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Securities code: 6915
March 10, 2022

To Shareholders with Voting Rights:

Mitsuaki Koike
Chairman and President
CHIYODA INTEGRE CO., LTD.
4-5 Akashi-cho, Chuo-ku, Tokyo, Japan

**NOTICE OF CONVOCATION OF
THE 66TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

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

You are hereby notified of the 66th Ordinary General Meeting of Shareholders of CHIYODA INTEGRE CO., LTD. (the “Company”). The meeting will be held for the purposes as described below.

In lieu of attending the meeting, you can exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:30 p.m. on Tuesday, March 29, 2022, Japan time.

- 1. Date and Time:** Wednesday, March 30, 2022 at 10:00 a.m. Japan time (Reception begins at 9:30 a.m.)
- 2. Place:** Hall ‘PRIMAVERA,’ 4th floor of Dai-Ichi Hotel Tokyo located at 1-2-6 Shimbashi, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. Business Report, Consolidated Financial Statements for the Company’s 66th Fiscal Year (January 1, 2021 - December 31, 2021) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 66th Fiscal Year (January 1, 2021 - December 31, 2021)

Proposal to be resolved:

<Company proposals>

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendment to the Articles of Incorporation

<Shareholder proposals>

- Proposal 3:** Approval of Remuneration Amount Pertaining to Restricted Share Compensation Scheme
Proposal 4: Acquisition of the Company’s Shares

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- ⊙ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception. Please bring this Notice with you to save resources.
 - ⊙ Should the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements require revisions, they will be posted on the Company’s website (<https://www.chiyoda-i.co.jp/>).
 - ⊙ Please be advised that souvenirs are not prepared for attending shareholders.
 - ⊙ Among all the documents to be attached to this Notice, the System to Ensure the Appropriateness of Business Operations, the Outline of the Operation of the System to Ensure the Appropriateness of Business Operations, the Basic Policy Regarding Control on Stock Companies, Consolidated Statement of Changes in Equity, Notes to the Consolidated Financial Statements, Non-consolidated Statement of Changes in Equity and Notes to the Non-consolidated Financial Statements are posted on the Company’s website (<https://www.chiyoda-i.co.jp/>) in accordance with provisions of laws and regulations as well as Article 15 of the Company’s Articles of Incorporation. Therefore, the Appendix of this Notice comprises a portion of the documents that were audited when the Audit & Supervisory Board Members and the Accounting Auditor prepared the Audit Report.

Reference Documents for the General Meeting of Shareholders

Proposals and References

<Company proposals>

Proposal 1: Appropriation of Surplus

The Company considers profit returns to shareholders an important management task and makes it a basic policy to aim for a dividend payout ratio of 50% or more for the three (3) years from the fiscal year ended December 31, 2019 to the fiscal year ending December 31, 2021.

Based on this policy, the Company proposes the year-end dividend for this fiscal year to be ¥120 per share as follows, taking into comprehensive consideration the business results and the business environment for this fiscal year.

- (1) Type of dividend:
Cash
- (2) Matters regarding the allocation of dividend to shareholders and the total amount thereof:
¥120 per share of common stock of the Company
Total amount: ¥1,464,026,280
- (3) Effective date of distribution of surplus:
March 31, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

- (1) The Company intends to relocate its head office from Chuo-ku, Tokyo to Chiyoda-ku, Tokyo in April 2022. Therefore, in addition to changing the provisions pertaining to the location of the head office stipulated under Article 3 of the Company's Articles of Incorporation, the Company will also prepare the requisite provisions in Supplementary Provisions of the Company's Articles of Incorporation in order to set the effective date of said change to April 25, 2022.
- (2) The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.
 - (1) The proposed Article 15, Paragraph 1 provides that information contained in the reference documents, etc. for the general meeting of shareholders shall be provided electronically.
 - (2) The purpose of the proposed Article 15, 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 disclosure of reference documents, etc. for the general meeting of shareholders via the Internet (Article 15 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. Details of amendments

The details of the amendments are as follows:

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
<p>(Location of Head Office) Article 3. The head office of the Company shall be located in <u>Chuo-ku</u>, Tokyo.</p> <p><u>(Disclosure of Reference Documents, etc. for the General Meeting of Shareholders via the Internet)</u></p> <p>Article 15. The Company may, when convening the general meeting of shareholders, use the Internet to disclose information to shareholders relating to matters to be described or indicated in the Reference Documents for the General Meeting of Shareholders, Business Reports, Non-consolidated Financial Statements, and Consolidated Financial Statements, in accordance with the provisions provided in the Ordinance of the Ministry of Justice, and such disclosure shall be deemed to be a duly conducted provision of information.</p> <p><Newly established></p>	<p>(Location of Head Office) Article 3. The head office of the Company shall be located in <u>Chiyoda-ku</u>, Tokyo.</p> <p><Deleted></p> <p><u>(Measures for Electronic Provision, Etc.)</u> Article 15. The Company shall, when convening the general meeting of shareholders, provide information contained in the Reference Documents, etc. for the General Meeting of Shareholders electronically.</p> <p>2. <u>Among the matters to be provided electronically, the Company may choose not 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>
<p><Newly established></p>	<p><u>Supplementary provisions</u></p> <p>1. <u>The amendments to Article 3 of the Articles of Incorporation shall take effect on April 25, 2022, and this paragraph of the supplementary provisions shall be deleted on the same date.</u></p> <p>2. <u>The deletion of Article 15 (Disclosure of Reference Documents, etc. for the General Meeting of Shareholders via the Internet) of the current Articles of Incorporation and the establishment of the proposed Article 15 (Measures for Electronic Provision, Etc.) shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p>3. <u>Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p> <p>4. <u>These supplementary provisions shall be deleted after the lapse of six months from the Effective Date 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></p>

<Shareholder proposals (Proposal 3 through Proposal 4)>

Each proposal pertaining to the shareholder proposals is described as it was submitted in the original text.

Proposal 3: Approval of Remuneration Amount Pertaining to Restricted Share Compensation Scheme

(1) Summary of proposal

The maximum amount of remuneration that can be paid to Directors of the Company was approved at the 51st Ordinary General Meeting of Shareholders held on November 29, 2006 at an amount not exceeding ¥350 million per annum (not including the salaries for those employees who are both Directors and employees). However, for the purpose of providing the Directors of the Company (including Directors who are Independent Directors; hereinafter, "Eligible Directors") an incentive to sustainably improve the corporate value of the Company and of further advancing the sharing of value between the Eligible Directors and shareholders, a monetary compensation claim for granting restricted shares of up to 135,300 shares at a value not exceeding ¥350 million per annum shall be granted to Eligible Directors in addition to the remuneration described above. The specific timing and allocation of payments of such shall be determined at a meeting of the Board of Directors.

(2) Reason for proposal

Heretofore, the Company has not introduced a restricted share compensation scheme (hereinafter, "Compensation Scheme"), and it cannot be said that corporate value is adequately shared between the Directors and shareholders of the Company. In introducing the Compensation Scheme to the Directors of the Company, we believe that, it should also be made available to all Directors of the Company (including Outside Audit & Supervisory Board Members) as well as to those persons in the top 20 management positions of the Company, including Audit & Supervisory Board Members and Executive Officers. Further, we propose to grant restricted shares equivalent to three times their fixed remuneration or total salary to eligible officers of the Compensation Scheme over the course of the following three years. As stated in the "Board Members' Compensation to Encourage Companies to Promote Proactive Business Management" issued by the Ministry of Economy, Trade and Industry in April 2014 and continuously revised thereafter, we believe it is preferable to provide appropriate and effective share-based compensation to persons in management positions in order to encourage management from a shareholder perspective and in order to provide an incentive for improving mid- to long-term corporate value.

Opinion of the Board of Directors on Proposal 3

(1) Opinion of Board of Directors of Company

The Board of Directors of the Company opposes this shareholder proposal.

(2) Reason for opposition

A resolution with regard to the maximum amount of remuneration that can be paid to Directors of the Company was passed at the 51st Ordinary General Meeting of Shareholders held on November 29, 2006 to an amount not exceeding ¥350 million per annum (not including the salaries of

employees). The remuneration system for Directors of the Company (excluding Independent Directors) comprises fixed remuneration as basic remuneration and a performance-based remuneration which reflects the consolidated business results of the Company. The remuneration for Independent Directors comprises fixed remuneration only. The ratio of the business performance-linked elements in the remuneration system for Directors (excluding Independent Directors) is determined by the Board of Directors (roughly 30 percent of the overall remuneration). The indices for business performance-linked remuneration are based on consolidated sales and operating income, and the amount to be paid is determined in view of careful consideration of the roles of the respective officers and the medium to long term efforts for which the respective officers are responsible. The amount of remuneration paid to the Directors (including Independent Directors) in December 2021 was ¥148 million.

In this way, the remuneration system in place for the Directors of the Company (excluding Independent Directors) already reflects the business performance of the Company. While the Company does not intend to reject the introduction of remuneration linked to shares, we believe it is possible to effectively utilize the difference between the maximum remuneration as resolved in the aforementioned General Meeting of Shareholders and the actual amount to be paid. Further, we believe that the setting of a maximum share-based remuneration of ¥350 million per annum is clearly excessive in light of the Company's actual business performance. Also, as only the Directors of the Company and the senior officers will be eligible for the payment, we believe this is inappropriate also from the perspective of how it may damage the sense of unity between those at the management level and the general employees.

The Company is considering a remuneration system, including the introduction of remuneration linked to share price (not necessarily limited to share-based compensation, but also including cash-based remuneration), that will allow for more appropriate sharing of value with the Company's shareholders.

Proposal 4: Acquisition of the Company's Shares

(1) Summary of proposal

The Company shall, within one year of the conclusion of this Ordinary General Meeting of Shareholders and based on the provisions of Article 156, Paragraph 1 of the Companies Act, acquire up to a total of 1,220,000 shares of the Company's common stock for a total acquisition price of up to ¥2,562,000,000, which shall be paid for with cash.

(2) Reason for proposal

In order to increase shareholder returns and improve capital efficiency, it is thought that measures should be taken by the Company to acquire approximately 10 percent of the total issued shares (excluding the treasury shares) of the Company for designation as treasury shares.

Opinion of the Board of Directors on Proposal 4

(1) Opinion of Board of Directors of Company

The Board of Directors of the Company opposes this shareholder proposal.

(2) Reason for opposition

The Company recognizes that the acquisition of company shares is an effective tool for improving shareholder returns and for allowing the undertaking of flexible capital policy in response to a changing business environment, and the Company has been continuously acquiring its shares thus far. During the period from September 13, 2021 to November 30, 2021, the Company acquired, based on a resolution of the Board of Directors' meeting held in September 2021, a total of 200,000 of the Company's shares for a total acquisition amount of ¥441,485,400 through open market purchase on the Tokyo Stock Exchange.

Furthermore, in the Medium-Term Management Plan announced on February 14, 2022 (period covered: January 2022 to December 2024), it was stipulated that the Company should flexibly carry out the acquisition of shares aiming for a total payout ratio of 120 % (of which, dividend payout ratio will be 50 % or more. In the previous Medium-Term Management Plan (period covered: January 2019 to December 2021) the target total payout ratio was 80 %). The planned amount to be paid for the acquisition of company shares will be around ¥4,620 million over a three-year period, based on the total net income of ¥6,600 million set in the business performance plan for the target period, exceeding the proposed ¥2,562 million.

Given the liquidity of the Company's shares, we believe it is not realistic to acquire ¥2,562 million worth of shares on the market over the course of a single year. Based on the payout ratio in the aforementioned Medium-Term Management Plan and the actual business performance for the Company, we believe it would be appropriate to continue to carry out the acquisition of company shares consistently at a more appropriate time upon taking account of the transaction status and price of the Company's shares.