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(Securities Code: 3580)

June 6, 2023

To Shareholders with Voting Rights:

(Date of commencement of measures for
electronic provision: June 1, 2023)

Hisae Sasaki

President

KOMATSU MATERE Co., Ltd.

Nu 167, Hama-machi, Nomi-city, Ishikawa, Japan

Notice of Convocation of the 111th General Meeting of Shareholders

Dear Shareholders:

Please be informed that the 111th General Meeting of Shareholders of KOMATSU MATERE Co., Ltd. (the “Company”) will be held for the purposes as described below.

The Company has taken electronic provision measures in convening this General Meeting of Shareholders and posted matters subject to electronic provision measures in the “Notice of Convocation of the 111th General Meeting of Shareholders” on the following website on the Internet.

The Company’s website: <https://www.komatsumatere.co.jp/ir/meeting/> (available in Japanese only)

In addition to the website above, the Company has also posted the matters subject to electronic provision measures on the website of the Tokyo Stock Exchange, Inc. (TSE). To confirm the information, please visit the TSE website below and enter and search for the Issue name (company name) or the Code, select “Basic information” and then “Documents for public inspection/PR information.”

TSE website: <https://www2.jpx.co.jp/tseHpFront/JJK020030Action.do>

If you are unable to attend the meeting in person, you can exercise your voting rights in writing or via the Internet in advance. Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to electronic provision measures, and exercise your votes either in writing or via the Internet, etc. no later than 5:00 p.m. on Thursday, June 22, 2023, Japan time.

- 1. Date and Time:** Friday, June 23, 2023 at 10:00 a.m. Japan time
- 2. Place:** The head office of KOMATSU MATERE Co., Ltd.
Nu 167, Hama-machi, Nomi-city, Ishikawa, Japan

For this General Meeting of Shareholders, we cancel the distribution of souvenirs to attending shareholders and the holding of a social gathering.

3. Meeting Agenda:

Matters to be reported:

1. Business Report, Consolidated Financial Statements and Accounting Auditors' and Audit & Supervisory Board's Reports on Consolidated Financial Statements for the 111th term (from April 1, 2022 to March 31, 2023)
2. Non-consolidated Financial Statements for the 111th term (from April 1, 2022 to March 31, 2023)

Proposals to be resolved:

Proposal 1:

Appropriation of Surplus

Proposal 2:

Election of Nine (9) Members of the Board

Proposal 3:

Election of Two (2) Substitute Audit & Supervisory Board Members

Proposal 4:

Revision of Amount of Remuneration, etc. for Members of the Board

Proposal 5:

Determination of Remuneration to Grant Restricted Stock to Members of the Board

- **For this General Meeting of Shareholders, we send you the hard copy containing the matters subject to electronic provision measures regardless of whether you have requested it or not. Please note that, out of the matters subject to electronic provision measures, "5. Systems and policies of the Company" in the Business Report, "Consolidated Statement of Changes in Shareholders' Equity" and "Notes to the Consolidated Financial Statements" in Consolidated Financial Statements as well as "Non-Consolidated Statement of Changes in Shareholders' Equity" and "Notes to Non-Consolidated Financial Statements" in Non-Consolidated Financial Statements are not included in the paper copy pursuant to the provisions of laws and regulations and Article 16 of the Articles of Incorporation. The documents sent as the hard copy are subject to audit by the Accounting Auditor and the Audit & Supervisory Board Members, together with the above matters which were excluded from the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements.**
- **Any revisions to matters subject to measures for electronic provision will be posted on each of the websites where such matters are posted.**
- **The Company accepts questions and opinions from shareholders during the period from June 6, 2023 (Tuesday) to June 13, 2023 (Tuesday). We will address matters of high interest to shareholders in this General Meeting of Shareholders. If you have any question or opinion, please send it to us to our email address (111soukai@komatsumatere.co.jp), indicating your shareholder number and name.**
- **In the event of any significant changes in the operation of the General Meeting of Shareholders such as a change in the date, time, place, etc. of the meeting stated in the Notice of Convocation, the Company will post a notice on our website promptly.**

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

Regarding the appropriation of surplus, we would like to propose as follows:

1. Matters regarding Year-end Dividend

The Company regards returning profits to shareholders as one of its important business priorities, and our basic policy is to continuously provide stable dividends.

Regarding the consolidated payout ratio, we have strived to strengthen and enhance our revenue base in order to achieve a payout ratio of about 30% to 50% of net income for the fiscal year under review.

As for the year-end dividend for the fiscal year under review, we propose a dividend of 10 yen per share (ordinary dividend). As a result, the annual dividend will be 20 yen per share, an increase of 2 yen from the previous fiscal year, including an interim dividend of 10 yen per share.

(1) Type of dividend property

Cash

(2) Matters regarding the assignment of the dividend property to shareholders and the total amount

10 yen per share of common stock of the Company

Total amount: 401,583,640 yen

(3) Date on which the appropriation of surplus takes effect

June 26, 2023

Proposal 2: Election of Nine (9) Members of the Board

The terms of office of all the nine (9) Members of the Board will expire at the closing of this General Meeting of Shareholders. Therefore, the Company proposes electing nine (9) Members of the Board.

The candidates for Members of the Board are as follows:

No.	Name (Date of birth)	Past experience, positions and responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p data-bbox="256 909 416 1003">Hisae Sasaki (February 26, 1953)</p> <div data-bbox="233 1014 443 1059" style="border: 1px solid black; padding: 2px;"> <p data-bbox="252 1021 424 1050">Reappointment</p> </div>	<p data-bbox="464 595 576 618">Apr.1977</p> <p data-bbox="667 595 991 618">Joined Toray Industries, Inc.</p> <p data-bbox="464 633 576 656">Apr. 2001</p> <p data-bbox="667 633 1230 689">General Manager, Textile Development Center of Toray Industries, Inc.</p> <p data-bbox="464 701 576 723">Jun. 2004</p> <p data-bbox="667 701 1209 757">President and Plant Manager, P.T. Indonesia Synthetic Textile Mills/P.T. Acryl Textile Mills</p> <p data-bbox="464 768 576 790">Oct. 2007</p> <p data-bbox="667 768 1257 824">Deputy President in charge of production, Penfabric Sdn. Berhad</p> <p data-bbox="464 835 576 857">Jun. 2009</p> <p data-bbox="667 835 1257 891">General Manager of Fiber Processing Technology Department, Toray Industries, Inc.</p> <p data-bbox="464 902 576 925">Jun. 2010</p> <p data-bbox="667 902 1225 981">Director in charge of high-order processing technology and production, Production Division, Toray Industries, Inc.</p> <p data-bbox="464 992 576 1014">Jun. 2014</p> <p data-bbox="667 992 1241 1070">Full-time Commissioner in charge of high-order processing technology and production, Production Division of Toray Industries, Inc.</p> <p data-bbox="464 1081 576 1104">Jun. 2018</p> <p data-bbox="667 1081 1246 1137">Part-time, Production Division of Toray Industries, Inc.</p> <p data-bbox="464 1149 576 1171">Jan. 2020</p> <p data-bbox="667 1149 1066 1171">Retired from Toray Industries, Inc.</p> <p data-bbox="464 1182 576 1205">Feb. 2020</p> <p data-bbox="667 1182 1289 1238">General Manager, Corporate Strategic Planning Office of the Company</p> <p data-bbox="464 1249 576 1272">Jun. 2020</p> <p data-bbox="667 1249 911 1272">President (to present)</p> <p data-bbox="464 1283 1465 1462">[Reasons for nomination as a candidate for Member of the Board] Mr. Hisae Sasaki has abundant business experience in the fiber processing technology division and management experience as a Member of the Board of the Company. The Company nominates him as a candidate for Member of the Board as we believe that he is capable of quickly responding to changes in the future economy and business environment and promoting management efficiency from a global perspective.</p>	27,500

No.	Name (Date of birth)	Past experience, positions and responsibilities and significant concurrent positions	Number of shares of the Company held
2	Daisuke Nakayama (October 6, 1969) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>	Apr. 1992 Joined the Company Oct. 2006 General Manager of International Sales Department and General Manager of Market Exploration Office Jun. 2009 Director, General Manager of International Sales Department, Assistant General Manager of Marketing Division and General Manager of Fashion Planning Office Jun. 2011 Member of the Board, Assistant General Manager of Sales Division and General Manager of Sales Division No. 1 Feb. 2013 Member of the Board and General Manager of Business Division No. 1 Jun. 2014 Executive Director (Member of the Board) and General Manager of Business Division No. 1 Jan. 2017 Executive Director (Member of the Board), General Manager of Sales Division and General Manager of Sales Planning Office Sep. 2017 Executive Director (Member of the Board), General Manager of Sales Division and General Manager of International Sales Department Jun. 2019 Senior Executive Director (Member of the Board), General Manager of Sales Division and General Manager of International Sales Department Apr. 2020 Senior Executive Director (Member of the Board), General Manager of Sales Division (to present)	55,200
		<p>[Reasons for nomination as a candidate for Member of the Board] Mr. Daisuke Nakayama has abundant business experience at sales-related departments of the Company and management experience as a Member of the Board of the Company, and is currently demonstrating his leadership as a member of the management team. The Company nominates him as a candidate for Member of the Board to leverage his ability and experience for management of the Company and its group companies.</p>	

No.	Name (Date of birth)	Past experience, positions and responsibilities and significant concurrent positions	Number of shares of the Company held
3	Chihiro Matsuo (January 27, 1970) Reappointment	Apr. 1992 Joined the Company	19,700
		Jun. 2011 Executive Officer and General Manager of Factory No. 2	
		Jun. 2014 Director and General Manager of Factory No. 2	
		Jan. 2017 Director, Assistant General Manager of Fabric Manufacturing Division and General Manager of Factory No. 7	
		Jun. 2018 Member of the Board, Deputy General Manager of Sales Division, and General Manager of R&D Department	
		Oct. 2018 Member of the Board and General Manager of Fabric Manufacturing and R&D Division	
		Jun. 2019 Executive Director (Member of the Board), General Manager of Fabric Manufacturing and R&D Division	
		Oct. 2019 Executive Director (Member of the Board), General Manager of Fabric Manufacturing Division	
		Apr. 2023 Executive Director (Member of the Board), General Manager of Engineering Division (to present)	
[Reasons for nomination as a candidate for Member of the Board] Mr. Chihiro Matsuo has abundant business experience at fabric manufacturing-related departments of the Company and management experience as a Member of the Board of the Company, and is currently demonstrating his leadership as a member of the management team. The Company nominates him as a candidate for Member of the Board to leverage his ability and experience for management of the Company and its group companies.			

No.	Name (Date of birth)	Past experience, positions and responsibilities and significant concurrent positions	Number of shares of the Company held
4	Naoto Ogawa (April 6, 1957) Reappointment	<p>Apr. 1982 Joined Sokoseiren Co., Ltd.</p> <p>Jun. 2004 Director of Sokoseiren Co., Ltd.</p> <p>Jun. 2009 Managing Director of Sokoseiren Co., Ltd.</p> <p>Jun. 2010 Representative Director and President of Sokoseiren Co., Ltd.</p> <p>Jun. 2016 Retired from Sokoseiren Co., Ltd.</p> <p>Sep. 2016 Advisor of the Company</p> <p>Jan. 2017 President of KOMAXON Co., Ltd. (retired in January 2020)</p> <p>Sep. 2019 Advisor to Fabric Manufacturing and R&D Division of the Company</p> <p>Oct. 2019 General Manager of R&D Division</p> <p>Jun. 2020 Executive Director (Member of the Board), General Manager of R&D Division (to present)</p> <p>[Reasons for nomination as a candidate for Member of the Board] Mr. Naoto Ogawa has abundant knowledge and experience at the R&D division and management experience as a Member of the Board of the Company, and is currently demonstrating his leadership as a member of the management team. The Company nominates him as a candidate for Member of the Board to leverage his ability and experience for the management of the Company and its group companies.</p>	13,900

No.	Name (Date of birth)	Past experience, positions and responsibilities and significant concurrent positions	Number of shares of the Company held
5	<p data-bbox="264 730 408 853">Toshiyasu Kometani (October 17, 1968)</p> <div data-bbox="233 864 443 936" style="border: 1px solid black; padding: 2px; display: inline-block;"> <p data-bbox="264 875 411 936">New appointment</p> </div>	<p data-bbox="464 349 584 376">Apr. 1991</p> <p data-bbox="663 349 903 376">Joined the Company</p> <p data-bbox="464 394 584 421">Jun. 2009</p> <p data-bbox="663 394 1222 506">Executive Officer, Assistant General Manager of Relevant Business Division and Deputy General Manager, KOMATSU SEIREN (SUZHOU) TEXTILE & DYEING Co., Ltd.</p> <p data-bbox="464 524 584 551">Jan. 2012</p> <p data-bbox="663 524 1222 591">Executive Officer, Assistant General Manager of Fabric Manufacturing Division and General Manager of Factory No. 5</p> <p data-bbox="464 609 584 636">Dec. 2013</p> <p data-bbox="663 609 1270 721">Executive Officer, Assistant General Manager of Fabric Manufacturing Technology Division and General Manager, KOMATSU SEIREN (SUZHOU) TEXTILE & DYEING Co., Ltd.</p> <p data-bbox="464 739 584 766">Sep. 2017</p> <p data-bbox="663 739 1238 806">Director of the Company and President of KOMATSU SEIREN (SUZHOU) TEXTILE & DYEING Co., Ltd.</p> <p data-bbox="464 824 584 851">Feb. 2021</p> <p data-bbox="663 824 1206 913">Director of the Company and President of KOMATSU MATERE (SUZHOU) TRADING CO., LTD.</p> <p data-bbox="464 931 584 958">Jan. 2022</p> <p data-bbox="663 931 1270 999">Executive Officer of the Company and President of KOMATSU MATERE (SUZHOU) TRADING CO., LTD.</p> <p data-bbox="464 1016 584 1043">Oct. 2022</p> <p data-bbox="663 1016 1286 1151">Executive Officer, Deputy General Manager of Fabric Manufacturing Division, General Manager of Manufacturing Department No. 3, and President of KOMATSU MATERE (SUZHOU) TRADING CO., LTD.</p> <p data-bbox="464 1169 584 1196">Apr. 2023</p> <p data-bbox="663 1169 1286 1258">Executive Officer, General Manager of Fabric Manufacturing Division, and President of KOMATSU MATERE (SUZHOU) TRADING CO., LTD. (to present)</p>	31,500
		<p data-bbox="464 1279 1206 1305">[Reasons for nomination as a candidate for Member of the Board]</p> <p data-bbox="464 1312 1458 1469">Mr. Toshiyasu Kometani has abundant business experience at fabric manufacturing-related departments of the Company and global experience, and is currently demonstrating his leadership as an Executive Officer. The Company nominates him as a candidate for Member of the Board to leverage his ability and experience for management of the Company and its group companies.</p>	

No.	Name (Date of birth)	Past experience, positions and responsibilities and significant concurrent positions	Number of shares of the Company held	
6	Hiroshi Onishi (June 13, 1955)	Apr. 1979 Joined Isetan Co., Ltd.	0	
		Jun. 2005 Executive Officer, Head of General Planning, Corporate Planning Division of Isetan Co., Ltd.		
		Mar. 2008 Managing Executive Officer, General Manager of MD Administration Department, Department Store Business Headquarters of Mitsukoshi, Ltd. Managing Executive Officer, Isetan Co., Ltd.		
		Jun. 2009 President and CEO, Isetan Co., Ltd.		
		Apr. 2011 President and CEO, General Manager of Operation Headquarters of Isetan Mitsukoshi Ltd.		
		Feb. 2012 President and CEO, Isetan Mitsukoshi Holdings Ltd. President and CEO, Isetan Mitsukoshi Ltd.		
		Reappointment		Jun. 2018 Executive Vice President, Japan Airport Terminal Co., Ltd. (to present)
		Outside Director		President, Haneda Future Research Institute Incorporated (to present)
		Independent Officer		Jun. 2021 Member of the Board of the Company (to present)
				<p>[Reasons for nomination as a candidate for Member of the Board and outline of expected roles as Outside Director]</p> <p>The Company nominates Mr. Hiroshi Onishi as a candidate for Outside Director to obtain advice and oversight from him on management of the Company, based on his abundant experience and broad insight in the retail industry, including department stores. In addition, the Company expects him to provide highly effective supervision of the management team from an independent and objective perspective, based on his experience as a B to C (Business-to-Consumer) business manager.</p>

No.	Name (Date of birth)	Past experience, positions and responsibilities and significant concurrent positions	Number of shares of the Company held	
7	Shuji Yamashita (July 25, 1955)	Apr. 1979	0	
		Joined Komatsu Ltd.		
		Oct. 1986		Komatsu America Manufacturing Corp.
		Oct. 2000		Director, General Manager of Administration Division, PT Komatsu Indonesia
		Apr. 2005		General Manager, Komatsu Shantui Construction Machinery Co., Ltd.
		Apr. 2009		Executive Officer, Oyama Plant Manager, Komatsu Ltd.
		Apr. 2012		Executive Officer, Awazu Plant Manager, Komatsu Ltd.
		Apr. 2014		Senior Executive Officer, Vice President of Production Division, Awazu Plant Manager, Komatsu Ltd.
		Apr. 2016		Senior Executive Officer, Vice President of Production Division and President of Parts Operation Division, Komatsu Ltd.
		Jul. 2018		Technical Advisor, Komatsu Ltd. (to present)
Jun. 2022	Member of the Board of the Company (to present)			
Reappointment				
Outside Director				
Independent Officer				
	<p>[Reasons for nomination as a candidate for Member of the Board and outline of expected roles as Outside Director]</p> <p>The Company nominates Mr. Shuji Yamashita as a candidate for Outside Director to obtain advice and oversight from him on management of the Company, based on his abundant experience and broad insight as a global corporate manager. In addition, the Company expects him to provide highly effective supervision of the management team from an independent and objective perspective, based on his experience as a manager of a manufacturer.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities and significant concurrent positions	Number of shares of the Company held
8	Koji Sasaki (October 10, 1962)	<p>Apr. 1986 Joined Toray Industries, Inc.</p> <p>Apr. 2006 Chief Staff of Industrial Materials & Performance Materials Business Division of Toray Industries, Inc.</p> <p>Feb. 2009 Chief Staff of Marketing Planning Office of Toray Industries, Inc.</p> <p>Jun. 2011 General Manager of Fibers & Textiles Green Innovation Office and Deputy General Manager of Global Environment Business Strategy Promotion Office of Toray Industries, Inc.</p> <p>Apr. 2014 General Manager of Fibers & Textiles GR and LI Business Promotion Office and Global Environment Business Strategy Promotion Office of Toray Industries, Inc.</p> <p>Jul. 2016 President, Toray International Europe GmbH (TIEU)</p> <p>Nov. 2020 General Manager of Textiles Division of Toray Industries, Inc. and Chairman (part time) of Toray Textiles Europe Ltd. (to present)</p> <p>Jun. 2021 Member of the Board of the Company (to present)</p>	0
	Reappointment		
	Outside Director		
	<p>[Reasons for nomination as a candidate for Member of the Board and outline of expected roles as Outside Director]</p> <p>Mr. Koji Sasaki has engaged in the field of fibers & textiles at Toray Industries, Inc. and has a high level of expertise. The Company nominates him as a candidate for Outside Director to obtain comments and suggestions from him on management of the Company. In addition, the Company expects him to provide highly effective supervision of the management team from an independent and objective perspective, based on his professional work experience in the fibers & textiles business.</p>		

No.	Name (Date of birth)	Past experience, positions and responsibilities and significant concurrent positions	Number of shares of the Company held
9	Setsuro Horiuchi (February 4, 1952)	Apr. 1981 Joined Sugawara & Yamada Law Office Apr. 1991 General Partner, Horiuchi Law Office (to present) Jun. 2022 Member of the Board of the Company (to present)	0
	Reappointment	[Reasons for nomination as a candidate for Member of the Board and outline of expected roles as Outside Director] The Company nominates Mr. Setsuro Horiuchi as a candidate for Outside Director to obtain advice and oversight from him on management of the Company, based on legal knowledge and broad insight he has accumulated as a lawyer. Although he does not have experience of being directly involved in the management of a company in any way other than becoming an outside officer, the Company expects him to provide highly effective supervision of the management team from an independent and objective perspective, based on his knowledge and experience.	
	Outside Director		
	Independent Officer		

Notes:

1. The special interest between each candidate and the Company is as described below.
Mr. Koji Sasaki is the General Manager of the Textile Division of Toray Industries, Inc. The Company has a business relationship with Toray Industries, Inc. which includes sales and purchases of products. There are no special interests between the Company and other candidates.
2. Mr. Hiroshi Onishi, Mr. Shuji Yamashita, Mr. Koji Sasaki, and Mr. Setsuro Horiuchi are candidates for Outside Director.
3. If the appointment of Mr. Hiroshi Onishi, Mr. Shuji Yamashita, Mr. Koji Sasaki, and Mr. Setsuro Horiuchi is approved, the Company will continue the agreements with each of them to limit their liability in accordance with its Articles of Incorporation. The maximum amount of liability for damages under the limited liability agreement will be the amount stipulated by laws and regulations.
4. The Company has concluded a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure the Members of the Board, and will continue and renew the contract. If candidates are reappointed or appointed, they will be included as the insured under the contract. The outline of the contract is as described in Business Report 3. Matters Related to Officers of the Company; (2) Outline of the contents of directors and officers liability insurance contracts.
5. Requirements for Independent Officers
Mr. Hiroshi Onishi, Mr. Shuji Yamashita, and Mr. Setsuro Horiuchi satisfy the requirements for independent officers stipulated by Tokyo Stock Exchange, Inc.
6. Number of years the candidates for Outside Director have served as Outside Director of the Company
 - (1) At the conclusion of this General Meeting of Shareholders, Mr. Hiroshi Onishi and Mr. Koji Sasaki will have been in office as Outside Director of the Company for two years.
 - (2) At the conclusion of this General Meeting of Shareholders, Mr. Shuji Yamashita and Mr. Setsuro Horiuchi will have been in office as Outside Director of the Company for one year.

Proposal 3: Election of Two (2) Substitute Audit & Supervisory Board Members

The Company proposes to elect Mr. Ryuichi Ikemizu as a substitute Outside Audit & Supervisory Board Member, and Mr. Teruhiro Okuya as a substitute Audit & Supervisory Board Member that is not an Outside Audit & Supervisory Board Member, in case the number of the Audit & Supervisory Board Members falls short of that stipulated by laws and regulations.

The Audit & Supervisory Board has approved this proposal.

The candidates for substitute Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Ryuichi Ikemizu (May 30, 1947)	Apr. 1970 Joined Sato Certified Public Accountant Office Sep. 1972 Registered as an Accountant Assistant Mar. 1978 Registered as a Certified Public Accountant Feb. 1980 Registered as a Certified Public Tax Accountant Jan. 1991 President of Ikemizu and Galloping Staff, Ltd. (to present) Dec. 2011 Representative of Sawayaka Tax Accounting Corporation (to present)	0
	Outside Audit & Supervisory Board Member Independent Officer	[Reasons for nomination as a candidate for substitute Outside Audit & Supervisory Board Member] Mr. Ryuichi Ikemizu has been working as a certified public accountant and business consultant for many years. Considering that he will be able to leverage the extensive experience and knowledge he gained through his career to audit the business execution of the Company objectively, the Company nominates him as a candidate for substitute Outside Audit & Supervisory Board Member.	

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
2	Teruhiro Okuya (May 23, 1963)	<p>Apr. 1989 Joined the Company</p> <p>Apr. 2003 General Manager of Factory No. 3</p> <p>Jun. 2003 Member of the Board and Assistant General Manager of R&D Division</p> <p>Jun. 2006 Executive Officer and Assistant General Manager of R&D Division</p> <p>Oct. 2009 Member of the Board, Executive Officer and General Manager of R&D Division</p> <p>Jul. 2011 Member of the Board, Deputy General Manager of Fabric Manufacturing Division and General Manager of Factory No. 5</p> <p>Jan. 2012 Member of the Board and General Manager of R&D Division</p> <p>May 2019 Member of the Board, Deputy General Manager of Fabric Manufacturing and R&D Division (in charge of EMS)</p> <p>Apr. 2020 Director, Deputy General Manager of R&D Division and General Manager of Environmental Promotion Office</p> <p>Jan. 2022 Director, Assistant General Manager of R&D Division (to present)</p>	50,300
		<p>[Reasons for nomination as a candidate for substitute Audit & Supervisory Board Member]</p> <p>Mr. Teruhiro Okuya has abundant knowledge and experience in the R&D division and sufficient operational experience. The Company nominates him as a candidate for substitute Audit & Supervisory Board Member to have him conduct an objective audit of business execution, etc. of the Company.</p>	

Notes:

1. Mr. Ryuichi Ikemizu is President of Ikemizu and Galloping Staff, Ltd., a firm that has a contract with the Company concerning business support. There are no special interests between Mr. Teruhiro Okuya and the Company.
2. Mr. Ryuichi Ikemizu is a candidate for substitute Outside Audit & Supervisory Board Member.
3. If Mr. Ryuichi Ikemizu takes office as Audit & Supervisory Board Member, the Company will conclude an agreement with him to limit his liability in accordance with its Articles of Incorporation. The maximum amount of liability for damages under the liability limitation agreement will be the amount stipulated by laws and regulations.
4. The Company has concluded a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure all of the Audit & Supervisory Board Members. If Mr. Ryuichi Ikemizu and Mr. Teruhiro Okuya take office as Audit & Supervisory Board Members, they will be insured under the contract. The outline of the contract is as described in Business Report 3. Matters Related to Officers of the Company; (2) Outline of the contents of directors and officers liability insurance contracts.
5. Requirements for Independent Officers

Mr. Ryuichi Ikemizu satisfies the requirements for independent officers stipulated by Tokyo Stock Exchange, Inc.

Proposal 4: Revision of Amount of Remuneration, etc. for Members of the Board

The amount of remuneration, etc. for Members of the Board of the Company was approved at no more than 360 million yen per year (including 50 million yen for Outside Directors per year) at the 110th General Meeting of Shareholder held on June 24, 2022, which has remained unchanged to date.

As stated in Proposal 5: “Determination of Remuneration to Grant Restricted Stock to Members of the Board,” the Company recently decided to introduce stock-based remuneration for Members of the Board (excluding Outside Directors). As such, subject to approval of Proposal 5, the Company requests approval for the reduction of the amount of remuneration, etc. for Members of the Board from the previous amount of remuneration, etc. to no more than 310 million yen per year (including 50 million yen for Outside Directors per year). In addition, as part of review of the officers’ remuneration system, “performance-linked remuneration” will be newly introduced and paid to Members of the Board within the amount of said remuneration, etc.

Furthermore, as stated in Proposal 5, the restricted stock for which we request approval in that proposal is separate from the remuneration for which we request approval in this proposal.

The outline of the Company’s policy on determination related to the contents of remuneration, etc. to each Member of the Board is as stated in “3. Matters Related to Officers of the Company; (4) Policy on determination related to the contents of remuneration, etc. to each Member of the Board” of the Business Report. However, subject to approval of this proposal and Proposal 5, the contents of the policy are planned to be changed as stated in “Reference” on page 19. The Company has judged that the contents of this proposal are necessary and appropriate from the perspective of paying remuneration, etc. in accordance with the revised policy.

If Proposal 2: “Election of Nine (9) Members of the Board” is approved as originally proposed, the number of Members of the Board will be nine (9) (, including four (4) Outside Directors).

Proposal 5: Determination of Remuneration to Grant Restricted Stock to Members of the Board

Separately from the amount of remuneration, etc. for Members of the Board of the Company (not more than 310 million yen per year; including 50 million yen per year for Outside Directors) for which the Company requests approval in Proposal 4: “Revision of Amount of Remuneration, etc. for Members of the Board,” the Company requests approval for payment of new remuneration to grant restricted stock to Members of the Board (excluding Outside Directors; hereinafter, “Eligible Members of the Board”) of the Company for the purpose of providing Eligible Members of the Board with incentives to aim for sustainable growth of the Company’s corporate value and further promoting sharing of value among shareholders and Eligible Members of the Board.

The total amount of monetary remuneration to be paid to Eligible Members of the Board to grant restricted stock in accordance with this proposal shall be not more than 50 million yen per year, which is considered to be an appropriate amount in light of the purpose described above.

In addition, pursuant to the resolution of the Company’s Board of Directors, Eligible Members of the Board shall deliver all the monetary remuneration receivables arising based on this proposal as property contributed in kind and receive issuance or disposal of common shares of the Company. The total number of common shares issued or disposed of through this process shall be not more than 100,000 shares per year, which is considered to be an appropriate number in light of the purpose described above (however, if share split (including gratis allotment of common shares of the Company) or share consolidation is carried out for common shares of the Company on or after the date of resolution of this proposal, the number shall be adjusted in accordance with the ratio of split, consolidation, etc.). The amount to be paid per share shall be the closing price of common shares of the Company at Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (or the closing price of the most recent trading day prior to that day, if no trading is executed on that day). The Board of Directors will determine the specific timing of payment and allocation to each Eligible Member of the Board.

The outline of the Company’s policy on determination related to the contents of remuneration, etc. to each Member of the Board is as stated in “3. Matters Related to Officers of the Company; (4) Policy on determination related to the contents of remuneration, etc. to each Member of the Board” of the Business Report. However, subject to approval of this proposal and Proposal 4, the contents of the policy are planned to be changed as stated in “Reference” on page 14. The Company has judged that the contents of this proposal are necessary and appropriate from the perspective of paying remuneration, etc. in accordance with the revised policy.

If Proposal 2: “Election of Nine (9) Members of the Board” is approved as originally proposed, the number of Eligible Members of the Board will be five (5).

In issuing or disposing of common shares of the Company through this process, the Company shall execute restricted stock allotment agreements with Eligible Members of the Board, which include the following contents (hereinafter, the “Allotment Agreements”).

Please note that, if this proposal is approved as originally proposed, the Company plans to introduce a restricted stock-based remuneration system for Executive Officers and Directors of the Company as well, which is similar

to that for Eligible Members of the Board.

(1) Transfer Restriction Period

Eligible Members of the Board may not transfer, create a security interest on, or otherwise dispose of (hereinafter, the “Transfer Restriction”) common shares of the Company which have been allotted under an Allotment Agreement (hereinafter, the “Allotted Shares”) during the period from the day on which the allotment is made based on the Allotment Agreement to the date of their retirement from the position as Member of the Board of the Company (however, if the Member of the Board is concurrently serving as a Director of the Company or assumes the position of Executive Officer or Director of the Company at the same time as the retirement from the position as Member of the Board, said Member of the Board shall be deemed to be retired upon ceasing to be any of Member of the Board, Executive Officer and Director) (hereinafter, the “Transfer Restriction Period”).

(2) Removal of Transfer Restriction

On the condition that retirement of an Eligible Member of the Board is due to a reason determined legitimate by the Board of Directors of the Company, the Company will remove the Transfer Restriction for all the Allotted Shares (however, if the Company acquires all or part of the Allotted Shares gratuitously pursuant to (3)(ii) below, the remaining after the acquisition gratuitously), upon the expiration of the Transfer Restriction Period.

(3) Acquisition of Allotted Shares gratuitously

- (i) The Company will naturally acquire the Allotted Shares for which the Transfer Restriction has not been removed pursuant to above (2) as of the expiration of the Transfer Restriction Period gratuitously.
- (ii) In addition, if an Eligible Member of the Board retires during the period of execution of duty subject to remuneration related to the Allotted Shares, the Company acquires the Allotted Shares gratuitously in the number commensurate with the remaining period. If the retirement is due to a reason that falls under the certain categories stipulated in the Allotment Agreement, such as misconduct, the Company will acquire all of part of the Allotted Shares gratuitously.

(4) Treatment in the event of organizational restructuring, etc.

Notwithstanding (1) above, if a merger agreement based on which the Company becomes a disappearing company, a share exchange agreement based on which the Company becomes a wholly owned subsidiary, or any matter concerning organizational restructuring, etc., including a share transfer plan, is approved by the General Meeting of Shareholders of the Company (however, if approval of the General Meeting of Shareholders of the Company is not required for said organizational restructuring, etc., then, the Board of Directors of the Company) during the Transfer Restriction Period, the Company removes the Transfer Restriction for the reasonably determined number of the Allotted Shares in light of the period between the date of commencement of the Transfer Restriction Period and the effective date of said organizational restructuring, etc., by a resolution of the Board of Directors of the Company, prior to the effective date of said organizational

restructuring, etc. In addition, in this case, the Company will naturally acquire the Allotted Shares for which the Transfer Restriction has not yet been removed as of the time immediately after the time when the Transfer Restriction is removed gratuitously.

(5) Other matters stipulated by the Board of Directors

In addition to the above, other matters stipulated by the Board of Directors, such as how to express manifestation of intention and provide notification under the Allotment Agreement, how to amend the Allotment Agreement, shall be included in the Allotment Agreements.

During the Transfer Restriction Period, the shares allotted to Eligible Members of the Board under this system will be managed in dedicated accounts opened by Eligible Members of the Board with a securities company designated by the Company to prevent transfer, creation of a security interest on, or any other disposal of such shares during the Transfer Restriction Period.

<Reference>

1. Basic policy

The remuneration system for Members of the Board of the Company shall be designed by receiving advice from the Remuneration Committee which is a voluntary advisory body to the Board of Directors and reflecting objective viewpoints such as consolidated financial results of the Group, the share price of the Company, and remuneration levels of external parties. The remuneration shall consist of “basic remuneration” which is fixed remuneration, “performance-linked remuneration” which reflects the Group’s consolidated financial results, and “restricted stock-based remuneration” which is stock-based remuneration.

However, only “basic remuneration” shall be paid to Outside Directors because they play a supervisory role from an independent and objective standpoint.

Note that the Remuneration Committee above refers to a voluntary committee which meets at least once a year and consists of members the majority of which is accounted for by Outside Directors.

2. Policy on determination of the amount of basic remuneration for each individual

Basic remuneration shall be monthly fixed remuneration, and the amount shall be determined in comprehensive consideration of the job rank and individuals’ performance.

3. Policy on determination of the details and calculation method of performance-linked remuneration

The amount of performance-linked remuneration shall be based on the job rank and consolidated operating profit, and added to the monthly fixed remuneration.

Operating profit is used as a benchmark for calculating the amount of performance-linked remuneration, with the aim of boosting the motivation to contribute to the enhancement of the growth potential and profitability of businesses through the linkage between corporate profit and remuneration.

4. Policy on determination of the details and calculation method of restricted stock-based remuneration

Restricted stock-based remuneration shall be remuneration based on stock with Transfer Restriction effective until retirement, in which monetary remuneration receivables are granted to Members of the Board based on a resolution of the Board of Directors, the Members of the Board deliver them to the Company as contribution in kind, and then, in each fiscal year as a general rule, the Company pays remuneration to the Members of the Board through the issuance or disposal of common shares of the Company. The amount of the monetary remuneration receivables shall be determined based on the job rank of Members of the Board, and the amount per share shall be the closing price of the share price of the Company at Tokyo Stock Exchange on the business day immediately preceding the date of resolution of the Board of Directors for the issuance or disposal of shares.

The purpose of restricted stock-based remuneration is to provide incentives to aim for sustainable growth of the Company’s corporate value and further promote sharing of value with shareholders.

5. Policy on determination of the amount of basic remuneration, the amount of performance-linked remuneration, and the ratio of restricted stock-based remuneration

Basic remuneration, performance-linked remuneration, and the ratio of restricted stock-based remuneration for each Member of the Board shall be determined by President, respecting the reports from the Remuneration Committee which examines how the aforementioned remuneration should be stipulated by using companies that have the same level of business size as the Company or that are in the relevant industries and/or business formats to the Company as the benchmark.

6. Matters related to remuneration for each Member of the Board

Determination of the amount of remuneration for each Member of the Board shall be left to the sole discretion of President who evaluates results and performance of each and every Member of the Board to determine such amount.

In addition, in exercising the authority, President shall follow the processes examined, reported, and stipulated by the Remuneration Committee with regard to the details of the system and the objectivity, appropriateness, etc. of the remuneration levels.