

[English summary: for reference only]

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Securities code: 6255

November 9, 2021

Dear shareholders,

### **Convocation Notice of the 29<sup>th</sup> Ordinary General Meeting of Shareholders for FY2021**

NPC Incorporated, (“the Company”) would like to inform you of the 29th Ordinary General Meeting of Shareholders.

The General Meeting of Shareholders will be held upon conducting appropriate COVID-19 infection preventive measures: the number of seats will be limited, maintaining a safe distance between people at the venue. You are kindly asked to consider whether to attend the meeting taking into account the situation of spread of the disease and your health conditions.

Instead of attending the meeting, you can exercise your voting rights in advance in writing or via the internet. Please refer to the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Wednesday, November 24, 2021.

1. Date and time: 10:00 a.m., Thursday, November 25, 2021 Japan time  
(Registration starts at 9:00 a.m.)
2. Venue: “Hisho-no-ma” conference room, 2<sup>nd</sup> floor  
The Hotel Langwood  
5-50-5 Higashi-nippori, Arakawa-ku, Tokyo, Japan
3. Meeting agenda:  
Matters to be reported  
1) Business reports, consolidated financial statements, and audit report on consolidated financial statements by the Accounting Auditor and the audit & supervisory board for FY2021 (September 1, 2020 to August 31, 2021)  
2) Non-consolidated financial statements for FY2021 (September 1, 2020 to August 31, 2021)  
Matter to be resolved  
Proposal 1) Appropriation of surplus  
Proposal 2) Election of one (1) Audit & Supervisory Board member  
Proposal 3) Election of Accounting Auditor

Sincerely yours,

Masafumi Ito  
President & CEO  
NPC Incorporated  
1-7-15 Higashi-ueno, Taito-ku, Tokyo

[English summary: for reference only]

## Reference Documents for the General Meeting of Shareholders

### Proposal 1) Appropriation of surplus

The Company strives to strengthen its financial standings and increase profits in a long term by utilizing internal reserves for capital expenditure and research and development, while continuing stable profits return to shareholders. It is, therefore, the Company's basic policy to pay out dividends in accordance with the Company's business performance and financial conditions.

Based on the above policy and such factors as current business results and future business development, the Company proposes the year-end dividend as follows:

1. Type of dividend property: Cash
2. Allotment of dividend property and total amount thereof: 2.0 yen per common share of the Company stock  
Total amount: 43,834,156 yen
3. Effective date of dividend of surplus: November 26, 2021

### Proposal 2) Election of one (1) Audit & Supervisory Board member

The Company proposes election of one (1) Audit & Supervisory Board member as the term of office of the member will expire upon the conclusion of this General Meeting of Shareholders. The consent of the Audit & Supervisory Board has been given for this proposal.

The details of the candidate are as follows:

Name (date of birth)	Career summary, positions at the Company, and significant concurrent positions outside the Company	Number of shares of the Company owned
Yasuhisa Sera (January 11, 1956)	Apr. 1978 Joined Kanebo Cosmetics Sales Inc. (Kanebo Cosmetics Inc.) Mar. 2015 Standing Audit & Supervisory Board member of Saticine Medical Co., Ltd. Jan. 2017 Joined the Company, Administration & Legal Group, General Affairs Department Nov. 2017 Standing Audit & Supervisory Board member of the Company (current title)	-

Reasons for nomination:

Mr. Sera has been monitoring and supervising the management of the Company as a standing Audit & Supervisory Board member since November 2017 with the abundant knowledge based on his wide range of experience at cosmetics manufacturers. The Company therefore believes him appropriate as an Audit & Supervisory Board member.

Notes:

- 1) There is no conflict of interests between the candidate and the Company.
- 2) The Company has concluded a liability limitation contract with Mr. Yasuhisa Sera in accordance with Article 427, Paragraph 1 of the Companies Act to limit the liability for damages to the Company as provided in Article

[English summary: for reference only]

423, Paragraph 1 of the Companies Act. If Mr. Sera is reappointed as a standing Audit & Supervisory Board member of the Company at the General Meeting of Shareholders, the Company will continue the aforementioned contract.

- 3) The Company has concluded a contract of Directors and Officers Liability Insurance (D&O Insurance) policy with an insurance agency, as provided for in Article 430-3, Paragraph 1 of the Companies Act. This insurance policy covers the legal damages and court costs borne by the insured person when that insured person receives a claim for compensation for damages originating from actions in the execution of their duties. The candidate is included as insured person under this insurance policy and will continue to be included as an insured person if reelected as a standing Audit & Supervisory Board member at the General Meeting of Shareholders. The Company intends to renew this insurance policy with the same details at the time of the next renewal.

### Proposal 3) Election of Accounting Auditor

The term of service of Ernst & Young ShinNihon LLC. as the Company's Accounting Auditor will expire at the conclusion of the Ordinary General Meeting of Shareholders. With the prolonged audit period of Ernst & Young ShinNihon LLC. taken into consideration, the Company's Audit & Supervisory Board conducted a comparative review between multiple audit firms on auditing system in view of the Company's business scale and the reasonability of audit fee. As a result, it has decided to appoint Tokai Audit Corporation as the Company's Accounting Auditor.

The Company's Audit & Supervisory Board selected Tokai Audit Corporation as a candidate for Accounting Auditor in the belief that audits will be conducted from a new perspective. Furthermore, after a comprehensive consideration of the expertise, independence, and quality control structure required for an Accounting Auditor, the board determined that Tokai Audit Corporation is suitable to serve as the Company's Accounting Auditor.

This proposal is submitted based on the resolution at the Audit & Supervisory Board's meeting.

The details of the candidate are as follows:

(As of July 1, 2021)

Name	Tokai Audit Corporation		
Locations	Head office: Kanayamasougou Bld. 5th floor, 1-12-14, Kanayama, Naka Ku, Nagoya Shi, Aichi Ken  Tokyo office: Ark Mori Build. 12th floor, 1-12-32, Akasaka, Minato Ku, Tokyo		
History	Jul. 1991 Establishment Aug. 1994 Merger with Souwa Auditing Firm		
Overview	Capital	JPY 34 million	
	Members	Representative Partner (Certified public accountant)	17
		Certified public accountants (part-time)	82
		Staff	3
		Total	102
Audit certification business	121 companies		