, the Company proposes to elect 1 substitute Director who is an Audit & Supervisory Committee Member to prepare for the case where the number of Directors who are Audit & Supervisory Committee Members falls short of the level required by laws and regulations.

The resolution of this proposal shall take effect subject to the taking effect of the amendments to the Articles of Incorporations under Proposal 2.

Such substitute Director who is an Audit & Supervisory Committee Member shall be appointed subject to the number of Directors who are Audit & Supervisory Committee Members falling short of the level required by laws and regulations, and his or her term of office shall be the remaining term of office of his or her predecessor. The effectiveness of the election under this proposal could be negated only before the assumption of office by such substitute Director who is an Audit & Supervisory Committee Member and by the resolution of the Board of Directors upon the consent of the Audit & Supervisory Committee.

The candidate for substitute Director who is an Audit & Supervisory Committee Members is as follows.

Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
Osamu Takai (November 3, 1947) [Outside]	April 1992 Professor, School of Engineering, Nagoya University April 2012 Professor Emeritus, Nagoya University (to present) Professor, College of Engineering, Kanto Gakuin University Vice Director, Materials & Surface Engineering Research Institute, Kanto Gakuin University June 2013 External Audit & Supervisory Board Member, JCU CORPORATION June 2014 Audit & Supervisory Board Member (Outside), the Company (to present) April 2018 Director, Materials & Surface Engineering Research Institute, Kanto Gakuin University (to present) [Significant concurrent positions] • Professor Emeritus, Nagoya University • Director, Materials & Surface Engineering Research Institute, Kanto Gakuin University	0

(Notes)

1. There are no special interests between Mr. Osamu Takai and the Company.
2. Mr. Osamu Takai is a candidate for substitute Outside Director who is an Audit & Supervisory Committee Member. The Company reported him as an independent director as stipulated by Tokyo Stock Exchange, Inc. If he assumes office as Director who is an Audit & Supervisory Committee Member, the Company intends to report him to Tokyo Stock Exchange, Inc. as an independent director.
3. Limited liability agreement with the candidate for Director
The Company has entered into an agreement with Mr. Osamu Takai in accordance with Article 427, Paragraph 1 of the Companies Act to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act. If Mr. Takai is appointed as Director who is an Audit & Supervisory Committee Member, the Company intends to enter into such limited liability agreement with him. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.
4. The Company plans to take out a directors and officers liability insurance policy as defined under Article 430-3, Paragraph 1 of the Companies Act, from an insurance company, to ensure that the legally liable damages and associated litigation cost incurred by the insured person will be indemnified under such insurance policy. If Mr. Takai assumes office as Director who is an Audit & Supervisory Committee Member, Mr. Takai shall be covered as the insured person under such insurance policy.

Proposal 6: Determination of the Amount of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)

The amount of remuneration for Directors of the Company was approved at an “amount not exceeding 300 million yen (including executive bonus) per annum” at the 112th Annual General Meeting of Shareholders held on June 29, 2006.

The Company will transition into a company with an audit & supervisory committee, subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation” as originally proposed. Accordingly, following its transition into a company with an audit & supervisory committee, the Company proposes to abolish the aforementioned ceiling, while newly establishing the amount of remuneration for Directors who are not Audit & Supervisory Committee Members at an amount not exceeding 280 million yen (including executive bonus) per annum (including the portion for Outside Directors not exceeding 30 million yen per annum), in consideration of the existing annual ceiling of remuneration for Directors and various circumstances, including the current economic condition in general.

The amount of remuneration, etc. under this proposal is believed to be appropriate as it pays fixed remuneration and performance-based remuneration based on the policy stated in page 41 through page 43 in the Business Report of the Japanese version of this convocation notice.

The proposed amount of remuneration was determined by the Board of Directors to be in line with the aforementioned policy after its thorough evaluation based on the recommendation made following the deliberation by the Nomination and Remuneration Advisory Committee with majority of its members represented by Independent Outside Directors.

The amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall remain exclusive of the portion of remuneration paid as employee salary to Directors concurrently serving as employees. At present, there are nine (9) Directors (including three Outside Directors), but if Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of 6 Directors (excluding Directors who are Audit & Supervisory Committee Members)” are approved as proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be six (6) (including one (1) Outside Director).

The resolution of this proposal shall take effect subject to the taking effect of the amendments to the Articles of Incorporations under Proposal 2.

Proposal 7: Determination of the Amount of Remuneration for Directors Who Are Audit & Supervisory Committee Members

The amount of remuneration for the Audit & Supervisory Board Members was approved at an “amount not exceeding 55 million yen per annum” at the 112th Annual General Meeting of Shareholders held on June 29, 2006.

The Company will transition into a company with an audit & supervisory committee, subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation” as originally proposed. Accordingly, the Company proposes to abolish the aforementioned ceiling, while newly establishing the amount of remuneration for Directors who are Audit & Supervisory Committee Members at an amount not exceeding 53 million yen per annum, in consideration of the existing annual ceiling of remuneration for the Audit & Supervisory Board Members and various circumstances, including the current economic condition in general.

This proposed amount of remuneration for the Directors who are Audit & Supervisory Committee Members is believed to be appropriate, as it was thoroughly reviewed by the Board of Directors based on the recommendation made following the deliberation by the Nomination and Remuneration Advisory Committee with majority of its members represented by Independent Outside Directors.

At present, there are five (5) Audit & Supervisory Board Members (including three (3) Outside Audit & Supervisory Board Members), but if Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 4 “Election of 3 Directors Who are Audit & Supervisory Committee Members” are approved as proposed, the number of Directors who are Audit & Supervisory Committee Members will be three (3) (including two (2) Outside Directors).

The resolution of this proposal shall take effect subject to the taking effect of the amendments to the Articles of Incorporations under Proposal 2.

Proposal 8: Determination of Remuneration for Granting Restricted Stock to Directors (excluding Directors who are Audit & Supervisory Committee Members, and Outside Directors)

The amount of remuneration, etc. for Directors (excluding Outside Directors) of the Company in the form of restricted stock was resolved at the 126th Annual General Meeting of Shareholders held on June 26, 2020, at an “amount not exceeding 70 million yen per annum, outside the amount of remuneration for Directors (not exceeding 300 million yen per annum, and including executive bonus, but excluding the portion of remuneration paid as employee salary to Directors concurrently serving as employees)” (including the portion for Outside Directors not exceeding 30 million yen per annum).

The Company will transition into a company with an audit & supervisory committee, subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation” as originally proposed. Accordingly, following its transition into a company with an audit & supervisory committee, the Company proposes to set a ceiling to the amount of the monetary remuneration for granting restricted stock to Directors (excluding Directors who are Audit & Supervisory Committee Members, and Outside Directors, hereinafter “Eligible Directors”), in the same way as has been applied to the amount of remuneration for granting restricted stock to Directors, at an amount not exceeding 70 million yen per annum, outside the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) set at an “amount not exceeding 280 million yen per annum (including executive bonus, but excluding the portion of remuneration paid as employment salary to Directors concurrently serving as employees)” (including the portion for Outside Directors not exceeding 30 million yen per annum) for which shareholders’ approval is being requested under Proposal 6: “Determination of the Amount of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members).”

The amount of remuneration, etc. under this proposal is believed to be appropriate as it pays non-monetary remuneration based on the policy stated in page 41 through page 43 in the Business Report of the Japanese version of this convocation notice.

The proposed amount of remuneration was determined by the Board of Directors to be in line with the aforementioned policy after its thorough evaluation based on the recommendation made following the deliberation by the Nomination and Remuneration Advisory Committee with majority of its members represented by Independent Outside Directors.

If Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of 6 Directors (excluding Directors who are Audit & Supervisory Committee Members)” are approved as proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company will be six (6) (including one (1) Outside Director).

The resolution of this proposal shall take effect subject to the taking effect of the amendments to the Articles of Incorporations under Proposal 2.

The description of the restricted stock to be allotted to the five (5) Eligible Directors is the same as was approved at the 126th Annual General Meeting of Shareholders held on June 26, 2020, which is summarized as follows.

Eligible Directors shall pay as property contributed in kind all monetary remuneration claims paid by the Company under the plan, and shall receive common stock of the Company through issuance or disposal.

The total number of shares of common stock of the Company to be issued or disposed of to Eligible Directors by the Company under the plan shall not exceed 25,000 shares per annum, while the amount to be paid in per share shall be an amount determined by the Board of Directors within a reasonable range that will not be a particularly advantageous amount for Eligible Directors who will receive the common stock, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day before the date of each resolution by the Board of Directors (if there are no trades on that day, the closing price on the most recent preceding trading day).

Furthermore, when issuing or disposing of common shares of the Company under the plan, the Company shall enter into a restricted stock allotment agreement with Eligible Directors, to the effect that (i) the Eligible Directors shall not transfer, create securities interest on, or otherwise dispose of common stock of the Company received by allotment under the restricted stock allotment agreement for certain period, and that (ii) the Company shall acquire such common stock of the Company without consideration under certain circumstances.

In this disposal of treasury stock, the five (5) Eligible Directors scheduled to receive the allotment will, under the plan, pay as property contributed in kind all monetary remuneration claims against the Company, to receive common stock of the Company (hereinafter the “Allotted Shares”). In this disposal of treasury

stock, the outline of the restricted stock allotment agreement (hereinafter the “Allotment Agreement”) to be reached between the Company and the Eligible Directors shall be as follows.

(1) Transfer restriction period

A period between three (3) and thirty (30) years

(2) Condition for removal of transfer restriction

The transfer restriction shall be removed upon the expiry of the transfer restriction period for the whole of the Allotted Shares, on condition that the Eligible Director remains in the office of Director of the Company continuously during the transfer restriction period.

(3) Treatment of retirement of the Eligible Directors during the transfer restriction period, due to expiry of the term of office or other justifiable reason

(i) Timing of the removal of transfer restriction

In the event of retirement of an Eligible Director due to expiry of his or her term of office as Director of the Company or other justifiable reason (including his or her death), transfer restriction shall be removed immediately following the retirement.

(ii) The number of shares subject to the removal of transfer restriction

The number of shares subject to the removal of transfer restriction shall be calculated by multiplying the number of the Allotted Shares held by the Eligible Director at the time of his or her retirement as defined in (i) by the factor obtained by dividing the number of months included in the period between the month that contains the date when the Eligible Director started the execution of his or her duties for the applicable fiscal year and the month that contains the aforementioned date of retirement by 12 (or 1 if the resulting factor is more than 1)(any fractional shares resulting from the above calculation shall be disregarded).

(4) Acquisition by the Company without consideration

If, during the transfer restriction period, the Eligible Director commits an act of violation of law or otherwise gives rise to certain circumstance as stipulated in the Allotment Agreement, the Company shall automatically acquire the whole of the Allotted Shares without consideration as at the point in time when such violation or circumstance arises. Furthermore, the Company shall automatically acquire without consideration the number of the Allotted Shares not subject to the removal of transfer restriction, as at the time of removal of transfer restriction as defined in (3) above.

(5) Management of shares

The Allotted Shares shall be managed in a dedicated account established by Eligible Directors at Nomura Securities Co., Ltd during the transfer restriction period for the purpose of preventing transfer, creation of securities interest thereon, or otherwise disposal thereof during the transfer restriction period. The Company has entered into an agreement with Nomura Securities Co., Ltd. on the management of the accounts for the Allotted Shares held by each Eligible Director, to ensure the effectiveness of the restriction on the transfer of the Allotted Shares. Furthermore, Eligible Directors shall agree on the detail of the aforementioned management of their account.

(6) Treatment in organizational restructuring, etc.

If, during the transfer restriction period, a merger agreement where the Company will become the disappearing company, share exchange agreement or share transfer plan where the Company will become a wholly owned subsidiary, or other item related to organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (however, this shall be the Board of Directors of the Company if the organizational restructuring, etc. does not require approval by the General Meeting of Shareholders of the Company), the Company shall, by resolution of the Board of Directors, remove the restriction at the point in time immediately prior to the business day before the effective date of such organizational restructuring, etc., on the number of shares as calculated by multiplying the number of the Allotted Shares held by the Eligible Director at the time of such approval, by the factor obtained by dividing the number of months included in the period between the month that contains the date when the Eligible Director started the execution of his or her duties for the applicable fiscal year, and the month that contains the aforementioned date of the approval by 12 (or 1 if the resulting factor is more than 1)(any fractional shares resulting from the above calculation shall be disregarded). Furthermore, the Company shall automatically acquire without consideration

the whole of the Allotted Shares not subject to the removal of transfer restriction, at the point in time immediately after the removal of the transfer restriction.