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<Code Number 6794>
May 31, 2021

To Our Shareholders with Voting Rights

Atsushi Narikawa, COO
Foster Electric Company, Limited
1-1-109, Tsutsujigaoka, Akishima City, Tokyo

NOTICE OF THE 87TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 87th Ordinary General Meeting of Shareholders of Foster Electric Company, Limited (the “Company”), to be held as follows.

Having carefully considered the risk of novel coronavirus (COVID-19) infection, we have decided to hold this meeting by taking appropriate measures to avoid infection.

In order to prevent the spread of infection, you are strongly encouraged to exercise your voting rights prior to the meeting in writing or by using the Internet. Regardless of your own health condition, we recommend that you refrain from attending the meeting.

You also will be able to watch the meeting via Internet-based livestreaming.

You can exercise your voting rights in writing or by using the Internet; so please read the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in accordance with the “Guidance on Exercising Voting Rights” (in Japanese only), by no later than the closing time of our daily business hours (5:15 p.m.) on Tuesday, June 22, 2021 (Japan Time).

1. Date and Time: Wednesday, June 23, 2021 at 10:00 a.m. (Japan Time)

2. Place: Main Hall (1st Floor), Foster Electric Company, Limited, 1-1-109, Tsutsujigaoka, Akishima City, Tokyo

3. Agenda of the Meeting

Matters to be reported:

1. The Business Report and Consolidated Financial Statements for the 87th Fiscal Year (from April 1, 2020 to March 31, 2021) and results of audit on the Consolidated Financial Statements by the Financial Auditor and the Board of Corporate Auditors.
2. Standalone Financial Statements for the 87th Fiscal Year (from April 1, 2020 to March 31, 2021)

Matters to be resolved:

- | | |
|--------------------|--|
| Proposal 1: | Dividends of Surplus |
| Proposal 2: | Amendment to the Articles of Incorporation |
| Proposal 3: | Election of Eight (8) Directors |
| Proposal 4: | Election of One (1) Corporate Auditor |

4. Others

- (1) If you attend the meeting, please show the enclosed Exercise Voting Rights Form at the reception of the meeting upon arrival. Please bring this notice to the meeting for eco purposes.

- (2) If you exercise your voting rights by proxy, you may nominate one (1) shareholder with a voting right as a proxy to attend the meeting, provided that a document verifying the proxy right of the person representing you must be submitted.
- (3) Of the documents that the Company needs to provide along with this notice, pursuant to laws and regulations, and Article 15 of the Articles of Incorporation of the Company, the matters below are posted on the corporate website (https://www.foster.co.jp/investors/shareholder_info/meeting.html). Therefore, these matters are not included in this notice and the attached Reference Documents for the General Meeting of Shareholders.
- “Structure and Policy of the Company” in the Business Report
 - “Notes to the Consolidated Financial Statements”
 - “Notes to the Standalone Financial Statements”

The Business Report, the Consolidated Financial Statements and the Standalone Financial Statements in the attached Reference Documents for the General Meeting of Shareholders are part of the Business Report and the Consolidated and Standalone Financial Statements that were audited by the Financial Auditor and Corporate Auditors of the Company when preparing the Financial Auditor’s Report and the Corporate Auditors’ Report.

- (4) If you exercised your voting rights in duplicate through the Internet and in writing, the vote by the Internet will be validated. If you exercised your voting rights multiple times, the vote you exercised last will be validated.
- (5) On the day of the meeting, our executives will be dressed casually (“Cool Biz”).
- (6) In the event any matters are to be changed with respect to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Standalone Financial Statements or the Consolidated Financial Statements, the changes will be disclosed immediately on the corporate website (<https://www.foster.co.jp/>).

An English translation of the Notice of the 87th Ordinary General Meeting of Shareholders is posted on the corporate website (<https://www.foster-electric.com/investors/meeting/index.html>).

About the platform for exercising voting rights electronically

In addition to the voting methods of in writing and through the Internet as described above, institutional investors may exercise their voting rights electronically by using the platform operated by ICJ, Inc.

Prevention of Novel Coronavirus (COVID-19) Infection

This time we ask you to prioritize avoiding infection and give consideration to abstaining from attending the meeting. You are instead strongly recommended to exercise your voting rights in writing or by using the Internet.

Please refer to “Guidance on Exercising Voting Rights” (in Japanese only).

You will be able to watch the meeting via Internet-based livestreaming. For details, please refer to “Guidance on Livestreaming” on page 4.

If you will be attending the meeting in person, we ask that before traveling to the venue you check the situation regarding the spread of the infection, confirm your own physical health, and take precautions to prevent infection, such as wearing a face mask.

We ask that senior persons, individuals suffering from chronic illness, and pregnant women in particular fully consider the potential risks when deciding whether or not to attend the meeting.

To prevent COVID-19 infection for the General Meeting of Shareholders

- The Company intends to make the meeting shorter than usual. A limit may be placed on lengthy questions and comments.
- If you come to the venue, your temperature will be checked. Those who appear unwell may be requested to refrain from entering the venue.
- Hand sanitizer will be ready inside the venue.
- Inside the venue, the Company’s executives and employees will wear face masks.
- No social gathering will be held after the meeting.

If any change in the meeting plans arises, we will inform you via the corporate website (<https://www.foster.co.jp/>).

The Company sincerely hopes that the novel coronavirus disease will be brought under control as soon as possible.

Guidance on Livestreaming

Livestreaming of the General Meeting of Shareholders

Livestreaming will be available, enabling you to watch the meeting without traveling to the venue. The camera will be set at the back of the venue to avoid showing the faces of shareholders, but some shareholders' faces may inevitably be shown. In addition, please be advised that the voices of shareholders who ask questions or make comments in the meeting will be broadcast live. The livestream is scheduled to start at 10:00 a.m. on June 23, 2021, and continue to be on until the meeting ends.

Please use the following website to watch the meeting:

URL <https://www.virtual-sr.jp/users/foster2021/login.aspx>
Password: ellipsis

To watch the livestream, you will **need your shareholder number, etc.** in addition to the URL and password above. Your shareholder number is printed on the Exercise Voting Rights Form.

Notes

- The livestream audio will be provided only in Japanese.
- Depending on your equipment and network environment, it may not be possible to access the livestream.
- Telecommunication charges for accessing the Company's website and the livestream are paid by shareholders themselves.
- To watch the livestream comfortably on smartphones or tablets, use of Wi-Fi is recommended.

If any change in the meeting plans arises, we will inform you via the corporate website (URL: <https://www.foster.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Dividends of Surplus

The Company regards the enhancement of corporate value as a major management issue and maintains a basic policy of comprehensively improving shareholders' interest by distributing profits that are commensurate with the Company's business results and enhancing internal reserves from a long-term viewpoint.

We propose a year-end dividend of ¥5 per share for the fiscal year under review, while comprehensively considering our business results for the year as well as the tough management environment, etc. Accordingly, since the Company paid an interim dividend of ¥10 per share, the annual total of dividend for the fiscal year under review will be ¥15 per share.

Matters related to year-end dividends

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and the total amount

¥5 per share of common stock of the Company Total amount: ¥111,774,880

(3) Effective date of dividends of surplus

June 24, 2021

Proposal No. 2: Amendment to the Articles of Incorporation

1. Reason for amendment

- (1) Given the wide use of the Internet, we propose a change of the method of public notices of the Company, from the *Nikkei* newspaper to electronic notices and an addition of a measure in case the Company is unable to give an electronic public notice, in order to improve the convenience of public notices and to rationalize the process of publishing them.
- (2) To further increase management transparency in light of enhancing the corporate governance system, we propose to abolish Executive Advisor Position by deleting the existing Article 28 (Advisor) of the Articles of Incorporation of the Company.
With this deletion, the numbering of the existing Articles 29 and following articles of the current Articles of Incorporation will be moved up, respectively.

2. Details of amendment

Details of the amendment are as follows:









(Underlined parts represent amendments.)

Current	Proposed amendment
<p>Article 5 (Method of Public Notice)</p> <p>The public notices of the Company shall be given in the <i>Nikkei</i> newspaper, which is published in Tokyo.</p> <p><u>Article 28</u> (Advisor)</p> <p><u>Advisors may be appointed by the resolution of the Board of Directors.</u></p> <p><u>Articles 29–40</u> (text of articles omitted)</p>	<p>Article 5 (Method of Public Notice)</p> <p>The method of public notices of the Company shall be <u>electronic public notices; provided, however, that if the Company is unable to give an electronic public notice because of an accident or any other unavoidable reason,</u> public notices of the Company may be given in the <i>Nikkei</i> newspaper, which is published in Tokyo.</p> <p style="text-align: center;">(Deleted)</p> <p><u>Articles 28–39</u> (text of articles unchanged)</p>

Proposal No. 3: Election of Eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. We therefore propose that eight (8) Directors be elected.

The candidates for Director are as follows:

No.	Name	Gender	Attribute	Attendance rate at meetings of the Board of Directors	Number of years in office
1	 Hiromi Yoshizawa	[Male]	[Reelection]	100% (11 out of 11 times)	14 years
2	 Atsushi Narikawa	[Male]	[Reelection]	100% (11 out of 11 times)	6 years
3	 Lu San Tie	[Male]	[Reelection]	100% (11 out of 11 times)	14 years
4	 Kazuhiro Kishi	[Male]	[Reelection]	100% (11 out of 11 times)	12 years
5	 Hiroki Miura	[Male]	[New election]	–	–
6	 Minoru Matsumoto	[Male]	[Reelection] [Outside] [Independent]	90.9% (10 out of 11 times)	6 years
7	 Yasuhiro Goto	[Male]	[Reelection] [Outside] [Independent]	100% (11 out of 11 times)	1 year
8	 Kaoru Chujo	[Female]	[New election] [Outside] [Independent]	–	–

New election: Candidate for new Director

Reelection: Candidate for Director to be reelected

Outside: Candidate for Outside Director


Independent: Independent Director as required by stock exchanges and other institutions


Note: Mr. Yasuhiro Goto was Outside Corporate Auditor until the 86th Ordinary General Meeting of Shareholders held on June 24, 2020 concluded; his attendance as Outside Corporate Auditor is also included in the attendance rate at the meetings of the Board of Directors.

Directors Skill Matrix


To establish an effective corporate governance system for sustainable growth, the Company nominates Directors with wide ranging business experience and diverse expertise and knowledge. The experience, expertise, and planned committee appointments of the Company's Directors are presented below.


Name	Corporate management	International experience/Global business	Sales/Marketing	Manufacturing (Production/Quality)	Technology/Development	Finance	Legal/Risk management	Sustainability	Industry knowledge	Nominating Advisory Committee	Remuneration Advisory Committee
Hiromi Yoshizawa	•	•	•	•		•	•	•	•	•	•
Atsushi Narikawa	•	•	•			•	•	•		•	•
Lu San Tie	•	•		•					•		
Kazuhiro Kishi		•	•						•		
Hiroki Miura	•	•		•	•				•		
Minoru Matsumoto		•				•				• (Chair)	• (Chair)
Yasuhiro Goto		•		•					•	•	•
Kaoru Chujo	•	•			•			•		•	•


No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
1	 <p>Hiromi Yoshizawa (February 11, 1954)</p> <p>[Reelection]</p> <p>[Male]</p> <p>■ Attendance rate at meetings of the Board of Directors 100% (11 out of 11 times)</p>	<p>Mar. 1976 Joined the Company</p> <p>Apr. 1998 Deputy Manager, Sales Department No. 1 of the Company</p> <p>Apr. 1999 Manager, Sales Department No. 1 of the Company</p> <p>Apr. 2000 President, Foster Electric (Singapore) Pte. Ltd.</p> <p>Apr. 2002 Geschäftsführer, Foster Electric (Europe) GmbH</p> <p>Feb. 2006 Executive Officer, Deputy General Manager, Administration Division and Manager, Corporate Planning Department of the Company</p> <p>June 2007 Director, General Manager, Administration Division and Manager, Corporate Planning Department of the Company</p> <p>June 2009 Managing Director, General Manager, Administration Division and Manager, Corporate Planning Department of the Company</p> <p>Apr. 2012 General Manager, Administration Division, Manager, Human Resources Development Department and in charge of Corporate Planning of the Company</p> <p>Apr. 2013 General Manager, Administration Division and in charge of Corporate Planning of the Company</p> <p>June 2013 Senior Managing Director of the Company</p> <p>Apr. 2014 President and Representative Director of the Company</p> <p>June 2020 Chairman and Representative Director, CEO of the Company (to the present)</p>	22,100
<p>Reason for election of the candidate for Director</p> <p>With his extensive experience and knowledge as top management, Mr. Hiromi Yoshizawa, as Chairman and Representative Director, CEO, has demonstrated leadership in general management of the Company and is committed to the improvement of corporate value. As CEO, he also has contributed to the improvement of the functioning of the Board of Directors through his diligent efforts for advancing ESG management and strengthening the corporate governance system. For these reasons, we judge that Mr. Hiromi Yoshizawa is suitable for achieving sustainable growth and improvement of corporate value of the Company and request that Mr. Hiromi Yoshizawa continue to serve as Director.</p>			


No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
2	 <p data-bbox="384 763 560 819">Atsushi Narikawa (May 13, 1959)</p> <p data-bbox="411 846 533 875">[Reelection]</p> <p data-bbox="437 902 507 931">[Male]</p> <p data-bbox="328 958 616 1039">■ Attendance rate at meetings of the Board of Directors 100% (11 out of 11 times)</p>	<p data-bbox="628 286 1222 342">Apr. 1982 Joined The Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p data-bbox="628 349 1206 405">Nov. 1997 Assistant General Manager, Kudan Branch, The Fuji Bank</p> <p data-bbox="628 412 1193 492">Apr. 2002 Deputy Manager, Americas Non-Japanese Sales Division No.2, Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 499 1198 560">Mar. 2003 Deputy Manager, Americas Products Sales Department, Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 566 1211 647">Apr. 2004 Deputy Manager, Americas Business Administration Division, Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 654 1182 714">Mar. 2006 General Manager, Seoul Branch, Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 721 1217 804">Apr. 2009 Executive Officer, General Manager of Corporate Banking Division No. 13, Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 810 1147 871">Apr. 2010 Managing Executive Officer, Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 878 1163 938">July 2010 Chief Officer for the European Region, Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 945 1198 1005">July 2013 Managing Executive Officer, Head of the European Region Unit, Mizuho Bank, Ltd.</p> <p data-bbox="628 1012 1023 1041">May 2015 Advisor of the Company</p> <p data-bbox="628 1048 1198 1108">June 2015 Senior Managing Director and Assistant to the President of the Company</p> <p data-bbox="628 1115 1217 1176">Jan. 2017 General Manager, Global Corporate Support Division of the Company (to the present)</p> <p data-bbox="628 1182 1214 1243">June 2020 President and Representative Director, COO of the Company (to the present)</p>	21,000
<p data-bbox="323 1236 799 1265">Reason for election of the candidate for Director</p> <p data-bbox="323 1265 1406 1480">Mr. Atsushi Narikawa, as President and Representative Director, COO, has demonstrated leadership in general management of the Company and is committed to the improvement of corporate value based on his experience and global perspective he garnered while he was with financial institutions. He has also contributed to the improvement of the functioning of the Board of Directors, by advancing ESG management together with the CEO as well as strengthening the corporate governance system, particularly pursuing sophisticated compliance and risk management systems. For these reasons, we judge that Mr. Atsushi Narikawa is suitable for achieving sustainable growth and improvement of corporate value of the Company and request that Mr. Atsushi Narikawa continue to serve as Director.</p>			


No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
3	 <p data-bbox="365 792 574 851">Lu San Tie (December 23, 1956)</p> <p data-bbox="410 878 529 904">[Reelection]</p> <p data-bbox="435 931 504 958">[Male]</p> <p data-bbox="327 987 614 1068">■ Attendance rate at meetings of the Board of Directors 100% (11 out of 11 times)</p>	<p data-bbox="628 286 979 313">July 1997 Joined the Company</p> <p data-bbox="628 322 1198 376">June 2001 Director, Foster Electric Co., (Hong Kong) Ltd.</p> <p data-bbox="628 385 1193 439">June 2004 Vice President, Foster Electric Co., (Hong Kong) Ltd.</p> <p data-bbox="628 448 1115 474">Feb. 2006 Executive Officer of the Company</p> <p data-bbox="628 483 1209 537">Apr. 2006 President, Foster Electric Co., (Hong Kong) Ltd.</p> <p data-bbox="628 546 1023 573">June 2007 Director of the Company</p> <p data-bbox="628 582 1222 636">July 2009 General Manager in charge of Manufacturing of the Company</p> <p data-bbox="628 645 1214 672">Feb. 2010 President, Foster Electric Co., (Heyuan) Ltd.</p> <p data-bbox="628 680 1131 734">Apr. 2011 General Manager, Production of the Company</p> <p data-bbox="628 743 1209 860">Apr. 2012 General Manager, Manufacturing Division, Manager, Manufacturing Strategy Department of the Company and Chairman, Foster Electric Co., (Hong Kong) Ltd.</p> <p data-bbox="628 869 1219 976">Apr. 2014 General Manager, Southeast Asia Production of the Company, President, Foster Electric Co., (Hong Kong) Ltd. (to the present) and Chairman, Foster Electric Co., (Heyuan) Ltd.</p> <p data-bbox="628 985 1129 1012">Apr. 2016 Managing Director of the Company</p> <p data-bbox="628 1021 1198 1075">June 2018 Senior Managing Director of the Company (to the present)</p> <p data-bbox="628 1084 1222 1191">Oct. 2018 General Manager in charge of Manufacturing of the Company (to the present), and President, Foster Electric (Singapore) Pte. Ltd. (to the present)</p> <p data-bbox="628 1200 1023 1227">(Significant positions concurrently held)</p> <p data-bbox="628 1236 1102 1263">President, Foster Electric Co., (Hong Kong) Ltd.</p> <p data-bbox="628 1272 1082 1299">President, Foster Electric (Singapore) Pte. Ltd.</p>	3,300
<p data-bbox="327 1299 798 1326">Reason for election of the candidate for Director</p> <p data-bbox="327 1335 1398 1489">Mr. Lu San Tie has served as the person responsible for the major manufacturing sites, and the supervisor for the Group's manufacturing system for many years, and has contributed to the improvement of corporate value. He has also contributed to the improvement of the functioning of the Board of Directors through his extensive experience and knowledge in relation to manufacturing. For these reasons, we judge that Mr. Lu San Tie is suitable for achieving sustainable growth and improvement of corporate value of the Company and request that Mr. Lu San Tie continue to serve as Director.</p>			

No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
4	 <p data-bbox="389 734 549 792">Kazuhiro Kishi (March 7, 1964)</p> <p data-bbox="411 819 526 846">[Reelection]</p> <p data-bbox="437 875 501 902">[Male]</p> <p data-bbox="328 931 612 1012">■ Attendance rate at meetings of the Board of Directors 100% (11 out of 11 times)</p>	<p data-bbox="630 286 979 313">Mar. 1986 Joined the Company</p> <p data-bbox="630 322 1161 380">Oct. 2002 Deputy Manager, Sales Department, IT Equipment Division of the Company</p> <p data-bbox="630 389 1198 448">Apr. 2003 Manager, Sales Department, IT Equipment Division of the Company</p> <p data-bbox="630 456 1174 515">Apr. 2004 Manager, Sales Department No. 2, Sales Division of the Company</p> <p data-bbox="630 524 1214 582">Feb. 2006 Executive Officer, Deputy General Manager, HP Division of the Company</p> <p data-bbox="630 591 1161 649">Feb. 2007 Deputy General Manager, HP Business Division of the Company</p> <p data-bbox="630 658 1174 716">Dec. 2008 Deputy General Manager, Mobile Audio Business Division of the Company</p> <p data-bbox="630 725 1023 752">June 2009 Director of the Company</p> <p data-bbox="630 761 1166 819">June 2010 Acting General Manager, Mobile Audio Business Division of the Company</p> <p data-bbox="630 828 1166 887">Apr. 2011 General Manager, Sales Division of the Company</p> <p data-bbox="630 896 1209 954">Apr. 2013 General Manager, MA Business Division of the Company</p> <p data-bbox="630 963 1198 1021">June 2014 Managing Director of the Company (to the present)</p> <p data-bbox="630 1030 1222 1088">Apr. 2017 General Manager, New Business Development Division and General Manager, Sales of the Company</p> <p data-bbox="630 1097 1209 1178">Aug. 2019 General Manager, Sales Division and General Manager, Sales of the Company (to the present)</p>	9,300
<p data-bbox="323 1182 794 1209">Reason for election of the candidate for Director</p> <p data-bbox="323 1218 1398 1370">Mr. Kazuhiro Kishi has served as the person responsible for sales for many years, striving to build and develop new businesses and has contributed to the improvement of corporate value. He has also contributed to the improvement of the functioning of the Board of Directors with his extensive experience and knowledge in relation primarily to sales. For these reasons, we judge that he is suitable for achieving sustainable growth and improvement of corporate value of the Company and request that Mr. Kazuhiro Kishi continue to serve as Director.</p>			

No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
5	 <p>Hiroki Miura (March 17, 1963)</p> <p>[New election]</p> <p>[Male]</p> <p>■ Attendance rate at meetings of the Board of Directors —</p>	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2003 Deputy Manager, Engineering Department, CAR Equipment Division of the Company</p> <p>Feb. 2006 Manager, Engineering Department No. 2, SP Division of the Company</p> <p>May 2008 Director, Foster Electric Co., (Hong Kong) Ltd.</p> <p>July 2010 Deputy General Manager, Mobile Audio Business Division of the Company</p> <p>Apr. 2011 Deputy General Manager, Engineering Division of the Company</p> <p>Jan. 2013 Deputy Manager, Quality Assurance Center and Manager, MA Quality Assurance Department of the Company</p> <p>Oct. 2013 General Director, Foster Electric (Vietnam) Co., Ltd.</p> <p>Nov. 2014 Chairman and General Director, Foster Electric (Vietnam) Co., Ltd.</p> <p>June 2018 Deputy General Manager, SP Business Division of the Company / Meister</p> <p>Oct. 2018 Deputy General Manager, SP Business Division and General Manager, Engineering of the Company</p> <p>Apr. 2019 Executive Officer (to the present), Deputy General Manager, SP Business Division, and General Manager, Engineering of the Company / Fellow</p> <p>Aug. 2019 General Manager, Engineering Division and General Manager, Engineering of the Company (to the present)</p>	5,400
<p>Reason for election of the candidate for Director</p> <p>Mr. Hiroki Miura has involved in engineering departments for many years and has served as the supervisor for the Group's engineering and development system, and has contributed to the improvement of corporate value. In addition, with his extensive overseas experience in the U.S., China and Vietnam and knowledge, we can expect him to contribute to the improvement of the functioning of the Board of Directors. For these reasons, we judge that Mr. Hiroki Miura is suitable for achieving sustainable growth and improvement of corporate value of the Company and request his election as Director.</p>			

No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
6	 <p>Minoru Matsumoto (February 16, 1957)</p> <p>[Reelection] [Outside] [Independent]</p> <p>[Male]</p> <p>■ Attendance rate at meetings of the Board of Directors 90.9% (10 out of 11 times)</p>	<p>Oct. 1983 Joined Tohmatsu Aoki Audit Firm (currently Deloitte Touche Tohmatsu LLC).</p> <p>Mar. 1987 Registered as Certified Public Accountant.</p> <p>Sept. 2012 Resigned from Deloitte Touche Tohmatsu LLC.</p> <p>Oct. 2013 Set up Minoru Matsumoto CPA Office (to the present).</p> <p>June 2014 Outside Corporate Auditor, Sanshin Electronics Co., Ltd.</p> <p>Feb. 2015 Outside Corporate Auditor, JASTEC Co., Ltd.</p> <p>June 2015 Outside Director of the Company (to the present)</p> <p>Feb. 2016 Outside Director (Audit and Supervisory Committee Member), JASTEC Co., Ltd. (to the present)</p> <p>Mar. 2021 Outside Audit & Supervisory Board Member, Toyo Ink SC Holdings Co., Ltd. (to the present)</p> <p>(Significant positions concurrently held) Head, Minoru Matsumoto CPA Office Outside Director (Audit and Supervisory Committee Member), JASTEC Co., Ltd. Outside Audit & Supervisory Board Member, Toyo Ink SC Holdings Co., Ltd.</p>	0
<p>Reason for election of the candidate for Outside Director and roles expected to play Mr. Minoru Matsumoto draws on the professional knowledge and expertise he has garnered throughout his many years of experience as an accounting auditor at listed companies and as a certified public accountant to contribute to improving the oversight of management and checking function in the Board of Directors. For these reasons, we judge that he is suitable for achieving sustainable growth and improvement of corporate value of the Company and request that Mr. Minoru Matsumoto continue to serve as Outside Director. We also expect him, when appointed as Outside Director, to provide oversight and recommendations on business execution by the Company drawing on his expertise as stated above, while serving to maintain and enhance the proper governance of the Company as a chair of the Nominating Advisory Committee and the Remuneration Advisory Committee. Mr. Minoru Matsumoto does not have previous experience in corporate management other than as Outside Director/Outside Corporate Auditor; however, we judge that he can perform his duties appropriately as Outside Director based on the above reasons and request that Mr. Minoru Matsumoto continue to serve as Director.</p>			

No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
7	 <p data-bbox="363 577 574 633">Yasuhiro Goto (September 18, 1958)</p> <p data-bbox="405 663 533 741">[Reelection] [Outside] [Independent]</p> <p data-bbox="437 770 501 797">[Male]</p> <p data-bbox="328 826 612 904">■ Attendance rate at meetings of the Board of Directors 100% (11 out of 11 times)*</p> <p data-bbox="328 934 600 1012">* His attendance as Outside Corporate Auditor is also included.</p>	<p data-bbox="628 286 1217 920"> Apr. 1984 Joined Nikkei Inc. Sept. 1988 Assigned to Bahrain Bureau, Nikkei Inc. Jan. 1990 Assigned to London (Europe Headquarter), Nikkei Inc. Sept. 1992 Industrial Department, Tokyo Head Office, Nikkei Inc. Sept. 1997 Assigned to Beijing (Chinese Headquarter), Nikkei Inc. Sept. 2000 Senior Staff Writer, Industrial Department, Tokyo Head Office, Nikkei Inc. Mar. 2002 Editorial Writer and newscaster on Nikkei CNBC, Nikkei Inc. Mar. 2008 Head of Editorial Office in Asia, Nikkei Inc. Apr. 2010 Senior Staff Writer, Nikkei Inc. Mar. 2016 Resigned from Nikkei Inc. Apr. 2016 Professor, Faculty of Urban Innovation, Asia University (to the present) June 2017 Outside Corporate Auditor of the Company June 2020 Outside Director of the Company (to the present) </p> <p data-bbox="628 949 1171 1005">(Significant positions concurrently held) Professor, Faculty of Urban Innovation, Asia University</p>	500
<p data-bbox="323 1028 1394 1377">Reason for election of the candidate for Outside Director and roles expected to play Mr. Yasuhiro Goto has profound knowledge of Asian economics and industrial theory as a former editorial writer and senior staff writer at Nikkei Inc. and as a current university professor, and has garnered expert knowledge throughout his many years of experience. Based on these, he has contributed to improving the oversight of management and checking function in the Board of Directors. For these reasons, we judge that he is suitable for achieving sustainable growth and improvement of corporate value of the Company and request that Mr. Yasuhiro Goto continue to serve as Outside Director. We also expect him, when appointed as Outside Director, to provide oversight and recommendations on business execution by the Company drawing on his expertise as stated above, while serving to maintain and enhance the proper governance of the Company as a member of the Nominating Advisory Committee and the Remuneration Advisory Committee. Mr. Yasuhiro Goto does not have experience of directly engaging in corporate management, but we judge that he can perform his duties appropriately as Outside Director based on the above reasons and request that Mr. Yasuhiro Goto continue to serve as Outside Director.</p>			

No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
8	 <p>Kaoru Chujo (November 15, 1960)</p> <p>[New election] [Outside] [Independent]</p> <p>[Female]</p> <p>■ Attendance rate at meetings of the Board of Directors —</p>	<p>Apr. 1983 Joined Fujitsu Limited</p> <p>Mar. 2000 IP Networking Research Senior Researcher, Fujitsu Laboratories of America, Inc.</p> <p>Dec. 2009 General Manager, Advanced Technologies Division, Mobile Phone Business Unit of Fujitsu Limited</p> <p>June 2013 General Manager, Advanced Technologies Division, Ubiquitous Business Strategy Unit of Fujitsu Limited.</p> <p>Feb. 2016 General Manager, Ubiquitous IoT Business Unit of Fujitsu Limited</p> <p>Apr. 2017 General Manager, AI Service Business Unit of Fujitsu Limited</p> <p>July 2019 Executive Director in charge of AI alliance, Software Business Unit of Fujitsu Limited</p> <p>Dec. 2020 Founded SoW Insight, Inc. (to the present)</p> <p>(Significant positions concurrently held) President and CEO, SoW Insight, Inc.</p>	0
<p>Reason for election of the candidate for Outside Director and roles expected to play</p> <p>Ms. Kaoru Chujo facilitated DX as General Manager of the AI Business Unit at her previous company, while acting as a visiting lecturer to promote women's success in the workplace; she has profound knowledge in areas the Company should strengthen going forward. We thus believe that Ms. Kaoru Chujo is suitable for achieving sustainable growth and improvement of corporate value of the Company and request her election as Outside Director. We also expect her, when appointed as Outside Director, to provide oversight and recommendations on business execution by the Company drawing on her expertise as stated above, while serving to maintain and enhance the proper governance of the Company as a member of the Nominating Advisory Committee and the Remuneration Advisory Committee. For these reasons, we judge that Ms. Kaoru Chujo will perform her duties appropriately as Outside Director and request her election.</p>			

- Notes:
- No conflict of interest exists between the Company and the above candidates for Director.
 - Mr. Minoru Matsumoto, Mr. Yasuhiro Goto, and Ms. Kaoru Chujo are candidates for Outside Director.
 - Mr. Minoru Matsumoto and Mr. Yasuhiro Goto will have served as Outside Director for six (6) years and one (1) year, respectively, at the conclusion of this General Meeting of Shareholders. Mr. Yasuhiro Goto had served as Outside Corporate Auditor of the Company for three (3) years prior to assuming the position of Outside Director.
 - Liability Limitation Agreement
The Company has concluded an agreement with Mr. Minoru Matsumoto and Mr. Yasuhiro Goto to limit their liability as stipulated in Article 423, paragraph (1) of the Companies Act, in accordance with Article 427, paragraph (1) of the Act and the provisions of the Company's Articles of Incorporation. The Company will renew the agreement with them upon approval of their election. The Company also intends to enter into the agreement with Ms. Kaoru Chujo, upon approval of her election.
The amount of damages under the agreement will be limited within an amount prescribed by laws and regulations.
 - The Company intends to enter into an indemnity agreement as stipulated in Article 430-2, paragraph (1) of the Companies Act, with Mr. Hiromi Yoshizawa, Mr. Atsushi Narikawa, Mr. Lu San Tie, Mr. Kazuhiro Kishi, Mr. Hiroki Miura, Mr. Minoru Matsumoto, Mr. Yasuhiro Goto, and Ms. Kaoru Chujo, respectively, upon approval of their election. The indemnity agreement provides that expenses as set forth in item 1 and losses as set forth in item 2 of Article 430-2, paragraph (1) shall be compensated by the Company to the extent provided by laws and regulations.
 - The Company has purchased a liability insurance policy for directors and officers (D&O insurance) as set forth in Article 430-3, paragraph (1) of the Companies Act, which covers all the directors as the insured parties. Subject to approval of this Proposal as originally proposed and when the candidates assume the position of Director, each of them will become an insured party covered by this policy. With this insurance policy, potential losses resulting from directors, the insured, being held responsible for the execution of their duties or from claims/charges brought against them for such responsibility shall be covered. However, certain cases are excused from the coverage such as losses resulting from acts while the violation of laws is recognized. The premiums for the policy including riders are fully borne by the Company, with no substantial insurance cost to be borne by the insured. The policy will be renewed on July 1, 2021, during their term of office.
 - The Company has designated Mr. Minoru Matsumoto and Mr. Yasuhiro Goto as Independent Directors who will not have any conflicts of interest with the general shareholders as stipulated by provisions of the Tokyo Stock Exchange. If their reelection is approved, the Company will continue to designate them both as Independent Directors. Ms. Kaoru

Chujo also meets the requirements for being independent as stipulated by provisions of the Tokyo Stock Exchange, and the Company is scheduled to register her as an Independent Director with the Tokyo Stock Exchange, upon approval of her election.

8. The Company's Criteria for Determining Independence


The Company determines the independence of Independent Outside Directors/Outside Corporate Auditors based on both the requirements of the Companies Act and the criteria of the Tokyo Stock Exchange. Additionally, the Company emphasizes high-level expertise and rich experience enabling constructive advice for the improvement of corporate value as qualities of Outside Directors/Outside Corporate Auditors.

Proposal No. 4 Election of One (1) Corporate Auditor

The term of office of Corporate Auditor Tsutomu Inokuma will expire at the conclusion of this meeting. We therefore propose that one (1) Corporate Auditor be elected.

The Board of Corporate Auditors has previously given its approval for this proposition.

The candidate for Corporate Auditor is as follows:

Name (date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of Company's shares held
 <p>Tsutomu Inokuma (March 12, 1956)</p> <p>[Reelection]</p> <p>[Male]</p> <p>■ Attendance rate at meetings of the Board of Directors 100% (11 out of 11 times)</p> <p>■ Attendance rate at meetings of the Board of Corporate Auditors 100% (7 out of 7 times)</p>	<p>Apr. 1979 Joined The Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2005 Joined the Company</p> <p>July 2006 Manager, Accounting & Personnel Department, Administration Division of the Company</p> <p>Oct. 2011 Manager, General Affairs Department, Administration Division of the Company</p> <p>Apr. 2013 Manager, Finance and Accounting Department, Administration Division of the Company</p> <p>June 2016 Standing Statutory Auditor of the Company (to the present)</p>	<p>4,000</p>
<p>Reason for election of the candidate for Corporate Auditor</p> <p>We judge that our audit system would be strengthened if Mr. Tsutomu Inokuma drew on his expertise in the management of the Company, on finance and on accounting that he garnered while he was with financial institutions and the Finance and Accounting Department of the Company, and request that Mr. Tsutomu Inokuma continue to serve as Corporate Auditor.</p>		

- Notes:
1. No conflict of interest exists between the Company and the above candidate for Corporate Auditor.
 2. The Company has concluded an agreement with Mr. Tsutomu Inokuma to limit his liability stipulated in Article 423, paragraph (1) of the Companies Act, in accordance with Article 427, paragraph (1) of the Act and the provisions of the Company's Articles of Incorporation. The Company will renew the agreement with him upon the approval of his reelection. The amount of damages under the agreement will be limited within an amount prescribed by laws and regulations.
 3. The Company intends to enter into an indemnity agreement as stipulated in Article 430-2, paragraph (1) of the Companies Act with Mr. Tsutomu Inokuma, upon approval of his election. The indemnity agreement provides that expenses as set forth in item 1 and losses as set forth in item 2 of Article 430-2, paragraph (1) shall be compensated by the Company to the extent provided by laws and regulations.
 4. The Company has purchased a liability insurance policy for directors and officers (D&O insurance) as set forth in Article 430-3, paragraph (1) of the Companies Act, which covers all the corporate auditors as the insured parties. Subject to approval of this Proposal as originally proposed and when the candidate assumes the position of Corporate Auditor, he will become an insured party covered by this policy. With this insurance policy, potential losses resulting from corporate auditors, the insured, being held responsible for the execution of their duties or from claims/charges brought against them for such responsibility shall be covered. However, certain cases are excused from the coverage such as losses resulting from acts while the violation of laws is recognized. The premiums for the policy including riders are fully borne by the Company, with no substantial insurance cost to be borne by the insured. The policy will be renewed on July 1, 2021, during his term of office.

<<Reference 1>> Nominating Advisory Committee

The Company established the Nominating Advisory Committee chaired by an Outside Director as an advisory organ of the Board of Directors.

Regarding the nomination of Directors, Corporate Auditors, and Executive Officers, the committee contributes to ensuring the appropriateness of such elections and transparency of the decision-making process by recommending candidates after deliberating on the expectations. The committee also deliberates on the independence of Outside Directors/Outside Corporate Auditors.

All candidates for this Proposal have passed through the deliberation process of the same Committee.

<<Reference 2>> Independence Criteria for Outside Directors/Outside Corporate Auditors

The Company determines the independence of Independent Outside Directors/Outside Corporate Auditors based on both the requirements of the Companies Act and the criteria of the Tokyo Stock Exchange. Additionally, the Company emphasizes high-level expertise and rich experience enabling constructive advice for the improvement of corporate value as qualities of Outside Directors/Outside Corporate Auditors.

(REFERENCE)

Financial Highlights

(Year ended March 31)

		March 2017	March 2018	March 2019	March 2020	March 2021
1. Consolidated financial highlights						
Net sales	(Millions of yen)	160,896	184,800	140,303	107,298	85,220
Ordinary income	(Millions of yen)	3,017	9,062	4,318	2,599	219
Net income attributable to owners of the parent	(Millions of yen)	1,088	4,265	(2,026)	1,565	(3,363)
Comprehensive income	(Millions of yen)	43	4,201	(1,558)	457	(1,729)
Net assets	(Millions of yen)	63,901	66,792	59,294	58,995	55,993
Total assets	(Millions of yen)	102,409	101,350	91,271	80,825	77,233
Net assets per share	(Yen)	2,316.09	2,412.06	2,404.10	2,369.46	2,276.20
Net income per share	(Yen)	41.16	165.78	(83.21)	69.15	(148.47)
Diluted net income per share	(Yen)	–	–	–	–	–
Equity ratio	(%)	58.2	61.2	59.5	66.5	65.6
Return on equity	(%)	1.8	7.0	(3.5)	2.9	(6.4)
Cash flows from operating activities	(Millions of yen)	4,372	8,153	17,961	11,092	739
Cash flows from investing activities	(Millions of yen)	(11,089)	(7,131)	(3,425)	516	(1,960)
Cash flows from financing activities	(Millions of yen)	1,690	(2,859)	(2,937)	(8,823)	(2,624)
Cash and cash equivalents, end of year	(Millions of yen)	12,037	10,150	21,524	23,930	20,373
2. Standalone financial highlights						
Net sales	(Millions of yen)	117,059	132,723	90,345	59,284	38,035
Ordinary income	(Millions of yen)	654	438	1,427	(2,053)	(325)
Net income	(Millions of yen)	933	504	772	338	(3,392)
Common stock	(Millions of yen)	6,770	6,770	6,770	6,770	6,770
Total number of shares outstanding	(Thousands of shares)	26,931	26,931	26,000	26,000	25,000
Net assets	(Millions of yen)	31,401	30,790	25,808	25,050	20,688
Total assets	(Millions of yen)	61,054	59,745	52,411	42,093	38,832
Net assets per share	(Yen)	1,220.44	1,196.71	1,141.61	1,103.85	929.93
Annual dividends per share [Interim dividends per share]	(Yen)	40.00 [15.00]	55.00 [20.00]	20.00 [10.00]	35.00 [20.00]	15.00 [10.00]
Net income per share	(Yen)	35.31	19.61	31.72	14.95	(149.72)
Equity ratio	(%)	51.4	51.5	49.2	59.5	53.3
Return on equity	(%)	2.9	1.6	2.7	1.3	(14.8)
Payout ratio	(%)	113.3	280.5	63.1	234.1	–

Notes: 1. The financial highlights are not presented in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

2. Moreover, some of the figures in this document have been prepared based on financial statements, which are not included in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

3. Figures have been prepared in accordance with the accounting principles generally accepted in Japan, which are different in certain respects from application and disclosure requirements of the International Financial Reporting Standards.

Consolidated Balance Sheet

(as of March 31, 2021)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	59,040	Current liabilities	18,738
Cash and deposits	15,470	Notes and accounts payable—trade	8,735
Notes and accounts receivable—trade	16,768	Short-term bank loans	2,556
Electronically recorded monetary claims-operating	177	Current portion of long-term debt	1,528
Securities	5,622	Accounts payable—other	2,768
Finished goods	11,517	Income taxes payable	301
Raw materials	5,656	Accrued expenses	1,719
Work in process	1,159	Reserve for bonuses	362
Supplies	147	Other	766
Accounts receivable—other	831	Long-term liabilities	2,501
Other	1,721	Long-term debt	1,118
Allowance for doubtful accounts	(32)	Deferred tax liabilities	588
Non-current assets	18,193	Liability for employees' retirement benefits	74
Property, plant and equipment	15,213	Liability for director's retirement benefits	16
Buildings and structures	6,758	Provisions for stock benefit program	146
Machinery and equipment	4,594	Asset retirement obligations	254
Furniture and fixtures	1,533	Other	301
Land	1,442	Total liabilities	21,239
Construction in progress	883	Net assets	
Intangible assets	189	Shareholders' equity	50,837
Software	69	Common stock	6,770
Other	119	Capital surplus	6,896
Investments and other assets	2,790	Retained earnings	41,299
Investment securities	1,482	Treasury stock	(4,129)
Long-term prepaid expenses	83	Accumulated other comprehensive income	(198)
Asset for employees' retirement benefits	791	Unrealized gain on available-for-sale securities	298
Deferred tax assets	199	Foreign currency translation adjustment	(82)
Other	234	Remeasurements of defined benefit plans	(414)
		Non-controlling interests	5,354
		Total net assets	55,993
Total assets	77,233	Total liabilities and net assets	77,233

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Consolidated Statement of Income

(from April 1, 2020 to March 31, 2021)

(Millions of yen)

Account item	Amount	
Net sales		85,220
Cost of sales		74,097
Gross profit		11,123
Selling, general and administrative expenses		11,122
Operating income		0.7
Non-operating income:		
Interest income	125	
Dividend income	39	
Miscellaneous income	510	675
Non-operating expenses:		
Interest expenses	67	
Foreign currency exchange loss	15	
Miscellaneous loss	373	456
Ordinary income		219
Extraordinary losses:		
Loss on impairment of long-lived assets	1,988	
Special retirement expenses	522	
Loss on valuation of investment securities	360	2,871
Loss before income taxes		(2,652)
Income taxes—current	261	
Income taxes—deferred	64	325
Net loss		(2,978)
Net income attributable to non-controlling interests		385
Net loss attributable to owners of the parent		(3,363)

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000, with the exception of operating income.

Consolidated Statement of Changes in Shareholders' Equity

(from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2020	6,770	7,957	45,696	(5,089)	55,335
Changes during the fiscal year					
Cash dividends paid			(570)		(570)
Net loss attributable to owners of the parent			(3,363)		(3,363)
Purchase of treasury stock				(569)	(569)
Disposal of treasury stock				5	5
Cancellation of treasury stock		(1,060)	(463)	1,523	-
Net change in items other than shareholders' equity during the fiscal year					
Total changes during the fiscal year	-	(1,060)	(4,397)	959	(4,498)
Balance, March 31, 2021	6,770	6,896	41,299	(4,129)	50,837

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized gain on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, April 1, 2020	126	(1,281)	(409)	(1,563)	5,224	58,995
Changes during the fiscal year						
Cash dividends paid						(570)
Net loss attributable to owners of the parent						(3,363)
Purchase of treasury stock						(569)
Disposal of treasury stock						5
Cancellation of treasury stock						-
Net change in items other than shareholders' equity during the fiscal year	171	1,198	(4)	1,365	130	1,495
Total changes during the fiscal year	171	1,198	(4)	1,365	130	(3,002)
Balance, March 31, 2021	298	(82)	(414)	(198)	5,354	55,993

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Standalone Balance Sheet

(as of March 31, 2021)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	21,635	Current liabilities	15,707
Cash and deposits	2,483	Account payable—trade	11,217
Notes receivable—trade	6	Short-term bank loans	2,353
Electronically recorded monetary claims—operating	125	Current portion of long-term debt	975
Account receivable—trade	10,024	Accounts payable—other	666
Securities	4,999	Accrued expenses	149
Finished goods	2,210	Reserve for bonuses	299
Raw materials and supplies	114	Other	46
Advance payments to suppliers	527	Long-term liabilities	2,437
Prepaid expenses	59	Long-term debt	1,118
Short-term loans receivable	842	Provisions for stock benefit program	146
Accounts receivable—other	239	Deferred tax liabilities	433
Other	0	Asset retirement obligations	254
Non-current assets	17,197	Provision for loss on guarantees	474
Property, plant and equipment	2,083	Other	8
Buildings	1,945	Total liabilities	18,144
Land	128	Net assets	
Construction in progress	9	Shareholders' equity	20,405
Investments and other assets	15,113	Common stock	6,770
Investment securities	1,245	Capital surplus	6,896
Stocks of subsidiaries and affiliates	11,661	Capital reserve	6,896
Long-term loans receivable	2,848	Retained earnings	10,867
Prepaid pension cost	904	Legal reserve	373
Other	130	Other retained earnings	10,494
Allowance for doubtful accounts	(1,675)	Reserve for special depreciation	5
		General reserve	4,700
		Retained earnings brought forward	5,788
		Treasury stock	(4,129)
		Valuation and translation adjustments	282
		Net unrealized gain on securities	282
		Total net assets	20,688
Total assets	38,832	Total liabilities and net assets	38,832

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Standalone Statement of Income

(from April 1, 2020 to March 31, 2021)

(Millions of yen)

Account item	Amount	
Net sales		38,035
Cost of sales		35,243
Gross profit		2,791
Selling, general and administrative expenses		4,326
Operating loss		(1,534)
Non-operating income:		
Interest and dividend income	1,201	
Miscellaneous income	215	1,417
Non-operating expenses:		
Interest expenses	6	
Foreign currency exchange loss	42	
Provision of allowance for doubtful accounts	73	
Miscellaneous loss	85	207
Ordinary loss		(325)
Extraordinary losses:		
Provision of allowance for doubtful accounts	1,276	
Provision for loss on guarantees	474	
Special retirement expenses	219	
Loss on valuation of shares of subsidiaries and affiliates	978	
Loss on impairment of long-lived assets	108	3,057
Loss before income taxes		(3,382)
Income taxes—current	31	
Income taxes—deferred	(21)	9
Net loss		(3,392)

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Standalone Statement of Changes in Shareholders' Equity

(from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity			
	Common stock	Capital surplus		
		Capital reserve	Other capital surplus	Total capital surplus
Balance, April 1, 2020	6,770	6,896	1,060	7,957
Changes during the fiscal year				
Reversal of reserve for special depreciation				
Cash dividends paid				
Net loss				
Purchase of treasury stock				
Disposal of treasury stock				
Cancellation of treasury stock			(1,060)	(1,060)
Net change in items other than shareholders' equity during the fiscal year				
Net change in the year	–	–	(1,060)	(1,060)
Balance, March 31, 2021	6,770	6,896	–	6,896

	Shareholders' equity						
	Retained earnings					Treasury stock	Total shareholders' equity
	Legal reserve	Other retained earnings			Total retained earnings		
		Reserve for special depreciation	General reserve	Retained earnings brought forward			
Balance, April 1, 2020	373	11	4,700	10,207	15,293	(5,089)	24,932
Changes during the fiscal year							
Reversal of reserve for special depreciation		(5)		5	–		–
Cash dividends paid				(570)	(570)		(570)
Net loss				(3,392)	(3,392)		(3,392)
Purchase of treasury stock						(569)	(569)
Disposal of treasury stock						5	5
Cancellation of treasury stock				(463)	(463)	1,523	–
Net change in items other than shareholders' equity during the fiscal year							
Net change in the year	–	(5)	–	(4,419)	(4,425)	959	(4,526)
Balance, March 31, 2021	373	5	4,700	5,788	10,867	(4,129)	20,405

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Net unrealized gain on securities	Total valuation and translation adjustments	
Balance, April 1, 2020	118	118	25,050
Changes during the fiscal year			
Reversal of reserve for special depreciation			–
Cash dividends paid			(570)
Net loss			(3,392)
Purchase of treasury stock			(569)
Disposal of treasury stock			5
Cancellation of treasury stock			–
Net change in items other than shareholders' equity during the fiscal year	164	164	164
Net change in the year	164	164	(4,362)
Balance, March 31, 2021	282	282	20,688

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.