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Securities Code: 7231
June 1, 2022

To Our Shareholders:

Nobuhiko Takamatsu
Representative Director, President and CEO
TOPY INDUSTRIES, LIMITED
1-2-2 Osaki, Shinagawa-ku, Tokyo

Notice of Convocation of the 128th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 128th Ordinary General Meeting of Shareholders of Topy Industries Limited (the “Company”). The meeting will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by either means of Form for Exercising Voting Rights enclosed herein or via the Internet, etc. Please exercise your voting rights after reviewing the attached Reference Documents for the General Meeting of Shareholders.

To exercise your voting rights by post:

Please indicate “for” or “against” on the enclosed Form for Exercising Voting Rights and return it to us by 5:45 p.m. on Wednesday, June 22, 2022.

To exercise your voting rights via the Internet, etc.:

Please review the “Guide for Exercising Voting Rights via the Internet, etc.” (in Japanese only) and access the designated voting website (<https://www.web54.net>) and enter your approval or disapproval for the proposal no later than 5:45 p.m. on Wednesday, June 22, 2022.

1. Date and Time

Thursday, June 23, 2022 at 10:00 a.m.

2. Place

Conference Room, Art Village Osaki Central Tower 7th Floor,
1-2-2 Osaki, Shinagawa-ku, Tokyo

3. Objectives of the Meeting

Matters to be reported:

- a. Business Report and Consolidated Financial Statements for the 128th Fiscal Year (from April 1, 2021 to March 31, 2022), as well as the audit reports of the Independent Auditor and the Audit & Supervisory Board for Consolidated Financial Statements
- b. Non-Consolidated Financial Statements for the 128th Fiscal Year (from April 1, 2021 to March 31, 2022)

Agenda for resolution:

- Proposal 1:** Amendment to the Articles of Incorporation
Proposal 2: Election of Eight (8) Directors
Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member
Proposal 4: Revision of Remuneration Amount for Directors
Proposal 5: Approval of the Policies against a Large-Scale Purchase of the Company’s Shares, etc. (Takeover Defense Measures)

4. Notice Regarding Exercise of Voting Rights

- a. If you do not indicate your approval or disapproval of the proposal in your vote by Form for Exercising Voting Rights, we will assume that you have voted in favor of the proposal.
- b. If you exercise your voting rights multiple times via the Internet, etc., or by both the Form for Exercising Voting Rights and via the Internet, etc., the last exercise shall be considered valid. In such cases where votes from both the Form for Exercising Voting Rights and via the Internet, etc. arrive on the same day, the vote via the Internet, etc. shall be considered valid.

Notes:

- * You are kindly requested to present the enclosed Form for Exercising Voting Rights to the receptionist when you attend the meeting. For the purpose of resource-saving, please bring this notice of convocation with you.
- * Because the “Notes to the Consolidated Financial Statements” and “Notes to the Non-Consolidated Financial Statements” among the documents to be submitted when sending the Notice are posted on our website (<http://www.topy.co.jp/>) according to laws and Article 15 of the Articles of Incorporation of the Company, they are not included in the Appendix regarding matters to be reported. In addition, the “Notes to the Consolidated Financial Statements” and “Notes to the Non-Consolidated Financial Statements” have been combined with the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the auditing process, in order for the preparation of the audit reports of the Independent Auditor and the Audit & Supervisory Board.
- * If any changes are made to items in the Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements or Consolidated Financial Statements, such changes will be posted on our website. (<http://www.topy.co.jp/>)

Reference Documents for the General Meeting of Shareholders

Proposal 1 Amendment to the Articles of Incorporation

1. Reasons for the proposal

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation as it will introduce the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) As the Company shall be obligated to stipulate in the Articles of Incorporation that it will take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format, Article 15 (Measures, etc. for Providing Information in Electronic Format), paragraph 1 in the proposed amendment shall be newly established.
- (2) The Company intends to newly establish Article 15 (Measures, etc. for Providing Information in Electronic Format), paragraph 2 to provide for the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents to be restricted to the scope designated by the Ministry of Justice Order among items for which the measures for providing information that constitute the content of reference documents for the general meeting of shareholders, etc. in electronic format will be taken.
- (3) Since the provisions for Article 15 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) will no longer be required once the system for providing informational materials for the general meeting of shareholders in electronic format is introduced, they will be deleted.
- (4) Supplementary provisions will be established to stipulate when the aforementioned newly established and deleted provisions will take effect. These supplementary provisions shall be deleted after the specified date elapses.

2. Details of proposed amendments

The details of the proposed amendments are as follows.

(Underlined portions indicate the proposed amendments.)

Current Articles of Incorporation	Proposed amendments
<p><u>Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
(Newly established)	<p data-bbox="804 219 1353 271"><u>Article 15 (Measures, etc. for Providing Information in Electronic Format)</u></p> <ol data-bbox="820 282 1401 618" style="list-style-type: none"> <li data-bbox="820 282 1401 416">1. <u>When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> <li data-bbox="820 427 1401 618">2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u>
(Newly established)	<p data-bbox="963 656 1238 685">(Supplementary Provisions)</p> <ol data-bbox="820 696 1401 1256" style="list-style-type: none"> <li data-bbox="820 696 1401 909">1. <u>The amendment to the Articles of Incorporation pertaining to Article 15 shall be effective from September 1, 2022, which is the date of enforcement of the revised provisions provided for 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> <li data-bbox="820 920 1401 1111">2. <u>Notwithstanding the provision of the preceding paragraph, Article 15 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u> <li data-bbox="820 1122 1401 1256">3. <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u>

Proposal 2 Election of Eight (8) Directors

At the conclusion of this meeting, the terms of office of all seven (7) Directors will expire. Therefore, the Company proposes the election of eight (8) Directors.

The candidates for Director are as follows:

No.		Name (Age)		Positions, duties, and responsibilities in the Company and significant concurrent positions outside the Company	Attendance at Board of Directors Meetings	Number of years in office as a Director
1	Reelection	Nobuhiko Takamatsu (67 years old)		Representative Director and President in charge of Sales	17/17 (100%)	5 years
2	New election	Shinichi Kijima (63 years old)		Vice President, Operating Officer, Assistant to the President	–	–
3	Reelection	Masayoshi Takezawa (61 years old)		Senior Managing Director in charge of Technology, Safety and Health, DX Strategy, and Business Development Strategy Center	13/13 (100%)	1 year
4	New election	Tsuyoshi Nakamura (62 years old)		Senior Executive Officer in charge of Corporate Planning and Sustainability Strategy	–	–
5	New election	Shuichi Tachibana (59 years old)		Managing Executive Officer in charge of General Affairs, Personnel, and Risk Management	–	–
6	Reelection	Takeshi Kiriyaama (59 years old)	Outside Independent	Director President of Value Management Institute, Inc., Director of Japan Economic Research Institute Inc.	17/17 (100%)	2 years
7	Reelection	Hiroko Kaneko (57 years old)	Outside Independent	Director Attorney at law, Audit & Supervisory Board Member of Shinsho Corporation	13/13 (100%)	1 year
8	New election	Takahiro Mikami (62 years old)	Outside Independent	Advisor of Shibaura Machine Co., Ltd.	–	–

- (Notes)
- There is no special interest between any of the candidates and the Company.
 - Takeshi Kiriyaama, Hiroko Kaneko and Takahiro Mikami are candidates for outside Director. The Company has submitted notification to the Tokyo Stock Exchange and the Nagoya Stock Exchange that Takeshi Kiriyaama and Hiroko Kaneko have been designated as independent officers as provided for by the aforementioned exchanges. The Company also plans to submit notification as to Takahiro Mikami's status as an independent officer to the aforementioned exchanges.
 - The Company has entered into agreements with Takeshi Kiriyaama and Hiroko Kaneko to limit their liability for damages set forth in Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the same Act. According to this agreement, the limit of liability for damages shall be the amount stipulated by laws and regulations, and if their reelection is approved, the Company plans to continue this agreement with them. If Takahiro Mikami is elected, the Company plans to enter into the aforementioned limited liability agreement with him.
 - The Company has concluded a directors and officers liability insurance policy with an insurance agency, as set forth in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers any damages arising from liability borne by the insured persons in the course of execution of their duties as an officer, etc. or from claims pertaining to the pursuit of such liability, and if each candidate is elected, they will be included as insured persons under the said insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the insurance policy with the same terms as above.
 - Attendance of Masayoshi Takezawa and Hiroko Kaneko at Board of Directors meetings shows those since their appointment as Directors on June 24, 2021.
 - The age and number of years in office as a Director of each candidate are as of the conclusion of this Ordinary General Meeting of Shareholders. The number of years in office as a Director is the total of the past years served as a Director.

Candidate No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
1	Reelection Nobuhiko Takamatsu (June 2, 1955)	<p>Apr. 1979 Joined NIPPON STEEL CORPORATION</p> <p>Apr. 2011 Executive Officer General Manager, Head of Division, Ironmaking Technology Division</p> <p>Apr. 2012 Advisor Executive Officer in charge of technology/quality, Usiminas Siderúrgicas de Minas Gerais S.A.</p> <p>Aug. 2014 Executive Vice President in charge of business planning</p> <p>Apr. 2016 Managing Executive Officer and Vice Head of Global Business Development Sector, NIPPON STEEL & SUMITOMO METAL CORPORATION</p> <p>Sept. 2016 Director, Usiminas Siderúrgicas de Minas Gerais S.A.</p> <p>Apr. 2017 Senior Executive Officer, Assistant to the President, the Company Advisor, Nippon Steel & Sumitomo Metal Corporation</p> <p>June 2017 Representative Director and President, the Company</p> <p>Apr. 2022 Representative Director and President in charge of Sales (to present)</p>	9,500
<p>[Reasons for nomination as candidate for Director]</p> <p>Nobuhiko Takamatsu has overseen the overall management of the Group since June 2017. In the rapidly changing business environment, he has demonstrated sufficient ability to take charge of management, including information gathering and analytical skills to grasp customer information, logic and flexibility to develop and implement management strategies on a case-by-case basis, and strong communication skills to disseminate such strategies both internally and externally. In addition to initiatives for “job satisfaction improvement” and efforts to build a “new Topy Industries” through promoting innovation, the continuation of strong leadership is necessary for the Company to recover from the significant downturn in business performance, which includes the impact of COVID-19, and to complete the three reforms (structural reform, business reform, work style reform) that are currently being undertaken, and therefore we propose his election as a Director.</p>			
2	New election Shinichi Kijima (November 28, 1958)	<p>Apr. 1981 Joined the Company</p> <p>Apr. 2010 Operating Officer, General Manager of Corporate Planning Dept.</p> <p>Apr. 2015 Managing Executive Officer, General Manager of Wheel Div.</p> <p>Apr. 2018 Vice President, Operating Officer, TOPY ENTERPRISES, LIMITED</p> <p>June 2018 Representative Director and President</p> <p>Apr. 2022 Vice President, Operating Officer, Assistant to the President, the Company and Representative Director and President, TOPY ENTERPRISES, LIMITED (to present)</p>	5,382
<p>[Reasons for nomination as candidate for Director]</p> <p>Shinichi Kijima has served as General Manager of Corporate Planning Dept. and Wheel Div., and possesses abundant and broad knowledge, experience and achievements in the administration section and business section. He has also demonstrated a high level of managerial ability as the Representative Director and President at a Group company. He has precise analytical skills, planning skills and rational judgment, and we have determined that he is qualified for the position of Assistant to the President. Therefore, we propose his election as a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
3	Reelection Masayoshi Takezawa (February 18, 1961)	<p>Apr. 1983 Joined the Company</p> <p>Apr. 2015 Operating Officer, General Manager of Business Process Innovation & Promotion Dept.</p> <p>Apr. 2017 Managing Executive Officer, General Manager of IoT Promotion Dept.</p> <p>Apr. 2018 Managing Executive Officer, General Manager of IoT Promotion Dept. and Engineering Administration Dept.</p> <p>Apr. 2021 Managing Executive Officer in charge of Technology, Business Innovation, Safety, and Smart Promotion</p> <p>June 2021 Managing Director in charge of Technology, Business Innovation, Safety, and Smart Promotion</p> <p>Oct. 2021 Managing Director in charge of Technology, Business Innovation, Business Development Strategy Center, Safety, and Smart Promotion</p> <p>Apr. 2022 Senior Managing Director in charge of Technology, Safety and Health, DX Strategy, and Business Development Strategy Center (to present)</p>	5,340
<p>[Reasons for nomination as candidate for Director]</p> <p>Masayoshi Takezawa has a wealth of knowledge and experience in the steel, IoT, and engineering departments, having served as General Manager of Toyohashi Plant, General Manager of IoT Promotion Dept., General Manager of Engineering Administration Dept., and General Manager of Business Process Innovation & Promotion Dept. in addition to experience in business administration and management, including supervision of domestic and overseas segment subsidiaries. Additionally, he provided strong leadership in operational efficiency improvement through introduction of key information system and in the planning and implementation of various measures, such as technological innovation, technical human resource development, and the smart factory initiatives based on embracing the challenge of innovation, which is the theme upheld for the former Medium-term Consolidated Management Plan. We have determined that he is qualified to continue to oversee the Group's overall engineering department, which includes the promotion of DX strategy, and therefore we propose his election as a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary	Number of the Company's shares owned	
4	New election Tsuyoshi Nakamura (April 2, 1960)	Apr. 1983	Joined the Company	3,600
		Apr. 2016	Operating Officer, General Manager of Engineering Administration Dept.	
July 2016	Operating Officer, General Manager of Engineering Administration Dept.			
Apr. 2018	Operating Officer, General Manager of Steel Div. and General Manager of Toyohashi Plant, Steel Div.			
Apr. 2020	Managing Executive Officer, General Manager of Steel Div.			
Apr. 2021	Managing Executive Officer, General Manager of Corporate Planning Dept.			
Apr. 2022	Senior Executive Officer in charge of Corporate Planning and Sustainability Strategy (to present)			
[Reasons for nomination as candidate for Director] Tsuyoshi Nakamura has served as General Manager of Engineering Administration Dept., General Manager of Steel Div., General Manager of Toyohashi Plant in Steel Div., and General Manager of Corporate Planning Dept. He also led several steelmaking investments with specialized knowledge of steelworking technologies for electric furnaces, and demonstrated a high level of skill as a general manager of divisions and a manufacturing site. He has a high level of knowledge related to the Company's overall technology, and an extensive network of contacts within and outside of the Company. As General Manager of Corporate Planning Dept., he strongly promoted initiatives for strengthening sustainability, and the formulation of the new Medium-term Consolidated Management Plan from a new perspective. Based on the above, we have determined that he is qualified to oversee the administration and business sections in promoting the Group's management strategies and sustainability strategies, and therefore we propose his election as a Director.				
5	New election Shuichi Tachibana (February 6, 1963)	Apr. 1985	Joined the Company	2,800
		Apr. 2018	Operating Officer, General Manager of General Affairs Dept.	
Apr. 2021	Operating Officer, General Manager of Undercarriage Components Div.			
Apr. 2022	Managing Executive Officer in charge of General Affairs, Personnel, and Risk Management (to present)			
[Reasons for nomination as candidate for Director] Shuichi Tachibana has served as General Manager of Kanagawa Plant in Undercarriage Components Div., General Manager of General Affairs Dept. and General Manager of Undercarriage Components Div., and is excellent at understanding issues, planning, building human relationships and negotiating due to his wealth of experience in the Undercarriage Components Div. and sales in particular. Furthermore, in the United States, he has experience not only with sales, but also launching crawler assembly plants, and gained deep trust as a general manager of a manufacturing site and divisions due to this wide-ranging knowledge and experience. As General Manager of General Affairs Dept., he has achievements in corporate governance, response to SDGs, the strengthening of communications, etc. Based on the above, we have determined that he is qualified to oversee the administration section in promoting structural reform of the Group's business, and therefore we propose his election as a Director.				

Candidate No.	Name (Date of birth)	Career summary		Number of the Company's shares owned
6	Reelection Takeshi Kiriya (August 26, 1962) Outside Independent	Apr. 1986	Joined the Japan Development Bank	0
		June 2008	Chief Representative in London, the Development Bank of Japan	
Apr. 2010	CEO, DBJ Europe Limited			
Sept. 2013	Director of Industrial Research, Development Bank of Japan Inc.			
June 2015	Operating Officer, Director of Corporate Investment			
June 2018	Chairman of the Board of Directors, DBJ Asset Management Co., Ltd.			
June 2020	Director, the Company (to present) President of Value Management Institute, Inc. (to present) Director of Japan Economic Research Institute Inc. (to present)			
[Reasons for nomination as candidate for outside Director and overview of expected roles] Takeshi Kiriya has a wealth of knowledge and experience gained in international and investment operations at financial institutions. In the international operation, he has developed new business models in the establishment of local subsidiaries, and in the investment operation, he has achieved business turnarounds in the manufacturing and other industries. He has contributed to the appropriate decision-making of the Board of Directors and to improvement of the effectiveness of management supervision, and is expected to continue to contribute to the Company's sustainable growth and enhancement of corporate value over medium to long term. Therefore, we propose his election as an outside Director.				
7	Reelection Hiroko Kaneko (October 15, 1964) Outside Independent	Apr. 1997	Admitted to Bar, Japan (to present)	0
		Mar. 2006	Admitted to Bar, New York (to present)	
June 2019	Audit & Supervisory Board Member of Shinsho Corporation (to present)			
June 2021	Director, the Company (to present)			
[Reasons for nomination as candidate for outside Director and overview of expected roles] Hiroko Kaneko has a wealth of knowledge and experience in corporate legal affairs, litigation, labor law, and other legal matters that she cultivated over many years as an attorney at law. She also holds a Master of Laws from study abroad in the United States and is admitted to the New York State Bar. In addition, she is involved in corporate management and corporate auditing as an Audit and Supervisory Board Member. Although she has no past experience of being involved in the management of a company in any way other than being an outside officer, she has contributed to ensuring and stabilizing the legality and effectiveness of the Board of Directors, and is expected to continue to contribute to the Company's sustainable growth and enhancement of corporate value over medium to long term. Therefore, we propose her election as an outside Director.				

Candidate No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
8	New election Takahiro Mikami (October 13, 1959) Outside Independent	Apr. 1982 Joined Toshiba Machine Co., Ltd. June 2013 Executive Officer, Molding Machinery Business Unit Deputy General Manager June 2014 Director and Executive Officer, Molding Machinery Business Unit General Manager, and Sagami Plant General Manager June 2015 Director and Managing Executive Officer, Molding Machinery Business Unit General Manager, and Sagami Plant General Manager June 2016 Director and Managing Executive Officer, Molding Machinery Business Unit General Manager, Administration Division General Manager, Tokyo Head Office General Manager, and in charge of Sales Promotion Department Apr. 2017 President and Chief Operating Officer Feb. 2020 Director June 2020 Advisor of Shibaura Machine Co., Ltd. (to present)	0
<p>[Reasons for nomination as candidate for outside Director and overview of expected roles] Takahiro Mikami has experience as a Representative Director based on a wealth of experience and achievements cultivated in key divisions, sales, and administration sections in the global manufacturing industry. During his tenure as President, he has achievements, such as promoting production reform, optimizing overseas bases, formulating the medium-term management plan, and strengthening governance. We propose his election as an outside Director as he is expected to provide advice concerning business and contribute to strengthening governance based on his wide range of experience in the manufacturing industry.</p>			

(Reference)

<Structure of the Board of Directors>

The Articles of Incorporation of the Company stipulate that the Company shall have no more than nine (9) Directors, while the basic rule is to have a necessary and appropriate number of Directors to ensure an effective management system and substantive discussions at the Board of Directors meetings. In order to ensure diversity and expertise on the Board of Directors, the Board of Directors shall be composed of persons deemed appropriate, taking into consideration a balance of Executive Directors who have excellent personality, insight, and ability to get things done, and are well-versed in the Group's business, and outside Directors in an independent position.

<Policies and Procedures for Nominating Candidates for Directors and Officers>

The Company considers directors and officers to be persons of good personality, insight, and ability to get things done, and to be able to fulfill the duties of their offices, and nominates candidates for Executive Directors and Audit & Supervisory Board Members who are well-versed in the Group's business, and candidates for outside Directors and outside Audit & Supervisory Board Members who have a high degree of independence and expertise.

Candidates for the Company's Directors and Officers are deliberated by the Nomination Advisory Committee, a voluntary body, and based on its report, the Board of Directors decides on the candidates. Nomination for the reappointment of the President and other Executive Directors are deliberated annually by the Nomination Advisory Committee, based on an evaluation of the Company's performance and other factors. The Nomination Advisory Committee consists of two (2) outside members and one (1) internal member.

In the event of a violation of laws, regulations, or the Articles of Incorporation by the President or other Executive Directors, the Board of Directors will decide on the dismissal of such Directors from their positions or duties and the submission of a proposal for their dismissal to the General Meeting of Shareholders.

<Independence Standards>

The Company determines the independence of its outside Directors and outside Audit & Supervisory Board Members in accordance with the independence standards established by the Tokyo Stock Exchange and in consideration of their interests in the Company with respect to major shareholders, business partners, and parties with which the Company is required to disclose attribute information, parties with which outside officers have relationships of mutual appointment, and parties who receive donations from the Company, as well as the executives thereof.

(Reference)

[Skills Matrix of Directors after This General Meeting of Shareholders]

If Proposal 2 is approved and adopted as proposed, the skills matrix of Directors will be as follows.

Name	Skills and Experience							
	Corporate Management	Finance and Accounting	Legal Affairs and Risk Management	Global and Overseas Business	Personnel/Labor Affairs/Human Resource Development	Sales	Technology/Safety/IT/DX	ESG and Sustainability
Nobuhiko Takamatsu	●	◆	●	●	◆	●	●	●
Shinichi Kijima	●	●	●	◆	●	◆		
Masayoshi Takezawa	●				●		●	●
Tsuyoshi Nakamura		●			●		●	●
Shuichi Tachibana			●	●	●	●		
Takeshi Kiriya	●	●	●	●	◆	◆		●
Hiroko Kaneko			●	●				
Takahiro Mikami	●	◆	●	◆	●	●	●	

Items marked with ◆ represent skills as an experienced representative Director.

Skills of executive Directors other than experienced representative Directors are limited to four items.

Proposal 3 Election of One (1) Substitute Audit & Supervisory Board Member

The Company requests approval for the election of one (1) substitute Audit & Supervisory Board Member 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 election can be nullified by resolution of the Board of Directors if the consent of the Audit & Supervisory Board has been obtained; provided, however, that it is only in a time before assuming office.

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

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
<p>Shinsuke Kubo (March 4, 1956) Outside Independent</p>	<p>Apr. 1979 Joined Sanwa & Co. Tokyo Marunouchi Office Mar. 1982 Registered as Certified Public Accountant (to present) June 1998 Representative Partner, Tohmatsu & Co. Oct. 2017 Managing Partner, Shinsuke Kubo CPA Office (to present) Jan. 2018 Representative Director, Japan Enterprise Sustainable Transformation Advisory Co., Ltd. May 2018 Representative Partner, Kyoei Accounting Office (to present) June 2018 Outside Audit & Supervisory Board Member, Japan Airlines Co., Ltd. (to present) June 2020 Outside Audit & Supervisory Board Member, KAWASAKI KISEN KAISHA, Ltd. (to present) (Significant concurrent positions outside the Company) Certified Public Accountant Representative Partner, Kyoei Accounting Office Outside Audit & Supervisory Board Member, Japan Airlines Co., Ltd. Outside Audit & Supervisory Board Member, KAWASAKI KISEN KAISHA, Ltd.</p>	<p>0</p>
<p>[Reasons for nomination as candidate for substitute outside Audit & Supervisory Board Member] Shinsuke Kubo has excellent personality and insight, a wealth of knowledge and experience related to accounting cultivated over many years as a certified public accountant, and management experience at a company that supports business revitalization. Based on the above knowledge and experience, we have determined that he is suitable for this role as he can be expected to fairly evaluate from a broad perspective the legal compliance and appropriateness of decision-making by the Board of Directors and the appropriateness of accounting audits, and to contribute to ensuring the soundness of the Company's management with useful advice. Therefore we propose his election as a substitute Audit & Supervisory Board Member.</p>		

- (Notes) 1. There is no special interest between Shinsuke Kubo and the Company.
 2. Shinsuke Kubo is a candidate for substitute outside Audit & Supervisory Board Member.
 3. If Shinsuke Kubo assumes the office of Audit & Supervisory Board Member, the Company plans to submit notification to the Tokyo Stock Exchange and the Nagoya Stock Exchange concerning his designation as an independent officer as provided for by the aforementioned exchanges.
 4. If Shinsuke Kubo assumes the office of Audit & Supervisory Board Member, the Company plans to enter into an agreement with him to limit his liability for damages set forth in Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the same Act. According to this agreement, the limit of liability for damages shall be the amount stipulated by laws and regulations.
 5. The Company has concluded a directors and officers liability insurance policy with an insurance agency, as set forth in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers any damages arising from liability borne by the insured persons in the course of execution of their duties as an officer, etc. or from claims pertaining to the pursuit of such liability, and if Shinsuke Kubo assumes the office of Audit & Supervisory Board Member, he will be included as insured persons under the said insurance policy.

(Notes) 6. Japan Airlines Co., Ltd., where Shinsuke Kubo currently serves as Outside Audit & Supervisory Board Member, was found to have committed serious violations that affect the safety of aviation in December 21, 2018, such as issues concerning consumption of alcohol of the operating crews, changes in crew formation, etc., and received a “Business Improvement Order To Ensure Safety of Air Transport” from the Ministry of Land, Infrastructure, Transport and Tourism. Also in December 21, 2018, Japan Air Commuter Co., Ltd., a subsidiary of Japan Airlines Co., Ltd., received an administrative warning regarding misconduct by a flight crew and insufficient safety management system. On January 11, 2019, Japan Airlines Co., Ltd. received a business improvement advisory to ensure safety of air transport due to a case of alcohol consumption by a cabin crew. Furthermore, on April 9, 2019, J-AIR Corporation, a subsidiary of Japan Airlines Co., Ltd., received an administrative warning regarding insufficient safety management system. On October 8, 2019, Japan Airlines Co., Ltd. again received a business improvement order for ensuring the safety of air transportation as it was recognized that the company’s flight crew management and safety management systems were inadequate. On the same date, Japan Transocean Air Co., Ltd., a subsidiary of Japan Airlines Co., Ltd., was issued an administrative warning regarding insufficient internal safety management systems of the company after a violation of regulations relating to alcohol testing by a flight crew. Although Mr. Kubo had no knowledge of the facts until the matters were brought to light, he had been providing suggestions based on his perspective of legal compliance at meetings of the Board of Directors and other venues. In addition, since the cases were acknowledged, he has been fulfilling his responsibilities, including giving advice on thorough investigations regarding the cases and formulation of recurrence-preventive measures.

Proposal 4 Revision of Remuneration Amount for Directors

The remuneration amount for Directors of the Company was approved to be not more than ¥40 million per month (including not more than ¥2 million for outside Directors) at the 121st Ordinary General Meeting of Shareholders held on June 25, 2015, which remains to the present. However, taking into consideration various matters, such as the subsequent increase in the number of outside Directors and change in societal demands related to the expansion of their roles, the Company proposes to abolish the framework for the portion for outside Directors (not more than ¥2 million per month) in the scope of the current remuneration framework for Directors in order to flexibly respond to the future increase in the number of outside Directors and decisions of the remuneration amount.

As before, the remuneration amount for Directors stated above does not include employee salaries for Directors who concurrently serve as employees.

The Company deems this proposal as appropriate as it was resolved by the Board of Directors after deliberation by the Compensation Advisory Committee, while giving general consideration to factors such as the size of the Company's business, the remuneration system for officers and their payment levels, the current number of officers and future trends.

In addition, the determination policy concerning the details of remuneration, etc. for individual Directors of the Company is as described in 5) in "4. Company Officers" in the Business Report (in Japanese only). There are currently seven (7) Directors (of which, two (2) are outside Directors), but if Proposal 2 "Election of Eight (8) Directors" is approved and adopted as proposed, there will be eight (8) Directors (of which, three (3) will be outside Directors).

Proposal 5 Approval of the Policies against a Large-Scale Purchase of the Company’s Shares, etc. (Takeover Defense Measures)

The Company’s Board of Directors, at its meeting held on May 21, 2019, determined policies for responding to acts of purchasing of the Company’s share certificates, etc. that aim to increase the ratio of voting rights ^(Note 1) of a specific shareholder group ^(Note 2) to 20% or more, or acts of purchasing of the Company’s share certificates, etc. that will result in the ratio of voting rights of a specific shareholder group being 20% or more (excluding cases when the Company’s Board of Directors has agreed in advance in both instances. Hereinafter such purchasing acts shall be referred to as the “Action of Large-scale Purchase,” the party that conducts or intends to conduct such Action of Large-scale Purchase shall be referred to as the “Large-scale Purchaser,” and the policies for responding to such Action of Large-scale Purchase shall be referred to as the “Original Response Policies”). The Company introduced the Original Response Policies at the 125th Ordinary General Meeting of Shareholders held on June 25, 2019, with the approval of shareholders. After the introduction of the Original Response Policies, the Company has continued to closely monitor trends in the enforcement of the Financial Instruments and Exchange Act and related ministerial ordinances, and in light of changes in the trend of hostile takeovers and other social and economic conditions, the details of recent judicial decisions on takeover defense measures, and the recent progress of discussions on various matters including corporate governance, the Company has been considering the ideal form of the Original Response Policies, including whether to maintain the Original Response Policies, as an effort to further secure and enhance the Company’s corporate value and ultimately the common interests of its shareholders.

As a result of such review, the Board of Directors of the Company resolved at its meeting held on May 20, 2022, that the Company shall introduce the following policies against the Action of Large-scale Purchase (the “Policies against a Large-scale Purchase”), subject to approval and adoption by a majority of the voting rights

1 Ratio of voting rights means: depending on the specific purchase method of a specific shareholder group

- (i) If a specific shareholder group is a holder of share certificates, etc. of the Company and its joint holders, the holding ratio of share certificates, etc. of such holders (the holding ratio of share certificates, etc. provided for in Article 27-23, paragraph (4) of the Financial Instruments and Exchange Act. In such case, the number of share certificates, etc. held by joint holders of such holders (the number of share certificates, etc. held provided for in Article 27-23, paragraph (4) of the Act) shall also be considered in the calculation, and the same shall apply hereinafter unless otherwise prescribed); or
- (ii) If the specific shareholder group is a purchaser of share certificates, etc. (share certificates, etc. provided for in Article 27-2, paragraph (1) of the Act) of the Company, or parties with a special relationship thereto, it means the total of the ratio of share certificates, etc. held by such purchaser and such parties with a special relationship (the ratio of share certificates, etc. held provided for in Article 27-2, paragraph (8) of the Act, and the same shall apply hereinafter otherwise prescribed.)

When calculating the holding ratio of share certificates, etc. and the ratio of share certificates, etc. held, the total number of shares issued (the total number of shares issued provided for in Article 27-23, paragraph (4) of the Financial Instruments and Exchange Act, and the same shall apply hereinafter unless otherwise prescribed) and the number of total voting rights (the number of total voting rights provided for in Article 27-2, paragraph (8) of the Act, and the same shall apply unless otherwise prescribed) may refer to the most recently submitted securities reports, quarterly reports, and share buyback reports.

2 Specific shareholder group means:

- (i) 1) Holders (holders provided for in Article 27-23, paragraph (1) of the Financial Instruments and Exchange Act, including parties included in holders pursuant to Article 27-23, paragraph (3) of the Act, and the same shall apply hereinafter unless otherwise prescribed) of the Company’s share certificates, etc. (share certificates, etc. provided for in Article 27-23, paragraph (1) of the Act and the same shall apply hereinafter unless otherwise prescribed), and 2) its joint holders (joint holders provided for in Article 27-23, paragraph (5) of the Act, including parties deemed to be joint holders pursuant to the provision of the main clause of Article 27-23, paragraph (6) of the Act, and the same shall apply hereinafter unless otherwise prescribed); and
- (ii) 1) Parties that purchase, etc. (purchasing provided for in Article 27-2, paragraph (1) of the Act, including purchase conducted in a financial instruments exchange markets, and the same shall apply hereinafter unless otherwise prescribed) the Company’s share certificates, etc. (share certificates, etc. provided for in Article 27-2, paragraph (1) of the Act), and 2) parties with a special relationship thereto (parties with a special relationship provided for in Article 27-2, paragraph (7) of the Act, and the same shall apply hereinafter unless otherwise prescribed)

In the case of an amendment to any of the laws and regulations, etc. referred to in the Policies against a Large-scale Purchase (including changes in the names of laws and regulations and the establishment of new laws and regulations, etc. that succeed old laws and regulations, etc.), any reference to the provisions and terms of such laws and regulations, etc. in the Policies against a Large-scale Purchase shall be deemed to be replaced with a reference to the provisions and terms of amended laws and regulations, etc. that substantively succeed the old provisions and terms unless otherwise prescribed by the Board of Directors of the Company.

of the shareholders present at this General Meeting of Shareholders, after partial amendments to the Original Response Policies, which will expire at the conclusion of this Meeting, as efforts to prevent the Company's determination of financial and business policies from being controlled by an inappropriate person in light of basic policies regarding the way a person is to control the determination of financial and business policies of the Company set forth in the main sentence of Article 118, Item 3 of the Regulations for Enforcement of the Companies Act (the "Basic Policies"). This proposal requests the approval of the shareholders present at this Meeting for the Policies against a Large-scale Purchase.

There is no change in the substance of the Policies against a Large-scale Purchase from the Original Response Policies, except that the effective period of the Policies against a Large-scale Purchase is until the conclusion of the 131st Ordinary General Meeting of Shareholders of the Company scheduled to be held in June 2025.

In addition, the Policies against a Large-scale Purchase at a meeting of the Company's Board of Directors held on May 20, 2022, with the approval of all Directors present, including two outside Directors who are independent officers, and all of the Company's Audit & Supervisory Board Members, including two outside Audit & Supervisory Board Members who are independent officers, were present at that meeting, all of whom expressed the same opinion that the introduction of the Policies against a Large-scale Purchase is appropriate.

The Company's top 10 major shareholders as of March 31, 2022 are listed on page 49 (in Japanese only). At the time of the decision by the Board of Directors of the Company to introduce the Policies against a Large-scale Purchase, there has been no approach or offer regarding the Action of Large-scale Purchase of the Company's share certificates, etc.

1. Purposes of Introduction of the Policies against a Large-scale Purchase

The Company will introduce the Policies against a Large-scale Purchase to secure or enhance the Company's corporate value and, ultimately, the common interests of its shareholders. Details of the Company's views on the introduction of the Policies against a Large-scale Purchase are as follows.

The Company's business covers several business areas, including steel products, automotive wheels, and undercarriage components for construction equipment, and the Group's business covers a wide range of areas: materials, motorization, land development and urban construction, electricity, distribution, sports and leisure, recycling, transportation, and services. In addition, we are currently implementing various initiatives that contribute to the realization of our Basic Policies, including efforts to enhance our corporate value based on the sources of our corporate value. Please refer to pages 60 through 61 for an overview of the contents of such Basic Policies and a summary of special initiatives that contribute to the realization of the Basic Policies (in Japanese only).

Therefore, in the event that the Company receives a proposal for the Action of Large-scale Purchase from the Large-scale Purchaser, it would be considered extremely difficult for the shareholders to make an appropriate decision on whether or not to accept such proposal for the Action of Large-scale Purchase within a short period of time upon fully understanding the status of the businesses of the Company and the Group, the corporate value of the Company based on various initiatives currently being implemented by the Company, and the specific conditions and methods, etc. of the proposal for the Action of Large-scale Purchase.

Thus, in order for the shareholders to make an appropriate decision on whether or not to accept the proposal of the Action of Large-scale Purchase, it is necessary for the shareholders to receive not only the information provided unilaterally by the Large-scale Purchaser but also the information provided by the Board of Directors of the Company, who is actually in charge of the management of the Company and familiar with the Company's business and the various initiatives mentioned above, as well as the sufficient information including the Board of Directors' evaluation and opinion regarding such Action of Large-scale Purchase. We also consider it essential that adequate time be given for the shareholders to contemplate such information provided. Additionally, if the Company deems it necessary to change or improve the conditions or methods of the Action of Large-scale Purchase from the perspective of securing or enhancing the Company's corporate value and, ultimately, the common interests of its shareholders, the Company considers it essential to negotiate with the Large-scale Purchaser regarding the conditions and methods of the Action of Large-scale Purchase and present an alternative proposal, and therefore time should be secured necessary for such negotiations and proposals.

Furthermore, if the Board of Directors of the Company has concluded that the Action of Large-scale Purchase significantly damages the corporate value of the Company and, ultimately, the common

interests of the shareholders, as such Action is done to purchase the Company's shares and conduct an abusive corporate management for the sole purpose of pursuing its own interests as a majority shareholder, to virtually force the Company's shareholders to sell their share certificates, etc., or that the Action of Large-scale Purchase does not give enough information and time for the shareholders to examine the conditions and methods, etc. of such Action and for the Board of Directors of the Company to present an alternative proposal, etc., as a result of evaluating and examining whether or not such Action will contribute to securing or enhancing the Company's corporate value and, ultimately, the common interests of its shareholders, including the management policies of the Company held by the Large-scale Purchaser after the Action of Large-scale Purchase, the Board of Directors of the Company considers it essential to take necessary and reasonable countermeasures against such Action of Large-scale Purchase.

In addition, NIPPON STEEL CORPORATION, which has a business alliance with the Company, is the largest shareholder and holds 20.92% of the Company's shares issued (excluding treasury stock) as of March 31, 2022; however, there are no other major shareholders holding 10% or more of the shares issued. The composition of shareholders of the Company is widely dispersed among financial institutions, individuals, and others. Therefore, we believe that there is a sufficient possibility that the Action of Large-scale Purchase may be made in the future that would significantly damage the corporate value of the Company and, ultimately, the common interests of its shareholders, and that it is essential to ensure necessary and sufficient information and time for the shareholders to examine the conditions and methods, etc. of such Action and for the Board of Directors of the Company to present an alternative proposal, etc. in the event of such Action.

Thus, for the purpose of securing or enhancing the corporate value of the Company and, ultimately, the common interests of its shareholders, the Board of Directors of the Company has decided to establish certain rules concerning the provision of information from the Large-scale Purchaser at the time of the Action of Large-scale Purchase and securing time for consideration, etc. (the "Large-scale Purchase Rules") to ensure necessary and sufficient information and time for the shareholders to examine the conditions and methods, etc. of such Action and for the Board of Directors of the Company to present an alternative proposal, etc., and decided to introduce the Policies against a Large-scale Purchase as efforts to prevent the Company's determination of financial and business policies from being controlled by an inappropriate party in light of the Basic Policies.

2. Large-scale Purchase Rules

Details of the Large-scale Purchase Rules to be followed by the Large-scale Purchaser are described below.

(1) Prior submission of A letter of intent of the Action of Large-scale Purchase to the Company

Firstly, the Large-scale Purchaser is requested to submit a letter of intent to the Representative Director, President and CEO of the Company, prior to the Action of Large-scale Purchase, which contains a pledge to conduct the Action of Large-scale Purchase in accordance with the Large-scale Purchase Rules and certain other matters in Japanese.

Specifically, the letter of intent of the Action of Large-scale Purchase should include the following matters.

(i) Outline of the Large-scale Purchaser

- 1) Name or appellation, and address or location
- 2) Names of representatives
- 3) Purpose and business description of the company, etc.
- 4) Summary description of major shareholders or equity holders (10 largest holders in terms of the number of shares held or equity holding ratio)
- 5) Contact address in Japan
- 6) Law governing the incorporation

(ii) The number of shares, etc. of the Company currently held by the Large-scale Purchaser and the trading status of the Purchaser regarding the shares, etc. of the Company during the period of 60 days prior to the date of submission of the Letter of Intent

(iii) The outline of the Action of Large-Scale Purchase proposed by the Large-scale Purchaser

(including the classes and the number of shares, etc. of the Company planned to be purchased by the Purchaser through the Action of Large-Scale Purchase and the outline of purpose of the Action [if the Purchaser's purposes include: the acquisition of control or the participation in management; pure investment or strategic investment, any transfer of shares, etc. of the Company to a third party after the completion of the Action; making a material proposal ^(Note 3); or other purposes, the Purchaser must describe that fact and outline of them; if there are more than one purposes, the Purchaser is required to state all of them]).

(iv) Pledge to comply with the Large-scale Purchase Rules

In submitting the Letter of Intent for the Action of Large-scale Purchase, the Large-scale Purchaser is requested to attach the certified copy of commercial registration, a copy of articles of incorporation, and other documents (including a Japanese translation if in a foreign language) that certify the existence of the Purchaser.

In the event of that the Representative Director, President and CEO of the Company receives a letter of intent from the Purchaser, we will promptly disclose that fact and if necessary, the details of thereof.

(2) Provision of Large-scale Purchase Information from the Large-scale Purchaser

In cases where the Purchaser has submitted the Letter of Intent referred to in (1) above, the Purchaser is required to submit information in Japanese to the Representative Director, President and CEO of the Company that is necessary and sufficient for shareholders to make a decision and for the Board of Directors of the Company to evaluate and examine regarding the Action of Large-scale Purchase (the "Large-scale Purchase Information") in accordance with the following procedure:

First, within 10 business days ^(Note 4) (not including the first day) from the date of submission of the Letter of Intent for a Large-scale Purchase, the Company will send a list of the Large-scale Purchase Information, which describes the information to be initially provided, to the Large-scale Purchaser, to the contact address in Japan described in (1) (i) (5) above, and the Purchaser shall provide sufficient information in writing or by any other means deemed appropriate by the Company, to the Representative Director, President and CEO of the Company in accordance with such list of the Large-scale Purchase Information.

Additionally, if the Board of Directors of the Company may reasonably determine that the information provided by the Large-scale Purchaser in accordance with the list of the Large-scale Purchase Information above is inadequate or insufficient for the shareholders' judgment and the Board of Directors' evaluation and examination in light of the content and manner, etc. of the Action of Large-scale Purchase, after obtaining advice from financial advisors, attorney at law, certified tax accountant, certified public accountant, and other experts independent of the Board of Directors (the "Outside Experts") if necessary, the Purchaser will be required to provide additional information separately requested by the Board of Directors.

In principle, information regarding each of the following items shall be included as part of the list of the Large-scale Purchase Information; however, the specific content of the information to be included in the list of the Large-scale Purchase Information shall be reasonably determined by the Board of Directors of the Company, after obtaining advice from the Outside Experts as necessary, in light of the content and manner, etc. of such Action of Large-scale Purchase. If the Large-scale Purchaser is unable to provide some of the information pertaining to the items on the list of the Large-scale Purchase Information, the Company will request the Purchaser to specifically indicate the reasons why the Purchaser is unable to provide such information.

- 1) Details of the Large-scale Purchaser and its group (including history, amount of capital or investments, total number of shares issued, names, career history, and number of shares held of directors and officers, and other conditions of the company, etc., as well as financial position,

3 This term means material proposal as defined in Article 27-26, paragraph (1) of the Financial Instruments and Exchange Act, Article 14-8-2, paragraph (1) of the Order for Enforcement of the Financial Instruments and Exchange Act, and Article 16 of the Cabinet Office Order on Disclosure of the Status of Large-Volume Holdings in Share Certificates. The same shall apply hereinafter unless otherwise prescribed.

4 A business day means a day other than the days set forth in the items of Article 1, paragraph (1) of the Act on Holidays of Administrative Organs. The same shall apply hereinafter unless otherwise prescribed.

- operating results, and other accounting information for the last two fiscal years)
- 2) Purpose of the Action of Large-scale Purchase (specific details of the purpose disclosed in the Letter of Intent for Large-scale Purchase), method and details (including opinions on the legality of the Action of Large-scale Purchase (including the prospect of obtaining any permits and approvals required under laws and regulations))
 - 3) The type and amount of consideration for the purchase (if securities, etc. are the consideration, the type and exchange ratio of such securities, etc.; if securities, etc. and cash are the consideration, the type and exchange ratio of such securities, etc. and the amount of cash are to be stated), and the basis and background of the calculation of such amount (with respect to the basis for the calculation, the reasons for the calculation should be stated in detail, and if such amount differs from the market price or from the price of recent transactions conducted by the Large-scale Purchaser, the details of such difference should also be stated. In addition, with respect to the difference in the price of the purchase price according to the type of share certificates, etc., the details of the conversion approach, etc. should be specifically stated. Regarding the background of the calculation, if a third party's opinion was obtained at the time of the calculation, the name of such third party, a summary of the opinion, and the circumstances leading to the determination of the amount based on such opinion should be specifically stated.)
 - 4) The proof of funds for the purchase consideration, and the name and summary of the source of such funds (in case of deposits, the balance of each type of deposit; in case of loans, the amount of the loans, the type of industry, etc. of the lender, the details of the loan agreement, and if other financing methods are used, the details, the amount of funds raised, and the type of industry, etc. of the lender)
 - 5) The status of a hypothecation agreement or any other agreement with a third party with respect to the Company's share certificates, etc. already held by the Large-scale Purchaser (specific details of the agreement, such as the type of agreement, the counterparty to the agreement, and the quantity of share certificates, etc. that are subject of the agreement)
 - 6) The plan of a hypothecation agreement or any other agreement with a third party with respect to the Company's share certificates, etc. planned to be purchased by the Large-scale Purchaser through the Action of Large-scale Purchase (specific details of the agreement, such as the type of agreement, the counterparty to the agreement, and the quantity of share certificates, etc. that are subject of the agreement)
 - 7) The method of acquiring control or management participation in the Company and the Group that the Large-scale Purchaser aims for after the completion of such Action, as well as the management policy after the acquisition of control or the plan after the management participation if the purpose of the Action of Large-scale Purchase is to acquire control or participate in management Details and necessity of any planned reorganization, corporate group restructuring, dissolution, disposal or acquisition of material assets, borrowing in a significant large amounts, selection or dismissal of Representative Director, etc., change in composition of directors and officers, material change in dividend or capital policy, or any other major change in the management policies of the Company or the Group, or any action that would seriously affect the management policies of the Company or the Group
 - 8) The policies for holding and trading of share certificates, etc., other policy for recovery of invested capital, and policy for exercising voting rights after the Action of Large-scale Purchase, and the reasons for such policies if the purpose of such Action is pure investment or strategic investment, and necessity of the Action of Large-scale Purchase as a strategic investment for the purpose of a long-term capital alliance
 - 9) Information concerning the purpose, content, necessity and timing of an act of making a material proposal, etc. and in what cases such act of making a material proposal, etc. will be conducted if the purpose of the Action of Large-scale Purchase is to conduct such act of making a material proposal, etc. or if there is a possibility that such act of making a material proposal, etc. will be conducted after the Action of Large-scale Purchase
 - 10) The reasons for and details of any further acquisition of the Company's share certificates, etc., if any, after the Action of Large-scale Purchase

- 11) Statement to the effect that the Company's share certificates, etc. are likely to be delisted after the Action of Large-scale Purchase and the reason for such delisting, if any
- 12) Presence or absence of communication with a third party at the time of the Action of Large-scale Purchase, and the purpose and specific details of such communication and the outline of the third party if such communication of intent exists
- 13) Presence or absence of any planned changes to the relationship between the Company and its customers, business partners, employees, local communities, and other stakeholders of the Company and the Group after the completion of the Action of Large-scale Purchase, and the specific details of such changes
- 14) Specific measures to avoid any conflict of interest with other shareholders of the Company
- 15) Information regarding any relationship with an anti-social force

If the fact that there has been a proposal of the Action of Large-scale Purchase and the information provided by the Large-scale Purchaser (with respect to the information that was not provided by the Large-scale Purchaser out of the information requested by the list of the Large-scale Purchase Information, such information and the reasons for such non-provision shall also be included. The same shall apply hereinafter.) are deemed necessary for the shareholders to make a decision, all or part of such information will be disclosed to the shareholders at a time deemed appropriate.

Additionally, when the Board of Directors of the Company reasonably determines that the information provided by the Large-scale Purchaser is sufficient as the Large-scale Purchase Information and that the provision of the Large-scale Purchase Information is complete, the Company will promptly notify such Purchaser to that effect (the "Notice of Completion of Provision of Information") and disclose such fact.

(3) Establishment of the Board of Directors' Evaluation Period

The Company shall, after obtaining advice from the Outside Experts as necessary, and depending on the degree of difficulty of evaluating the Action of Large-scale Purchase, and after giving the Notice of Completion of Provision of Information, set the consideration as cash (in Japanese Yen) only, and specify up to 60 days for the Action of Large-scale Purchase targeting all of the Company's share certificates, etc. and up to 90 days for other Action of Large-scale Purchase (not including the first day in either case) as a period for the Board of Directors to evaluate, examine, negotiate, form opinions, and develop alternative proposals (the "Board of Directors Evaluation Period").

During the Board of Directors Evaluation Period, the Board of Directors of the Company will, with advice from the Outside Experts as necessary, fully evaluate and examine the information provided by the Large-scale Purchaser, carefully formulate the Board of Directors' opinion on the Action of Large-scale Purchase, notify such Purchaser of the contents of such opinion and make a timely and appropriate public announcement. The Board of Directors of the Company will also negotiate the conditions and the method of the Action of Large-scale Purchase with the Large-scale Purchaser as necessary and may present an alternative proposal to its shareholders.

If there are unavoidable circumstances that prevent the Board of Directors of the Company from forming an opinion within the Board of Directors Evaluation Period, the Board of Directors of the Company shall, after obtaining advice from the Outside Experts as necessary, explain to the Special Committee (see 4. (1) below) the necessity of extending the Board of Directors Evaluation Period and the reasons thereof, and consult with the Special Committee about whether or not such Period should be extended. The Board of Directors may extend such Period for up to 30 days (not including the first day) to the extent deemed reasonably necessary, respecting the recommendation by the Special Committee to the maximum extent (such extension shall be limited to one time). If the Board of Directors of the Company decides to extend the Board of Directors Evaluation Period, the Board of Directors will promptly notify the Large-scale Purchaser of the period and reason for such extension and disclose such fact.

(4) Commencement of the Action of Large-Scale Purchase

The Large-scale Purchaser may commence the Action of Large-scale Purchase only after the Board of Directors Evaluation Period has elapsed. Please refer to 3. (1) (iii) below regarding the handling when

the General Meeting of Shareholders for Confirmation of Shareholders' Intentions (defined in 3. (1) (i) 2) below).

3. Response Policy in the Event of the Action of Large-scale Purchase

(1) Conditions for Invoking Countermeasures

- (i) If the Large-scale Purchaser Conducts the Action of Large-scale Purchase without Complying with the Large-scale Purchase Rules

1) When Invoking Countermeasures Based on the Recommendation of the Special Committee

In the event that the Large-scale Purchaser conducts or attempts to conduct the Action of Large-scale Purchase without complying with the Large-scale Purchase Rules, regardless of the specific purchase method, the Board of Directors of the Company shall deem such Action of Large-scale Purchase to be a hostile takeover that materially damages the Company's corporate value and, ultimately, the common interests of its shareholders, and may invoke necessary and reasonable countermeasures to secure or enhance the Company's corporate value and, ultimately, the common interests of its shareholders.

In such cases, as described in 4. (2) below, the Board of Directors of the Company shall consult with the Special Committee on whether or not to invoke the countermeasure prior to the invocation of the countermeasure, and shall respect the recommendation by the Special Committee to the maximum extent possible in making such judgment.

2) When Invoking Countermeasures Based on a Resolution of the General Meeting of Shareholders for Confirmation of Shareholders' Intentions

Notwithstanding 1) above, the Board of Directors of the Company may, if (a) the Special Committee recommends that a General Meeting of Shareholders for the purpose of confirming the intentions of shareholders as to whether or not to invoke the countermeasures (the "General Meeting of Shareholders for Confirmation of Shareholders' Intentions") be convened, or (b) the Board of Directors of the Company deems it appropriate to confirm the intentions of the shareholders (in case of (b) above, instead of consulting with the Special Committee), convene the General Meeting of Shareholders for Confirmation of Shareholders' Intentions and allow the shareholders to make a decision on whether or not to invoke the countermeasures.

- (ii) If the Large-scale Purchaser Conducts the Action of Large-scale Purchase with Complying with the Large-scale Purchase Rules

1) When Invoking Countermeasures Based on the Recommendation of the Special Committee

In the event that the Large-scale Purchaser conducts or attempts to conduct the Action of Large-scale Purchase with complying with the Large-scale Purchase Rules, even if the Board of Directors of the Company is opposed to such Action of Large-scale Purchase, we will not, in principle, invoke countermeasures against such Action of Large-scale Purchase, although we will not exclude the possibility of expressing an opposition opinion, presenting alternative proposals, or explaining to our shareholders, etc. The shareholders will be requested to decide whether or not to accept the proposal of the Action of Large-scale Purchase after considering the information provided by the Large-scale Purchaser with respect to such Action of Large-scale Purchase, the opinion and any alternative proposals with respect thereto by the Board of Directors of the Company.

However, even if the Large-scale Purchaser conducts or attempts to conduct the Action of Large-scale Purchase with complying with the Large-scale Purchase Rules, if such Action of Large-scale Purchase is clearly deemed to materially damage the Company's corporate value and, ultimately, the common interests of its shareholders, in cases where the Large-scale Purchaser's sole purpose is to obtain short-term profit, etc., the Board of Directors of the Company may invoke necessary and reasonable countermeasures to secure or enhance the Company's corporate value and, ultimately, the common interests of its shareholders. Specifically, if the proposed Action of Large-scale Purchase is found to fall under any of types of proposals listed in Appendix 1, or if there are circumstances in which it is objectively and reasonably suspected that it falls under any of types of proposals listed in Appendix 1, in principle, the said Action of

Large-scale Purchase will be considered to be a case where it is clearly recognized that the said Action of Large-scale Purchase would significantly damage the corporate value of the Company and, ultimately, the common interests of its shareholders.

In such cases, as described in 4. (2) below, the Board of Directors of the Company shall consult with the Special Committee on whether or not to invoke the countermeasure prior to the invocation of the countermeasure, and shall respect the recommendation by the Special Committee to the maximum extent possible in making such judgment.

2) When Invoking Countermeasures Based on a Resolution of the General Meeting of Shareholders for Confirmation of Shareholders' Intentions

Notwithstanding 1) above, the Board of Directors of the Company may, if (a) the Special Committee recommends that the General Meeting of Shareholders for Confirmation of Shareholders' Intentions be convened, or (b) it is clearly recognized that the Action of Large-scale Purchase would materially damage the corporate value of the Company and, ultimately, the common interests of its shareholders, and the Board of Directors of the Company deems it appropriate to confirm the intentions of the shareholders on whether or not to invoke the countermeasures (in case of (b) above, instead of consulting with the Special Committee), convene the General Meeting of Shareholders for Confirmation of Shareholders' Intentions and allow the shareholders to make a decision on whether or not to invoke the countermeasures.

(iii) Handling When the General Meeting of Shareholders for Confirmation of Shareholders' Intentions

When the Board of Directors of the Company convenes the General Meeting of Shareholders for Confirmation of Shareholders' Intentions, it shall follow the resolution of such General Meeting of Shareholders for Confirmation of Shareholders' Intentions regarding whether or not to invoke the countermeasures.

When the Board of Directors of the Company convenes the General Meeting of Shareholders for Confirmation of Shareholders' Intentions, it shall hold the General Meeting of Shareholders for Confirmation of Shareholders' Intentions without delay after the end of the Board of Directors Evaluation Period and submit a proposal for approval of the invocation of countermeasures against the Action of Large-scale Purchase.

If the Board of Directors of the Company decides to convene the General Meeting of Shareholders for Confirmation of Shareholders' Intentions, the Large-scale Purchaser may not commence the Action of Large-scale Purchase until the conclusion of such General Meeting of Shareholders for Confirmation of Shareholders' Intentions.

If the General Meeting of Shareholders for Confirmation of Shareholders' Intentions is not convened, the Large-scale Purchaser may commence the Action of Large-scale Purchase after the Board of Directors Evaluation Period has elapsed as described in 2. (4) above.

(2) Details of Countermeasures

Countermeasures under the Policies against a Large-scale Purchase include the gratis allotment of share acquisition rights (the "Share Acquisition Rights") and other measures permitted under laws and regulations and the Company's Articles of Incorporation. With respect to the selection of countermeasures, the Board of Directors of the Company will determine necessary and reasonable measures to secure or enhance the corporate value of the Company and, ultimately, the common interests of its shareholders, in accordance with the specific details of the Action of Large-scale Purchase, by comprehensively taking into consideration their effectiveness and cost, etc., while bearing in mind that the economic burden and disadvantage of shareholders other than the Large-scale Purchaser should be avoided as much as possible.

Outline of the Share Acquisition Rights is shown in Appendix 2.

4. Systems and Procedures to Ensure the Rationality and Fairness of the Policies against a Large-scale Purchase

(1) Establishment of the Special Committee

The Board of Directors of the Company will make the final decision as to whether or not to extend the Board of Directors Evaluation Period, whether or not to invoke countermeasures (provided, however, that this shall not apply in cases where the General Meeting of Shareholders for Confirmation of Shareholders' Intentions is convened), and whether or not to maintain the countermeasures invoked. To ensure the rationality and fairness of such decisions, the Company will establish the Special Committee as an organization independent from the Board of Directors of the Company (please refer to Appendix 3 for an outline of the Company's Special Committee Regulations). The Special Committee consists of at least three members, who are appointed by resolution of the Board of Directors of the Company from among outside Directors, outside Audit & Supervisory Board Members, attorneys at law, certified tax accountants, certified public accountants, academic experts, persons familiar with investment banking business, and outside persons who have experience as directors or executive officers of other companies.

A total of five members, Takeshi Kiriyama, Tetsuya Kawagishi, Akio Sakai, Hiroko Kaneko, and Takahiro Mikami, are scheduled to be appointed as members of the Special Committee at the time of the introduction of the Policies against a Large-scale Purchase. Career summary of each committee member is as shown in Appendix 4, "Career Summary of Special Committee Members." The Company has submitted notification to the Tokyo Stock Exchange and the Nagoya Stock Exchange designating Takeshi Kiriyama, Tetsuya Kawagishi, Akio Sakai, and Hiroko Kaneko as independent officers of the Company. Takahiro Mikami will be appointed as an outside Director of the Company, subject to his election at this General Meeting of Shareholders. The Company plans to submit notification to the Tokyo Stock Exchange and the Nagoya Stock Exchange designating Takahiro Mikami as an independent officer of the Company.

In addition, the Special Committee may obtain advice from the Outside Experts as necessary when considering matters for which it has been consulted.

(2) Procedures for Invoking Countermeasures

In the event that the Board of Directors of the Company invokes countermeasures, the following procedures shall be taken to ensure the rationality and fairness of its decisions (provided, however, that this shall not apply in cases where the General Meeting of Shareholders for Confirmation of Shareholders' Intentions is convened).

First, prior to the invocation of the countermeasures, the Board of Directors of the Company shall consult with the Special Committee as to whether or not to invoke the countermeasures, and the Special Committee shall make a recommendation to the Board of Directors of the Company as to whether or not to invoke the countermeasures based on such consultation. The Board of Directors of the Company shall respect such recommendation by the Special Committee to the maximum extent possible when deciding whether or not to invoke the countermeasures.

In addition to the above consultation with the Special Committee, the Board of Directors of the Company shall, based on the information provided by the Large-scale Purchaser and with advice from the Outside Experts as necessary, decide whether or not to invoke countermeasures after considering the specific details of the Large-scale Purchaser and the Action of Large-scale Purchase and the impact of such Action of Large-scale Purchase on the Company's corporate value and, ultimately, the common interests of its shareholders.

(3) Voluntary Consultation with the Special Committee

In cases where there is doubt as to whether the information provided by the Large-scale Purchaser is adequate as the Large-scale Purchase Information, in cases where the Board of Directors of the Company presents an alternative proposal to the shareholders, or in other cases where the Board of Directors deems it necessary, the Board of Directors may also consult with the Special Committee voluntarily on whether or not to extend the Board of Directors Evaluation Period, whether or not to invoke countermeasures, and whether or not to maintain the invoked countermeasures. If such

consultation is made, the Special Committee will consider the matter and make a recommendation to the Board of Directors of the Company. The Board of Directors of the Company shall also respect such recommendation by the Special Committee to the maximum extent possible.

(4) Confirmation of Shareholders' Intentions

(i) Confirmation of Shareholders' Intentions Regarding the Introduction of the Policies against a Large-scale Purchase

The Company, at the meeting of its Board of Directors held on May 20, 2022, resolved to introduce the Policies against a Large-scale Purchase, subject to approval and adoption by a majority of the voting rights of the shareholders present at this General Meeting of Shareholders, in order to confirm the intentions of the shareholders regarding the introduction of the Policies against a Large-scale Purchase. Therefore, if the approval and adoption by a majority of the voting rights of the shareholders present at this General Meeting of Shareholders are not obtained, the Policies against a Large-scale Purchase will not be introduced, and the Original Response Policies will also be terminated due to expiration of its effective period at the conclusion of this General Meeting of Shareholders.

(ii) Confirmation of Shareholders' Intentions Regarding the Invocation of Countermeasures

As described in 3. (1) above, in prescribed cases, the Board of Directors of the Company may, prior to the invocation of countermeasures, convene the General Meeting of Shareholders for Confirmation of Shareholders' Intentions in order to confirm the shareholders' intentions as to whether or not to invoke such countermeasures against the Large-scale Purchaser and to allow the shareholders to decide whether or not to invoke such countermeasures.

(5) Cancellation or Withdrawal of Invoked Countermeasures

Even if the Board of Directors of the Company has invoked countermeasures in accordance with the Policies against a Large-scale Purchase, if (1) the Large-scale Purchaser cancels or withdraws the Action of Large-scale Purchase, or (2) the facts on which the decision to invoke countermeasures was based change and in the event that a situation arises in which it is considered inappropriate to maintain the invoked countermeasures from the perspective of securing and enhancing the Company's corporate value and, ultimately, the common interests of its shareholders, the Board of Directors shall, after showing specific circumstances that fall under cases specified in (1) or (2) above, consult with the Special Committee as to whether or not to maintain such countermeasures and consider the cancellation or withdrawal of the invoked countermeasures, while obtaining advice from the Outside Experts as necessary. Based on such consultation, the Special Committee will consider whether or not to maintain such countermeasures, obtaining advice from the Outside Experts as necessary and make a recommendation to the Board of Directors of the Company. The Board of Directors of the Company shall respect the recommendation by the Special Committee to the maximum extent possible when deciding whether or not to maintain the countermeasures.

If the Board of Directors of the Company determines that the situation falls under the case specified in (1) or (2) above in light of the above recommendation by the Special Committee, the Board of Directors of the Company shall, by its resolution, cancel or withdraw the invoked countermeasures and promptly disclose to that effect.

(6) Effective Period of the Policies against a Large-scale Purchase

The effective period of the Policies against a Large-scale Purchase is until the conclusion of the 131st Ordinary General Meeting of Shareholders of the Company scheduled to be held in June 2025. However, even before the expiration of the effective period, the Policies against a Large-scale Purchase may be abolished by a resolution of the General Meeting of Shareholders of the Company or by a resolution of the Board of Directors of the Company.

Even before the expiration of the effective period, the Board of Directors of the Company may review the Policies against a Large-scale Purchase from time to time for the purpose of enhancing the corporate value of the Company and, ultimately, the common interests of its shareholders, and may amend the

Policies against a Large-scale Purchase with the approval of the General Meeting of Shareholders of the Company.

Thus, in the event that the Board of Directors of the Company decides to abolish or amend the Policies against a Large-scale Purchase, the details of such abolition or amendment shall be promptly disclosed.

Even before the expiration of the effective period, the Company may, upon approval of the Special Committee at a meeting of the Board of Directors of the Company, revise or amend the Policies against a Large-scale Purchase in a range that is deemed reasonably necessary due to: amendments to the Companies Act, Financial Instruments and Exchange Act, other laws or regulations or rules of the financial instruments exchange; a change in the interpretation or operation thereof; or a change in the taxation system, judicial precedents, etc.

5. Rationality of the Policies against a Large-scale Purchase

(1) Fully satisfying the requirements of the guidelines on takeover defense measures, etc.

The Policies against a Large-scale Purchase fully satisfies all three principles ((1) principle of securing and enhancing corporate value and shareholders' common interests, (2) principle of prior disclosure and shareholders' intentions, and (3) principle of ensuring the necessity and reasonableness of defensive measures) prescribed in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interest" jointly published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. In addition, the Policies against a Large-scale Purchase is also based on the report entitled "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group on June 30, 2008 and other discussions on takeover defense measures, etc. Furthermore, the Policies against a Large-scale Purchase is in line with the purpose of the various rules and regulations concerning the introduction of takeover defense measures established by the Tokyo Stock Exchange and other financial instruments exchanges. The Company shall implement all of the principles of the Japan's Corporate Governance Code (Principle 1.5 and Supplementary Principle 1.5.1) regarding takeover defense measures.

(2) Being introduced for the purpose of securing or enhancing the corporate value of the Company and, ultimately, the common interests of its shareholders

As described in 1. above, the Policies against a Large-scale Purchase is introduced to ensure necessary and sufficient information and time for the shareholders to examine the conditions and methods, etc. of the Action of Large-scale Purchase and for the Board of Directors of the Company to present an alternative proposal, etc., for the purpose of securing or enhancing the corporate value of the Company and, ultimately, the common interests of its shareholders.

(3) Placing emphasis on the shareholders' intentions (introduction by a resolution of the General Meeting of Shareholders, invocation by a resolution of the General Meeting of Shareholders for Confirmation of Shareholders' Intentions, and sunset clause^(Note 5))

As described in 4. (4) (i) above, the Company, at the meeting of its Board of Directors held on May 20, 2022, resolved to introduce the Policies against a Large-scale Purchase, subject to approval and adoption by a majority of the voting rights of the shareholders present at this General Meeting of Shareholders, in order to confirm the intentions of the shareholders regarding the introduction of the Policies against a Large-scale Purchase.

As described in 4. (4) (ii) above, in prescribed cases, the Board of Directors of the Company may, prior to the invocation of countermeasures, convene the General Meeting of Shareholders for Confirmation of Shareholders' Intentions in order to confirm the shareholders' intentions as to whether or not to invoke such countermeasures against the Large-scale Purchaser and to allow the shareholders to decide whether or not to invoke such countermeasures.

5 This refers to a clause that secures the approval of the General Meeting of Shareholders periodically after the introduction of takeover defense measures.

Furthermore, as described in 4. (6) above, the effective period of the Policies against a Large-scale Purchase is until the conclusion of the 131st Ordinary General Meeting of Shareholders of the Company scheduled to be held in June 2025. However, even before the expiration of the effective period, the Policies against a Large-scale Purchase may be abolished by a resolution of the General Meeting of Shareholders of the Company or by a resolution of the Board of Directors of the Company.

(4) Setting reasonable and objective requirements for invoking countermeasures

As described in 3. (1) above, the Company has structured the Policies against a Large-scale Purchase in a manner that countermeasures will not be invoked unless reasonable and objective requirements are satisfied, thereby ensuring a mechanism to prevent arbitrary invocation of countermeasures by the Board of Directors of the Company.

(5) Establishment of the Special Committee

As described in 4. (1) above, under the Policies against a Large-scale Purchase, the Company shall establish the Special Committee as an organization independent from the Board of Directors of the Company, in order to ensure rationality and fairness of the Board of Director's decision on whether or not to extend the Board of Directors Evaluation Period, whether or not to invoke countermeasures, and whether or not to maintain the invoked countermeasures, as well as to ensure the rationality and fairness of the Policies against a Large-scale Purchase, etc.

Accordingly, this ensures a mechanism to prevent the Board of Directors of the Company from arbitrarily operating the Policies against a Large-scale Purchase or invoking countermeasures.

(6) Not being a dead-hand takeover defense measures

As described in 4. (6) above, the effective period of the Policies against a Large-scale Purchase is until the conclusion of the 131st Ordinary General Meeting of Shareholders of the Company scheduled to be held in June 2025. In addition, even before the expiration of such effective period, the Policies against a Large-scale Purchase may be abolished at any time by the Board of Directors of the Company, which is composed of Directors elected at the General Meeting of Shareholders of the Company. Therefore, the Policies against a Large-scale Purchase is not a dead-hand takeover defense measures ^(Note 6).

Additionally, since the term of office of Directors of the Company is one year, the Policies against a Large-scale Purchase is not a takeover defense measure that requires time to prevent the invocation of countermeasures due to the fact that Directors cannot be replaced at once.

6. Impact on Shareholders and Investors

In the event that the Board of Directors of the Company decides to invoke specific countermeasures against the Action of Large-scale Purchase, appropriate disclosure will be made in a timely manner in accordance with applicable laws and regulations and the rules of the financial instruments exchanges.

The Company does not expect situations to arise in which its shareholders will suffer exceptional losses in terms of legal rights or economic aspects when the countermeasures are invoked. However, the Large-scale Purchaser may be disadvantaged in terms of legal rights or economic aspects consequently. The announcement of the Policies against a Large-scale Purchase is intended to alert the Large-scale Purchaser in advance so that they will not conduct the Action of Large-scale Purchase in violation of the Large-scale Purchase Rules.

Of the conceivable countermeasures, in the event of the gratis allotment of the Share Acquisition Rights, it may be necessary to pay a certain amount of cash within a prescribed period for the acquisition of new shares upon the exercise of the Share Acquisition Rights. In such cases, the Company will disclose the details of such procedures in a timely and appropriate manner in accordance with applicable laws and

6 This refers to takeover defense measures that cannot be prevented from being invoked even if a majority of the members of the Board of Directors are replaced.

regulations and rules of the financial instruments exchanges.

In the event that it is resolved to implement the gratis allotment of the Share Acquisition Rights as a countermeasure, and after the shareholders who are to receive the gratis allotment of the Share Acquisition Rights are determined, if the Board of Directors of the Company cancels the gratis allotment of the Share Acquisition Rights, or if the Company acquires the Share Acquisition Rights allotted in order to withdraw the countermeasures without compensation, then, as a result, there will be no dilution of the share value per share, and investors who traded on the assumption that there would be a dilution of the share value per share may suffer material losses due to share price fluctuation.

7. Other

The Board of Directors of the Company will continue to closely monitor future trends in judicial ruling and responses by financial instruments exchanges and other public institutions, as well as amendments to the Companies Act, Financial Instruments and Exchange Act, or rules of financial instruments exchanges, and the enactment, amendment, or repeal of other laws and regulations, from the viewpoint of securing or enhancing the corporate value of the Company and, ultimately, the common interests of its shareholders, and will take appropriate measures as necessary, including reviewing the Policies against a Large-scale Purchase or introducing a separate takeover defense measures in place of the Policies against a Large-scale Purchase, as appropriate.

(Appendix 1)

Types of Large-Scale Purchase Proposals That Are Clearly Considered to Significantly Damage the Corporate Value of the Company and, Ultimately, the Common Interests of Its Shareholders

1. Cases where the Large-scale Purchaser is found to be a party who does not have any intention to participate in corporate management and is acquiring or intends to acquire share certificates, etc. of the Company only for the purpose of selling the shares, etc. of the Company to a related party of the Company at a high price after driving the share price higher (so-called greenmailer)
2. Cases where the Large-scale Purchaser is found to be acquiring share certificates, etc. of the Company for the purpose of transferring such assets of the Company or the Group companies as intellectual property rights, know-how, corporate secrets, major business partners or customers that are necessary for the business operation of the Company or the Group companies to such Large-scale Purchaser or its group companies, etc. by temporarily acquiring control over the corporate management of the Company
3. Cases where the Large-scale Purchaser is found to be acquiring share certificates, etc. of the Company for the purpose of using the assets of the Company or the Group companies as collateral for or the source of funds to repay the debts of the Large-scale Purchaser or its group companies, etc. after acquiring the control over the corporate management of the Company
4. Cases where the Large-scale Purchaser is found to be acquiring share certificates, etc. of the Company for the purpose of temporarily acquiring the control over the corporate management of the Company and disposing high-value assets, etc. such as real estate, securities, etc., that are not currently related to the business of the Company or the Group companies by sale, etc. and temporarily paying higher dividends from the disposition proceeds or deliberately selling the share certificates, etc. of the Company at a high price as the share price surges during the period of the said temporarily higher dividends
5. Cases where the terms and conditions for purchasing the Company's share certificates, etc. (including class of shares, amount of the consideration, basis of calculation of the consideration, other specific terms and conditions [including the timing and method for the acquisition], whether there is any illegality and the feasibility) proposed by the Large-scale Purchaser are found significantly inadequate or unsuitable with respect to the Company's corporate value
6. Cases where the method of purchase of share certificates, etc. of the Company proposed by the Large-scale Purchaser is found to impose restrictions on the opportunity or freedom of shareholders to make a decision by way of so-called coercive two-tier tender offer (the method of carrying out a tender offer in two steps where the Large-scale Purchaser does not solicit the sale of all share certificates, etc. of the Company in the first stage while specifying unfavorable terms and conditions for purchase in the second stage or not clarifying the terms and conditions for purchase in the second stage) and shareholders could be effectively forced to sell the share certificates, etc. of the Company
7. Cases where the Large-scale Purchaser is found to significantly damage the interests of not only shareholders but also customers, employees, and other stakeholders through the acquisition of the control of the Company, and hence cause a significant impediment to the protection and enhancement of the Company's corporate value and the common interests of its shareholders
8. Cases where the Company's corporate value when the Large-scale Purchaser acquires the control is found to be significantly less than, in comparison of medium- to long-term future corporate value, that when such Large-scale Purchaser does not acquire control of the Company
9. Cases where the Large-scale Purchaser is found to be significantly unsuitable to be the Company's controlling shareholder from the perspective of public order and morals
10. Other cases that are equivalent to 1. or 9. above and are found to significantly damage the Company's corporate value and, ultimately, the common interests of its shareholders

Outline of the Share Acquisition Rights

1. Shareholders entitled to be granted the Share Acquisition Rights and the conditions for issuance of the Share Acquisition Rights

The Share Acquisition Rights shall be allotted without compensation to shareholders whose names are recorded in the last shareholder register as of a certain date separately specified by the Board of Directors of the Company (the "Allotment Date") in the resolution by the Board of Directors of the Company approving the gratis allotment of the Share Acquisition Rights (the "Resolution Approving the Gratis Allotment of the Share Acquisition Rights"), at a rate of one Share Acquisition Right per share of the Company held by the said shareholders (excluding shares of the Company held by the Company).

2. Class and number of shares subject to the Share Acquisition Rights

The class of shares subject to the Share Acquisition Rights shall be common shares of the Company, and the number of shares subject to each Share Acquisition Right (the "Number of Subject Shares") shall be one share. However, in cases where the Company carries out a share split or consolidation of shares, the Number of Subject Shares shall be subject to required adjustment.

3. Total number of the Share Acquisition Rights to be allotted

The total number of the Share Acquisition Rights to be allotted shall be the number determined by the Board of Directors of the Company up to the number obtained by multiplying one-half of the total number of authorized shares of the Company as of the Allotment Date. The Board of Directors of the Company may implement the gratis allotment of the Share Acquisition Rights multiple times to the extent that the total number of the Share Acquisition Rights to be allotted does not exceed this limit.

4. Type and amount of assets to be contributed upon exercise of the Share Acquisition Rights

The amount to be paid when exercising the Share Acquisition Rights shall be one yen or more and such amount shall be prescribed by the Board of Directors of the Company.

5. Effective date of the gratis allotment of the Share Acquisition Rights

The effective date shall be the day separately specified by the Board of Directors of the Company in the Resolution Approving the Gratis Allotment of the Share Acquisition Rights.

6. Restrictions on the transfer of the Share Acquisition Rights

Any transfer of the Share Acquisition Rights shall be subject to the approval of the Board of Directors of the Company.

7. Exercise conditions of the Share Acquisition Rights

A party falling under any of the following categories (collectively the “non-qualified parties”) are not entitled to exercise the Share Acquisition Rights: (1) specified large volume holder ^(Note 1), (2) joint holder of a specified large volume holder, (3) specified large volume purchaser ^(Note 2), (4) specially related party of a specified large volume purchaser, (5) party who has received or succeeded the Share Acquisition Rights from any of the parties listed in (1) or (4) without obtaining the approval of the Board of Directors of the Company, or (6) related party of any of the parties falling under (1) or (5) ^(Note 3). The details of the conditions of exercising the Share Acquisition Rights shall be separately specified in the Resolution Approving the Gratis Allotment of the Share Acquisition Rights.

8. Acquisition of the Share Acquisition Rights by the Company

The Company may acquire the Share Acquisition Rights held by parties other than non-qualified parties and deliver common shares of the Company in the Number of Subject Shares per Share Acquisition Right in exchange for them on the day separately specified by the Board of Directors of the Company. The details of the acquisition conditions of the Share Acquisition Rights shall be separately specified in the Resolution Approving the Gratis Allotment of the Share Acquisition Rights.

9. Acquisition without compensation in case of cancellation of invocation of countermeasures, etc. In cases where the Board of Directors of the Company has resolved to cancel or withdraw invoked countermeasures or other cases separately specified by the Board of Directors in the Resolution Approving the Gratis Allotment of the Share Acquisition Rights, the Company may acquire all of the Share Acquisition Rights without compensation.

10. Exercise period, etc. of the Share Acquisition Rights

The exercise period of the Share Acquisition Rights and other necessary matters shall be separately specified by the Board of Directors of the Company in the Resolution Approving the Gratis Allotment of the Share Acquisition Rights.

1 Specified large volume holder refers to a holder of share certificates, etc. of the Company whose ownership ratio of share certificates, etc. pertaining to the share certificates, etc. of the Company is 20% or more or a party who falls under the category of specified large volume holder as determined by the Board of Directors of the Company. However, such a party shall not fall under the category of specified large volume holder if the Board of Directors of the Company has determined that said party’s acquiring or holding share certificates, etc. of the Company is not against the corporate value of the Company and, ultimately, the common interests of its shareholders, or if the said party is a party separately specified as such by the Board of Directors in the Resolution Approving the Gratis Allotment of the Share Acquisition Rights.

2 Special large volume purchaser refers to a party who makes a public notice of purchasing the share certificates, etc. issued by the Company (share certificates, etc. provided for in Article 27-2, paragraph (1) of the Financial Instruments and Exchange Act, and the same shall apply hereinafter in this Note) through a tender offer (tender offer provided for in Article 27-2, paragraph (6) of the Act), and the total of the ratio of share certificates, etc. held of the said party and parties with a special relationship thereto after such purchase will be 20% or more, or a party who falls under the category of specified large volume purchaser as determined by the Board of Directors of the Company. However, such a party shall not fall under the category of specified large volume purchaser if the Board of Directors of the Company has determined that said party’s acquiring or holding share certificates, etc. of the Company is not against the corporate value of the Company and, ultimately, the common interests of its shareholders, or if the said party is a party separately specified as such by the Board of Directors in the Resolution Approving the Gratis Allotment of the Share Acquisition Rights.

3 “Related party” of a given party refers to a party who substantively controls or is controlled by or is under the common control with the other party (including those who are determined by the Board of Directors of the Company to fall under the said definition) or a party who is determined by the Board of Directors to act in cooperation with the other party. “Control” means the “cases where a party controls decisions on financial and business policies” of other companies, etc. (as provided in Article 3, paragraph (3) of the Regulations for Enforcement of the Companies Act).

Outline of the Special Committee Regulations

1. The Special Committee shall be established in accordance with a resolution of the Board of Directors of the Company.
2. The Special Committee consists of at least three members, who are appointed from among outside Directors, outside Audit & Supervisory Board Members, attorneys at law, certified tax accountants, certified public accountants, academic experts, persons familiar with investment banking business, and outside persons who have experience as directors or executive officers of other companies.
3. The Special Committee shall, upon consultation by the Board of Directors of the Company, resolve the content of a recommendation and make a recommendation to the Board of Directors of the Company, together with the reasons therefor.
4. The Special Committee may obtain advice from the Outside Experts as necessary in order to consider the matters consulted by the Board of Directors of the Company. The cost incurred in obtaining such advice shall be borne by the Company.
5. The recommendations of the Special Committee shall be resolved by a majority of the members with voting rights present at a meeting where at least one-half of the members with voting rights are present, and in the event of a tie vote, the decision of the chairperson shall prevail. Members who have special interests in the resolution of the Special Committee shall not have voting rights in the said resolution.

(Appendix 4)

Career Summary of the Special Committee Members

1. Takeshi Kiriyaama

Apr. 1986 Joined the Japan Development Bank
June 2008 Chief Representative in London, the Development Bank of Japan
Apr. 2010 CEO, DBJ Europe Limited
Sept. 2013 Director of Industrial Research, Development Bank of Japan Inc.
June 2015 Executive Officer, Director of Corporate Investment
June 2018 Chairman of the Board of Directors, DBJ Asset Management Co., Ltd.
June 2020 Director, the Company (to present)
President of Value Management Institute, Inc. (to present)
Director of Japan Economic Research Institute Inc. (to present)

2. Tetsuya Kawagishi

Apr. 1978 Joined the Fuji Bank, Limited
Apr. 2005 Executive Officer, General Manager of Corporate Banking Division No. 2 of Mizuho Corporate Bank, Ltd.
Apr. 2009 Managing Executive Officer, Supervising Officer of Risk Management Group, Supervising Officer of Human Resources Group
Apr. 2010 Managing Director, Supervising Officer of Global Transaction Unit, Supervising Officer of Global Asset Management Unit
Mar. 2011 External Audit & Supervisory Board Member of Tokyo Tatemono Co., Ltd.
June 2011 Full-time Audit & Supervisory Board Member of TANAKA Holdings Co., Ltd.
June 2013 Director, Deputy Head of Technology and Marketing Division
June 2015 Corporate Officer, Head of CSR & Corporate Communications Division, and Head of President's Office
Apr. 2020 Advisor
June 2020 Audit & Supervisory Board Member, the Company (to present)

3. Akio Sakai

Apr. 1982 Joined the Yasuda Mutual Life Insurance Company
Apr. 2012 Executive Officer, General Manager of Osaka Headquarters of Meiji Yasuda Life Insurance Company
Apr. 2014 Managing Executive Officer, General Manager of Corporate Sales Division
Apr. 2016 Senior Managing Executive Officer, General Manager of Corporate Sales Division
Apr. 2018 Representative Director and President of Meiji Yasuda General Insurance Co., Ltd. (to present)
June 2020 Audit & Supervisory Board Member, the Company (to present)

4. Hiroko Kaneko

Apr. 1997 Admitted to Bar, Japan (to present)
Mar. 2006 Admitted to Bar, New York (to present)
June 2019 Audit & Supervisory Board Member of Shinsho Corporation (to present)
June 2021 Director, the Company (to present)

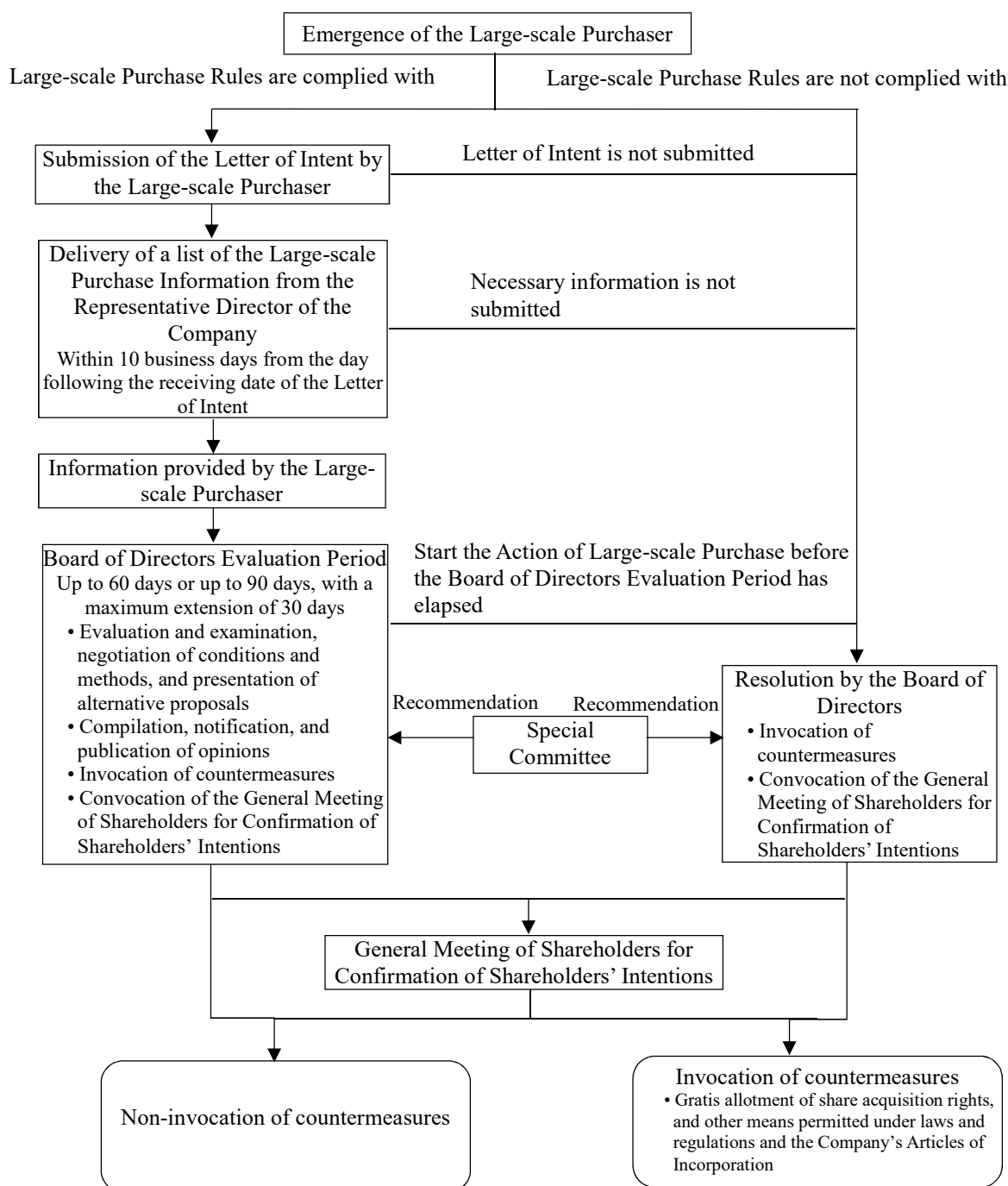
5. Takahiro Mikami

Apr.	1982	Joined Toshiba Machine Co., Ltd.
June	2013	Executive Officer, Molding Machinery Business Unit Deputy General Manager
June	2014	Director and Executive Officer, Molding Machinery Business Unit General Manager, and Sagami Plant General Manager
June	2015	Director and Managing Executive Officer, Molding Machinery Business Unit General Manager, and Sagami Plant General Manager
June	2016	Director and Managing Executive Officer, Molding Machinery Business Unit General Manager, Administration Division General Manager, Tokyo Head Office General Manager, and in charge of Sales Promotion Department
Apr.	2017	President and Chief Operating Officer
Feb.	2020	Director
June	2020	Advisor of Shibaura Machine Co., Ltd. (to present)

- (Notes)
1. Takeshi Kiriyaama and Hiroko Kaneko are currently outside Directors of the Company and will be reappointed as outside Directors of the Company, subject to their election at this General Meeting of Shareholders.
 2. Tetsuya Kawagishi and Akio Sakai are currently outside Audit & Supervisory Board Members of the Company.
 3. The Company has submitted notification to the Tokyo Stock Exchange and the Nagoya Stock Exchange that Takeshi Kiriyaama, Tetsuya Kawagishi, Akio Sakai, and Hiroko Kaneko have been designated as independent officers as provided for by the aforementioned exchanges.
 4. Takeshi Kiriyaama, Tetsuya Kawagishi, Akio Sakai, and Hiroko Kaneko are members of the Special Committee under the Original Response Policies.
 5. Takahiro Mikami will be appointed as an outside Director of the Company, subject to his election at this General Meeting of Shareholders. The Company plans to submit notification to the Tokyo Stock Exchange and the Nagoya Stock Exchange concerning Takahiro Mikami's designation as an independent officer as provided for by the aforementioned exchanges.

(Reference)

Flowchart of the Policies against a Large-scale Purchase (outline)



- (Notes)
1. Even in cases where the Large-scale Purchase Rules are complied with, countermeasures may be invoked if it is clearly recognized that the Action of Large-scale Purchase would significantly damage the corporate value of the Company and, ultimately, the common interests of its shareholders.
 2. This flowchart is a schematic representation of the typical flow of the Policies against a Large-scale Purchase and does not show all procedures. For details, please refer to the main text of the Policies against a Large-scale Purchase.