

[NOTICE: This Notice of Convocation is a translation of the Japanese original for reference purposes only, and in the event of any discrepancy, the Japanese original shall prevail.]

(Securities code: 6856)
2 Miyanohigashi-cho, Kisshoin, Minami-ku, Kyoto-shi
HORIBA, Ltd.
Masayuki Adachi, President & COO

March 4, 2022

Notice of the 84th Ordinary General Meeting of Shareholders

Dear Shareholders,

HORIBA, Ltd. (the “Company”) would hereby like to inform you that the 84th Ordinary General Meeting of Shareholders (the “Meeting”) will be held as set forth below.

In the interest of preventing transmission of the novel coronavirus disease (COVID-19), we ask that shareholders review the Reference Documents for the General Meeting of Shareholders that are attached below, make every possible effort to vote in writing or by electronic means (over the Internet, etc.) by 5 p.m. on Friday, March 25, 2022, and kindly refrain from attending in person to the actual site of the Meeting.

1. **Time and Date:** Saturday, March 26, 2022, at 10 a.m. (JST) (Reception opens at 9 a.m.)
2. **Location:** 6th floor, TECHNO PLAZA, HORIBA Techno Service Co., Ltd. Head Office.
18 Maegawara-cho, Kisshoin, Minami-ku, Kyoto-shi
* Notification will be provided on the Company’s website
(<https://www.horiba.com/jpn/company/investor-relations/shareholders-meeting/>) (Japanese Only) if there is a change in the venue and/or the starting time of the Meeting in the event of a spread in COVID-19.
3. **Objectives of the Meeting:**
Items to be Reported:
 1. The Business Report, the Consolidated Financial Statements, and the audit results of the Consolidated Financial Statements by the Accounting Auditors and the Audit and Supervisory Board for the 84th Fiscal Term (from January 1, 2021 to December 31, 2021)
 2. The Non-Consolidated Financial Statements for the 84th Fiscal Term (from January 1, 2021 to December 31, 2021)

Items to be Resolved:

- Proposal No. 1:** Partial Amendments to the Articles of Incorporation
Proposal No. 2: Election of Nine (9) Directors
Proposal No. 3: Election of Two (2) Substitute Audit & Supervisory Board Members
Proposal No. 4: Revision of Remuneration Amount for Directors
Proposal No. 5: Determination of Share-based Remuneration for Directors

<p>* Commemorative gifts will not be distributed to shareholders who attend the Meeting in person. Furthermore, the informal gathering after the Meeting has also been cancelled.</p>

Exercise of voting rights by postal mail

Please indicate your approval or disapproval for the proposal in the space provided on the ballot and return it to the Company so it receives by 5 p.m., Friday, March 25, 2022.

Exercise of voting rights by electronic means (such as Internet)

Please access the website (<https://www.web54.net>)(Japanese Only), which the Company has designated for exercising voting rights, and enter your approval or disapproval for the proposal by following the instructions on the screen, using the “voting rights exercise code” and “password” printed on the enclosed ballot. We would ask you to do this by 5 p.m. on Friday, March 25, 2022.

With regard to the exercise of voting rights over the Internet, please be advised to read “Guide for the Exercise of Voting Rights via the Internet” on page 28 of this document.

If you exercise your voting rights both by the voting card and by electronic means, only the latter ones will be valid.

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1. When you attend the Meeting, please hand in the enclosed ballot at reception.
 2. Please note that non-shareholders such as proxies or those who accompany shareholders are not allowed to attend the Meeting. You may exercise your voting right by designating one proxy, who is another shareholder of the Company with a voting right, in accordance with the articles of incorporation. In this case, however, please submit documentation to prove the authority of representation.
 3. Among the documents provided by the Company on the occasion of this meeting notice are the Statement of Changes in Consolidated Shareholders' Equity and the Notes to the Consolidated Financial Statements in the Consolidated Financial Statements as well as the Statement of Changes in Shareholders' Equity and the Notes to Non-Consolidated Financial Statements in the Non-Consolidated Financial Statements, all of which are posted on the Company's website, (<https://www.horiba.com/jp/investor-relations/shareholders-meeting/>) (Japanese Only), pursuant to applicable laws and regulations and Article 18 of the articles of incorporation. Accordingly, these materials are not among the documents attached to this meeting notice. Moreover, the Statement of Changes in Consolidated Shareholders' Equity and the Notes to the Consolidated Financial Statements in the Consolidated Financial Statements, as well as the Statement of Changes in Shareholders' Equity and the Notes to Non-Consolidated Financial Statements in the Non-Consolidated Financial Statements have collectively undergone audits as one part of the preparation of the Consolidated Financial Statements by the Accounting Auditors, and the preparation of the Non-Consolidated Financial Statements by the Audit and Supervisory Board members.
 4. Upon occurrence of circumstances resulting in the need for amendment of Reference Documents for the General Meeting of Shareholders, Business Reports, Consolidated Financial Statements or Non-Consolidated Financial Statements, the items of amendment shall be posted on the Company's website (<https://www.horiba.com/jp/investor-relations/shareholders-meeting/>) (Japanese Only).

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Partial Amendments to the Articles of Incorporation

1. Reasons for Amendment

In order to introduce a system that enables electronic provision of reference documents for general meetings of shareholders, the Company shall amend Article 15 of the Articles of Incorporation, as listed below. This amendment is proposed in anticipation of the proviso to Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) which is scheduled to become effective from September 1, 2022.

- (1) Article 18, paragraph (1) of the Articles of Incorporation after amendment stipulates that information contained within the reference documents and other documents for the general meetings of shareholders shall be provided by electronic means.
- (2) Article 18, paragraph (2) of the Articles of Incorporation after amendment will be established in as a provision for limiting the scope of items to be stated in the documents delivered to shareholders who request materials in paper-based format.
- (3) The provision on internet disclosure and deemed provision of reference documents and other documents for the general meeting of shareholders (Article 18 of the Articles of Incorporation in “Before Amendment”) will become unnecessary and shall be deleted.
- (4) The Company will establish supplementary provisions regarding the Date of Enforcement and for the above new establishment and deletion of provisions.

2. Contents of the Amendment

The details of the amendment are described as follows.

Before Amendment	After Amendment
<p><u>Article 18 (Internet disclosure and deemed provision of reference documents and other documents for the general meeting of shareholders)</u></p> <p><u>The Company shall be deemed to provide the information to be stated or indicated in the reference documents for the general meeting of shareholders, business reports, financial statements and consolidated financial statements to the shareholders by disclosing such information through the Internet in accordance with the Ordinance of the Ministry of Justice in convening the general meeting of shareholders.</u></p> <p><Newly established></p>	<p><Deleted></p> <p><u>Article 18(Measure for provision of information electronically)</u></p> <p><u>1 The Company shall electronically provide information contained in reference documents and other documents for the general meeting of shareholders in convening the general meeting of shareholders.</u></p> <p><u>2 Among information to be provided electronically, the Company reserves the right to exclude, in whole or in part, any or all of the information set forth by the Ordinance of the Ministry of Justice in the documents delivered to shareholders who request materials in paper-based format of documents by the record date for voting rights.</u></p>

Before Amendment	After Amendment
<Newly established>	<p data-bbox="804 210 1102 237"><u>(Supplementary provisions)</u></p> <p data-bbox="818 248 1362 685"><u>1 The deletion of Article 18 (Internet disclosure and deemed provision of reference documents and other documents for the general meeting of shareholders) of the Articles of Incorporation before amendment and the new establishment of Article 18 (Measure for provision of information electronically) of the Articles of Incorporation after amendment shall become effective from the date of enforcement of the amended provision prescribed in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p> <p data-bbox="818 696 1350 887"><u>2 Notwithstanding the provisions of the preceding paragraph, Article 18 of the Articles of Incorporation before amendment shall remain in force with respect to general meetings of shareholders held within six months from the Date of Enforcement.</u></p> <p data-bbox="818 898 1342 1111"><u>3 These supplementary provisions shall be deleted on the day when six months have passed from the Date of Enforcement or the day when three months have passed from the date of the general meeting of shareholders in the preceding paragraph, whichever comes later.</u></p>

Proposal No. 2: Election of Nine (9) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of the Meeting.

In that regard, the Company proposes the election of nine (9) Directors (including three (3) Non-executive Directors), increasing the number of Directors by one to further enhance the management system. The election of candidates for Director is determined by the Board of Directors after deliberation in the Nomination and Remuneration Committee.

Reason for the Increase of One Director

The Company has continued business growth by pursuing “measurement” technologies and embracing the challenges presented by new markets since it was founded. Since the late 1990s, the Company has expanded its size and areas of business through global M&A, and over 60% of sales and employees are now overseas. Recently, the Company reached the conclusion that it would be appropriate to increase one Director and to nominate Dr. Jai Hakhu, who is an Executive Corporate Officer of the Company, as candidate for Director to strengthen supervisory functions and accelerate decision making in global operations for the purpose of sustained growth and development of the Group and enhancement of medium- to long-term corporate value.

The candidates for Director are as follows:

Candidate number	Name	Current positions and assignments in the Company	Attendance of meetings of the Board of Directors last year	
1	<u>Reelection</u>	Atsushi Horiba	Chairman & Group CEO	100% (12/12)
2	<u>Reelection</u>	Juichi Saito	Executive Vice Chairman & Group COO	100% (12/12)
3	<u>Reelection</u>	Masayuki Adachi	President & COO	100% (12/12)
4	<u>Reelection</u>	Masao Okawa	Managing Director, General Manager of Finance and Legal Division & Tokyo Branch Manager	100% (12/12)
5	<u>Reelection</u>	Takashi Nagano	Director	100% (12/12)
6	<u>New election</u>	Jai Hakhu	Executive Corporate Officer	–
7	<u>Reelection</u> <u>Non-executive</u> <u>Independent Director</u>	Sawako Takeuchi	Director	100% (12/12)
8	<u>Reelection</u> <u>Non-executive</u> <u>Independent Director</u>	Haruyuki Toyama	Director	100% (10/10)
9	<u>Reelection</u> <u>Non-executive</u> <u>Independent Director</u>	Fumihiko Matsuda	Director	90% (9/10)

Candidate Number	Name (Date of birth)	Career Summary [Positions, assignment and representation of other corporations]	Number of Shares of the Company Held
1	<p>Atsushi Horiba (February 5, 1948)</p> <p>Reelection</p>	<p>September 1972 Joined the Company December 1977 General Manager of Overseas Technology Department of the Company</p> <p>March 1981 General Manager of Overseas Headquarters June 1982 Director of the Company June 1988 Senior Managing Director of the Company June 1989 Director of STEC Co., Ltd. (present HORIBA STEC, Co., Ltd.)</p> <p>January 1992 President of the Company June 1995 President of STEC Co., Ltd. (present HORIBA STEC, Co., Ltd.)</p> <p>August 2002 Chairman of HORIBA INSTRUMENTS (SHANGHAI) Co., Ltd.</p> <p>June 2005 Chairman, President & CEO of the Company April 2016 Chairman of HORIBA STEC, Co., Ltd. (to present) January 2018 Chairman & Group CEO of the Company (to present)</p> <p>June 2018 External Director of Softbank Corp. (to present) June 2021 Outside Director of Sumitomo Electric Industries, Ltd. (to present)</p> <p>[Representation of other corporations] Chairman of HORIBA STEC, Co., Ltd. External Director of Softbank Corp. Outside Director of Sumitomo Electric Industries, Ltd.</p>	1,073,765
<p>[Reason for Recommendation as Candidate for Corporate Director Position]</p> <p>The candidate served as President & CEO of the Company over the 26-year period from 1992 to the end of 2017 and as Chairman & Group CEO of the Company from 2018, during which he played a pivotal role in spearheading the global growth of the overall HORIBA Group while otherwise accumulating rich management experience. In view of this solid background and further strengthening the Group solidarity and global development, the candidate is considered highly qualified to remain in the capacity of Director, with his reappointment to that position hereby requested.</p>			

Candidate Number	Name (Date of birth)	Career Summary [Positions, assignment and representation of other corporations]	Number of Shares of the Company Held
2	Juichi Saito (February 10, 1958) <u>Reelection</u>	March 1982 Joined the Company March 1997 General Manager of the Engine Measurement Planning & Development Department of the Company February 2002 President of HORIBA Instruments Incorporated (USA) June 2002 Corporate Officer of the Company June 2004 Director of STEC Co., Ltd. (present HORIBA STEC, Co., Ltd.) June 2005 Director of the Company June 2008 Managing Director of HORIBA STEC Co., Ltd. June 2008 Executive Vice President of HORIBA STEC, Co., Ltd. January 2012 General Manager of Corporate & Segment Strategy Division of the Company March 2013 Executive Vice President of the Company March 2016 Executive Vice President and Representative Director of the Company January 2018 Executive Vice Chairman & Group COO of the Company (to present) April 2018 President of HORIBA Europe Holding SASU April 2021 Chairman of Supervisory Board of HORIBA Europe Holding SASU (to present) [Representation of other corporations] Chairman of Supervisory Board of HORIBA Europe Holding SASU	19,260
[Reason for Recommendation as Candidate for Corporate Director Position] In addition to his impressive overseas track record through engaging in management duties of the Company's U.S. subsidiary and other assignments, the candidate has experience in promoting operations with the key focus on business strategies and corporate acquisition as General Manager of the Corporate & Segment Strategy Division, further supporting the view that he is fully capable of unifying the overall Group in promoting programs of renewed global development as the Group COO from 2018. In view of this, his continued appointment to the post of Director is desired.			

Candidate Number	Name (Date of birth)	Career Summary [Positions, assignment and representation of other corporations]	Number of Shares of the Company Held
3	Masayuki Adachi (November 1, 1962) <u>Reelection</u>	March 1985 Joined the Company March 1999 General Manager of Emission Analysis R&D Department of the Company March 2003 General Manager of Engine Measurement Systems Division of the Company September 2005 General Manager of Automotive Test Systems Division of the Company June 2006 Corporate Officer of the Company January 2007 President of HORIBA International Corporation (present HORIBA Instruments Incorporated (USA)) April 2010 Senior Corporate Officer of the Company January 2011 General Manager of Research & Development Division & R&D Steering Committee of the Company March 2014 Director of the Company April 2014 President of HORIBA Jobin Yvon SAS. (present HORIBA FRANCE SAS) January 2016 Chairman of Supervisory Board of HORIBA Jobin Yvon SAS. (present HORIBA FRANCE SAS) (to present) March 2016 Senior Managing Director of the Company January 2018 President & COO of the Company (to present) [Representation of other corporations] Chairman of Supervisory Board of HORIBA FRANCE SAS	14,402
[Reason for Recommendation as Candidate for Corporate Director Position] The candidate has achieved far-reaching experience in the R&D Division of the Company, while likewise excelling in overseas management assignments at the Company's subsidiaries in the United States and France and engaging in management duties of the Company as President & COO of the Company from 2018. These and other factors support the judgment of his ability to further enhance the Company's technical prowess and propel the HORIBA Group to even greater successes, resulting in the request for the candidate's continued appointment to the position of Director.			

Candidate Number	Name (Date of birth)	Career Summary [Positions, assignment and representation of other corporations]	Number of Shares of the Company Held
4	Masao Okawa (March 13, 1966) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reelection</div>	April 1988 Joined Bank of Japan September 2003 Chief Representative in Frankfurt, Bank of Japan May 2013 General Manager of Takamatsu Branch, Bank of Japan June 2015 General Manager of Kyoto Branch, Bank of Japan January 2017 Retired from Bank of Japan January 2017 Joined the Company March 2017 Senior Corporate Officer of the Company March 2017 General Manager of General Administration Division & Tokyo Branch Manager of the Company March 2018 Managing Director of the Company (to present) April 2021 President of HORIBA Europe Holding SASU (to present) January 2022 General Manager of Finance and Legal Division & Tokyo Branch Manager of the Company (to present) [Representation of other corporations] President of HORIBA Europe Holding SASU	10,782
[Reason for Recommendation as Candidate for Corporate Director Position] In view of the candidate's global experience compiled during his previous service at a topflight financial institution, the company is convinced that he is uniquely qualified to formulate global financial strategies and to strengthen compliance and corporate governance. For these reasons, his continued appointment as Director would be greatly appreciated.			

Candidate Number	Name (Date of birth)	Career Summary [Positions, assignment and representation of other corporations]	Number of Shares of the Company Held
5	Takashi Nagano (April 13, 1962) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reelection</div>	March 1985 Joined the Company March 1999 General Manager of the Engine Measurement Planning & Development Department of the Company March 2001 General Manager of Engine Measurement Systems Division of the Company December 2003 President of HORIBA Europe GmbH June 2005 Corporate Officer of the Company June 2006 Senior Corporate Officer of the Company January 2011 General Manager of Sales Division of the Company April 2011 President & CEO of HORIBA Europe GmbH April 2013 CEO of HORIBA Europe GmbH April 2014 President of HORIBA KOREA Ltd. March 2016 Director of the Company (to present) April 2016 Chairman of HORIBA KOREA Ltd. (to present) January 2018 Board Leader of GLOBAL ATS BOARD of the Company [Representation of other corporations] Chairman of HORIBA KOREA Ltd.	12,070
<p>[Reason for Recommendation as Candidate for Corporate Director Position]</p> <p>The candidate has extensive experience at the Automotive segment and Sales Division, while holding management positions at HORIBA's subsidiaries in Germany and South Korean and cultivating other pivotal knowledge through the Company's overseas operations. This background supports the assessment of his credentials to expertly deal with the tumultuous changes that currently characterize the automotive industry, leading to the request for reappointment to the position of Director.</p>			

Candidate Number	Name (Date of birth)	Career Summary [Positions, assignment and representation of other corporations]	Number of Shares of the Company Held
6	<p>Jai Hakhu (July 9, 1947)</p> <p><u>New election</u></p>	<p>1979 Vice President of Rockwell International Corporation</p> <p>1997 Vice President of Varian Semiconductor Equipment Associates Inc. Vice President and General Manager of Intel Corporation</p> <p>2005 Corporate Vice President and General Manager of Intel Corporation</p> <p>2007 President & CEO of R.C. International LLC (to present) Senior Advisor and Operating Executive of Golden Gate Capital</p> <p>2010 Joined the Company Executive Corporate Officer of the Company (to present)</p> <p>2011 Chairman & President of HORIBA Instruments Incorporated (USA) President of HORIBA India Private Limited (India) Chancellors Roundtable Member of University of California, Irvine (to present)</p> <p>2012 President of HORIBA ABX SAS (France) (to present)</p> <p>2014 Chairman & CEO of HORIBA Instruments Incorporated (USA) (to present)</p> <p>2016 Chairman of HORIBA India Private Limited (India) (to present)</p> <p>2018 Board of Directors of Montpellier University of Excellence (MUSE), France (to present)</p> <p>2022 Board of Directors of University of Montpellier (UM), France (to present)</p> <p>[Representation of other corporations] Chairman & CEO of HORIBA Instruments Incorporated (USA) President of HORIBA ABX SAS (France) Chairman of HORIBA India Private Limited (India) President & CEO of R.C. International LLC Chancellors Roundtable Member of University of California, Irvine Board of Directors of Montpellier University of Excellence (MUSE), France Board of Directors of University of Montpellier (UM), France</p>	10,000
<p>[Reason for Recommendation as Candidate for Corporate Director Position]</p> <p>The candidate has extensive knowledge based on management experience in leading companies in the United States, and also has experience leading the Group’s medical business and other areas in the United States, France and India, and he is considered highly qualified to strengthen supervisory functions and accelerate decision making in global operations. In view of this, it is requested that he be newly appointed to the position of Director.</p>			

Candidate Number	Name (Date of birth)	Career Summary [Positions, assignment and representation of other corporations]	Number of Shares of the Company Held
7	Sawako Takeuchi (July 9, 1952) <u>Reelection</u> <u>Non-executive</u> <u>Independent Director</u>	April 1984 Visiting Researcher, Institute of Applied Mathematical and Economic Sciences, France	0
		October 1988 Deputy Director, Master of International Business (MIB) Graduate Program, Ecole Nationale des Ponts et Chaussées (France)	
		September 1994 Chief Economist, Long-Term Credit Bank of Japan Research Institute	
		April 1998 Associate Professor, Graduate School of Engineering, University of Tokyo	
		April 2002 Professor, Faculty of Economics, Toyo University	
		October 2004 Urban Development Sector (Economist/Analyst), Asia-Pacific Division, World Bank	
		July 2005 Ambassador and Special Assistant to the Minister, Ministry of Foreign Affairs	
		October 2005 Visiting Professor, School of Engineering, Kyoto University	
		April 2011 President, Japan Cultural Institute in Paris (Japan Foundation)	
		March 2016 Non-executive Director of the Company (to present)	
		April 2016 Advisor to the Minister, Ministry of Education, Culture, Sports, Science, and Technology	
June 2017 Specially Appointed Professor, Yamagata University Faculty of Engineering			
April 2018 Visiting Professor, Tokyo College of Music (to present)			
Visiting Professor, Yamagata University Faculty of Engineering			
June 2019 Outside Director of SAXA Holdings, Inc.			
[Representation of other corporations] Visiting Professor, Tokyo College of Music			
<p>[Reason for Recommendation as Candidate for Non-executive Director Position and overview of expected role] The candidate has extensive practical experience in management engineering leveraging her twin doctorates in engineering and economics, in addition to international experience in Europe, which is a key location for the Company. The Company assume that she can appropriately fulfil the roles of promoting fair decision making and strengthening management supervisory functions, and thereby strongly recommend the reappointment of the candidate to serve as a Non-executive Director.</p>			

Candidate Number	Name (Date of birth)	Career Summary [Positions, assignment and representation of other corporations]	Number of Shares of the Company Held
8	Haruyuki Toyama (March 23, 1959) <input type="checkbox"/> Reelection <input type="checkbox"/> Non-executive <input type="checkbox"/> Independent Director	April 1982 Joined Bank of Japan January 2000 Alternate Executive Director for Japan, International Monetary Fund August 2004 General Manager of Okayama Branch, Bank of Japan July 2006 Deputy Director General, Payment and Settlement Systems Department, Bank of Japan March 2009 Director General, Financial Markets Department, Bank of Japan May 2011 General Manager for Americas, Bank of Japan November 2012 Director General, International Department, Bank of Japan August 2014 Retired from Bank of Japan March 2015 Registered as an attorney-at-law admitted in Japan June 2015 Outside Director of Hitachi Construction Machinery Co., Ltd. (to present) January 2019 Special Counsel, IWATA GODO (to present) March 2021 Non-executive Director of the Company (to present) [Representation of other corporations] Special Counsel, IWATA GODO Outside Director of Hitachi Construction Machinery Co., Ltd.	54
[Reason for Recommendation as Candidate for Non-executive Director Position and overview of expected role] The candidate has expertise as an attorney specializing in corporate law, and extensive experience in international banking and finance. The Company assume that he can appropriately fulfil the roles of promoting fair decision making and strengthening management supervisory functions, and thereby strongly recommend the reappointment of the candidate to serve as a Non-executive Director.			

Candidate Number	Name (Date of birth)	Career Summary [Positions, assignment and representation of other corporations]	Number of Shares of the Company Held
9	Fumihiko Matsuda (December 3, 1960) <input type="checkbox"/> Reelection <input type="checkbox"/> Non-executive <input type="checkbox"/> Independent Director	August 1998 Head of Gene Identification, Centre National de Génotypage, Evry France April 2003 Professor, Department of Genome Epidemiology, Kyoto University Graduate School of Medicine April 2004 Professor, Unit of Human Disease Genomics, Center for Genomic Medicine Kyoto University Graduate School of Medicine January 2007 Research Director, Institut National de la Santé et de la Recherche Médicale (INSERM) U.852 November 2008 Professor and Director, The Center for Genomic Medicine, Graduate School of Medicine, Kyoto University (to present) October 2014 Deputy Executive Vice-President for International Affairs, Kyoto University April 2015 Visiting Professor, Research Institute for Mathematical Sciences, Kyoto University (to present) November 2016 Scientific Coordinator, Pasteur-Kyoto University International Joint Research Unit for Integrative Vaccinomics (to present) April 2018 Dean, Kyoto-McGill International Collaborative School of Genomic Medicine, Kyoto University (to present) November 2018 Founder and Director, Chief Advisor, GenoConcierge Kyoto, Inc. (to present) October 2020 Senior Advisor to the President on Academic Affairs, Kyoto University (to present) November 2020 Founder and Director, Chief Advisor, RADDAR-J for Society Inc. (to present) March 2021 Non-executive Director of the Company (to present) [Representation of other corporations] Senior Advisor to the President on Academic Affairs, Kyoto University Founder and Director, Chief Advisor, GenoConcierge Kyoto, Inc. Founder and Director, Chief Advisor, RADDAR-J for Society Inc.	90
[Reason for Recommendation as Candidate for Non-executive Director Position and overview of expected role] The candidate has accumulated impressive specialized knowledge in viruses, immunity, genomes and other areas of the medical field. He has also served as Senior Advisor to the President for Academic Affairs of Kyoto University and held other posts through which he has attained extensive management skills, while possessing international experience in France. The Company assume that he can appropriately fulfil the roles of promoting fair decision making and strengthening management supervisory functions, and thereby strongly recommend the reappointment of the candidate to serve as a Non-executive Director.			

(Notes)

1. The Company has extended a loan to Dr. Jai Hakhu designated for use in the purchase of the Company's shares. The loan was determined through deliberation by the Board of Directors after taking appropriate steps to preserve assets based on the Company's lending rules and an agreement with the candidate. The candidate has completed the purchase of the Company's shares, and progress in the repayment of the loan will be monitored by the Board of Directors.
2. At SAXA Holdings, Inc. where Dr. Sawako Takeuchi served as Outside Director for one term of two years from June 2019 to June 2021, inappropriate accounting practices took place between the group companies of SAXA Holdings, Inc. was discovered prior to the candidate being appointed as Outside Director. After her appointment as Outside Director of SAXA Holdings, Inc., the candidate regularly made strong proposals to improve governance and revitalize the Board of Directors, and fulfilled her duties after the discovery of the incident by launching a task force aimed at preventing recurrence, and particularly guiding the rebuilding of internal control systems (strengthening of supervisory and monitoring functions) and establishing a Remuneration Committee and a Nomination Committee to reform management.
3. The Group has business relationships such as research and development, the sale of products and donations with Kyoto University where Dr. Fumihiko Matsuda serves in roles such as Senior Advisor to the President on Academic Affairs. The value of the transactions between the Group and the said University accounted for less than 0.01% of the value of the University's aggregate income during its most recent fiscal year. The Company has made donations to the University in the past four fiscal years, but the amount of each of the donations accounted for less than 0.01% of the value of the University's aggregate income and did not exceed 10 million yen in the respective fiscal years. In addition, the amount of the Group's business from the University accounts for approximately 0.02% of the Group's consolidated net sales in the most recent fiscal year. As further disclosure, Dr. Fumihiko Matsuda serves as "Founder and Director, Chief Advisor" of GenoConcierge Kyoto, Inc., a company at which Mr. Atsushi Horiba, Chairman & Group CEO of the Company, holds the post of "Advisor." In that capacity, while Mr. Atsushi Horiba provides advice to GenoConcierge Kyoto, Inc. concerning business management and other matters from his insights as a corporate executive, he receives no compensation from the said company in return for those services. There are no direct business relations between GenoConcierge Kyoto, Inc. and the Group. In consideration of these factors, the proposed appointment of him is considered to satisfy the "Independence Judgment Standards for Non-executive Directors and Outside Audit & Supervisory Board Members" established by the Company, with no issues existing with regard to the independence of Dr. Fumihiko Matsuda.
4. There is also no other special interest between any of the candidates for Director and the Company, which should be disclosed.
5. Dr. Jai Hakhu's name is stated as "Jai Krishan Hakhu" on personal identification documents.
6. The candidates for Director, Dr. Sawako Takeuchi, Mr. Haruyuki Toyama and Dr. Fumihiko Matsuda, are all being presented as candidates for the post of Non-executive Directors.
7. The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover indemnification and the litigation expenses based on the liability of damages that are assumed by an insured in a case where the insured receives a claim etc. relating to the pursuit of liability arising from the performance of duties. Directors, Audit & Supervisory Board Members, and Corporate Officers of the Company are insureds under the policy, and their insurance premiums shall be borne in full by the Company. However, damages for an insured who intentionally committed illegal acts are excluded from coverage. If each of the candidates for Director is elected and assumes office as Director, each of them will be included as an insured in the policy. In addition, when the policy is next renewed, the Company plans to renew the policy with the same terms.
8. The Company sets forth its Policies for Nomination of Director Candidates and Dismissal of Directors, as well as Independence Judgment Standards for Non-executive Directors and Outside Audit & Supervisory Board Members. Each of the three (3) candidates for Non-executive Director presented in this proposal satisfies all aspects these of standards.
Other matters pertaining to the said Non-executive Director candidates are as follows:

(1) Term of Service as HORIBA Non-executive Directors

For Dr. Sawako Takeuchi, the term of service as a HORIBA Ltd. Non-executive Director commenced with her appointment to that position at the 78th Ordinary General Meeting of Shareholders convened on March 26, 2016. Upon the conclusion of this latest general shareholders meeting, that period will have reached 6 years.

For Mr. Haruyuki Toyama, the term of service as a HORIBA Ltd. Non-executive Director commenced with his appointment to that position at the 83rd Ordinary General Meeting of Shareholders convened on March 27, 2021. Upon the conclusion of this latest general shareholders meeting, that period will have reached 1 year.

For Dr. Fumihiko Matsuda, the term of service as a HORIBA Ltd. Non-executive Director commenced with his appointment to that position at the 83rd Ordinary General Meeting of Shareholders convened on March 27, 2021. Upon the conclusion of this latest general shareholders meeting, that period will have reached 1 year.

(2) Limited liability agreement

The Company and Dr. Sawako Takeuchi, Mr. Haruyuki Toyama, and Dr. Fumihiko Matsuda signed agreements to limit their liability under Article 423, paragraph (1) of the Companies Act, and based on this agreement their liability is limited to the minimum liability amount stipulated in laws and ordinances. If Dr. Sawako Takeuchi, Mr. Haruyuki Toyama, and Dr. Fumihiko Matsuda are reappointed, the Company intends to continue these limited liability agreements.

(3) Notification of Independent Director

In accordance with the provisions of the Tokyo Stock Exchange, the Company notified the Exchange that Dr. Sawako Takeuchi, Mr. Haruyuki Toyama, and Dr. Fumihiko Matsuda are Independent Directors. If Dr. Sawako Takeuchi, Mr. Haruyuki Toyama, and Dr. Fumihiko Matsuda are reappointed, the Company intends to have them continue serving as Independent Directors.

Reference

■ Policies for Nomination of Director Candidates and Dismissal of Directors (determined in the meeting of the Board of Directors held on November 19, 2021)

The election of candidates for Director of the Company are determined by the Board of Directors after deliberation in the Nomination and Remuneration Committee. Candidates for Director of the Company must satisfy the following requirements.

1. A person who respects the HORIBA's Corporate Motto and HORIBA Corporate Philosophy, and is suitable for the supervision of management from the perspective of contributing to sustained creation of corporate value.
2. A person who has excellent character and insight as a Director, and the will and capability required for executing duties in good faith.
3. A person who is able to secure the time as a Director required for executing the duties thereof in good faith.
4. A person who can be expected to contribute to frank, active and constructive consideration on the Board of Directors.
5. A person who satisfies the qualifications as Director required by laws and ordinances.

The Board of Directors shall consider dismissing or not reappointing a Director who no longer satisfies the above requirements.

■ Skill Matrix of Candidates for Directors

Candidate name	Knowledge and insight considered to be particularly important by the Company			Three fields of expertise in the Market Oriented Business mentioned in the "MLMAP2023" Mid-Long Term Management Plan		
	Corporate Management	Technology	Governance	Energy & Environment	Materials & Semiconductor	Bio & Healthcare
Atsushi Horiba	○	○	○			
Juichi Saito	○		○		○	
Masayuki Adachi	○	○				○
Masao Okawa			○			
Takashi Nagano	○			○		
Jai Hakhu	○				○	○
Sawako Takeuchi		○	○	○		
Haruyuki Toyama			○			
Fumihiko Matsuda	○	○				○

1. This skill matrix lists the knowledge, insight and expertise necessary of Directors who are responsible for the Company's management, and areas in which the Company has particular expectations for each candidate for Director are indicated with ○.
2. Governance refers to skills in finance, accounting, legal affairs, or so., specifically required for ensuring transparency of management and appropriate disclosure of information to stakeholders.
3. All candidates for Director have the international experience necessary for the Company's global operation.
4. Items will be reviewed as needed based on the external environment and the condition of the Company.

Proposal No. 3: Election of Two (2) Substitute Audit & Supervisory Board Members

The Company also requests approval for the election of two (2) substitute Audit & Supervisory Board Members to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations.

The candidates for substitute Audit & Supervisory Board Member are Mr. Kazumasa Yoshida as substitute Outside Audit & Supervisory Board Member for Outside Audit & Supervisory Board Members Mr. Keiji Yamada and Ms. Tomoko Tanabe, and Mr. Hitoshi Motokawa as substitute Audit & Supervisory Board Member for Audit & Supervisory Board Member Mr. Atsushi Nakamine.

The validity of the election of Mr. Kazumasa Yoshida and Mr. Hitoshi Motokawa can be nullified by resolution of the Board of Directors if the consent of Audit & Supervisory Board has been obtained; provided, however, that it is only in a time before assuming office.

In addition, the consent of Audit & Supervisory Board has been obtained for this proposal.

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

Candidate Number	Name (Date of birth)	Career Summary [Representation of other corporations]	Number of Shares of the Company Held
1	Kazumasa Yoshida (November 16, 1956)	<p>April 1979 Joined Canon Inc. February 1980 Retired from Canon Inc. March 1980 Joined Nakano C.P.A. Office September 1991 Retired from Nakano C.P.A. Office October 1991 President of Yoshida Kazumasa Licensed Tax Accountant Office (to present) May 2006 Corporate Auditor of de-live Inc. (to present) June 2014 Corporate Auditor of Japan Re-ground Corporation (to present)</p> <p>[Representation of other corporations] President of Yoshida Kazumasa Licensed Tax Accountant Office Corporate Auditor of de-live Inc. Corporate Auditor of Japan Re-ground Corporation</p>	1,227
<p>[Reason for Recommendation as Candidate for substitute Outside Audit & Supervisory Board Member] To benefit from the Candidate's abundant professional expertise in the field of tax and accounting as a licensed tax accountant as well as experiences amassed as a corporate auditor of other companies for the management of the Company, the company considered that continued appointment of the candidate to appropriately serve as substitute Outside Audit & Supervisory Board Member is respectfully requested.</p>			

Candidate Number	Name (Date of birth)	Career Summary [Representation of other corporations]	Number of Shares of the Company Held
2	Hitoshi Motokawa (November 27, 1960)	<p>April 1984 Joined the Company</p> <p>September 2004 General Manager of Sales Department of the Company</p> <p>January 2009 General Manager of Sales Division of the Company</p> <p>April 2017 Junior Corporate Officer of the Company (to present)</p> <p>January 2021 General Manager of General Administration Division Responsible for Financial Control of the Company</p> <p>January 2022 General Manager of Finance and Legal Division Responsible for Financial Control of the Company (to present)</p>	3,174
<p>[Reason for Recommendation as Candidate for substitute Audit & Supervisory Board Member]</p> <p>The candidate has many years of experience serving in the Company's performance management in the Sales Division and General Administration Division, and he is considered highly qualified to perform supervisory operations. In view of this, the company requested that he will be newly appointed to the position of substitute Audit & Supervisory Board Member.</p>			

(Notes)

1. There is no special interest between any of the candidates for substitute Audit & Supervisory Board Member and the Company, which should be disclosed.
2. The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover indemnification and the litigation expenses based on the liability of damages that are assumed by an insured in a case where the insured receives a claim etc. relating to the pursuit of liability arising from the performance of duties. Directors, Audit & Supervisory Board Members, and Corporate Officers of the Company are insureds under the policy, and their insurance premiums shall be borne in full by the Company. However, damages for an insured who intentionally committed illegal acts are excluded from coverage. If each of the candidates for substitute Audit & Supervisory Board Member assumes office as Audit & Supervisory Board member, each of them will be included as an insured in the policy. In addition, when the policy is next renewed, the Company plans to renew the policy with the same terms.
3. The candidate for substitute Audit & Supervisory Board Member Mr. Kazumasa Yoshida is a candidate for substitute Outside Audit & Supervisory Board Member satisfying the regulations of the Tokyo Stock Exchange, as well as the Policies for Nomination of Director Candidates and Dismissal of Directors and Independence Judgment Standards for Non-executive Directors and Outside Audit & Supervisory Board Members.
4. Other matters pertaining to candidates for substitute Outside Audit & Supervisory Board Members are as follows:
 - (1) Limited liability agreement
If Mr. Kazumasa Yoshida assumes office as Outside Audit & Supervisory Board Member, the Company intends to sign an agreement with him to limit his liability under Article 423, paragraph (1) of the Companies Act, and based on this agreement his liability will be limited to the minimum liability amount stipulated in laws and ordinances.
 - (2) Notification of Independent Audit & Supervisory Board Member
If Mr. Kazumasa Yoshida assumes office as Outside Audit & Supervisory Board Member, in accordance with the provisions of the Tokyo Stock Exchange, the Company intends to designate Mr. Kazumasa Yoshida as Independent Audit & Supervisory Board Member and notify the exchange to that effect.

Reference

■ Independence Judgment Standards for Non-executive Directors and Outside Audit & Supervisory Board Members (determined in the meeting of the Board of Directors held on November 20, 2015)

The Company has established the following independence judgment standards for Non-executive Directors and Outside Audit & Supervisory Board Members, and Non-executive Directors and Outside Audit & Supervisory Board Members are judged to have independence from the Company if the Non-executive Directors and Outside Audit & Supervisory Board Members do not fall under any of the following items.

1. A person who is an executive (Note 1) of the Company or a subsidiary of the Company (hereinafter collectively referred to as “the Group”) or has been an executive of the Group in the past ten years
2. A person who deals with the Group as a major business partner (Note 2) or is an executive thereof
3. A major business partner of the Group (Note 3) or is an executive thereof
4. A consultant, accounting expert or legal expert who obtains a large sum of money or other property (Note 4) other than officer remuneration from the Group (if the party who obtains said property is an organization such as a corporation or an association, a person belonging to said organization)
5. A person who belongs to the auditing firm conducting statutory audits of the Group
6. A person who has received donations or subsidies in excess of a certain amount (Note 5) from the Group (if the party who receives said donations or subsidies is an organization such as a corporation or an association, a person belonging to said organization)
7. An executive of a principal financial institution (Note 6) from which the Group has borrowings, or the parent company or a subsidiary thereof
8. A major shareholder (Note 7) of the Group, or if the major shareholder is a corporation, an executive of the corporation
9. An executive of a company in which the Group is a major shareholder
10. An executive of a company that has accepted a Director (regardless of whether full-time or part-time) from the Group, or the parent company or a subsidiary thereof
11. A person who has fallen under any of the above items 2. through 10. during the past three years
12. A close relative, etc. (Note 9) of a person falling under any of the above items 1. through 11. (limited to persons in key positions (Note 8))

(Note 1) Executive refers to an executive prescribed in Article 2, paragraph (3), item (vi) of the Regulations for Enforcement of the Companies Act, and includes not only executive directors, but also corporate officers and employees. This does not include company auditors.

(Note 2) A person who deals with the Group as a major business partner is a business partner group (meaning a corporate group made up of direct the business partner, the parent company and subsidiaries thereof, and the subsidiaries of the parent company; there same applies below) providing products or services to the Group, for which the transaction amount in the most recent fiscal year is 5% or more of the annual consolidated net sales of said group.

(Note 3) A major business partner of the Group is a business partner group to which the Group provides products and services, where the transaction amount in the most recent fiscal year is 2% or more of the annual consolidated net sales of the Group.

(Note 4) A large sum of money or other property refers to money or other property exceeding 10 million yen annually other than officer remuneration in the most recent fiscal year (if the party that obtained the property is an organization such as a corporation or an association, monetary or other property gains exceeding 2% of the total amount of revenue during the most recent fiscal year of the organization).

(Note 5) Donations or subsidies in excess of a certain amount refer to donations or subsidies exceeding the higher of either 10 million yen annually on average for the past three fiscal years or 2% of the total revenue during the person’s most recent fiscal year.

(Note 6) Principal financial institution refers to a financial institution from which the total amount of borrowings exceeds 2% of consolidated total assets of the Company at the end of the most recent fiscal year.

(Note 7) Major shareholder refers to a shareholder with 10% or more of voting rights (including both directly held and indirectly held).

(Note 8) Persons in key positions are directors (excluding Non-executive Directors), executives, corporate officers and employees in senior management positions of a level of general manager or higher, in addition to persons belonging to an audit firm or accounting firm who are certified public accountants, persons belonging to a law firm who are attorneys, persons belonging to an incorporated foundation or an incorporated association who are officers such as councilors, directors and auditors, and other persons objectively and rationally deemed to have equivalent importance.

(Note 9) A close relative, etc. refers to a spouse or relative within the second degree of kinship.

(Reference Information) Explanation of the Revision of the Amount and the Scheme of Remuneration for the Company’s Directors

The management environment surrounding the Company is changing promptly, such as the rapid expansion of the semiconductor industry, the arrival of hydrogen society amid the trend of decarbonization, and technological innovation in the area of life science, and accordingly the Company’s operations become increasingly globalized so as to respond to these changes. In order to further strengthen the supervisory functions and to accelerate the decision making in global operations, the Company will appoint an additional member to the Board of Directors who has extensive experience in global management. The purpose of the revision is to secure talented management personnel as well as to add incentives to achieve the current Mid-Long Term Management Plan “MLMAP2023.”

The Company’s view on the change to the Directors’ remuneration scheme

The Company’s basic policy is that shareholders, management and employees work as one to develop the Company, and the outcome from the operation are evaluated and distributed to those stakeholders in open and fair manner.

Since its initial stock listing in the stock exchange market, the Company has distributed dividends to shareholders based on net income, and performance-based remuneration has been paid to the management based on net income and dividends. (At present, dividends = approximately 30% of consolidated net income; bonuses for directors = approximately 20% of dividends). In fiscal 2013, the Company announced that the total amount of shareholder returns including dividends and share buybacks would be around 30% of consolidated net income, in order to provide shareholder returns directly linked to consolidated performance, and an earnings-based remuneration scheme was also introduced for Directors (excluding Non-executive Directors). Since then, the Company’s performance has steadily expanded that consolidated net income grew to 2.9 times, share price reached 2.7 times (closing price on December 30, 2021) and total dividends reached 3.0 times in 2021 respectively compared with fiscal 2012. Shareholder returns has also increased significantly in this period (refer to Figure 1. below). On the other hand, the Company has decided to revise the amount and the scheme of remuneration for Directors as shown in Figure 2, taking into consideration the fact that the maximum amount of earnings-based remuneration has been reached since the past fiscal year. Through this revision, the Company will provide incentives to ensure the achievement of the targets set forth in the current Mid-Long Term Management Plan “MLMAP2023.” The Company will set the appropriate amount and the scheme of remuneration for Directors in light of the targets in the Mid-Long Term Management Plans to be formulated in the future.

Figure 1. The Trend of Consolidated Net Income, Total Dividends, Stock Price

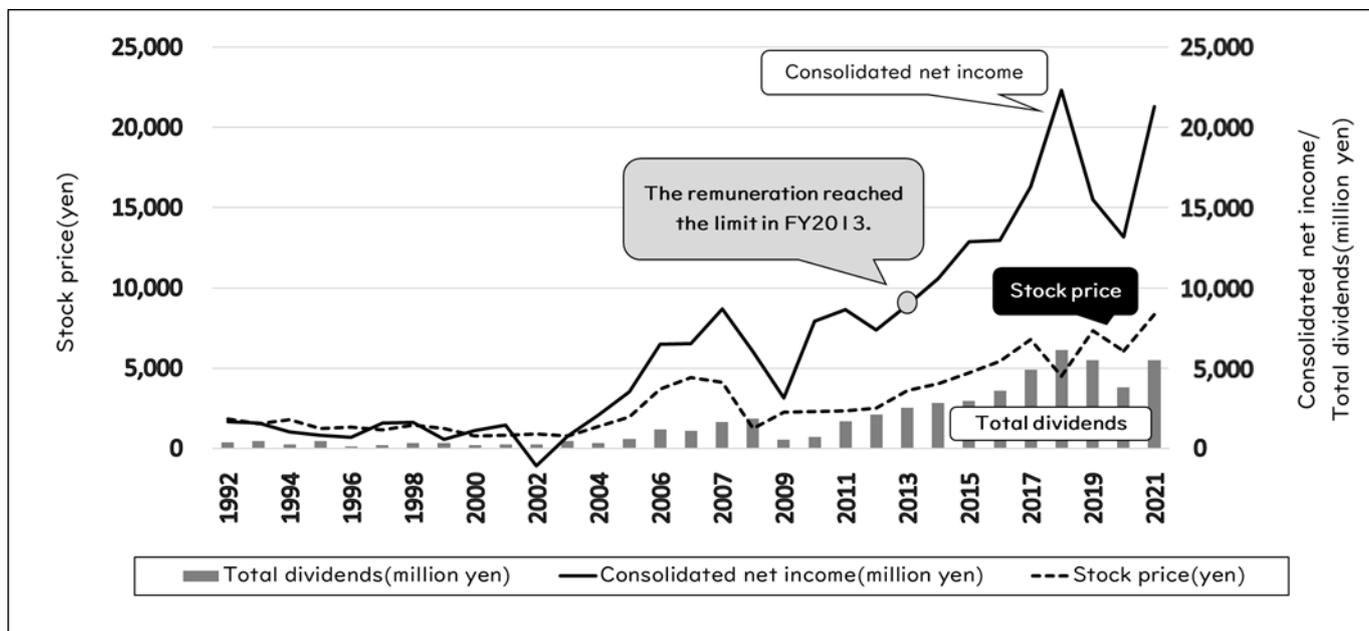


Figure 2. Overview of Change to the Director's Remuneration Scheme

	Current remuneration system and maximum amounts		Remuneration system and maximum amounts after revision	
	Type of remuneration	Maximum amount	Type of remuneration	Maximum amount
Base remuneration	Fixed term / amount salary, etc.	200 million yen (including 20 million yen for Non-executive Directors)	Fixed term / amount salary, etc.	300 million yen (including 40 million yen for Non-executive Directors)
Performance-based remuneration	Earnings-based remuneration	500 million yen	Earnings-based remuneration	1,000 million yen
Long-term incentive	Stock Compensation-type Stock Options	70 million yen	Restricted stock, Restricted stock unit	200 million yen
Total	–	770 million yen	–	1,500 million yen

The individual reasons for increasing the amount of remuneration for Directors and revision of the remuneration scheme are as follows.

Amount of base remuneration (fixed term / amount salary, etc.)

With regard to base remuneration (fixed term / amount salary, etc.), the purpose of revision is to respond to the increase of the number of Directors by one to further strengthen the management system, and the maximum remuneration amount will be raised to 300 million yen based on current performance levels. The fixed term / amount salary, etc. of current Directors (excluding Non-executive Directors) are planned to remain at the current level.

The maximum amount of remuneration for Non-executive Directors will be increased to 40 million yen responding to its expanding role and responsibilities of strengthening corporate governance and enhancing corporate value. The base remuneration will be the only remuneration for Non-executive Directors made up of fixed term / amount salary, etc., which eliminate the linkage to performance as applied in the past.

Amount of performance-based remuneration (earnings-based remuneration)

The amount of earnings-based remuneration will be changed for the sake of strengthening incentives for further enhancement of corporate value and securing talented management personnel, taking into consideration that the maximum amount of remuneration has been reached in previous years. The maximum amount of performance-based remuneration is set to 1,000 million yen based on current performance levels.

The indicator applied to determine the earnings-based remuneration for the Directors is consolidated net income, which has been deemed to be appropriate for earnings-based remuneration from the perspective of clarifying the link between Directors' remuneration and the Company's performance, and further increasing the incentive to enhance the performance of Directors.

The following change will be made to the method of calculation of earnings-based remuneration.

Current:	"Consolidated net income x 6%," with an upper limit of 500 million yen and a lower limit of 0 yen.
Proposed change:	"Consolidated net income x 5% - 500 million yen (*1)," with an upper limit of 1,000 million yen (*2) and a lower limit of 0 yen.

*1. The total amount of the maximum amount of 300 million yen for fixed term / amount salary, etc., and the maximum amount of 200 million yen for long-term incentives.

*2. Some Directors will receive remuneration based on the profit of the Semiconductor segment (consolidated), however the total amount shall not exceed the aforementioned upper limit.

Introduction of share-based remuneration as a long-term incentive (restricted stock and restricted stock unit)

A share-based remuneration system allotting restricted stock and restricted stock unit will be newly introduced in lieu of Stock Compensation-type Stock Options (with a maximum amount of 200 million yen) for the purpose of providing an incentive to the Company's Directors excluding Non-executive Directors ("eligible Directors,") to pursue sustained enhancement of the Company's corporate value, and also proceed with further sharing of value between the eligible Directors and shareholders.

The maximum amount of remuneration is set to 200 million yen in order to further promote value sharing with shareholders with the aim of enhancing performance from a mid-long term perspective through shareholdings, in addition to the appointment of a non-Japanese Director.

Figure 3. Share-based Remuneration – Outline of Share-based Remuneration (Restricted stock and Restricted stock unit)

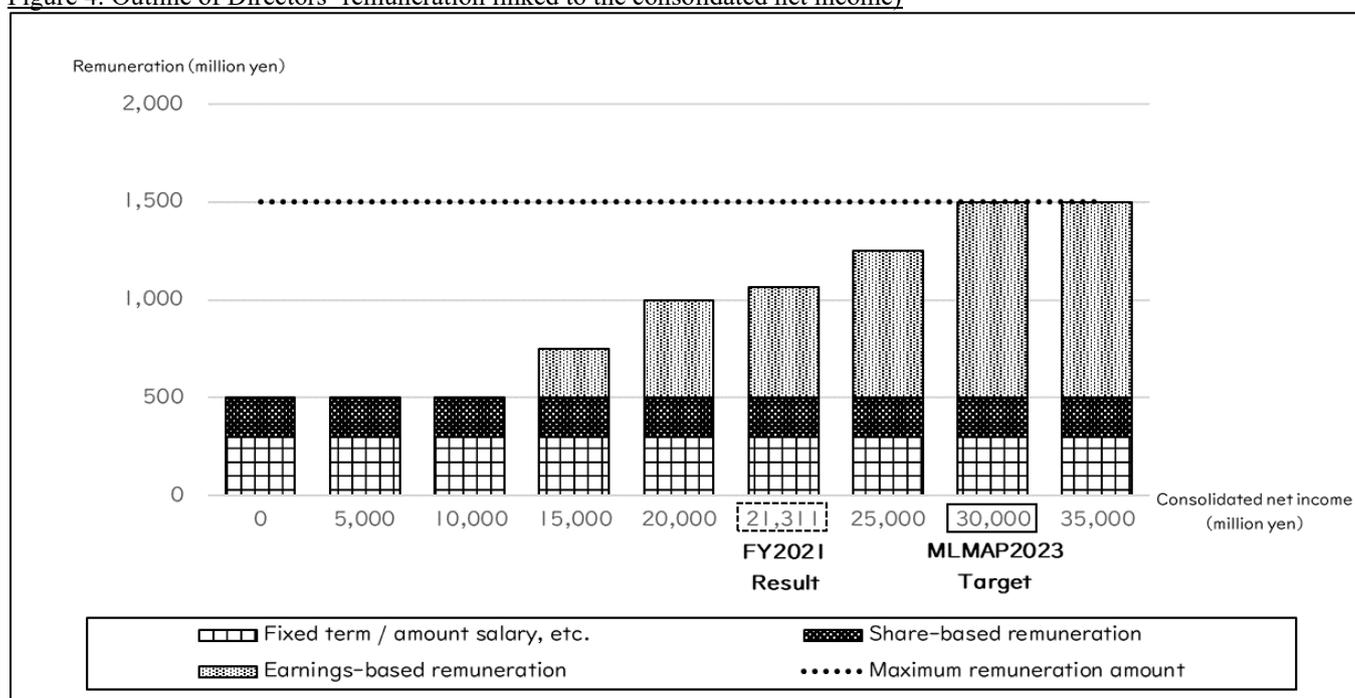
	Restricted stock	Restricted stock unit
Persons eligible for grant *1	Directors (residents of Japan)	Directors (non-residents of Japan)
Maximum grant amount *2	To be determined by the Company’s Board of Directors within the range of 200 million yen per year	
Maximum number of shares to be granted	To be determined by the Company’s Board of Directors within the range of 50,000 shares per year.	
Conditions for grant *3	The period of transfer restriction shall be determined by the Board of Directors within the range of three (3) to five (5) years from the date of the issuance of shares.	The period of service shall be determined by the Board of Directors within the range of three (3) to five (5) years.

*1. Non-executive Directors are not eligible.

*2. Both restricted stock and restricted stock unit shall be calculated based on the amount recorded as expenses for accounting purposes (in principle, the amount of stock and unit granted at the start of service provision).

*3. In case of resignation without legitimate reasons or with certain misconducts, eligible Directors will lose the shares (for Restricted stock) or units (for Restricted stock unit).

Figure 4. Outline of Directors’ remuneration linked to the consolidated net income)



* In the case that consolidated net income is 10,000 million yen or less, the amount of earnings-based remuneration will be 0 yen.

Process for determining Directors’ remuneration

To ensure the objectivity and transparency of the process to determine Directors’ remuneration, the Company has established the Nomination and Remuneration Committee, of which the majority of members consists of Non-executive Directors, and the chairman is assigned to one of the Non-executive Directors. This proposed revision on the amount and the scheme of Directors’ remuneration was determined by the Board of Directors based on the report made after deliberation in the Company’s Nomination and Remuneration Committee.

Proposal No. 4: Revision of Remuneration Amount for Directors

In the 75th Ordinary General Meeting of Shareholders held on March 23, 2013, the amount of remuneration of the Company's Directors was approved to be up to 700 million yen per year (including up to 20 million yen for Non-executive Directors whose remuneration will only be base remuneration made up of fixed term/amount salary, etc. without linkage to performance due to the nature of duties), made up of up to 200 million yen in base remuneration such as fixed term/amount salary, etc. and up to 500 million yen and no less than 0 yen in remuneration linked to consolidated net income, and this has remained in place until now.

In order to contribute to the maximization of corporate value, the Company respectfully request that the amount of remuneration of the Company's Directors be revised to be up to 1,300 million yen per year (including up to 40 million yen for Non-executive Directors whose remuneration will only be base remuneration made up of fixed term/amount salary, etc. without linkage to performance), made up of up to 300 million yen in base remuneration such as fixed term/amount salary, etc. and up to 1,000 million yen and no less than 0 yen in remuneration linked to consolidated net income. As applied in the past, this shall not include the employee wages for Directors, who also serve as employees.

The company would like to request that increase in the maximum amount of remuneration linked to consolidated net income based on the current performance, taking consideration into the fact that the maximum amount of remuneration has been reached in previous years. The purpose of this change is to strength incentives for motivating further enhancement of corporate value from the viewpoint of shareholders and to secure talented management personnel regardless of whether in Japan or overseas. Also, the company requests the increase in fixed term/amount salary, etc. including the increase in remuneration for Non-executive Directors, which is made to respond to the increase one Directors to further strengthen the management system (Proposal No. 2: Election of Nine (9) Directors), in addition to the purpose of responding to the expanding role expected to the Company's Non-executive Directors in the strengthening of corporate governance and enhancement of corporate value. (See page 21-23 for an overview of the remuneration system.)

The content of the proposed revision of Directors' remuneration is in accordance with the Company's current policy on the determination on the content of individual remuneration, etc. of Directors. It is also deemed to be necessary and reasonable in light of the level of the amount of remuneration, the proportion to Directors' overall remuneration and the number of Directors subject to payment along with comprehensive consideration for the Company's business conditions and other circumstances. Accordingly, the Company considers the contents to be appropriate.

The content of the above proposal was resolved by the Board of Directors based on a report made after deliberation in the Company's Nomination and Remuneration Committee of which the majority of members consists of Non-executive directors, and the chairman is assigned to one of the Non-executive Directors. In this way, the company is convinced that the objectivity and transparency of the determination process and results of the remuneration system have been ensured. Therefore, the specific timing and amount of payment to each director shall be decided by the Board of Directors after consulting with the Nomination and Remuneration Committee within the range of the above maximum amount of remuneration.

The number of Directors, which is currently eight (8) (including three (3) Non-executive Directors), will be nine (9) (including three (3) Non-executive Directors) if Proposal No. 2 "Election of Nine (9) Directors" is approved and adopted as originally proposed.

Proposal No. 5: Determination of Share-based Remuneration for Directors

In the 71st Ordinary General Meeting of Shareholders held on March 28, 2009, the remuneration for the Company's Directors provided as a long-term incentive, which is stock compensation-type stock options and allocate them to the Company's Directors (excluding Non-executive Directors) within the range of up to 70 million yen per year separately from basic remuneration and performance-linked remuneration, was approved. A restricted stock remuneration plan and a restricted stock unit remuneration plan (hereinafter collectively referred to as the "Plan") will be newly introduced for the Company's Directors (excluding Non-executive Directors; hereinafter referred to as "Eligible Directors") for the purpose of providing an incentive to Eligible Directors to pursue sustained enhancement of the Company's corporate value, and also proceeding with further sharing of value with shareholders.

In this proposal, the Company requests approval for setting the maximum amount as stipulated below in "I. Overview of Restricted Stock Remuneration Plan" for the restricted stock remuneration plan, and in "II. Overview of Restricted Stock Unit Plan" for the restricted stock unit remuneration plan, separately from the maximum limit on remuneration in Proposal No. 4 for the Meeting. Specific timing of provision and allotment to each Eligible Director shall be determined by the Company's Board of Directors. When the Company's Board of Directors decides on delegated matters, deliberations and reports of the Nomination and Remuneration Committee shall be required.

On the condition that this proposal is approved and adopted, the maximum limit on the previously implemented stock compensation-type stock options will be abolished, and subscription rights to shares as the stock compensation-type stock options will not be issued thereafter.

Delivery of shares based on this proposal shall be made by either of the following methods in accordance with resolution of the Company's Board of Directors.

1. Method where issuance of common stock of the Company or disposal of its common stock held by the Company is conducted as remuneration, etc. for Eligible Directors without requiring payment of money or provision of property contributed in kind.
2. Method where monetary remuneration claims are provided to Eligible Directors as remuneration, etc., and the Eligible Directors deliver all of the monetary remuneration claims as property contributed in kind and receive issuance of common stock of the Company or disposal of its common stock held by the Company (hereinafter referred to as "delivery of contribution in kind")

While the maximum limit on each number of shares delivered and other conditions under the restricted stock remuneration plan and the restricted stock unit remuneration plan are as stated in "I. Overview of Restricted Stock Remuneration Plan" and "II. Overview of Restricted Stock Unit Remuneration Plan" below, the total number of shares to be delivered shall be up to 50,000 shares and the amount to be paid shall be up to 200 million yen (amount of expense to be recorded in accounting) for the corresponding service provision period of one year under the Plan as a whole. However, if the total number of outstanding shares of the Company increases or decreases due to a reverse share split or a share split (including allotment of shares without contribution), the maximum amount of shares to be delivered shall be adjusted according to the ratio of the reverse share split or share split.

The number of currently serving Eligible Directors is five. If Proposal No. 2 is approved and adopted as originally proposed, the number of Eligible Directors will be six. The overview of the Plan is as follows:

I. Overview of Restricted Share-Based Remuneration Plan

Under the restricted stock remuneration plan, Eligible Directors shall receive issuance or disposal of common stock of the Company within the range of up to 50,000 shares and up to 200 million yen per year. However, if the total number of outstanding shares of the Company increases or decreases due to a reverse share split or a share split (including allotment of shares without contribution), the maximum amount of shares to be delivered shall be adjusted according to the ratio of the reverse share split or share split. In the case of delivery of contribution in kind, the amount to be paid in per share for the issuance or disposal is determined on the basis of the closing price of common stock of the Company on the Tokyo Stock Exchange on the business day before the date when the Board of Directors meeting of the Company resolved and adopted relevant agenda within a range that is not particularly advantageous to Eligible Directors (if there is no closing price on such date, the closing price on the closest preceding trading day).

Furthermore, in delivering shares with transfer restrictions (hereinafter referred to as "restricted shares") in accordance with this proposal, an agreement on allotment of shares with transfer restrictions (hereinafter referred to as the "Allotment Agreement") shall be entered into between the Company and an Eligible Director.

- (1) Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of shares of common stock of the Company allotted under the Allotment Agreement (hereinafter referred to the "Allotted Shares") during a period (hereinafter referred to as the "Restriction Period") of three to five years to be determined by the Company's Board of Directors (hereinafter referred to as the "Restriction").
- (2) If an Eligible Director loses his/her position as Director of the Company or any other position determined by the Company's Board of Directors before the expiration of a period determined by the Board of Directors (hereinafter referred to as the "Service Provision Period"), the Company shall acquire, by rights, the Allotted Shares without contribution unless there is any reason that the Board of Directors deems justifiable.

- (3) On the condition that an Eligible Director remains in the position specified in (2) above during the Service Provision Period, the Company shall lift the Restriction on all the Allotted shares at the expiration of the Restriction Period. However, if the Eligible Director loses his/her position as provided in (2) above before the expiration of the Service Provision Period due to the reason the Board of Directors of the Company deems justifiable, which is specified in (2) above, the Company shall rationally adjust the number of the Allotted Shares on which the Restriction is to be lifted, and the timing of lifting the Restriction as needed.
- (4) The Company shall acquire, by rights, without contribution the Allotted Shares on which the Restriction has not been lifted at the expiration of the Restriction Period in accordance with the provision of (3) above.
- (5) If an Eligible Director violates any laws or regulations, internal rules or the Allotment Agreement, or falls under any other event determined by the Company's Board of Directors as an event for which it is reasonable to acquire, by rights, the Allotted Shares without contribution, during the Restriction Period, the Company shall acquire, by rights, the Allotted Shares without contribution.
- (6) Notwithstanding the provision of (1) above, if a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or any other matter regarding reorganization, etc. is approved at the General Meeting of Shareholders of the Company (if approval by the General Meeting of Shareholders of the Company is not required for the reorganization, or so, the Board of Directors of the Company shall approve), during the Restriction Period, the Company shall lift the Restriction or acquire, by rights, the Allotted Shares without contribution in the number of shares that is reasonably determined by resolution of the Board of Directors in light of the period from the start date of the Service Provision Period to the date of approval for the reorganization, or so, prior to the effective date of the reorganization.
- (7) In the case stipulated in (6) above, when the Restriction is lifted on the Allotted Shares, the Company shall acquire, by rights, the Allotted Shares without contribution on which the Restriction has not yet been lifted at the time immediately after the Restriction is lifted in accordance with the provision of (6) above.

II. Overview of Restricted Stock Unit Remuneration Plan

(1) Details of restricted stock unit remuneration plan

The Company shall deliver shares to Eligible Directors after the expiration of the applicable Service Provision Period in accordance with resolution of its Board of Directors for determining issuance of shares or disposal of treasury stock to deliver its common stock (hereinafter referred to as the "resolution of the Board of Directors on delivery") by the calculation method stipulated below (Note 1). The Service Provision Period shall be a period to be determined by the Company's Board of Directors between three to five years.

As for common stock of the Company and money provided by the Company as remuneration to Eligible Directors under the restricted stock unit remuneration plan, the number of shares to be delivered shall be up to 50,000 shares per year and the amount to be granted shall be up to 200 million yen per year (amount of expense to be recorded in accounting) (Note 2) (Note 3) (Note 4).

(2) Other conditions, etc.

If an Eligible Director violates any laws or regulations, or internal rules, or falls under any other event determined by the Company's Board of Directors as an event for which it is reasonable to cause a loss of the right to receive delivery of shares, he/she shall lose the right to receive the delivery of common stock of the Company.

If an Eligible Director loses his/her position determined by the Company's Board of Director due to any reason the Board of Directors deems justifiable, the Company may, at its option, (a) deliver shares of its common stock in the number that is reasonably determined by resolution of the Board of Directors on delivery within a range of the maximum amount in (2) above, or (b) pay money in the amount calculated by multiplying the closing price of common stock of the Company in ordinary trading on the date of leaving his/her position (if there is no closing price on such date, the closing price on the closest preceding trading day) by the number of shares that is reasonably adjusted according to his/her tenure during the Service Provision Period.

(Note 1) If an Eligible Director leaves his/her position due to his/her death during the applicable period, the timing of paying remuneration shall be no later than three months from the date of leaving his/her position, and money shall be paid to the heir who is the successor of the Eligible Director. In addition, if a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, any other matter regarding reorganization, or so, is approved at the General Meeting of Shareholders of the Company (if approval by the General Meeting of Shareholders of the Company is not required for the reorganization, or so, the Board of Directors of the Company shall approve), during the applicable Service Provision Period (however, this is limited to cases where the effective date of the reorganization, or so, is slated to come prior to the date of share delivery under the Plan), the timing of paying remuneration shall be no later than three months from the date of the approval, and money shall be paid to the Eligible Director.

(Note 2) If the total number of outstanding shares of the Company increases or decreases due to a reverse share split or a share split (including allotment of shares without contribution), the maximum amount shall be adjusted according to the ratio of the reverse share split or share split.

- (Note 3) In the case of the restricted stock unit remuneration plan, expenses are recorded during a period including the date of granting the right, instead of at the time of delivering shares, and the corresponding maximum limit on remuneration per year is applied.
- (Note 4) If an Eligible Director leaves his/her position due to his/her death during the applicable period, money equivalent to the amount of share-based remuneration shall be paid, as provided for in Note 1 above. In this case, the closing price of common stock of the Company in ordinary trading on the date of leaving his/her position (if there is no closing price on such date, the closing price on the closest preceding trading day) shall be multiplied. In addition, any matter regarding reorganization, etc. is approved at the General Meeting of Shareholders of the Company (if approval by the General Meeting of Shareholders of the Company is not required for the reorganization, or so, by the Board of Directors of the Company), during the applicable Service Provision Period, money equivalent to the amount of share-based remuneration shall be paid, as provided for in Note 1 above. In this case, the closing price of common stock of the Company in ordinary trading on the date of the approval (if there is no closing price on such date, the closing price on the closest preceding trading day) shall be multiplied.

[Reason why it is reasonable to deliver shares under the Plan]

The Plan is to deliver restricted shares under the restricted stock remuneration plan, and deliver common stock of the Company after the predetermined Service Provision Period under the restricted stock unit remuneration plan, to Eligible Directors, for the purpose of providing an incentive to Eligible Directors to pursue sustained enhancement of the Company's corporate value, and also proceeding with further sharing of value with shareholders.

The Company established the policy on decisions on the content of individual remuneration, or so for Directors at the Company's Board of Directors meeting held on December 21, 2021. The content of share-based remuneration in accordance with this proposal is necessary and reasonable, reflecting the policy. In addition, as the ratio of the maximum limit of the number of shares to be issued or disposed of corresponding to the Service Provision Period of one year in accordance with this proposal to the total number of outstanding shares (as of December 31, 2021) is 0.1%, the dilution ratio is immaterial.

Therefore, the Company is convinced that the content of this proposal is appropriate.

The content of the above proposal was determined by the Board of Directors based on a report made after deliberation in the Company's Nomination and Remuneration Committee that has a majority of members made up of Non-executive Directors and is chaired by an Non-executive Director.

(Reference)

The Company plans to introduce a similar restricted stock remuneration plan and restricted stock unit remuneration plan for its corporate officers.

“Guide for the Exercise of Voting Rights via the Internet”

(1) Notes

- Exercising your voting rights via the Internet can only be done on the website (<https://www.web54.net>)(Japanese Only) that the Company has designated. Further, this website cannot be accessed via mobile phones.
- If you exercise your voting rights multiple times via the Internet, the last vote cast will be deemed to be the valid one.
- You can set your own password for use in exercising your voting rights at the Meeting, when you first access the website. Please keep the part of the enclosed ballot on which the “voting rights exercise code” is printed. Also, please take care not to forget the password you have input.
- In addition, if the wrong password is input more than a certain number of times, the website will be locked, and you are not able to access it. To request a new password, please follow the on-screen instructions.
- Please note that our shareholders shall bear any costs incurred when accessing the dedicated voting website.

(2) Contacts

- For information concerning the operation of personal computers for the exercise of voting rights:
Web Support Help Desk of Securities Transfer Agency Sumitomo Mitsui Trust Bank, Limited
Telephone: 0120-652-031 (Japan only) Opening hours: 9:00 - 21:00 (Japan standard time)
- For any other information, please contact:
 - 1) Shareholder who has an account at a securities company:
Your securities company
 - 2) Shareholder who does not have an account at a securities company (shareholder who has a special account)
Securities Transfer Agency Administration Center, Sumitomo Mitsui Trust Bank, Limited
Telephone: 0120-782-031 (Japan only) Opening hours: 9:00 -17:00 excluding Saturdays, Sundays and national holidays (Japan standard time)

To institutional investors

Institutional investors wishing to exercise their voting rights by electronic means at the Meeting may do so by using the Electronic Voting Platform operated by ICJ, Inc.