

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code 2229)
June 1, 2021

To Shareholders with Voting Rights:

Shuji Ito
President & CEO, Representative Director
Calbee, Inc.
Marunouchi Trust Tower Main, 22nd Floor
1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-0005, JAPAN

NOTICE OF THE 72ND ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

You are cordially invited to attend the 72nd Annual General Meeting of Shareholders of Calbee, Inc. (the "Company"). The meeting will be held for the purposes as described below.

- 1. Date and Time:** Wednesday, June 23, 2021 at 10:00 a.m. Japan time
(The reception desk will open at 9:00 a.m.)

- 2. Place:** The Prominence Ballroom at ANA InterContinental Tokyo located at B1, 1-12-33, Akasaka, Minato-ku, Tokyo, Japan
* As this Annual General Meeting of Shareholders will be live-streamed on the Internet, please watch the live stream on the Internet instead of attending on the day.
* Regarding voting rights, please review the attached Reference Documents for the General Meeting of Shareholders and exercise them by 5:00 p.m. on Tuesday, June 22, 2021, Japan time. You can exercise your voting rights by mail or by electromagnetic means (via the Internet, etc.). If the voting rights are exercised in duplicate both by submitting the Voting Rights Exercise Form and via the Internet, the exercise of voting rights via the Internet shall be deemed valid.

- 3. Meeting Agenda:**
Matters to be reported:
 1. Business Report, Consolidated Financial Statements for the Company's 72nd Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the Company's 72nd Fiscal Year (April 1, 2020 - March 31, 2021)
Proposals to be resolved:
 - Proposal 1:** Distribution of Surplus
 - Proposal 2:** Election of Eight (8) Directors
 - Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member
 - Proposal 4:** Payment of Bonuses to Directors

Other Matters concerning this Notice

Disclosure on the Internet

The Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by Audit & Supervisory Board Members and the Accounting Auditor consist of the documents provided in this Notice as well as the “Consolidated Statement of Changes in Shareholders’ Equity,” “Notes to Consolidated Financial Statements,” “Non-consolidated Statement of Changes in Shareholders’ Equity,” and “Notes to Non-consolidated Financial Statements” posted on the Company’s website.

Of the documents to be appended to this Notice, the following matters are posted on the Company’s website (<https://www.calbee.co.jp/ir/stock/meeting/>) (in Japanese) 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 this Notice.

1) “Matters related to the Accounting Auditor” and “Systems for Ensuring Appropriateness of Operations and the Status of Operation of Such Systems” in the Business Report, 2) “Consolidated Statement of Changes in Shareholders’ Equity” and “Notes to Consolidated Financial Statements” and 3) “Non-consolidated Statement of Changes in Shareholders’ Equity” and “Notes to Non-consolidated Financial Statements”

- ◎ If attending in person on the day, you are requested to bring this notice in order to save resources.
- ◎ If you intend to exercise your voting rights by proxy, you may authorize one (1) other shareholder with voting rights to act as your proxy at the General Meeting of Shareholders. In such case, a document evidencing the power of representation must be presented. Please note that any person who is not a shareholder of the Company is not permitted to enter the venue.
- ◎ Any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements will be posted on the Company’s website (<https://www.calbee.co.jp/ir/stock/meeting/>) (in Japanese).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Distribution of Surplus

In consideration of the performance results and the management environment for the fiscal year under review on the basis of the Company's dividend policy, it is proposed that the year-end dividend for the fiscal year under review be as follows:

1. Type of dividend property: Cash
2. Matters concerning allocation of dividend property to shareholders and the total amount thereof
¥50 per share of common stock of the Company
Total amount: ¥ 6,696,444,450
3. Effective date of distribution of surplus: Thursday, June 24, 2021

The Company's Dividend Policy

The Company recognizes that returning profits to shareholders is one of its key responsibilities. The Company's policy is to enhance the return of profits while striving to improve profitability and strengthen the financial position. In its Medium-term Business Plan (FY2020/3 to FY2024/3), the Company has declared a target consolidated dividend payout ratio of 40% or more. Cash flow generated in the five-year period will be allocated to returning profits to shareholders and will also be used for the sustainable growth and improvement of productivity of existing businesses and for investment in new businesses based on long-term perspectives.

Proposal 2: Election of Eight (8) Directors

As the terms of office of all the eight (8) Directors will expire at the conclusion of this meeting, the election of eight (8) Directors is proposed.

At the Company, Independent Directors constitute the majority of the members of the Board of Directors. Furthermore, the Company is committed to promoting diversity in the composition of its Board of Directors with broad range of expertise and background, proactively welcoming members who are diverse with respect to background, gender, and nationality. In accordance with this policy, the Nominating Committee, which is a non-mandatory committee supporting management and the majority of whose members are Outside Directors, objectively discussed and submitted recommendations of candidates for Director, and the Board of Directors nominated candidates. Independence is judged in accordance with the independence standards specified by the Tokyo Stock Exchange.

The candidates for Director are as follows.

List of Candidates for Director

No.	Name	Age	Current positions and responsibilities at the Company	Attendance at Board of Directors' meetings	Attributes
1	Reappointment Shuji Ito	64	President & CEO, Representative Director	100% (13/13)	
2	Reappointment Makoto Ehara	62	Executive Vice President & COO	100% (13/13)	
3	Reappointment Koichi Kikuchi	57	Senior Managing Director & CFO	100% (13/13)	
4	Reappointment Yuzaburo Mogi	86	Outside Director	100% (13/13)	Outside Director Independent Director
5	Reappointment Takahisa Takahara	59	Outside Director	100% (13/13)	Outside Director Independent Director
6	Reappointment Atsuko Fukushima	59	Outside Director	100% (13/13)	Outside Director Independent Director
7	Reappointment Yoshihiko Miyauchi	85	Outside Director	100% (13/13)	Outside Director Independent Director
8	Reappointment Sylvia Dong	41	Outside Director	100% (10/10)	Outside Director

(Notes)

1. The age of each candidate is the age at the conclusion of this meeting.
2. There are no special interests between each candidate for Director and the Company.
3. The current Articles of Incorporation of the Company stipulates that, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Directors (excluding executive Directors, etc.) to limit their liability for damages provided for in Article 423, Paragraph 1 of the said Act to the minimum liability amount stipulated by laws and regulations. Subject to the approval of the election of each candidate for Outside Director above, the Company intends to continue a liability limitation agreement with the same content as above with each candidate.
4. The Company has entered into a directors and officers liability insurance contract with an insurance company with all Directors as the insured. The said insurance contract covers damages that may arise due to the insured Directors assuming liability for the execution of their duties or receiving a claim for the pursuit of such liability. However, there are grounds for exemptions. For example, damages caused intentionally or with gross negligence will not be covered. If the candidates assume the office of Director, each of them will be insured under the insurance contract, which is to be renewed during their terms of office.

(Reference) Management structure after approval of Proposal 2 (planned)

Name	Positions and responsibilities at the Company	Expected roles and specializations						Attributes
		Corporate management	Global	Production IT	Sustainability	Finance	Legal	
Shuji Ito	President & CEO, Representative Director	○	○	○	○			
Makoto Ehara	Executive Vice President & COO	○	○		○			
Koichi Kikuchi	Senior Managing Director & CFO	○	○	○	○	○		
Yuzaburo Mogi	Outside Director	○	○	○	○	○		Outside Director Independent Director
Takahisa Takahara	Outside Director	○	○	○	○	○		Outside Director Independent Director
Atsuko Fukushima	Outside Director	○	○		○			Outside Director Independent Director
Yoshihiko Miyauchi	Outside Director	○	○		○	○		Outside Director Independent Director
Sylvia Dong	Outside Director	○	○	○	○	○		Outside Director
Taizo Demura	Full-time Audit & Supervisory Board Member		○			○		Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member
Tadashi Ishida	Audit & Supervisory Board Member		○			○		Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member
Nagako Oe	Audit & Supervisory Board Member		○				○	Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member

(Note) The above list does not include all specializations held by each officer.

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions		Number of shares of the Company held
1	<p>Shuji Ito (Feb. 25, 1957)</p> <p>Age: 64</p> <p>Reappointment</p> <p>Attendance at Board of Directors' meetings: 100% (13/13)</p>	<p>Mar. 1979</p> <p>Jul. 2001</p> <p>Jun. 2004</p> <p>Jun. 2005</p> <p>Jun. 2009</p> <p>Jun. 2018</p>	<p>Joined the Company</p> <p>Executive Officer and COO of the East Japan Company</p> <p>Director, Executive Officer and COO of the Jagarico Company</p> <p>Director, Executive Managing Officer and the Controller of the Marketing Group</p> <p>President & COO, Representative Director</p> <p>President & CEO, Representative Director (current position)</p>	72,000
	<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Shuji Ito is well versed in management by virtue of his business experience as a member of the Group in various fields, including manufacturing, sales, corporate planning, and marketing, and his deep involvement in the Company's business overall since joining the Company in 1979. Since his appointment as President and Representative Director of the Company in 2009, he has pursued profit expansion in the domestic business and development of the overseas business in earnest and has engaged in management aimed at achieving sustainable growth and a high-profit structure. In the fiscal year ended March 31, 2021, he demonstrated leadership in response to the changes in the management environment caused by COVID-19, and he is striving for the further improvement of corporate value by aiming for the realization of the Calbee Group Medium-term Business Plan and the Vision for 2030. The Company renominated him as a candidate for Director because the Company believes that he is an appropriate person to oversee the growth of the Group.</p> <p>He will have served as Director of the Company for 17 years at the conclusion of this meeting.</p>			
2	<p>Makoto Ehara (Dec. 24, 1958)</p> <p>Age: 62</p> <p>Reappointment</p> <p>Attendance at Board of Directors' meetings: 100% (13/13)</p>	<p>Apr. 1981</p> <p>Apr. 2001</p> <p>Apr. 2008</p> <p>Mar. 2011</p> <p>Apr. 2011</p> <p>Apr. 2014</p> <p>Apr. 2015</p> <p>Apr. 2019</p> <p>Jun. 2019</p>	<p>Joined Itochu Corporation</p> <p>Joined Johnson & Johnson K.K.</p> <p>Vice President & General Manager of Business Operations</p> <p>Joined the Company. Senior Executive Officer, the Company</p> <p>President and Representative Director, Japan Frito-Lay Ltd.</p> <p>Managing Executive Officer, the Company and President and Representative Director, Japan Frito-Lay, Ltd.</p> <p>Executive Vice President, the Company</p> <p>Vice President, Overseas Company President and Assistant to the President</p> <p>Executive Vice President & COO (current position)</p>	900
	<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Makoto Ehara possesses extensive business experience and deep knowledge of management, including as president of a subsidiary of the Company and his involvement in marketing, the regional business in Japan, overseas business, and new business. He is well versed in the Company's overall management as he has been assisting the President since his appointment as Executive Vice President of the Company. In the fiscal year ended March 31, 2020, he played a role in promoting the Company's entry into the sweet potato business as a director in charge of the New Business Group, and he is striving to improve corporate value through growth in new food categories that transcend the boundaries of the Company's existing businesses. The Company renominated him as a candidate for Director because the Company believes that he is an appropriate person to oversee the growth of the Group.</p> <p>He will have served as Director of the Company for two years at the conclusion of this meeting.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions		Number of shares of the Company held
3	Koichi Kikuchi (Dec. 22, 1963) Age: 57 Reappointment Attendance at Board of Directors' meetings: 100% (13/13)	Apr. 1986	Joined Mitsui Trust Bank, Limited (currently Sumitomo Mitsui Trust Bank, Limited)	500
		Oct. 2000	Joined PwC Financial Advisory LLC	
		Jun. 2001	Joined IBM Japan, Ltd.	
		Oct. 2010	Controller, Systems & Technology Group	
		Feb. 2012	Joined the Company. Executive Officer, General Manager, Finance and Accounting Group, the Company	
		Apr. 2014	Chief Financial Officer and General Manager, Finance & Accounting and Information System Groups	
		Apr. 2016	Managing Executive Officer, Chief Financial Officer and General Manager of Information System Group	
		Apr. 2019	Managing Executive Officer and CFO	
		Jun. 2019	Senior Managing Director & CFO (current position)	
[Reason for nomination as candidate for Director] Mr. Koichi Kikuchi is well versed in the Company's overall management through his extensive business experience and deep knowledge of financial accounting serving as the CFO of the Company and in positions responsible for IR, information systems, corporate communications, and procurement divisions. In the fiscal year ended March 31, 2020, in his position as CFO, he pursued financial strategies to establish the foundations for new business and to expand the Company's portfolio, and he is striving to improve corporate value through productivity improvements by such means as the promotion of digital transformation (DX) and medium- to long-term initiatives including M&As. The Company renominated him as a candidate for Director because the Company believes that he is an appropriate person to oversee the growth of the Group. He will have served as Director of the Company for two years at the conclusion of this meeting.				
4	Yuzaburo Mogi (Feb. 13, 1935) Age: 86 Reappointment Outside Director Independent Director Attendance at Board of Directors' meetings: 100% (13/13)	Apr. 1958	Joined Kikkoman Corporation	0
		Mar. 1979	Director	
		Mar. 1982	Managing Director	
		Oct. 1985	Representative Director and Managing Director	
		Mar. 1989	Representative Director and Senior Managing Director	
		Mar. 1994	Representative Director, Director and Deputy President	
		Feb. 1995	Representative Director, President and CEO	
		Jun. 2001	Audit & Supervisory Board Member, Tobu Railway Co., Ltd. (current position)	
		Jun. 2004	Representative Director, Chairman and CEO, Kikkoman Corporation	
		Jun. 2009	Director, the Company (current position)	
		Jun. 2011	Honorary CEO and Chairman of the Board of Directors, Kikkoman Corporation (current position)	
		Jun. 2016	Director, Oriental Land Co., Ltd. (current position)	
		Jun. 2020	Director who is an Audit & Supervisory Committee Member, Fuji Media Holdings, Inc. (current position)	
[Reason for nomination as candidate for Outside Director and outline of expected roles] Mr. Yuzaburo Mogi serves as Honorary CEO of Kikkoman Corporation as well as Director or Audit & Supervisory Committee Member of diverse companies. He has extensive experience and deep knowledge about global corporate management in a changing business environment. The Company renominated him as a candidate for Outside Director expecting him to utilize this experience and knowledge to provide comments and advice in the Company's Board of Directors and believing that he is an appropriate person to oversee the growth of the Group. He will have served as Outside Director of the Company for 12 years at the conclusion of this meeting.				

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions		Number of shares of the Company held
5	Takahisa Takahara (Jul. 12, 1961) Age: 59 Reappointment Outside Director Independent Director Attendance at Board of Directors' meetings: 100% (13/13)	Apr. 1986 Apr. 1991 Jun. 1995 Apr. 1996 Jun. 1997 Apr. 1998 Oct. 2000 Jun. 2001 Jun. 2004 Jun. 2015	Joined Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.) Joined Unicharm Corporation Director Director, General Manager, Procurement Division and Deputy General Manager, International Division Senior Director Senior Director, General Manager, Feminine Hygiene Business Division Senior Director, Responsible for Management Strategy President President & CEO (current position) Director, the Company (current position)	0
	<p>[Reason for nomination as candidate for Outside Director and outline of expected roles] Through his experience as President & CEO of Unicharm Corporation, Mr. Takahisa Takahara has gained extensive experience and deep knowledge as a corporate manager concerning the management and control of new business and business in overseas markets. The Company renominated him as a candidate for Outside Director expecting him to utilize this experience and knowledge to provide comments and advice in the Company's Board of Directors and believing that he is an appropriate person to oversee the growth of the Group. He will have served as Outside Director of the Company for six years at the conclusion of this meeting.</p>			
6	Atsuko Fukushima (Jan. 17, 1962) Age: 59 Reappointment Outside Director Independent Director Attendance at Board of Directors' meetings: 100% (13/13)	Apr. 1985 Apr. 1988 Oct. 1993 Apr. 2005 Apr. 2006 Dec. 2006 Mar. 2012 Jul. 2012 Jun. 2015 Jun. 2015	Joined Chubu-Nippon Broadcasting Co., Ltd. Anchorperson, Japan Broadcasting Corporation (NHK) Anchorperson, Tokyo Broadcasting System Inc. (TBS, currently Tokyo Broadcasting System Television, Inc.) Anchorperson for economics program, TV TOKYO Corporation Member of Management Council, Shimane University (current position) Management Advisor for Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation) Director, former Hulic Co., Ltd. Director, Hulic Co., Ltd. (current position) Director, Nagoya Railroad Co., Ltd. (current position) Director, the Company (current position)	500
	<p>[Reason for nomination as candidate for Outside Director and outline of expected roles] Ms. Atsuko Fukushima has many years of experience as a journalist and provides advice about the Company's new business and overseas business from her wide and objective perspective about society, the economy, consumers, etc. Moreover, she has deep knowledge about the Company's diversity and environmental initiatives. The Company renominated her as a candidate for Outside Director expecting her to utilize this experience and knowledge to provide comments and advice in the Company's Board of Directors and believing that she is an appropriate person to oversee the growth of the Group. She will have served as Outside Director of the Company for six years at the conclusion of this meeting.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions		Number of shares of the Company held
7	<p>Yoshihiko Miyauchi (Sep. 13, 1935)</p> <p>Age: 85</p> <p>Reappointment Outside Director Independent Director</p> <p>Attendance at Board of Directors' meetings: 100% (13/13)</p>	<p>Aug. 1960</p> <p>Apr. 1964</p> <p>Mar. 1970</p> <p>Dec. 1980</p> <p>Apr. 2000</p> <p>Jun. 2003</p> <p>Jun. 2014</p> <p>Jun. 2017</p> <p>Oct. 2019</p> <p>May 2020</p>	<p>Joined Nichimen & Co., Ltd. (currently Sojitz Corporation)</p> <p>Joined Orient Leasing Co., Ltd. (currently ORIX Corporation)</p> <p>Director</p> <p>Representative Executive Officer, President and Chief Executive Officer</p> <p>Representative Executive Officer, Chairman and Chief Executive Officer</p> <p>Director, Representative Executive Officer, Chairman and Chief Executive Officer</p> <p>Senior Chairman (current position)</p> <p>Director, the Company (current position)</p> <p>Director, RAKSUL INC. (current position)</p> <p>Director, Nitori Holdings Co., Ltd. (current position)</p>	0
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Mr. Yoshihiko Miyauchi served as President and Chairman of ORIX Corporation and as director of a diverse range of companies. As such, he possesses extensive experience and deep knowledge about global corporate management in response to change and a high degree of expertise concerning the strengthening of governance. The Company renominated him as a candidate for Outside Director expecting him to utilize this experience and knowledge to provide comments and advice in the Company's Board of Directors and believing that he is an appropriate person to oversee the growth of the Group.</p> <p>He will have served as Outside Director of the Company for four years at the conclusion of this meeting.</p>				
8	<p>Sylvia Dong (Jan. 22, 1980)</p> <p>Age: 41</p> <p>Reappointment Outside Director</p> <p>Attendance at Board of Directors' meetings: 100% (10/10)</p>	<p>Jul. 2002</p> <p>Sep. 2006</p> <p>Apr. 2011</p> <p>Aug. 2013</p> <p>Jan. 2015</p> <p>Jul. 2016</p> <p>Aug. 2018</p> <p>Jan. 2020</p> <p>Jun. 2020</p>	<p>Analyst, UBS Investment Bank</p> <p>Manager, Bain & Company</p> <p>Senior Director of Strategy, North America Beverages, PepsiCo, Inc.</p> <p>Senior Director of Revenue Management, North America Beverages</p> <p>Senior Director of Financial Planning & Analysis, PepsiCo Americas Beverages</p> <p>VP, Supply Chain Finance for North America Beverages</p> <p>CFO, Greater China</p> <p>SVP & CFO for APAC (current position)</p> <p>Director, the Company (current position)</p>	0
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Ms. Sylvia Dong has been engaged in the beverage business at PepsiCo, Inc., which is the parent of FRITO-LAY GLOBAL INVESTMENTS B.V., a major shareholder of the Company (ownership ratio of 20.01%). She specializes in corporate strategy, financial strategy, etc. in multinational enterprises and has extensive experience and deep knowledge regarding the management and evaluation of corporate performance and the overseas markets. The Company renominated her as a candidate for Outside Director expecting her to utilize this experience and knowledge to provide comments and advice in the Company's Board of Directors and believing that she is an appropriate person to oversee the growth of the Group.</p> <p>She will have served as Outside Director of the Company for one year at the conclusion of this meeting.</p>				

Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

In order to maintain continuity of auditing even if the number of Audit & Supervisory Board Members falls below the number prescribed by laws and regulations, the election of one (1) substitute Audit & Supervisory Board Member is proposed.

At the Company, with outside members constituting the majority, the Audit & Supervisory Board includes individuals with specialist knowledge and experience in such fields as finance, accounting, and law. The Audit & Supervisory Board nominates candidates with such knowledge and experience. The same policy and process apply to nomination of a substitute Audit & Supervisory Board Member.

Independence is judged in accordance with the independence standards specified by the Tokyo Stock Exchange.

The consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
Yoshio Mataichi (Feb. 26, 1949) Age: 72 Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Apr. 1974 Registered as attorney at law Apr. 1974 Joined Kubota Law Office Mar. 1979 Joined Freehill, Hollingdale & Page (in Sydney, Australia) Mar. 1981 Joined Kubota Law Office Apr. 1986 Joined Kamata & Mataichi (currently LTE Law Offices) (current position) Jun. 1987 Seconded to Alston & Bird (in Atlanta, U.S.) Mar. 2000 Auditor, McDonald's Co. (Japan), Ltd. (currently McDonald's Holdings Company (Japan), Ltd.)	0

[Reason for nomination as candidate for substitute Outside Audit & Supervisory Board Member]

Mr. Yoshio Mataichi has sophisticated expert knowledge and a wide range of insight concerning corporate legal affairs. The Company nominated him as a candidate for substitute Outside Audit & Supervisory Board Member expecting him to utilize his expertise cultivated in the course of his career in the overall management of the Company.

(Notes)

1. The age of the candidate is the age at the conclusion of this meeting.
2. There are no special interests between Mr. Yoshio Mataichi and the Company.
3. Mr. Yoshio Mataichi is a candidate for substitute Outside Audit & Supervisory Board Member.
4. The current Articles of Incorporation of the Company stipulates that, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Audit & Supervisory Board Members to limit their liability for damages provided for in Article 423, Paragraph 1 of the said Act to the minimum liability amount stipulated by laws and regulations. If the above candidate for substitute Audit & Supervisory Board Member is appointed Audit & Supervisory Board Member, the Company intends to enter into a liability limitation agreement with the same content as above with the candidate.
5. The Company has entered into a directors and officers liability insurance contract with an insurance company with all Audit & Supervisory Board Members as the insured. The said insurance contract covers damages that may arise due to the insured Audit & Supervisory Board Members assuming liability for the execution of their duties or receiving a claim for the pursuit of such liability. However, there are grounds for exemptions. For example, damages caused intentionally or with gross negligence will not be covered. If Mr. Yoshio Mataichi assumes the office of Audit & Supervisory Board Member, he will be included among the insured under the insurance contract.

Proposal 4: Payment of Bonuses to Directors

In consideration of the performance etc. for the fiscal year under review, the Company proposes to pay a bonus totaling ¥52 million to three (3) Directors (who are not Outside Directors) in office at the end of the fiscal year under review. In accordance with the "Commitment to Accountability," the Company has established a policy for the determination of the contents of individual remuneration, etc. of Directors. The payment of bonuses to Directors under this proposal shall be in accordance with the said policy.

The consolidated results indices (net sales, operating profit, and profit attributable to owners of parent) were adopted as indicators that appropriately show the financial status of the Company, and the payment amount was calculated based on provisions resolved by approval of the Board of Directors. The calculated amount was reported to the Compensation Committee, a non-mandatory committee where the majority of members are Outside Directors who have objective perspectives, and determined by the Board of Directors. The Company believes that the amount of the bonuses to Directors is reasonable. The Company requests that the amount to be paid to each Director be left to the discretion of the Board of Directors.

ENDS