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(Stock Exchange Code 6309)
January 12, 2021

To Shareholders with Voting Rights:

Hitoshi Yamamoto
President
Tomoe Engineering Co., Ltd.
5-15 Kitashinagawa 5-chome,
Shinagawa-ku, Tokyo, Japan

**NOTICE OF
THE 91ST ANNUAL SHAREHOLDERS MEETING**

Dear Shareholders:

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

Please be informed that the 91st Annual Shareholders Meeting of Tomoe Engineering Co., Ltd. (the “Company”) will be held for the purposes as described below.

You can exercise your voting rights in writing by mail or through electromagnetic means such as the Internet, etc. Please review the attached “Reference Documents for the Shareholders Meeting,” and exercise your voting rights using one of the methods written on page 3 by 5:30 p.m. on Wednesday, January 27, 2021, Japan time.

1. Date and Time: Thursday, January 28, 2021 at 10:00 a.m., Japan time

2. Place: Green Wind, GardenCity Shinagawa on the 1st floor of SHINAGAWA GOOS located at 13-3, Takanawa 3-chome, Minato-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:** (1) The Business Report, Consolidated Financial Statements for the Company’s 91st Fiscal Year (from November 1, 2019 to October 31, 2020) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
(2) Non-consolidated Financial Statements for the Company’s 91st Fiscal Year (from November 1, 2019 to October 31, 2020)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of Ten Directors (excluding Directors serving as Audit & Supervisory Committee Members)

Proposal 3: Election of Four Directors serving as Audit & Supervisory Committee Members

Proposal 4: Election of One Substitute Director serving as Audit & Supervisory Committee Member

Proposal 5: Payment of Bonuses to Officers

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- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - ◎ Should the Reference Documents for the Shareholders Meeting, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.tomo-e.co.jp/>).
 - ◎ From among the documents to be attached to this notice, the Consolidated Statements of Changes in Shareholders' Equity of the Consolidated Financial Statements and Notes to the Consolidated Financial Statements as well as the Non-consolidated Statements of Changes in Shareholders' Equity of the Non-consolidated Financial Statements and Notes to the Non-consolidated Financial Statements are posted on the Company's website (<https://www.tomo-e.co.jp/>) in accordance with laws and ordinances and the provisions in Article 14 of the Articles of Incorporation of the Company. Therefore, they are not stated in the Appendix provided with this notice. The Consolidated Financial Statements and Non-consolidated Financial Statements stated in the Appendix provided with this notice are part of the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Audit & Supervisory Committee and the Accounting Auditor in preparing audit reports and accounting audit reports, respectively.

Reference Documents for the Shareholders Meeting

Proposals and References

Proposal 1: Appropriation of Surplus

1. Matters regarding the year-end dividend

As its basic policy, the Company will implement appropriate and stable dividends while seeking to increase internal reserves to reinforce its financial position and management foundation, and by considering consolidated operating results, the group's medium-term business strategy and other factors in a comprehensive manner.

Based on the above policy, the Company proposes a year-end dividend of 24.50 yen per share for the current fiscal year, an increase of 1 yen per share from the previous fiscal year, taking into consideration the status of its financial position, operating results for the fiscal year ended October 31, 2020, and the future outlook.

- (1) Matters regarding the assignment of assets to be distributed to shareholders and the total amount thereof
24.50 yen per share of the Company's common stock, in a total amount of 244,469,306 yen
As the Company has already paid the interim dividend of 23.50 yen per share, the annual dividend for the fiscal year ended October 31, 2020 will amount to 48 yen per share.
- (2) The date on which dividends of retained earnings become effective
January 29, 2021

2. Matters regarding appropriation of surplus

Regarding the internal reserves, the Company proposes as follows to reinforce the management foundation in preparation for the future business development.

- (1) Item of surplus to be increased and the amount thereof
General reserve of 1,500,000,000 yen
- (2) Item of surplus to be decreased and the amount thereof
Retained earnings brought forward of 1,500,000,000 yen

Proposal 2: Election of Ten Directors (excluding Directors serving as Audit & Supervisory Committee Members)

The term of office of all ten Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same shall apply in this proposal) will expire at the conclusion of this Annual Shareholders Meeting. Accordingly, the election of ten Directors is proposed.

With regard to this proposal, the Audit & Supervisory Committee has decided that all candidates qualify as a Director of the Company after reviewing each candidate's execution of duties, performance and remarks made at the Board of Directors during the fiscal year ended October 31, 2020, and past experience, etc.

The candidates for Directors are as follows:

No.	Name	Current positions and responsibilities, etc. at the Company	Attributes
1	Hitoshi Yamamoto	President	Reappointment
2	Akitomo Tamai	Managing Director General Manager, Chemical Products Div.	Reappointment
3	Akiyoshi Shinoda	Director Deputy General Manager, Chemical Products Div. (in charge of Fine Chemicals Dept., Electronic Materials Dept., and Plastics Dept.)	Reappointment
4	Toshiaki Yakura	Director In charge of Accounting Div. and Management Planning Dept.	Reappointment
5	Katsuhiko Ito	Director Deputy General Manager, Machinery & Equipment Div. (in charge of Industrial Machinery Sales Dept. and Overseas Sales Dept.)	Reappointment
6	Tetsuyuki Azuma	Director Deputy General Manager, Chemical Products Div. (in charge of Advanced Materials Dept., Industrial Materials Dept., and Minerals Dept.)	Reappointment
7	Atsushi Sada	Director Deputy General Manager, Machinery & Equipment Div. (in charge of Production), and General Manager, Sagami Factory	Reappointment
8	Osamu Fujii	Director In charge of General Affairs Div. and Business Coordination Div.	Reappointment
9	Sakae Fujii	General Manager, Operational Support Dept., Chemical Products Div.	New appointment
10	Michiaki Sugiura	General Manager, Plant Engineering Dept., Machinery & Equipment Div.	New appointment

New appointment	Candidate for new Director
Reappointment	Candidate for reappointment as Director
Outside Director	Candidate for Outside Director
Independent Officer	Candidate for independent officer stipulated by stock exchanges, etc.

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
1	Hitoshi Yamamoto (July 20, 1955) Reappointment	April 1979	Joined the Company	32,184
		April 2003	General Manager, Industrial Machinery Sales Dept., Machinery & Equipment Div.	
January 2007	Director			
January 2009	Deputy General Manager, Machinery & Equipment Div. (in charge of Industrial Machinery Sales Dept.) Managing Director			
January 2013	General Manager, Machinery & Equipment Div. Senior Managing Director			
January 2015	General Manager, Chemical Products Div. President (current position)			
(Reasons for selecting the candidate for Director) Mr. Hitoshi Yamamoto has abundant operational knowledge and experience on the Company's overall business with focus on the machinery and equipment business and chemical products business. Since assuming office as Representative Director in January 2015, he has duly performed his duties as a senior executive officer of the Group. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.				
2	Akitomo Tamai (February 12, 1957) Reappointment	April 1980	Joined JDC CORPORATION	21,771
		April 1988	Joined Elkem Japan K.K.	
April 2000	Joined the Company			
November 2005	General Manager, Industrial Materials Dept., Chemical Products Div.			
January 2011	Director Deputy General Manager, Chemical Products Div. (in charge of Plastics Dept., Industrial Materials Dept., and Fine Chemicals Dept.) President, Tomoe Butsuryu Co., Ltd.			
November 2012	President, Tomoe Trading (Shenzhen) Co., Ltd. (current position)			
January 2013	Deputy General Manager, Chemical Products Div. (in charge of Plastics Dept. and Industrial Materials Dept.) and General Manager, China Business Promotion Dept., Chemical Products Div. of the Company			
November 2017	Deputy General Manager, Chemical Products Div. (in charge of Plastics Dept. and Industrial Materials Dept.)			
January 2018	Managing Director (current position) General Manager, Chemical Products Div. (current position)			
(Reasons for selecting the candidate for Director) Mr. Akitomo Tamai has abundant operational knowledge and experience on the Company's overall business with focus on the chemical products business. Since assuming office as a Director in January 2011, he has duly performed duties in general as Director. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
3	Akiyoshi Shinoda (August 23, 1961) Reappointment	April 1985	Joined Nippon Kaiji Kentei Kyokai	18,582
		September 1989	Joined the Company	
November 2011	General Manager, Chemical Products Sales Dept., Osaka Branch Office			
April 2014	General Manager, Fine Chemicals Dept., Chemical Products Div.			
January 2015	Director (current position) Deputy General Manager, Chemical Products Div. (in charge of Advanced Materials Dept. and Electronic Materials Dept.) and General Manager, Fine Chemicals Dept.			
April 2015	Deputy General Manager, Chemical Products Div. (in charge of Advanced Materials Dept., Electronic Materials Dept., and Fine Chemicals Dept.)			
January 2018	Deputy General Manager, Chemical Products Div. (in charge of Fine Chemicals Dept., Electronic Materials Dept., and Plastics Dept.) (current position) President, Tomoe Butsuryu Co., Ltd. (current position)			
(Reasons for selecting the candidate for Director) Mr. Akiyoshi Shinoda has abundant operational knowledge and experience on the Company's overall business with focus on the chemical products business. Since assuming office as a Director in January 2015, he has duly performed duties in general as Director. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.				
4	Toshiaki Yakura (May 31, 1958) Reappointment	April 1981	Joined The Fuji Bank, Limited	11,042
		April 2008	General Manager, Americas Business Operations Department, Mizuho Corporate Bank, Ltd.	
October 2012	Joined the Company General Manager assistant to Accounting Div.			
April 2014	General Manager, Accounting Div.			
January 2015	Director (current position) In charge of Accounting Div. and Management Planning Dept. and General Manager, Accounting Div.			
November 2019	In charge of Accounting Div. and Management Planning Dept. (current position)			
(Reasons for selecting the candidate for Director) Mr. Toshiaki Yakura has abundant knowledge and experience with regard to accounting and management planning. Since assuming office as a Director in January 2015, he has duly performed duties in general as Director. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
5	Katsuhiko Ito (September 21, 1964) Reappointment	April 1987	Joined the Company	10,634
		April 2013	General Manager, Machinery & Equipment Dept., Osaka Branch Office	
		January 2017	Director (current position) Deputy General Manager, Machinery & Equipment Div. (in charge of Industrial Machinery Sales Dept. and Overseas Sales Dept.) (current position)	
(Reasons for selecting the candidate for Director) Mr. Katsuhiko Ito has abundant operational knowledge and experience on the Company's overall business with focus on the machinery and equipment business. Since assuming office as a Director in January 2017, he has duly performed duties in general as Director. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.				
6	Tetsuyuki Azuma (August 16, 1960) Reappointment	April 1984	Joined the Company	8,348
		November 2009	General Manager, Advanced Materials Dept., Chemical Products Div.	
		January 2018	Director (current position) Deputy General Manager, Chemical Products Div. (in charge of Advanced Materials Dept. and Industrial Materials Dept.) and General Manager, Advanced Materials Dept.	
		April 2018	Deputy General Manager, Chemical Products Div. (in charge of Advanced Materials Dept. and Industrial Materials Dept.)	
		November 2019	Deputy General Manager, Chemical Products Div. (in charge of Advanced Materials Dept., Industrial Materials Dept., and Minerals Dept.) (current position)	
(Reasons for selecting the candidate for Director) Mr. Tetsuyuki Azuma has abundant operational knowledge and experience on the Company's overall business with focus on the chemical products business. Since assuming office as a Director in January 2018, he has duly performed duties in general as Director. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
7	Atsushi Sada (October 30, 1964) Reappointment	April 1988	Joined the Company	3,599
		November 2016	General Manager, Technical Development Dept., Machinery & Equipment Div.	
		January 2019	Director (current position) Deputy General Manager, Machinery & Equipment Div. (in charge of Production), and General Manager, Sagami Factory (current position)	
(Reasons for selecting the candidate for Director) Mr. Atsushi Sada has abundant operational knowledge and experience on the Company's overall business with focus on the machinery and equipment business. Since assuming office as a Director in January 2019, he has duly performed duties in general as Director. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.				
8	Osamu Fujii (December 10, 1963) Reappointment	April 1987	Joined the Company	6,521
		April 2013	General Manager, General Affairs Div.	
		January 2020	Director (current position) In charge of General Affairs Div. and Business Coordination Div. and General Manager, General Affairs Div.	
		November 2020	In charge of General Affairs Div. and Business Coordination Div. (current position)	
(Reasons for selecting the candidate for Director) Mr. Osamu Fujii has abundant operational knowledge and experience on the Company's overall business with focus on the administrative division. Since assuming office as a Director in January 2020, he has duly performed duties in general as Director. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
9	Sakae Fujii (August 19, 1962) New appointment	April 1986	Joined the Company	3,649
		April 2010	General Manager, Operational Support Dept., Chemical Products Div.	
		April 2015	General Manager, Fine Chemicals Dept., Chemical Products Div.	
		May 2018	General Manager, Operational Support Dept., Chemical Products Div. (current position)	
(Reasons for selecting the candidate for Director) Mr. Sakae Fujii has been engaged in the chemical products business since joining the Company and has abundant knowledge and experience on the Company's overall chemical products business. Therefore, the Company expects that he is capable of duly performing his duties as a Director and appoints him as a candidate for Director.				
10	Michiaki Sugiura (April 24, 1971) New appointment	April 1996	Joined the Company	2,128
		April 2012	Manager, Shanghai Office	
		November 2014	Secondment to Tomoe Engineering USA, Inc.	
		April 2019	General Manager, Plant Engineering Dept., Machinery & Equipment Div. of the Company (current position)	
(Reasons for selecting the candidate for Director) Mr. Michiaki Sugiura has been engaged in the machinery and equipment business since joining the Company and has abundant knowledge and experience on the Company's overall machinery and equipment business. Therefore, the Company expects that he is capable of duly performing his duties as a Director and appoints him as a candidate for Director.				

(Notes)

1. There are no special interests between each candidate and the Company.
2. The number of shares of the Company held by each candidate includes those held by the Tomoe Engineering officers' shareholding association or the Tomoe Engineering employees' shareholding association.

Proposal 3: Election of Four Directors serving as Audit & Supervisory Committee Members

The term of office of all four Directors serving as Audit & Supervisory Committee Members will expire at the conclusion of this Annual Shareholders Meeting. Accordingly, the election of four Directors serving as Audit & Supervisory Committee Members is proposed.

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

The candidates for Directors serving as Audit & Supervisory Committee Members are as follows:

No.	Name	Current positions and responsibilities, etc. at the Company	Attributes
1	Masayoshi Fukasawa	Director (Director serving as Audit & Supervisory Committee Member)	Reappointment
2	Makoto Nakamura	Outside Director (Director serving as Audit & Supervisory Committee Member)	Reappointment Outside Director Independent Officer
3	Tatsuo Hasunuma	Outside Director (Director serving as Audit & Supervisory Committee Member)	Reappointment Outside Director Independent Officer
4	Kenji Yahiro	–	New appointment Outside Director Independent Officer

New appointment	Candidate for new Director
Reappointment	Candidate for reappointment as Director
Outside Director	Candidate for Outside Director
Independent Officer	Candidate for independent officer stipulated by stock exchanges, etc.

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
1	Masayoshi Fukasawa (January 14, 1952) Reappointment	April 1975	Joined the Company	19,304
		April 2007 January 2011	General Manager, General Affairs Div. Director In charge of General Affairs Div. and Business Coordination Div. and General Manager, General Affairs Div.	
		April 2013	In charge of General Affairs Div. and Business Coordination Div.	
		January 2015	Managing Director	
		January 2020	Director (Director serving as Audit & Supervisory Committee Member) (current position)	
(Reasons for selecting the candidate for Director) Mr. Masayoshi Fukasawa has been in charge of operations for general and personnel affairs, legal affairs and import and export, and he is well versed in those operations as an executive Director of the Company. Since assuming office as a Director serving as Audit & Supervisory Committee Member in January 2020, he has duly performed duties in general as Director serving as Audit & Supervisory Committee Member. Therefore, the Company believes that he is qualified and reappoints him as a candidate for Director serving as Audit & Supervisory Committee Member.				
2	Makoto Nakamura (September 28, 1955) Reappointment Outside Director Independent Officer	April 1988	Admitted to the TOKYO BAR ASSOCIATION	2,149
		March 1993 January 2011	Established Shinjuku Daiichi Law Office Outside Audit & Supervisory Board Member of the Company	
		January 2017	Outside Director (Director serving as Audit & Supervisory Committee Member) (current position)	
		September 2017	Established Kamijikkoku Nakamura Law Office (to the present)	
(Reasons for selecting the candidate for Outside Director) Although Mr. Makoto Nakamura has never been directly involved in corporate management except as an Outside Officer, he is well versed in corporate legal affairs as an attorney-at-law and has financial, accounting and legal knowledge necessary for the execution of duties. Since assuming office as an Outside Director serving as Audit & Supervisory Committee Member in January 2017, he has duly performed duties in general as Director serving as Audit & Supervisory Committee Member. Therefore, the Company believes that he is qualified and reappoints him as a candidate for Outside Director serving as Audit & Supervisory Committee Member.				
3	Tatsuo Hasunuma (September 8, 1952) Reappointment Outside Director Independent Officer	April 1971	Joined the Tokyo Regional Taxation Bureau	510
		July 2002	Professor, Research Department, National Tax College	
		July 2008	Chief Examiner, Second Examination Group, Tokyo Regional Taxation Bureau	
		July 2012	District Director, Nerima-nishi Tax Office	
		September 2013	Opened Tatsuo Hasunuma Certified Public Tax Accountant Office (to the present)	
		January 2019	Outside Director (Director serving as Audit & Supervisory Committee Member) of the Company (current position)	
(Reasons for selecting the candidate for Outside Director) Although Mr. Tatsuo Hasunuma has never been directly involved in corporate management except as an Outside Officer, he has long been engaged in corporate taxation and has financial, accounting and legal knowledge necessary for the execution of duties. Since assuming office as an Outside Director serving as Audit & Supervisory Committee Member in January 2019, he has duly performed duties in general as Director serving as Audit & Supervisory Committee Member. Therefore, the Company believes that he is qualified and reappoints him as a candidate for Outside Director serving as Audit & Supervisory Committee Member.				

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
4	Kenji Yahiro (November 24, 1959) New appointment Outside Director Independent Officer	<p>April 1983 Joined Meiji Life Insurance Company</p> <p>April 2014 General Manager, Contract Services Div., Meiji Life Insurance Company</p> <p>April 2017 Director and General Manager, Underwriting Div., Meiji Yasuda General Insurance Co., Ltd.</p> <p>April 2018 Executive Officer and General Manager, Underwriting Div., Meiji Yasuda General Insurance Co., Ltd.</p> <p>April 2020 Deputy Manager, Business Support Div., Meiji Yasuda Office Partners Co., Ltd. (current position)</p>	0
<p>(Reasons for selecting the candidate for Outside Director)</p> <p>Mr. Kenji Yahiro has long been engaged in life insurance and general insurance, and has financial, legal and risk management-related knowledge necessary for the execution of duties. In addition, he has experience of being involved in corporate management as a director. Therefore, the Company believes that he is qualified and appoints him as a candidate for Outside Director serving as Audit & Supervisory Committee Member.</p>			

(Notes)

1. There are no special interests between each candidate and the Company.
2. The number of shares of the Company held by Messrs. Masayoshi Fukasawa, Makoto Nakamura and Tatsuo Hasunuma includes those held by the Tomoe Engineering officers' shareholding association.
3. Messrs. Makoto Nakamura, Tatsuo Hasunuma and Kenji Yahiro are candidates for Outside Directors.
4. Messrs. Makoto Nakamura, Tatsuo Hasunuma and Kenji Yahiro satisfy the criteria for independence of outside officers stipulated by the Company, in addition to the criteria for independent officers stipulated by the Tokyo Stock Exchange. Therefore, the Company believes that each candidate's independence has been fully secured. If this proposal is approved, the Company will notify the Tokyo Stock Exchange of each candidate as an independent officer stipulated by the Exchange.
5. Messrs. Makoto Nakamura and Tatsuo Hasunuma are currently serving as Outside Directors serving as Audit & Supervisory Committee Members. They will have served as Outside Directors serving as Audit & Supervisory Committee Members for four years and two years, respectively, at the conclusion of this Annual Shareholders Meeting. Mr. Makoto Nakamura has served as an Outside Audit & Supervisory Board Member of the Company before assuming office as an Outside Director of the Company.
6. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Messrs. Masayoshi Fukasawa, Makoto Nakamura and Tatsuo Hasunuma, current Directors serving as Audit & Supervisory Committee Members, to limit their liabilities stipulated in Article 423, Paragraph 1 of the Companies Act. The limit on liability for damages under the agreement is the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act. If this proposal is approved and the four candidates are elected as Directors serving as Audit & Supervisory Committee Members, the Company intends to enter into liability limitation agreements with each of them under the same terms and conditions.

Proposal 4: Election of One Substitute Director serving as Audit & Supervisory Committee Member

In preparation for the contingency that the number of Directors serving as Audit & Supervisory Committee Members falls below the number stipulated by laws and ordinances, the election of one Substitute Director serving as Audit & Supervisory Committee Member is proposed. The resolution of this proposal will expire at the beginning of the annual shareholders meeting held for the last business year ending within two years after the resolution.

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

The candidate for Substitute Director serving as Audit & Supervisory Committee Member is as follows:

Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held	
Minoru Imai (January 22, 1947) New appointment Outside Director Independent Officer	April 1969 Joined the Tokyo Regional Taxation Bureau July 1998 District Director, Kobayashi Tax Office July 2000 District Director, Koto-nishi Tax Office July 2005 District Director, Honjo Tax Office September 2006 Opened Minoru Imai Certified Public Tax Accountant Office (to the present)	1,200	
	February 2012 Outside Audit & Supervisory Board Member, Kawasaki Geological Engineering Co., Ltd.		
	January 2015 Outside Director of the Company		
	February 2016 Outside Director (serving as Audit & Supervisory Committee Member), Kawasaki Geological Engineering Co., Ltd. (current position)		
	January 2017 Outside Director (Director serving as Audit & Supervisory Committee Member) of the Company		
	(Significant concurrent positions) Outside Director (serving as Audit & Supervisory Committee Member), Kawasaki Geological Engineering Co., Ltd.		
	(Reasons for selecting the candidate for Substitute Outside Director) Although Mr. Minoru Imai has never been directly involved in corporate management except as an Outside Officer, he has long been engaged in corporate taxation, and has financial and accounting knowledge necessary for the execution of duties. In addition, he has experience serving as an Outside Director of the Company from January 2015 to January 2019. Therefore, the Company believes that he is qualified as an Outside Director serving as Audit & Supervisory Committee Member and appoints him as a candidate for Substitute Outside Director serving as Audit & Supervisory Committee Member.		

(Notes)

1. There are no special interests between the candidate and the Company.
2. Mr. Minoru Imai is a candidate for Outside Director.
3. Mr. Minoru Imai satisfies the criteria for independence of outside officers stipulated by the Company, in addition to the criteria for independent officers stipulated by the Tokyo Stock Exchange. Therefore, the Company believes that his independence has been fully secured.
4. There are no special interests between the Company and Kawasaki Geological Engineering Co., Ltd., where Mr. Minoru Imai serves as an Outside Director.
5. In the event that Mr. Minoru Imai assumes office as a Director serving as Audit & Supervisory Committee Member, the Company will, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, enter into an agreement to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act. The limit on liability for damages under the agreement will be the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.

Proposal 5: Payment of Bonuses to Officers

By considering the operating results for the fiscal year ended October 31, 2020 and other factors, payment of bonuses to three Directors (excluding Directors serving as Audit & Supervisory Committee Members) and four Directors serving as Audit & Supervisory Committee Members in the total amount of 57,536,000 yen (37,163,000 yen for Directors (excluding Directors serving as Audit & Supervisory Committee Members), and 20,373,000 yen for Directors serving as Audit & Supervisory Committee Members) is proposed. With regard to this proposal, the Audit & Supervisory Committee and Audit & Supervisory Committee Members have determined that the procedures to decide the total amount of bonuses to Officers and the specific method of calculation, etc. are appropriate and valid.

(Reference)

Selection criteria for Outside Directors of the Company

Outside Directors and the candidates for Outside Director of the Company shall be the individuals satisfying the following criteria:

1. The individuals who are capable of directly supervising the matters regarding management in general, financial and legal affairs, corporate governance and other issues that are deliberated or resolved at the Board of Directors meetings.
2. The individuals who have insight, expertise and experience conducive to the sustainable growth and medium- to long-term enhancement of corporate value of the Company, and are capable of expressing useful opinions and giving advice regarding the matters related to corporate management, including business strategy, formulation of medium-term management plan, etc.

Criteria for independence of Outside Directors of the Company

Outside Directors and the candidates for Outside Director of the Company shall be the individuals that do not fall under the following criteria 1 to 5. The applicable period for the criteria 2 to 5 shall be the present and the past ten years.

1. Individual related to the Group
Director (excluding Outside Director), Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member), Accounting Advisor, Executive Officer, Operating Officer or employee (hereinafter, "Executive, etc.") of the Company, or subsidiaries and affiliates of the Company (hereinafter, "the Group")
2. Shareholder and individual related thereto
 - (1) A shareholder who holds 10% or more of the Company's voting rights, or Executive, etc. of such shareholder
 - (2) An Executive, etc. of the company in which the Group holds 10% or more of voting rights
3. Individual related to business partner
 - (1) Executive, etc. of a business partner that records a transaction amount with the Group equivalent to 2% or more of said entity's consolidated net sales or; Executive, etc. of a business partner with which the Group records a transaction amount equivalent to 2% or more of the Group's consolidated net sales
 - (2) Executive, etc. of a financial institution from which the Group is borrowing an amount equivalent to 2% or more of the Group's consolidated total assets
4. Attorney-at-law, certified public accountant, tax accountant, etc.
 - (1) Certified public accountant, or employee or partner of an audit corporation, which is the Accounting Auditor of the Group
 - (2) An individual who receives an annual remuneration of 10 million yen or more from the Group as attorney-at-law, certified public accountant, tax accountant or other consultant, in addition to the remuneration as an officer
5. Others
 - (1) A spouse or any family within the second degree of kinship of the individual that falls under the above criteria 1 to 4
 - (2) Executive, etc. of a company, between which and the Group directors are mutually appointed
 - (3) Executive, etc. of a company, between which and the Group mutually hold shares