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Securities identification code: 8074
June 3, 2021

To our shareholders:

Hiroyuki Tamura
Representative Director and President
YUASA TRADING CO., LTD.
7, Kanda-Mitoshirocho, Chiyoda-ku, Tokyo, Japan

NOTICE OF THE 142ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 142nd Ordinary General Meeting of Shareholders of YUASA TRADING CO., LTD. (the “Company”), which will be held as described below.

In light of the situation where prevention measures for the spread of the novel coronavirus (COVID-19) infection are strongly requested, in order to avoid the risk of the infection, you are encouraged to exercise your voting rights prior to the meeting in writing or by using the Internet, etc. Regardless of your own state of health, you are urged to refrain from traveling to the venue on the meeting date, if at all possible.

In order to prevent the spread of the infection, we may ask for taking your temperature, wearing a face mask, using alcohol disinfectant and other prevention measures on the meeting date.

As for the exercise of your voting rights in writing (by postal mail) or via the Internet, etc., please exercise your voting rights following “Guidance for Exercise of Voting Rights” (in Japanese only) on pages 4 to 6, by 5:00 p.m. on Wednesday, June 23, 2021 (Japan Standard Time).

Meeting Details

- 1. Date and Time:** Thursday, June 24, 2021 at 10:00 a.m. (reception will open at 9:00 a.m.) (Japan Standard Time)
- 2. Venue:** BELLESALLE KANDA, Sumitomo Fudosan Kanda Bld., 3F,
7, Kanda-Mitoshirocho, Chiyoda-ku, Tokyo

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 142nd Term (from April 1, 2020 to March 31, 2021), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 142nd Term (from April 1, 2020 to March 31, 2021)

Items to be resolved:

- Proposal 1:** Election of Eight (8) Directors
- Proposal 2:** Revision of Remuneration Amount for Outside Directors
- Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member

4. Exercise of Voting Rights

Please refer to the page 4 to 6, “Guidance for Exercise of Voting Rights” (in Japanese only)

For Institutional Investors

Institutional investors may also use the “electronic voting rights exercise platform” operated by ICJ, Inc. to electronically exercise the voting rights for this General Meeting of Shareholders.

Reference Documents for the General Meeting of Shareholders Proposals and Reference Information

Proposal 1: Election of Eight (8) Directors

The terms of office of ten (10) incumbent Directors will expire at the conclusion of this Meeting. In this regard, in order to further enhance the transparency and soundness of management, as well as to ensure the sustainable growth of the Company and the enhancement of corporate value over the medium to long term, the Company proposes to increase the number of Outside Directors by one (1) to three (3), and to elect eight (8) Directors in order to strengthen the executive system by speeding up the execution of business.

The candidates for Directors are as follows:

Candidate No.	Name	Position and responsibility in the Company	
1.	Hiroyuki Tamura	Representative Director, President & CEO In charge of Overseas Business Development	Reelection
2	Haruo Sanoki	Representative Director, Senior Managing Director, Executive Officer Supervisory Manager of Management Administration In charge of Regional Groups Committee Chairperson of Export Administration Department, Ethics and Compliance Committee and Internal Control Committee	Reelection
3	Kenichi Tanaka	Senior Managing Director, Executive Officer Supervisory Manager of Sales Division Chief General Manager of Living Environment Market Headquarters	Reelection
4	Toshiyuki Takachio	Managing Director, Executive Officer Chief General Manager of Industrial Market Headquarters	Reelection
5	Naomi Nakayama	Director, Executive Officer Chief General Manager of Construction Market Headquarters	Reelection
6	Shinzo Maeda	Outside Director	Reelection Outside Independent
7	Keiko Toya	Outside Director	Reelection Outside Independent
8	Kyosuke Kimura	—	New Candidate Outside Independent

Reelection: Candidate for reelection for Director

New Candidate: New candidate for election as Director

Outside: Candidate for Outside Director

Independent: Independent Officer pursuant to the rules of the Tokyo Stock Exchange

Skills Matrix for Candidates for Director

Name	Position and main responsibility in the Company	Corporate management	Marketing	Organization and personnel development	Finance and accounting	Legal affairs & risk management	Global operations
Hiroyuki Tamura	Representative Director, President & CEO In charge of Overseas Business Development	○	○	○			○
Haruo Sanoki	Representative Director, Senior Managing Director Supervisory Manager of Management Administration	○		○	○	○	
Kenichi Tanaka	Senior Managing Director Supervisory Manager of Sales Division Chief General Manager of Living Environment Market Headquarters	○	○	○			
Toshiyuki Takachio	Managing Director Chief General Manager of Industrial Market Headquarters	○	○				○
Naomi Nakayama	Director Chief General Manager of Construction Market Headquarters	○	○				
Shinzo Maeda	Outside Director	○		○		○	○
Keiko Toya	Outside Director		○	○	○	○	
Kyosuke Kimura	—	○		○		○	○

Note: The above table lists up to four fields in which the candidate for Director's expertise is particularly expected, based on the past experience of each candidate. It is not an exhaustive list of all the expertise and experience the candidate possesses.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p data-bbox="395 703 560 763">Hiroyuki Tamura (July 16, 1959)</p> <p data-bbox="424 786 531 815">Reelection</p> <p data-bbox="347 842 608 925">Attendance to the Board of Directors Meetings: 13/13</p>	<p data-bbox="644 284 743 311">Apr. 1982</p> <p data-bbox="644 322 743 349">Apr. 1997</p> <p data-bbox="644 383 743 409">Mar. 2000</p> <p data-bbox="644 443 743 470">Apr. 2007</p> <p data-bbox="644 504 743 530">Apr. 2009</p> <p data-bbox="644 564 743 591">June 2010</p> <p data-bbox="644 692 743 719">June 2013</p> <p data-bbox="644 808 743 835">Apr. 2014</p> <p data-bbox="644 981 743 1008">Apr. 2016</p> <p data-bbox="644 1131 743 1158">Apr. 2017</p> <p data-bbox="644 1191 743 1218">June 2019</p> <p data-bbox="644 1254 743 1281">Apr. 2021</p> <p data-bbox="810 284 1246 1346"> Joined the Company President of YUASA MECHATRONICS (M) SDN. BHD. President of YUASA WARWICK MACHINERY LTD. General Manager of Factory Solution Division of the Company Executive Officer, General Manager of Factory Solution Division of the Company Director, Executive Officer, in charge of Overseas Business Development and General Manager of Factory Solution Division of the Company Managing Director, Executive Officer, in charge of Overseas Business Development and General Manager of Factory Solution Division of the Company Managing Director, Executive Officer, Chief General Manager of Industrial Market Headquarters, in charge of Overseas Business Development and General Manager of Factory Solution Division of the Company Senior Managing Director, Executive Officer, Chief General Manager of Industrial Market Headquarters and in charge of Overseas Business Development of the Company Representative Director, President & COO of the Company Representative Director, President & CEO of the Company Representative Director, President & CEO of the Company, in charge of Overseas Business Development (incumbent) </p>	6,800 shares
<p data-bbox="325 1352 852 1382">Reasons for nomination as a candidate for Director</p> <p data-bbox="325 1382 1414 1599">Mr. Hiroyuki Tamura has full knowledge of the industrial equipment and tools and machine tools areas due to his serving in such capacities as Director, Executive Officer, Chief General Manager of the Industrial Market Headquarters and also has abundant experience and achievements in overseas business as a representative of some of the Company's overseas subsidiaries and a Director in charge of Overseas Business Development. Moreover, having demonstrated outstanding management skills since taking the position of Representative Director, President & COO of the Company in April 2017, the Company decided it would be appropriate to have him contributing to the growth of the Company and the Company's Group going forward, and so made him a candidate.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p data-bbox="395 689 560 741">Haruo Sanoki (March 9, 1955)</p> <p data-bbox="424 772 531 797">Reelection</p> <p data-bbox="347 826 611 904">Attendance to the Board of Directors Meetings: 13/13</p>	<p data-bbox="644 284 743 309">Apr. 1978</p> <p data-bbox="644 322 743 347">Apr. 2007</p> <p data-bbox="644 383 743 407">Apr. 2011</p> <p data-bbox="644 477 743 501">June 2013</p> <p data-bbox="644 566 743 591">Apr. 2015</p> <p data-bbox="644 687 743 712">Apr. 2017</p> <p data-bbox="644 889 743 913">Apr. 2018</p> <p data-bbox="644 1090 743 1115">June 2019</p> <p data-bbox="810 284 1246 1312"> Joined the Company Assistant General Manager of Machinery Engineering Division of the Company Executive Officer, General Manager of Machinery Engineering Division of the Company Director, Executive Officer, General Manager of Machinery Engineering Division of the Company Director, Executive Officer, Vice Supervisory Manager of Management Administration, Manager of General Affairs Department of the Company Managing Director, Executive Officer, Supervisory Manager of Management Administration, in charge of Regional Groups, Committee Chairperson of Export Administration Department, Ethics and Compliance Committee and Internal Control Committee of the Company Senior Managing Director, Executive Officer, Supervisory Manager of Management Administration, in charge of Regional Groups, Committee Chairperson of Export Administration Department, Ethics and Compliance Committee and Internal Control Committee of the Company Representative Director, Senior Managing Director, Executive Officer, Supervisory Manager of Management Administration, in charge of Regional Groups, Committee Chairperson of Export Administration Department, Ethics and Compliance Committee and Internal Control Committee of the Company (incumbent) </p>	5,900 shares
<p data-bbox="325 1319 852 1344">Reasons for nomination as a candidate for Director</p> <p data-bbox="325 1346 1407 1538">Mr. Haruo Sanoki has full knowledge of the machine tools area due to his being a Director, Executive Officer, General Manager of the Machinery Engineering Division and having served as a Representative Director, Senior Managing Director, Executive Officer, Supervisory Manager of the Management Administration. He has worked on strengthening the management foundation and governance at both the Company and the Company's Group and has abundant experience and achievements. The Company decided it would be appropriate to have him continue to use his knowledge for the growth of the Company and the Company's Group and so made him a candidate.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned	
3	<p style="text-align: center;">Kenichi Tanaka (October 9, 1958)</p> <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Attendance to the Board of Directors Meetings: 13/13</p>	<p>Apr. 1982 Joined the Company</p> <p>Oct. 2007 Manager of Plant Business Department of the Company</p> <p>Apr. 2008 Assistant General Manager of Building Facility Division of the Company</p> <p>Apr. 2010 Executive Officer, General Manager of Building Facility Division of the Company</p> <p>Apr. 2011 Executive Officer, General Manager of Living Environment Division (Eastern Area) of the Company</p> <p>June 2014 Director, Executive Officer, General Manager of Living Environment Division (Eastern Area) of the Company</p> <p>Apr. 2017 Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters, Supervisory Manager of Construction Business Headquarters, General Manager of Living Environment Division (Eastern Area) of the Company</p> <p>June 2017 Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters, Supervisory Manager of Construction Business Headquarters, General Manager of Living Environment Division (Eastern Area) of the Company</p> <p>Apr. 2018 Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters, Supervisory Manager of Construction Business Headquarters of the Company</p> <p>Apr. 2019 Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters of the Company</p> <p>June 2019 Senior Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters of the Company</p> <p>Apr. 2020 Senior Managing Director, Executive Officer, Supervisory Manager of Sales Division and Chief General Manager of Living Environment Market Headquarters of the Company (incumbent)</p>	5,100 shares	
		<p>Significant concurrent positions outside the Company Chairperson, Representative Director of YUASA PRIMUS CO., LTD. (part time)</p>		
		<p>Reasons for nomination as a candidate for Director Mr. Kenichi Tanaka has full knowledge of the housing, air & fluidic control systems area due to his serving in such capacities as Managing Director, Executive Officer, General Manager of the Living Environment Division (Eastern Area) and as Senior Managing Director, Executive Officer, Chief General Manager of the Living Environment Market Headquarters, and has abundant experience and achievements. The Company decided that it would be appropriate to have him continue to play a part in strengthening the business in field of living environments and contribute to the growth of the Company and the Company's Group, and so made him a candidate.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	Toshiyuki Takachio (May 21,1956) Reelection Attendance to the Board of Directors Meetings: 13/13	<p>Apr. 1980 Joined the Company</p> <p>Oct. 2006 Representative Director, YUASA INDUSTRIAL EQUIPMENT CO., LTD. (currently YUASA NEOTEC CO., LTD.)</p> <p>May 2010 Representative Director, President of KOKKO CO., LTD.</p> <p>Apr. 2012 Executive Officer of the Company, Representative Director, President of KOKKO CO., LTD.</p> <p>June 2016 Director, Executive Officer, Vice General Manager of Industrial Market Headquarters and President of KOKKO CO., LTD.</p> <p>Apr. 2017 Director, Executive Officer, Chief General Manager of Industrial Market Headquarters and in charge of Overseas Business Development of the Company</p> <p>June 2019 Managing Director, Executive Officer, Chief General Manager of Industrial Market Headquarters and in charge of Overseas Business Development of the Company</p> <p>Apr. 2021 Managing Director, Executive Officer, Chief General Manager of Industrial Market Headquarters of the Company (incumbent)</p> <p>Significant concurrent positions outside the Company Chairperson, Director of KOKKO CO., LTD. (part time) Chairperson, Representative Director of YUASA NEOTEC CO., LTD. (part time)</p>	1,900 shares
<p>Reasons for nomination as a candidate for Director Mr. Toshiyuki Takachio has worked as Representative Director, President of KOKKO CO., LTD., a subsidiary of the Company and an Officer in charge of Overseas Business Development, as well as Managing Director, Executive Officer, Chief General Manager of Industrial Market Headquarters, and has full knowledge of the industrial equipment and tools and machine tools areas and has abundant experience and achievements. The Company decided that it would be appropriate to have him play a part in strengthening the business in the industrial field and contribute to the growth of the Company and the Company's Group and so made him a candidate.</p>			
5	Naomi Nakayama (April 20, 1956) Reelection Attendance to the Board of Directors Meetings: 13/13	<p>Apr. 1979 Joined the Company</p> <p>Apr. 2007 Vice General Manager of Housing Division of the Company</p> <p>Oct. 2009 Branch Manager of Hokkaido Branch of the Company</p> <p>Apr. 2011 Executive Officer, General Manager of Living Environment Division (Western Area) of the Company</p> <p>Apr. 2014 Executive Officer, Branch Manager of Tohoku Branch of the Company</p> <p>Jan. 2019 Executive Officer, Chief General Manager of Construction Market Headquarters of the Company</p> <p>June 2019 Director, Executive Officer, Chief General Manager of Construction Market Headquarters of the Company (incumbent)</p>	2,500 shares
<p>Reasons for nomination as a candidate for Director Mr. Naomi Nakayama has full knowledge of the building exterior and construction machines areas due to his serving in such capacities as Director, Executive Officer, Chief General Manager of the Construction Market Headquarters, having served as Executive Officer, Branch Manager of the Tohoku Branch, and has abundant experience and achievements. The Company decided that it would be appropriate to have him play a part in strengthening the business in the construction field and contribute to the growth of the Company and the Company's Group and so made him a candidate.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	<p style="text-align: center;">Shinzo Maeda (February 25 1947)</p> <p style="text-align: center;">Reelection</p> <p>Candidate for Outside Director</p> <p style="text-align: center;">Independent Officer</p> <p>Attendance to the Board of Directors Meetings: 13/13</p>	<p>Apr. 1970 Joined Shiseido Company, Limited</p> <p>June 2003 Director, Corporate Officer, General Manager of Corporate Planning Department of Shiseido Company, Limited</p> <p>June 2005 Representative Director, President and CEO of Shiseido Company, Limited</p> <p>Apr. 2011 Representative Director, Chairperson of Shiseido Company, Limited</p> <p>Apr. 2013 Representative Director, Chairperson, President and CEO of Shiseido Company, Limited</p> <p>Apr. 2014 Representative Director, Chairperson of Shiseido Company, Limited</p> <p>June 2014 Counselor of Shiseido Company, Limited (Retired June 2020)</p> <p>June 2015 Outside Director of the Company (incumbent)</p> <p>Sept. 2015 Outside Director of TOSHIBA CORPORATION (retired in June 2018)</p> <p>June 2021 Outside Director of S.T. CORPORATION (scheduled to assume position)</p> <hr/> <p>Significant concurrent positions outside the Company Outside Director of S.T. CORPORATION (scheduled to assume position)</p>	0 shares
<p>Reasons for nomination as a candidate for Outside Director and expected roles</p> <p>Mr. Shinzo Maeda has worked in various public offices, in addition to having been the Representative Director, Chairperson of the Board, etc. of Shiseido Company, Limited, and has abundant experience and high principles as a global business executive and intellectual. Due to these qualities, the Company decided that he can be expected to give direction and advice from an independent and objective viewpoint and so ask for his election as an Outside Director. Mr. Shinzo Maeda is scheduled to be appointed as the Outside Director of S. T. CORPORATION, The Company and the Company's Group do not have any business relationship with S. T. CORPORATION or its consolidated subsidiaries, and so the Company regards him as independent. If Mr. Shinzo Maeda is elected, he will serve as Chairperson of the Governance Advisory Committee and lead the supervisory function for governance-related matters, including the appointment and dismissal of Directors and their remuneration, etc., from a neutral standpoint.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	<p style="text-align: center;">Keiko Toya (February 26, 1964)</p> <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Candidate for Outside Director</p> <p style="text-align: center;">Independent Officer</p> <p style="text-align: center;">Attendance to the Board of Directors Meetings: 13/13</p>	<p>July 1999 Managing Director of MARKETING EXCELLENCE Co. LTD. (incumbent)</p> <p>Apr. 2006 Full-time Lecturer, Faculty of Business Administration, Toyo University (retired in March 2007)</p> <p>Apr. 2007 Associate Professor, Doshisha Business School (retired in March 2014)</p> <p>Apr. 2010 Adjunct Lecturer, Business School, Professional Graduate School, Chuo University (incumbent)</p> <p>Apr. 2014 Visiting Researcher, Human Informatics Research Institute, The National Institute of Advanced Industrial Science and Technology (currently Human Augmentation Research Center) (incumbent)</p> <p>Apr. 2014 Professor, Graduate School of Global Business, Meiji University (incumbent)</p> <p>Oct. 2014 Member of Science Council of Japan (incumbent)</p> <p>June 2019 Outside Director of the Company (incumbent)</p> <p>June 2021 Outside Director of SHIN NIPPON BIOMEDICAL LABORATORIES, LTD. (SNBL) (scheduled to assume position)</p> <p>Significant concurrent positions outside the Company Professor, Graduate School of Global Business, Meiji University Outside Director of SHIN NIPPON BIOMEDICAL LABORATORIES, LTD. (SNBL) (scheduled to assume position)</p>	0 shares
<p>Reasons for nomination as a candidate for Outside Director and expected roles</p> <p>Ms. Keiko Toya has for many years advised a number of companies on corporate management as a marketing consultant, has abundant experience and knowledge through her involvement as a committee member of administrative institutions, etc., and she is currently pursuing further research activities. Due to these qualities, the Company decided that she can be expected to give direction and advice from an independent and objective viewpoint and so ask for her election as an Outside Director. The Company has concluded a lecturer services agreement with Ms. Keiko Toya in regard to marketing, however the Company regards her as independent due to the contract amount being less than ¥1 million, which is not considerable amount to cause financial dependence on the Company. Therefore, the Company has determined that this amount does not fall under the “a large amount of money or other assets” under Article 74, Paragraph 4, Item 7, (d) of the Ordinance for Enforcement of the Companies Act. In addition, Ms. Keiko Toya is scheduled to assume the position of the Outside Director of SHIN NIPPON BIOMEDICAL LABORATORIES, LTD. (SNBL). The Company and the Company's Group do not have any business relationship with SHIN NIPPON BIOMEDICAL LABORATORIES, LTD. (SNBL) or its consolidated subsidiaries, nor is there any business relationship with other companies where she holds concurrent positions. If Ms. Keiko Toya is elected, she will serve as member of the Governance Advisory Committee and take on the supervisory function for governance-related matters, including the appointment and dismissal of Directors and their remuneration, etc., from a neutral standpoint.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
8	Kyosuke Kimura (September 20, 1950) New Candidate Candidate for Outside Director Independent Officer Attendance to the Board of Directors Meetings: -	<p>Apr. 1979 Joined Kimura Shindai Industry Co., Ltd. (currently PARAMOUNT BED CO., LTD.)</p> <p>Aug. 1979 Member of the Board, Kimura Shindai Industry Co., Ltd.</p> <p>Oct. 1982 Member of the Board, Kimura Kosan Co., Ltd. (currently PARAMOUNT BED HOLDINGS CO., LTD.)</p> <p>Sept. 1987 Senior Managing Director, PARAMOUNT BED CO., LTD.</p> <p>Apr. 1991 Senior Executive Director, PARAMOUNT BED CO., LTD.</p> <p>Apr. 1997 Executive Vice President, PARAMOUNT BED CO., LTD.</p> <p>Apr. 2009 President and Chief Executive Officer, PARAMOUNT BED CO., LTD.</p> <p>Feb. 2011 President and Chief Executive Officer, PARAMOUNT BED HOLDINGS CO., LTD.</p> <p>Apr. 2020 Chairperson, PARAMOUNT BED HOLDINGS CO., LTD. (incumbent) Chairperson, PARAMOUNT BED CO., LTD. (incumbent)</p> <p>Significant concurrent positions outside the Company Chairperson, PARAMOUNT BED HOLDINGS CO., LTD. Chairperson, PARAMOUNT BED CO., LTD.</p>	0 shares
<p>Reasons for nomination as a candidate for Outside Director and expected roles Mr. Kyosuke Kimura has been engaged in the management of PARAMOUNT BED HOLDINGS CO., LTD. and PARAMOUNT BED CO., LTD. for many years, and has a wealth of experience and a high level of insight as a business executive. Due to these qualities, the Company decided that he can be expected to take on a supervisory and advisory function from an independent and objective standpoint and nominated him as a candidate for Outside Director. Therefore, we have judged that he can be expected to supervise and provide advice from an independent and objective standpoint. The Company and the Company's Group have transactions with consolidated subsidiaries of PARAMOUNT BED HOLDINGS CO., LTD., concerning the sale and purchase of bedding and other items. However, the amount of these transactions was less than 1% of the Company's consolidated net sales for the fiscal year ended March 31, 2021 and less than 1% of Paramount Bed Holdings Co. Ltd.'s consolidated net sales for the fiscal year ended March 31, 2021. Moreover, PARAMOUNT BED HOLDINGS CO., LTD. does not fall under the category of "major business partner" under Article 2, Paragraph 3, Item 19 (b) of the Regulation for Enforcement of the Companies Act, and the terms and conditions of the transactions are the same as those of other businesses that have no relationship with the Company. In addition, he was once an employee of the Company, but more than 10 years have passed since his retirement. Based on the above, the Company regards him as independent. If Mr. Kyosuke Kimura is elected, he will serve as member of the Governance Advisory Committee and take on the supervisory function for governance-related matters, including the appointment and dismissal of Directors and their remuneration, etc., from a neutral standpoint.</p>			

- Notes:
1. The Company had concluded a consignment contract with Ms. Keiko Toya regarding lecturing services. In addition, Mr. Kyosuke Kimura serves as Chairperson of PARAMOUNT BED HOLDINGS CO., LTD. and its operating company, PARAMOUNT BED CO., LTD, and the Company has business relationships with the operating companies of PARAMOUNT BED HOLDINGS CO., LTD. All of them satisfy the independence standards provided for by the Tokyo Stock Exchange. There is no special interest between any of the candidates.
 2. Mr. Shinzo Maeda, Ms. Keiko Toya and Mr. Kyosuke Kimura are candidates for Outside Directors. All three satisfy the independence standards stipulated by the Tokyo Stock Exchange, and the Company has submitted notification to that stock exchange regarding their status as independent officers.
 3. Both Mr. Shinzo Maeda and Ms. Keiko Toya are currently Outside Directors of the Company, and at the conclusion of this meeting, their tenures will have been six (6) years and two (2) years, respectively.
 4. If this Proposal is approved as originally proposed, the Company intends to continue the limited liability agreements concluded with both Mr. Shinzo Maeda and Ms. Keiko Toya as specified in Article 427, Paragraph 1 of the Companies Act. Also, the Company intends to enter into the same limited liability agreement with Mr. Kyosuke Kimura. Based on this agreement, the limit of liability is the amount specified by laws and regulations.
 5. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance agency. The insurance policy covers losses incurred from

amounts of indemnification and litigation expenses, etc. that insureds are liable for in cases where a claim for damages is brought by shareholders or third party. An overview of the policy details of this insurance policy is provided on page 34 of the Business Report. If each candidate is elected and assumes the office as Director, the Company plans to include every such Director as an insured in this insurance policy. Moreover, the Company intends to renew the policy with the same policy details when the next renewal is due.

6. All shares of YUASA WARWICK MACHINERY LTD. were sold in September 2008.

Proposal 2: Revision of Remuneration Amount for Outside Directors

Regarding the remuneration amount for Directors of the Company, the remuneration amount for monetary remuneration was set at not more than ¥380 million per year (of which not more than ¥30 million is for Outside Directors) by resolution of the 139th Ordinary General Meeting of Shareholders held on June 22, 2018.

As described in Proposal 1, the Company is proposing to increase the number of Outside Directors by one (1) for the purpose of further strengthening corporate governance.

Therefore, in order to respond to the changes in the environment surrounding Outside Directors, the Company proposes that the remuneration amount for monetary remuneration for Directors (not more than ¥380 million per year) remain unchanged, and that only the remuneration amount for Outside Directors be increased to not more than ¥50 million.

This revision of the remuneration amount has been reviewed in consideration of the circumstances described above, and the Governance Advisory Committee of the Company has expressed the opinion that the revision is appropriate and in line with the policy for determining the content of remuneration, etc. for each individual director, which was resolved by the Board of Directors of the Company (an outline of which is shown on pages 35 to 37 of the Business Report). The Company has no plans to change this policy even if this proposal is approved. Based on the above, the Company believes that the content of this proposal is appropriate.

If Proposal 1, "Election of Eight (8) Directors," is approved and adopted as originally proposed, the number of Directors will be eight (8) (including three (3) Outside Directors).

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

To prepare for a contingency in which the Company does not have the number of Audit & Supervisory Board Members required by law and the Articles of Incorporation, the Company proposes that one (1) substitute Outside Audit & Supervisory Board Member be elected.

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

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

Name (Date of birth)	Career summary	Number of the Company's shares owned
<p>Masashi Masuda (April 20, 1949)</p> <p>Reelection</p> <p>Candidate for substitute Outside Audit & Supervisory Board Member</p> <p>Independent Officer</p>	<p>Nov. 1980 Joined Daiichi Audit Firm (currently Ernst & Young ShinNihon LLC)</p> <p>Mar. 1984 Registered as certified public accountant</p> <p>June 2012 Resigned from Shinnihon Audit Firm (currently Ernst & Young ShinNihon LLC)</p> <p>Apr. 2014 Auditor (part time), Tokyo University of Agriculture and Technology (retired in August 2020)</p> <p>June 2014 Auditor (part time), National Federation of UNESCO Associations in Japan (incumbent)</p> <p>Apr. 2016 Auditor (part time), National Cancer Center Japan (incumbent) Auditor (part time), National Center of Neurology and Psychiatry (incumbent)</p> <p>Aug. 2016 Auditor (part time), Independent Administrative Institution National Museum of Art (incumbent)</p> <p>June 2017 Substitute Outside Audit & Supervisory Board Member of the Company (incumbent)</p>	<p>0 shares</p>
<p>Reasons for nomination as a candidate for substitute Outside Audit & Supervisory Board Member</p> <p>Although Mr. Masashi Masuda does not have direct experience in corporate management, he possesses a wealth of experience and a solid track record as a certified public accountant, having served in such capacities as auditor at public corporations. The Company has decided that he possesses sufficient knowledge of financing and accounting matters and so made him a candidate for substitute Outside Audit & Supervisory Board Member.</p>		

- Notes:
1. No special conflicts of interest exist between the Company and Mr. Masashi Masuda.
 2. Mr. Masashi Masuda is a candidate for substitute Outside Audit & Supervisory Board Member.
 3. If Mr. Masashi Masuda is appointed as an Audit & Supervisory Board Member, the Company plans to designate him as an Independent Officer according to the rules of Tokyo Stock Exchange and register him with the same Exchange.
 4. If Mr. Masashi Masuda is appointed as an Audit & Supervisory Board Member, the Company plans to enter into a limited liability agreement with him limiting his liability pursuant to Article 427, Paragraph 1 of the Companies Act. Based on this agreement, the limit of liability is the amount specified by laws and regulations.