

(Translation)

Securities Code:5262

June 8, 2022

To Our Shareholders with Voting Rights:

Minoru Okawauchi
President and Director
NIPPON HUME CORPORATION
5-33-11 Shimbashi, Minato-ku, Tokyo

**NOTICE OF CONVOCATION OF
THE 139TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We wish to notify you of the 139th Annual General Meeting of Shareholders of NIPPON HUME CORPORATION (the “Company”). The meeting will be held for the purposes described below.

In order to reduce the risk of COVID-19 infections and ensure the safety of all shareholders, we request that you refrain from attending the General Meeting of Shareholders in person as much as possible, and exercise your voting rights in advance in writing (by mail) or via the Internet, etc.

Instead of attending the meeting in person, you may exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:20 p.m. Japan time on Tuesday, June 28, 2022.

- 1. Date and Time:** Wednesday, June 29, 2022 at 10:00 a.m. Japan time
- 2. Place:** Conference room on the 8th floor of the Company (Shimbashi NH Building)
5-33-11 Shimbashi, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report and Consolidated Financial Statements for the 139th Fiscal Year (April 1, 2021 to March 31, 2022), and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the 139th Fiscal Year (April 1, 2021 to March 31, 2022)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendments to the Articles of Incorporation
 - Proposal 3:** Election of One (1) Director

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Please note that the following items are not presented in the attached document of this notice of convocation, as they are posted on the Company's website, in accordance with laws and regulations and the provisions under Article 14 of the Company's Articles of Incorporation.

1. Notes to the Consolidated Financial Statements

2. Notes to the Non-Consolidated Financial Statements

The Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Audit & Supervisory Board and Accounting Auditor in preparing the Audit Report and Accounting Auditor's Audit Report, respectively, include the information in the attached document, as well as other information required to be disclosed in the "Notes to the Consolidated Financial Statements" and "Notes to the Non-Consolidated Financial Statements."

- If the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website.

The Company's website (<https://www.nipponhume.co.jp/>)

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company proposes to distribute the surplus as described below.

The Company considers the distribution of profits to shareholders as an important management task. Our basic policy is to maintain stable dividend levels, while focusing on maintaining a sound financial structure. We strive to enhance overall return to shareholders by implementing purchases of treasury shares and other measures, taking into account factors such as performance.

Funds retained as internal reserves will be used as a portion of the funds invested in the development of new products and technologies and for capital investment in efficiency enhancement and reduction of power consumption, as well as for M&As. The efficiency of the investments is considered from a long-term perspective.

The Company is scheduled to pay the year-end dividend for the fiscal year under review as described below, taking into account factors such as non-consolidated financial results, consolidated financial results, financial conditions and the future management environment.

1. Details of the year-end dividend

1) Type of dividend property	Cash
2) Appropriation of dividend property to shareholders and its total amount	¥20 per share for the Company's common stock
	Total dividends: ¥502,016,320
3) Effective date for dividends from surplus	June 30, 2022

2. Other matters concerning the appropriation of surplus

1) Accounting item of surplus to increase and the amount of increase	General reserve: ¥500,000,000
2) Accounting item of surplus to decrease and the amount of decrease	Retained earnings brought forward: ¥500,000,000

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

In conjunction with the revisions to be enforced on September 1, 2022 stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019), a system for electronic provision of Reference Documents for the General Meeting of Shareholders will be introduced. Accordingly, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 14, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 14, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 14 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Content of the proposed amendments

The details of the proposed amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 1 to Article 13 (Provisions are omitted)</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 14 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p>	<p>Article 1 to Article 13 (Remain unchanged)</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>Article 15 to Article 40 (Provisions are omitted)</p> <p>(Newly established)</p>	<p><u>(Measures for Electronic Provision, Etc.)</u></p> <p><u>Article 14</u></p> <ol style="list-style-type: none"> <u>1. The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u> <u>2. Among the matters to be provided electronically, the Company is not obligated to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u> <p>Article 15 to Article 40 (Remain unchanged)</p> <p><u>(Supplementary provisions)</u></p> <ol style="list-style-type: none"> <u>1. The deletion of Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) and the new establishment of Article 14 (Measures for Electronic Provision, Etc.) of the Articles of Incorporation shall be come into effect on September 1, 2022.</u> <u>2. Notwithstanding the provisions of the preceding paragraph, Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain in force with respect to a general meeting of shareholders held on a date within six months from September 1, 2022.</u> <u>3. These supplementary provisions shall be deleted after the lapse of six months from September 1, 2022 or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u>

Proposal 3: Election of One (1) Director

In order to further reinforce our corporate governance system, the Company will add one (1) Outside Director and proposes the election thereof.

The term of office of the newly elected Director shall be, in accordance with the provisions of the Company's Articles of Incorporation, until the expiration of the terms of office of other incumbent Directors.

The candidate for the newly elected Director is selected upon receiving recommendations from the voluntary Nomination Committee, the majority of which is comprised of Outside Directors. The candidate for Director is as follows:

Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions
<p style="text-align: center;">Asao Masue (Name as indicated in the family register: Asao Aono) (Born June 13, 1970)</p> <p style="text-align: center;">New candidate Outside Independent Female</p> <p style="text-align: center;">Number of the Company's shares held 0</p>	<p>October 2002 Registered with the Tokyo Bar Association</p> <p>May 2008 Joined Okuno & Partners (to present)</p> <p>June 2015 Outside Director of The Toho Bank, Ltd.</p> <p>June 2018 Outside Director and Audit and Supervisory Committee Member of The Toho Bank, Ltd. (to present)</p> <p>September 2018 Auditor of Muroran Institute of Technology (to present)</p> <p>November 2021 Director of Public Interest Incorporated Foundation Japan Joint Securities Foundation (to present)</p> <p style="text-align: center;">Outside Auditor of Suzuki Corporation (to present)</p> <p>Reasons for the election as a candidate for Outside Director and an outline of roles expected to fulfill</p> <p>Ms. Masue possesses knowledge and experience accumulated over many years as an attorney. She is expected to provide useful advice on the Company's management, mainly from the perspectives of corporate governance and compliance. Therefore, the Company believes that she is appropriate as an Outside Director of the Company. Following her election, she is expected to fulfill the above roles by leveraging her achievements and capabilities.</p> <p>Although she does not have previous experience with business management, for the above reasons, the Company has determined that she is well qualified for appropriately fulfilling her duties as an Outside Director.</p>

1. There are no special interests between the candidate and the Company.
2. Ms. Asao Masue is a candidate for Outside Director.
3. An outline of a limited liability agreement with Outside Directors is as follows:
If the election of Ms. Asao Masue is approved, the Company intends to enter into an agreement with her that limits her liability for damages indicated in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the same Act. The maximum amount of liability for damages based on the said agreement will be the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act.
4. Ms. Asao Masue satisfies the requirements for an Independent Director defined by the Tokyo Stock Exchange. If the election of Ms. Masue is approved, the Company intends to register her as an Independent Director.
5. The Company has entered into a directors and officers liability insurance (D&O insurance) contract with all Directors as the insured pursuant to Article 430-3, Paragraph 1 of the Companies Act. If this proposal is approved as originally proposed and the candidate is elected as Director, then she will be included as the insured under the insurance contract. The contract covers legal damages that may arise when the insured Directors assume liability for the execution of their duties or are subject to a claim for the pursuit of said liability. However, the insurance contract has certain exclusions, such as providing no coverage for damages arising from actions taken by insured parties with the knowledge that they were in violation of laws and regulations. The insurance premiums, including riders, are borne in their entirety by the Company, and no insurance premiums are borne by the insured parties themselves. The Company plans to renew the insurance contract with the same contents at the time of its next renewal.