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Securities code: 6675
June 8, 2022

To All Shareholders

MARUI Taketo
President & C.E.O.
SAXA Holdings, Inc.
NBF Platinum Tower 1-17-3,
Shirokane, Minato-ku, Tokyo,
Japan

NOTICE OF THE 19th ORDINARY GENERAL SHAREHOLDERS' MEETING

Dear Shareholders,

We would like to express our sincerest sympathy to all those affected by COVID-19 and their families and friends. We pray for their swift recovery.

We are pleased to announce that the 19th Ordinary General Shareholders' Meeting of SAXA Holdings, Inc. (the "Company") will be held as described below.

We have decided to hold the General Shareholders' Meeting while taking appropriate preventive measures to prevent the spread of COVID-19. We would appreciate your understanding.

If you are unable to attend the meeting in person, you may exercise your voting rights by either of the following means. Please review the Reference Documents for the General Shareholders' Meeting attached below, and exercise your voting rights by 5:30 p.m., Monday, June 27, 2022.

[Exercising voting rights by mail]

Please indicate your vote for or against respective proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by the above exercise deadline.

[Exercising voting rights via the internet]

Please exercise your voting rights on the Voting Rights Exercise Website (<https://soukai.mizuho-tb.co.jp/>) designated by the Company.

When you exercise your voting rights via the internet, please refer to the "Guidance for Exercising Voting Rights via the Internet, Etc." (available in Japanese only) on page 5.

If voting rights are exercised in duplicate by the same means, the last vote we receive shall be deemed valid. If voting rights are exercised both in writing and via the internet, voting rights exercised via the internet shall be deemed valid.

- 1. Date and Time:** Tuesday, June 28, 2022 at 10:00 a.m. Japan time
- 2. Place:** Bellesalle Roppongi Grand Conference Center,
9F, Sumitomo Fudosan Roppongi Grand Tower,
3-2-1, Roppongi, Minato-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. Business Report and Consolidated Financial Statements for the 19th Term (from April 1, 2021 to March 31, 2022) and results of audits of Consolidated Financial Statements by Accounting Auditor and the Board of Auditors
 2. Non-consolidated Financial Statements for the 19th Term (from April 1, 2021 to March 31, 2022)

Proposals to be resolved:

- Proposal No. 1:** Distribution from Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Six Directors
- Proposal No. 4:** Election of Two Substitute Auditors
- Proposal No. 5:** Payment of Bonuses to Directors
- Proposal No. 6:** Introduction (Renewal) of Countermeasures against Large-Scale Purchase of the Company's Shares (Takeover Defense Measures)

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- ◎ If you attend the meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception.
 - ◎ If you exercise your voting rights by proxy, you may designate one other shareholder holding voting rights of the Company as your proxy to exercise your voting rights, pursuant to the provisions of Article 18 of the Articles of Incorporation of the Company. In doing so, please submit a document certifying the authority of representation at the reception.
 - ◎ Shareholders who are unable to attend the meeting in person may view the proceedings of the General Shareholders' Meeting via live stream by means of the internet or other means.
 - ◎ Should the Reference Documents for the General Shareholders' Meeting, the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.saxa.co.jp/ir/>).
 - ◎ Of the documents attached to this convocation notice, Systems and Policies of the Company in the Business Report, Notes to the Consolidated Financial Statements, and Notes to the Non-consolidated Financial Statements are posted on the Company's website (<https://www.saxa.co.jp/ir/stock/meeting.html>) in accordance with the provisions of applicable laws and regulations, as well as Article 15 of the Articles of Incorporation of the Company.
 - ◎ In the interest of saving power, the room temperature inside the meeting venue will be set relatively high. Accordingly, the Company's officers and meeting staff will be dressed lightly at the meeting. We would appreciate your understanding.
 - ◎ Shareholders attending the meeting in person are requested to wear a face mask and use an alcohol disinfectant.
 - ◎ We will check the body temperature of shareholders with thermography cameras around the reception desk. We may ask shareholders who appear to be in poor health to refrain from entering the venue. We would appreciate your understanding.
 - ◎ At the meeting, detailed explanations of matters to be reported and proposals at the venue will be omitted from the perspective of shortening the meeting time to prevent the spread of COVID-19. Shareholders are requested to read through this convocation notice in advance.
 - ◎ Depending on the situation of the spread of COVID-19, we may have to change the venue and/or time of the meeting. If so, we will post the information on the Company's website (<https://www.saxa.co.jp/english/>). Please make sure to check the information in advance.

Reference Documents for the General Shareholders' Meeting

Proposals and References

Proposal No. 1: Distribution from Surplus

The Company regards the return of profits to shareholders as a key management issue. Under the recognition, our basic policy is to achieve higher corporate value by actively investing in growing fields and new businesses, while strengthening the management foundations and profitability of existing businesses.

In distributing profits, we will strive to maintain sound financial strength and provide appropriate shareholders returns, while securing internal reserves for investments required to increase our corporate value.

We aim to deliver stable and sustainable dividend payments, targeting a consolidated dividend payout ratio of 30%, taking comprehensively into account, among other things, the financial results and the state of cash flows for the current fiscal year, as well as the future earnings forecast, investment plans, and business environment.

We propose to pay year-end dividends for the current fiscal year as follows, taking comprehensively into account the financial results for the current fiscal year, which reflected one-time factors such as the recording of gain on inventory valuation and deferred tax assets.

- (1) Matters concerning the allotment of dividend property and the total amount thereof:
¥30 yen per share of the Company's common stock Total: ¥175,194,900
- (2) Effective date of distribution from surplus:
June 29, 2022

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

- (1) The Company proposes to add a business purpose to Article 2 (Purposes) of the current Articles of Incorporation, with the aim of achieving a measure for making profits on real estate set forth in the Medium-Term Managerial Plan (FY2021–FY2023) “SAXA will Change.”
- (2) The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general shareholders’ meeting, the Articles of Incorporation of the Company shall be amended as follows:
 - (i) The proposed Article 15, Paragraph 1 provides that information contained in the reference documents for the general shareholders’ meeting, etc. shall be provided electronically.
 - (ii) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
 - (iii) The provisions related to the internet disclosure and deemed provision of the reference documents for the general shareholders’ meeting, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
 - (iv) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The current Articles of Incorporation shall be partially amended as follows.

(Changes are indicated by underline.)

Current Articles of Incorporation	Proposed Amendments
(Purposes)	(Purposes)
Article 2 (Omitted)	Article 2 (Unchanged)
(1)–(9) (Omitted)	(1)–(9) (Unchanged)
(10) Management and administration of real estate and welfare facilities; cleaning, maintenance, management, repair, and maintenance and control of hygiene conditions of buildings and machinery and equipment attached thereto; and maintenance and inspection of fire equipment	(10) <u>Leasing</u> , management, and administration of real estate and welfare facilities; cleaning, maintenance, management, repair, and maintenance and control of hygiene conditions of buildings and machinery and equipment attached thereto; and maintenance and inspection of fire equipment
(11)–(15) (Omitted)	(11)–(15) (Unchanged)
2. (Omitted)	2. (Unchanged)

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="229 215 791 304">(Internet Disclosure and Deemed Provision of Reference Documents for the General Shareholders' Meeting, Etc.)</p> <p data-bbox="229 309 804 719">Article 15 <u>The Company may, when convening a general shareholders' meeting, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general shareholders' meeting, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p data-bbox="408 752 624 786">(Newly established)</p> <p data-bbox="408 1263 624 1296">(Newly established)</p>	<p data-bbox="1066 215 1169 241">(Deleted)</p> <p data-bbox="831 752 1273 786"><u>(Measures for Electronic Provision, Etc.)</u></p> <p data-bbox="831 790 1401 972">Article 15 <u>The Company shall, when convening a general shareholders' meeting, provide information contained in the reference documents for the general shareholders' meeting, etc. electronically.</u></p> <p data-bbox="951 976 1401 1229">2. <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p data-bbox="975 1263 1262 1296"><u>Supplementary Provisions</u></p> <p data-bbox="831 1301 1401 1644">1. <u>The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Shareholders' Meeting, Etc.) of the current Articles of Incorporation and the establishment of the proposed Article 15 (Measures for Electronic Provision, Etc.) shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the "Effective Date").</u></p> <p data-bbox="831 1648 1401 1800">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of Incorporation shall remain in force with respect to a general shareholders' meeting to be held on a date within six months from the Effective Date.</u></p> <p data-bbox="831 1805 1401 1957">3. <u>These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general shareholders' meeting set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Six Directors

As the terms of office of all seven Directors will expire at the conclusion of the Ordinary General Shareholders' Meeting, the Company proposes reduction of one Director for swift decision making, and election of six Directors.

The candidates for Directors are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	<p>MARUI Taketo (August 6, 1962)</p> <p>[Reappointment]</p> <p>[Number of years serving as Director] (at the conclusion of the General Shareholders' Meeting) 4 years</p> <p>[Attendance at the Board of Directors meetings] 20/20</p>	<p>April 1985 Joined Oki Electric Industry Co., Ltd.</p> <p>April 2011 Head of Network One-stop Center, Enterprise Network System Division, Telecom Systems Business Division of Oki Electric Industry Co., Ltd.</p> <p>April 2014 Head of Enterprise Network System Division, Telecom Systems Business Division of Oki Electric Industry Co., Ltd.</p> <p>April 2016 Head of New Business Development Division, ICT Business Group of Oki Electric Industry Co., Ltd.</p> <p>April 2017 Head of IoT Application Promotion Division, ICT Business Group of Oki Electric Industry Co., Ltd.</p> <p>April 2018 Executive Officer, and Manager of Partner Sales Division of SAXA, Inc.</p> <p>June 2018 Director and Associate Senior Executive Officer, and Manager of Partner Sales Division of SAXA, Inc.</p> <p>April 2019 Director of the Company Director and Associate Senior Executive Officer of SAXA, Inc.</p> <p>August 2020 President & C.E.O. and President Executive Officer of SAXA, Inc. (to present)</p> <p>September 2020 President & C.E.O. of the Company (to present) President & C.E.O. of SAXA Business System, Inc. President & C.E.O. of SAXA System Amazing, Inc.</p>	4,900
<p>[Reason for nomination as candidate for Director and Overview of Expected Role]</p> <p>MARUI Taketo has led the Company as Director since June 2018 and as President & C.E.O. since August 2020, and has ample experience, performance, and knowledge as a corporate manager.</p> <p>The Company believes that he will steer management of the SAXA Group and exhibit excellent leadership, and thus, has re-nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	<p>KOBAYASHI Toshio (February 5, 1961)</p> <p>[Reappointment]</p> <p>[Number of years serving as Director] (at the conclusion of the General Shareholders' Meeting) One year</p> <p>[Attendance at the Board of Directors meetings] 15/16</p>	<p>April 1983 Joined Oki Electric Industry Co., Ltd.</p> <p>September 2011 Chief Specialist, Accounting & Control Division of Oki Electric Industry Co., Ltd.</p> <p>April 2014 Head of Group-Company Group of Oki Electric Industry Co., Ltd.</p> <p>June 2014 Part-time Auditor of Oki Customer Adtech Co., Ltd. (currently OKI Crosstech Co., Ltd.)</p> <p>April 2016 Director, and head of Accounting & Control Division of Oki Customer Adtech Co., Ltd.</p> <p>April 2019 Executive Officer in charge of Accounting & Control Division and Human Resources & General Affairs Division of OKI Crosstech Co., Ltd.</p> <p>December 2020 Director and Associate Senior Executive Officer of SAXA, Inc. (to present) Manager of Group Internal Control Division of the Company (to present)</p> <p>June 2021 Director of the Company (to present)</p>	1,400
<p>[Reason for nomination as candidate for Director and Overview of Expected Role]</p> <p>KOBAYASHI Toshio mainly experienced several accounting departments in Oki Electric Industry Co., Ltd., one of the major shareholders of the Company. He has served as Director of the Company in charge of financial strategy and internal control. He also serves as Director and Associate Senior Executive Officer in SAXA, Inc., and has ample experience, performance, and knowledge as a corporate manager.</p> <p>The Company believes that he will contribute to increase long-term corporate value and to strengthen the system for governance of the Group, and thus has re-nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p style="text-align: center;">MATSUBARA Hideyuki (March 9, 1964)</p> <p>[New appointment]</p>	<p>April 1988 Joined Tamura Electric Works, Ltd.</p> <p>April 2012 Head of Social Infrastructure SUB, Solution Sales Management Division, and Manager in charge of Traffic Social Infrastructure, Promotion Group, Sales Planning Department of SAXA, Inc.</p> <p>April 2013 Head of Social Infrastructure SUB, Solution Sales Management Division, and Manager in charge of Product Planning Group, Sales Planning Department of SAXA, Inc.</p> <p>November 2013 Manager in charge of Product Planning Group, Sales Planning Department, Solution Sales Management Division of SAXA, Inc.</p> <p>April 2014 Manager of Sales Planning Department, Solution Sales Division of SAXA, Inc.</p> <p>April 2015 General Manager of Solution Business Division of SAXA, Inc.</p> <p>April 2016 General Manager of Solution Business Division, and Manager of Sapporo Office of SAXA, Inc.</p> <p>October 2016 General Manager of Solution Business Division of SAXA, Inc.</p> <p>April 2017 Executive Officer, and General Manager of Office Sales Division, Sales Management Division of SAXA, Inc.</p> <p>April 2018 Executive Officer, and General Manager of Office Sales Division of SAXA, Inc.</p> <p>April 2020 Associate Senior Executive Officer, and General Manager of Sales Division and Manager of Office Sales Department of SAXA, Inc.</p> <p>December 2020 Director and Associate Senior Executive Officer, and General Manager of Sales Division of SAXA, Inc. (to present)</p>	3,600
<p>[Reason for nomination as candidate for Director and Overview of Expected Role]</p> <p>MATSUBARA Hideyuki has experience in sales business in Japan in SAXA, Inc., and deep knowledge and performance, especially in sales. He also has ample experience, performance, and knowledge as a corporate manager through serving as Director and Associate Senior Executive Officer of SAXA, Inc. (to present) and other positions.</p> <p>The Company believes that he will contribute to increase long-term corporate value of the Group, and thus has nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	<p>KURIBAYASHI Tsutomu (May 30, 1964)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Number of years serving as Director] (at the conclusion of the General Shareholders' Meeting) One year and seven months</p> <p>[Attendance at the Board of Directors meetings] 20/20</p>	<p>April 1993 Registered as Attorney-at-law</p> <p>November 1999 Registered as Attorney-at-law in the State of New York</p> <p>April 2003 Representative lawyer of Kuribayashi Sogo Law Office (to present)</p> <p>April 2009 Member of the Legislative Council of the Ministry of Justice (Subcommittee for Non-Contentious Case Procedures Act and Act on Adjudication of Domestic Relations)</p> <p>April 2014 Vice President of the Tokyo Bar Association</p> <p>June 2014 External Board Member of Kuze Co., Ltd.</p> <p>March 2016 Supervisory Officer of D&F Logistics Investment Corporation (to present)</p> <p>February 2017 Auditor of Airhearse International Inc. (to present)</p> <p>April 2018 Deputy Chair of Kanto Federation of Bar Associations</p> <p>November 2020 Outside Director of the Company (to present)</p>	0
<p>[Reason for nomination as candidate for Director and Overview of Expected Role]</p> <p>KURIBAYASHI Tsutomu is currently Outside Director of the Company.</p> <p>He is qualified as Attorney-at-law, and has an objective viewpoint with the whole corporate society including laws and regulations taken into account, and ample experience and wide knowledge. Since he is expected to apply them to our management, the Company nominates him as a candidate for Outside Director.</p> <p>Although he has not been directly involved in corporate management other than serving as Outside Director/Auditor, the Company believes that he will properly fulfill the responsibilities of Outside Director according to the above reasons.</p> <p>[Reason for designation as Independent Director]</p> <p>He meets the requirements for Independent Director stipulated by Tokyo Stock Exchange, Inc., does not serve as an executive of the Company, or affiliate companies or major business partners of the Company, and is not an expert, such as a consultant, who receives remuneration from the Company, or a major shareholder of the Company. This means that he has no potential conflicts of interest with general shareholders of the Company. Thus, the Company has re-nominated him as Independent Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	<p>OTAHARA Shutaro (September 9, 1963)</p> <p>[New appointment] [Outside]</p>	<p>April 1988 Joined the Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>April 2009 Head of Corporate Advisory Division (Osaka) of Sumitomo Mitsui Banking Corporation</p> <p>January 2010 Assistant Manager of Investment Banking Division of Nikko Cordial Securities Inc. (currently SMBC Nikko Securities Inc.)</p> <p>April 2011 Assistant Manager of Investment Banking Division of SMBC Nikko Securities Inc.</p> <p>April 2012 General Manager of Industrial Corporation and Investment Banking Business Development of SMBC Nikko Securities Inc.</p> <p>April 2013 General manager of Institutional Business Development of SMBC Nikko Securities Inc.</p> <p>April 2014 Head of Corporate Advisory Division II of Sumitomo Mitsui Banking Corporation</p> <p>April 2016 Head of Public & Financial Institutions Banking Department of Sumitomo Mitsui Banking Corporation</p> <p>May 2017 Senior Manager of Corporate Planning Division, Corporate Planning Group of Oki Electric Industry Co., Ltd.</p> <p>April 2018 Head of Global Group Management Department, Corporate Planning Division, Corporate Planning Group of Oki Electric Industry Co., Ltd. Director of Oki Wintech Co., Ltd. (currently OKI Crosstech Co., Ltd.)</p> <p>October 2018 Director of Oki Customer Adtech Co., Ltd. (currently OKI Crosstech Co., Ltd.)</p> <p>April 2019 Director of OKI Crosstech Co., Ltd. (to present) Director of OKI Proserve Co., Ltd. Management Official, and Head of Global Group Management Department, Corporate Planning Division, Corporate Planning Group of Oki Electric Industry Co., Ltd.</p> <p>April 2020 Executive Officer, and Head of Corporate Planning Division, Corporate Group of Oki Electric Industry Co., Ltd.</p> <p>April 2021 Director of JECC Corporation (to present)</p> <p>April 2022 Executive Officer, Deputy Head of Corporate Group, and Head of Corporate Communication Division, Corporate Group of Oki Electric Industry Co., Ltd. (to present)</p>	0
<p>[Reason for nomination as candidate for Director and Overview of Expected Role]</p> <p>OTAHARA Shutaro is a candidate for Outside Director. He serves as Executive Officer at Oki Electric Industry Co., Ltd., one of the major shareholders of the Company. There are no special interests between him and the Company. Since he is expected to apply his ample experience and wide knowledge on management to the management of the Company, the Company has nominated him as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	<p>YAMAUCHI Mari (November 23, 1959)</p> <p>[New appointment] [Outside] [Independent]</p>	<p>July 1982 Joined Marubeni Corporation</p> <p>November 1986 Joined Morgan Stanley Japan Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)</p> <p>August 1990 Senior Manager of Nomura International plc, London</p> <p>November 1992 Vice President of Capital Markets, JPMorgan Securities Japan Co., Ltd.</p> <p>April 1998 Director of Personal Finance Division, Citibank, N.A., Tokyo Branch</p> <p>August 2005 Managing Director, and General Manager of Wellness Management, Products and Services Division, Tokyo Branch, UBS Securities Japan Co., Ltd.</p> <p>July 2012 Visiting Scholar of Institute of East Asian Studies, University of California, Berkeley</p> <p>April 2014 Visiting Scholar of Laboratoire d'Economie et de Sociologie du Travail (LEST/CNRS), France Visiting Professor of the Institute for Technology, Enterprise and Competitiveness, Doshisha University</p> <p>July 2018 Outside Director of Nikko Asset Management Co., Ltd. (to present)</p> <p>September 2018 Visiting Professor of Akita International University (to present)</p>	0
<p>[Reason for nomination as candidate for Director and Overview of Expected Role]</p> <p>YAMAUCHI Mari is a candidate for Outside Director. The Company has designated and registered her as Independent Director, stipulated by Tokyo Stock Exchange, Inc.</p> <p>She has ample experience and knowledge on human resources, development of human resources, and capital markets, and is expected to provide advice that will ensure the adequacy and appropriateness of decision making by the Board of Directors from a third-party perspective. Thus, the Company proposes her as a candidate for Outside Director.</p> <p>[Reason for designation as Independent Director]</p> <p>She meets the requirements for Independent Director stipulated by Tokyo Stock Exchange Inc., does not serve as an executive of the Company, or affiliate companies or major business partners of the Company, and is not an expert, such as a consultant, who receive remuneration from the Company or a major shareholder of the Company. This means that she has no potential conflicts of interest with general shareholders of the Company. Thus, the Company has nominated her as Independent Director.</p>			

- Notes: 1. There are no special interests between the candidates for Directors and the Company.
2. MARUI Taketo, KOBAYASHI Toshio, and KURIBAYASHI Tsutomu are currently Directors of the Company. Their positions and responsibilities in the Company are described in “4. (1) Names and other Information of Directors and Auditors” (provided in Japanese only) on page 41 in the Business Report in the Appendix.
3. The Company and KURIBAYASHI Tsutomu have entered into an agreement, in accordance with the Articles of Incorporation, to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the minimum liability amount stipulated by laws and regulations. If his election is approved, the Company plans to enter into an agreement with him, in accordance with the Articles of Incorporation, to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.
4. If the election of both candidates for external Directors, OTAHARA Shutaro and YAMAUCHI Mari is approved, the Company plans to enter into an agreement with each of them to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by laws and regulations.
5. The Company has entered into a directors and officers liability insurance agreement with an insurance company under Article 430-3, Paragraph 1 of the Companies Act. This insurance agreement covers compensation for damages and litigation costs to be borne by the insured persons under law. If each candidate is appointed in this proposal, they will be included in the insured persons under this insurance agreement. The Company plans to renew this insurance agreement with the same content during the term of office of the Directors under this proposal.

[Reference] Skills Matrix of Directors

The skills matrix of the Directors upon approval of Proposal 3 is as follows:

Name	Position in the Company	Corporate management	Finance	Marketing/Sales	IT/Technology/DX	Knowledge and experience in manufacturing industry	Legal/Governance/Risk management	HR Management/HR development	Global experience	Sustainability/Diversity/ESG
MARUI Taketo	President & C.E.O.	○		○	○	○	○	○		○
KOBAYASHI Toshio	Director	○	○				○	○		○
MATSUBARA Hideyuki	Director	○		○	○	○				
KURIBAYASHI Tsutomu	Outside Director		○				○		○	
OTAHARA Shutaro	Outside Director	○	○	○		○	○		○	○
YAMAUCHI Mari	Outside Director	○	○				○	○	○	○

Proposal 4: Election of Two Substitute Auditors

In accordance with provision of Article 329, Paragraph 3 of the Companies Act, the Company proposes the election of two Substitute Auditors in case the number of Auditors falls short of the number stipulated in laws and regulations.

YAMAZAKI Hayato and YAGI Toru are candidates for Substitute Auditors for Outside Auditors SHIMIZU Takenari and TAKAGUCHI Yoji, respectively.

Note that election of Substitute Auditors is effective only before they assume office, and the Board of Directors can cancel their election by its resolution with an approval of the Board of Auditors.

The Board of Auditors has approved this proposal.

The candidates for Substitute Auditors are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
	YAMAZAKI Hayato (July 18, 1977)	October 2005 Registered as Attorney-at-law July 2013 Partner of Showa General Law Office (to present) June 2016 Substitute Auditor of the Company Member of the Independent Committee of the Company (to present)	0
1	[Reason for nomination as candidate for Substitute Auditor] YAMAZAKI Hayato is a candidate for Substitute Outside Auditor. Since he has expert knowledge as attorney-at-law on general legal affairs including corporate legal affairs, the Company proposes him as a candidate for Substitute Outside Auditor. Although he has not been directly involved in corporate management other than serving as Outside Director/Auditor, the Company believes that he will properly fulfill the responsibilities of Outside Auditor according to the above reasons. He meets the requirements for Independent Auditor stipulated by Tokyo Stock Exchange Inc.		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	YAGI Toru (March 20, 1985)	<p>April 2007 Joined ShinNihon Audit Corporation (currently Ernst & Young ShinNihon LLC) (resigned in August 2017)</p> <p>October 2010 Registered as Certified Public Accountant</p> <p>September 2017 Joined AGS Consulting Co., Ltd.</p> <p>January 2019 Joined Tomoo Udono Tax Accountant Office (to present) Established Toru Yagi CPA Office (to present)</p> <p>March 2019 Registered as certified public tax accountant</p> <p>June 2021 Substitute Auditors of the Company Member of the Independent Committee of the Company (to present)</p>	
<p>[Reason for nomination as candidate for Substitute Auditor]</p> <p>YAGI Toru is a candidate for Substitute Outside Auditor.</p> <p>Since he is qualified as Certified Public Accountant and Certified Public Tax Accountant, and has knowledge to a considerable degree on financial affairs and accountancy, the Company proposes him as a candidate for Substitute Outside Auditor.</p> <p>Although he has not been directly involved in corporate management, the Company believes that he will properly fulfill the responsibilities of Outside Auditor according to the above reasons.</p> <p>He meets the requirements for Independent Auditor stipulated by Tokyo Stock Exchange Inc.</p>			

- Notes:
1. There are no special interests between the candidates for Substitute Auditors and the Company.
 2. If either YAMAZAKI Hayato or YAGI Toru assume office as Auditor, the Company plans to enter into an agreement with them to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by laws and regulations.
 3. The Company has entered into a directors and officers liability insurance agreement with an insurance company under Article 430-3, Paragraph 1 of the Companies Act. This insurance agreement covers compensation for damages and litigation costs to be borne by the insured persons under law. If a candidate assumes office as Auditor, they will be included in the insured persons under this insurance agreement.

Proposal 5: Payment of Bonuses to Directors

The Company plans to pay a total of 5,340,000 yen as board members' bonus to the four Directors (excluding three Outside Directors) who served during the fiscal year ended March 31, 2022, taking into account of operating results for the fiscal year ended March 31, 2022 and other factors.

The Company determines that this proposal is reasonable since the operating results for the fiscal year ended March 31, 2022, performance of Directors and other factors are taken into consideration in a comprehensive manner.

We cordially ask the shareholders to leave the details such as the amount, timing, and method of payment to each Director to the discretion of the Board of Directors.

Proposal 6: Introduction (Renewal) of Countermeasures against Large-Scale Purchase of the Company's Shares (Takeover Defense Measures)

The effective period of the “Countermeasures against Large-scale Purchase of the Company's Shares (Takeover Defense Measures)” (hereinafter referred to as the “Former Rules”), which the Company introduced (renewed) based on the resolution at the 16th Ordinary General Shareholders' Meeting held on June 27, 2019, will expire at the conclusion of this General Shareholders' Meeting.

Accordingly, the Board of Directors of the Company resolved, at its meeting held on May 24, 2022, to submit to this General Shareholders' Meeting a proposal for the introduction (renewal) of the “Countermeasures against Large-scale Purchase of the Company's Shares (Takeover Defense Measures)” (the revised version hereinafter referred to as the “Rules”) as an effort to prevent decisions on the Company's financial and business policies from being controlled by persons who are inappropriate in light of the “Basic Policy Concerning Persons Who Control Decisions on the Company's Financial and Business Policies” (hereinafter referred to as the “Basic Policy.” The Basic Policy and the special efforts to contribute to the realization the Basic Policy are set forth in “(2) Basic Policy Concerning Persons Who Control Decisions on the Company's Financial and Business Policies” as part of “Systems and Policies of the Company” included in the “Items Disclosed on the Internet under Laws and Regulations and the Articles of Incorporation (Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements),” which is posted on the Company's website (<https://www.SAXA.co.jp/ir/stock/meeting.html>).

Therefore, we request your approval for the introduction (renewal) of the Rules in accordance with Article 16 of the Articles of Incorporation of the Company.

A summary of the revisions made in the Rules from the Former Rules is as follows.

<Summary of major revisions>

A change in the effective period and other necessary revisions were made along with the introduction (renewal).

1. Basic Policy Concerning Persons Who Control Decisions on the Company's Financial and Business Policies

The Company believes that shareholders are determined through free transactions in the market. Therefore, we believe that the decision as to whether or not to accept a purchase offer involving a transfer of control of a stock company should ultimately be made based on the will of the shareholders as a whole.

However, some acts or offers to purchase large quantities of the Company's shares fall into the cases listed as follows.

- (i) An act or offer is likely to cause obvious harm to the SAXA Group's corporate value and ultimately the common interests of its shareholders in light of the acquisition's purpose, post-acquisition management policy, or other factors.
- (ii) An act or offer is likely to effectively coerce shareholders to sell their shares.
- (iii) A large-scale purchase is made without giving the Company a reasonably necessary period of time to present an alternative proposal to such purchase.
- (iv) A large-scale purchase is made without providing the shareholders with sufficient information reasonably necessary for them to judge the details of such purchase.
- (v) Terms and conditions, etc. of a large-scale purchase (including price and type of consideration, timeframe of the purchase, legality of the method of the purchase, feasibility of the purchase) are significantly insufficient or inappropriate in light of the intrinsic value of the Company.

We consider that persons who conduct or offer to conduct such large-scale purchases of the Company's shares are those exceptionally inappropriate to control decisions on the Company's financial and business policies. We recognize that it is a natural responsibility of those entrusted with the management of the Company to protect its corporate philosophy, brand, and the interests of shareholders and other stakeholders from such acts.

2. Special efforts to contribute to the realization of the Basic Policy

In June 2021, the SAXA Group announced its Medium-term Management Plan “SAXA will Change” covering the three-year period from the fiscal year 2021 to 2023, and launched three strategies: “Change our business,” “Change our finance,” and “Change our governance.”

In addition, the SAXA Group has established a governance system in line with the disclosures based on each principle of the Corporate Governance Code, and will strive to strengthen corporate governance to maximize corporate value on an ongoing basis.

3. Judgment by the Board of Directors of the Company on the measures to prevent inappropriate persons in light of the Basic Policy from acquiring control and the reasons for such judgment

The Board of Directors has determined that it is essential to introduce (renew) the Rules as an effort to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate in light of the Basic Policy, in order to protect or enhance the SAXA Group's corporate value and ultimately the common interests of its shareholders.

(1) Necessity of the Rules

A large-scale purchase, if completed, would result in the acquisition of rights to manage the Company that could have an immediate and significant impact on the management of the SAXA Group, and could have a significant impact on the SAXA Group's corporate value and the common interests of its shareholders.

In practice, it is difficult for our shareholders to appropriately judge the impact of such a large-scale purchase on the SAXA Group's corporate value and the common interests of its shareholders without sufficient information regarding the large-scale purchaser.

Therefore, we believe that it is the responsibility of the Board of Directors of the Company to receive from a large-scale purchaser the information necessary and sufficient for our shareholders to make a decision, and to examine and assess the impact of the management policy, etc. proposed by a large-scale purchaser on the SAXA Group's corporate value and provide our shareholders with the results of the examination and assessment as reference for their judgment. In addition, depending on the circumstance, we believe that it is the responsibility of Directors of the Company to have the Board of Directors negotiate or discuss with a large-scale purchaser, or have the Board of Directors to present an alternative management policy or other alternative proposal to our shareholders

However, under the recent Japanese market and legal system, the possibility of a large-scale purchase that would cause obvious harm to the SAXA Group's corporate value and the common interests of shareholders can never be denied.

Specifically, the amendment to the Financial Instruments and Exchange Act (on the tender offer system and the large shareholding reporting system) (2006 amendment to the former Securities and Exchange Act) has enhanced disclosure in the Tender Offer Statement and given the target company the opportunity to ask questions to the tender offeror (right to ask questions) in cases where a tender offer is suddenly made without the consent of the current management team, thereby regulating abusive takeover bids to a certain extent. However, even after the amendment, it is still impossible to legally ensure the provision of information and time for consideration before the commencement of a tender offer, or to legally restrict the buying-up of shares in the market. The possibility cannot be denied that the amendment may not always be effective against hostile takeover bids.

Under such circumstances, we believe it is necessary to introduce the Rules as a countermeasure against large-scale purchases in order to prevent obvious harm to the SAXA Group's corporate value and the common interests of its shareholders, as well as to ensure the process of provision of information by large-scale purchasers and examination and assessment by the Board of Directors of the Company.

We believe that it is a responsibility of Directors of the Company to introduce the Rules because the Rules are necessary and effective to eliminate hostile takeovers that do not contribute to the SAXA Group's corporate value and the common interests of its shareholders as much as possible, and because the Rules ensure the provision of necessary information and period of review before a tender offer is launched.

(2) Reasonableness of the Rules

We believe that, by considering and incorporating the following matters, the Rules as an effort to prevent decisions on the Company's financial and business policies from being controlled by persons who are inappropriate in light of the Basic Policy are consistent with the Basic Policy, as well as not detrimental to the common interests of shareholders, and not intended to maintain the status of officers.

- (i) The Rules shall be established to deter abusive takeover bids by introducing takeover defense measures in advance.
- (ii) In order to reflect the will of shareholders in a legally clear manner, the decision to introduce takeover defense measures shall be a matter to be resolved at a general shareholders' meeting and takeover defense measures shall be introduced after the resolution at a general shareholders' meeting.
- (iii) Reasonable and objective requirements shall be established in accordance with the Basic Policy with respect to the triggering of takeover defense measures.
- (iv) The Independent Committee, which is highly independent of the Board of Directors, shall be established and a decision by the Independent Committee shall be required whenever takeover defense measures are triggered.
- (v) The effective period of the Rules shall expire at the conclusion of the ordinary general shareholders' meeting relating to the fiscal year ending March 31, 2024, and may be abolished by the general shareholders' meeting or the Board of Directors at any time upon comprehensive judgment in light of changes in the business environment, trends in takeover defense measures, social conditions, etc.

The Board of Directors of the Company has consulted with the Independent Committee regarding the introduction (renewal) of the Rules, and has received a recommendation from the Independent Committee to the effect that it is appropriate.

4. Details, etc. of the Rules

Countermeasures against Large-Scale Purchase of the Company's Shares (Takeover Defense Measures)

SAXA Holdings, Inc.

1. Purpose of introduction (renewal)

The Company has introduced (renewed) countermeasures against large-scale purchase (takeover defense measures) (hereinafter referred to as the "Rules") as an effort to prevent decisions on the Company's financial and business policies from being controlled by inappropriate persons in light of the Basic Policy Concerning Persons Who Control Decisions on the Company's Financial and Business Policies (hereinafter referred to as the "Basic Policy"). The purpose of the Rules is to protect or enhance the SAXA Group's corporate value and ultimately the common interests of its shareholders by deterring abusive purchases of the Company's shares by taking the measures stipulated in the Rules in the event of a large-scale purchase of the Company's shares.

2. Details of the Rules

(1) Purchaser governed by the Rules

The Rules provide that, in the event of a purchase or an offer to purchase (hereinafter collectively referred to as the "Purchase, etc.") that falls under (i) or (ii) below, the Company shall, in accordance with the procedures set forth in the Rules, trigger the defense measures set forth in (2) below (hereinafter referred to as the "Defense Measures").

A person who conducts the Purchase, etc. and a proposer of the Purchase, etc. are hereinafter collectively referred to as the "Purchaser, etc."

- (i) A purchase that would result in the ownership ratio of share certificates, etc. (*3) of a holder or holders (*2) amounting to 20% or more of the share certificates, etc. (*1) issued by the Company
- (ii) A tender offer (*5) that would result in the ownership ratio of share certificates, etc. (*6) of a person or persons conducting a tender offer and the ownership ratio of share certificates, etc. of persons having a special relationship with such a person or persons (*7) totaling 20% or more of the share certificates, etc. (*4) issued by the Company

*1 Defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act (Act No. 25 of April 13, 1948). The same shall apply hereinafter unless otherwise specified.

*2 Holders as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including those who are included in the holders pursuant to Paragraph 3 of the same article (including those who are deemed to fall under this category by the Board of Directors of the Company). The same shall apply hereinafter unless otherwise specified.

*3 Defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise specified.

*4 Defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter in (ii).

*5 Defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise specified.

*6 Defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise specified.

*7 Defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act (including those who are deemed to fall under this category by the Board of Directors of the Company). However, with respect to persons listed in Item 1 of the same paragraph, persons specified in Article 3, Paragraph 1 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates by Persons Other than Issuers (Ministry of Finance Ordinance No. 38 of November 26, 1990) are excluded. The same shall apply hereinafter unless otherwise specified.

(2) Details of Defense Measures

If the Purchaser, etc. emerges, and as a result of the procedures stipulated in the Rules, it is concluded that the defense measures should be triggered, the Company shall reduce the ownership ratio of the Company's share certificates, etc. of the Purchaser, etc. through a gratis allotment of stock acquisition rights (with an exercise condition that the rights may not be exercised by the relevant Purchaser, etc. and an acquisition clause to the effect that the Company may acquire the stock acquisition rights in exchange for shares of the Company from persons other than the Purchaser, etc.; hereinafter referred to as the Stock Acquisition Rights").

3. Procedures for Triggering Defense Measures

(1) Request for provision of information to the Purchaser, etc.

In the event that the Purchaser, etc. conducts the Purchase, etc., the Purchaser, etc. shall first suspend the Purchase, etc. of the Company's share for a certain period of time. Next, the Purchaser, etc. will be required to submit a "written pledge" to the effect that it will comply with the procedures stipulated in the Rules when conducting the Purchase, etc., as well as information necessary for the Board of Directors to examine the details of the Purchase, etc. conducted by the Purchaser, etc. as set forth below, in a form prescribed by the Company (hereinafter referred to as the "Purchase Document") written in Japanese within a response deadline (up to 30 days in principle) set as appropriate by the Board of Directors of the Company.

A certain period of time for the suspension of the Purchase, etc. shall be up to the time of the resolution of the Board of Directors of the Company as set forth in Item 4, (6).

[Required information]

- (i) Details (including specific names, capital structure, and financial position) of the Purchaser, etc. and its group (including joint holders, persons having a special relationship, and (in the case of a fund) partners and other constituent members).
- (ii) Purpose, method and details of the Purchase, etc. (including the price and type of consideration for the Purchase, etc., the timing of the Purchase, etc., the structure of related transactions, the legality of the method for the Purchase, etc., and the feasibility of the Purchase, etc.)
- (iii) Basis for calculation of the purchase price (including the facts used as underlying assumptions for the calculation, calculation method, numerical information used in the calculation, and the amount of synergies expected to arise from the series of transactions relating to the Purchase, etc. and the basis for the calculation)
- (iv) Backing of funds for purchase (including the specific name of the person or persons providing the funds for the purchase (including substantial providers), the method of financing the purchase, and the details of related transactions)
- (v) Management policy, business plan, capital policy and dividend policy after the purchase
- (vi) Policy regarding employees, customers, business partners, local communities, and other stakeholders after the purchase
- (vii) Specific measures to avoid conflicts of interest with other shareholders of the Company, if any.
- (viii) Approval of government authorities, consent of third parties, applicability of laws, etc.
- (ix) Any other information that the Board of Directors of the Company or the Independent Committee may need to make a reasonable judgment.

If the Board of Directors of the Company determines that the details set forth in the Purchase Document are insufficient, or if the Independent Committee as set forth in 4-(3) below points out that the details set forth in the Purchase Document are insufficient, the Board of Directors will request the Purchaser, etc. to resubmit additional information after setting a deadline for a response.

(2) Verification of the Purchase Document, negotiation with the Purchaser, etc. and presentation of an alternative proposal by the Board of Directors of the Company.

In the event that the Purchaser, etc. complies with the Rules and submits the Purchase Document containing necessary and sufficient information, the Board of Directors of the Company shall, after receiving the "Purchase Document," commence verification of the purchase proposal by the Purchaser, etc. and negotiations with the Purchaser, etc. from the perspective of protecting or enhancing the SAXA Group's corporate value and the common interests of shareholders.

The Board of Directors will disclose all or part of the information deemed necessary for shareholders to make a decision, including the fact that the Purchase, etc. has been proposed, the Statement of Opinion containing the results of assessment, examination and verification of the Purchase Document and alternative proposals prepared as necessary, and any other information deemed necessary for shareholders to make a decision, at a time deemed appropriate by the Board of Directors.

If the Board of Directors of the Company deems it appropriate to trigger the defense measures, it shall submit the Purchase Document and the Statement of Opinion to the Independent Committee and consult with the Independent Committee on the appropriateness of triggering the defense measures.

4. Actions to be Taken in the Event of the Purchase, etc.

(1) In cases where the Purchaser, etc. complies with the Rules

In cases where the Purchaser, etc. complies with the Rules, the Board of Directors of the Company will, even if it is opposed to the Purchase, etc., express its opinion against the Purchase, etc. or present an alternative proposal, thereby striving to persuade the shareholders, and will not, in principle, trigger defense measures against the Purchase, etc. The shareholders will be asked to decide whether or not to accept the Purchase, etc. by the Purchaser, etc. after considering the details of the Purchase Document and the opinion of the Board of Directors of the Company regarding the Purchase, etc., the alternative proposal, and other matters presented in the Statement of Opinion.

However, even in cases where the Purchaser, etc. complies with the Rules, if the Board of Directors recognizes that the details of the Purchase, etc. by the Purchaser, etc. fall under any of the following conditions for triggering the defense measures and that it is appropriate to implement the gratis allotment of the Stock Acquisition Rights, and only if the Independent Committee recommends that the decision to trigger the defense measures is appropriate, the Company plans to implement the gratis allotment of the Stock Acquisition Rights by resolution of the Board of Directors of the Company.

<Conditions for triggering defense measures>

- (i) If the Purchase, etc. is likely to cause obvious harm to the SAXA Group's corporate value and ultimately the common interests of its shareholders through any of the following acts:
 - (a) Buying up share certificates, etc. and demanding that the Company purchase those share certificates, etc. at a high price.
 - (b) Temporarily controlling the Company's management to realize the interests of the Purchaser, etc. at the expense of the Company by, for example, acquiring the Company's material assets, etc. at a low price.
 - (c) Diverting the Company's assets as collateral or source of repayment of debts of the Purchaser, etc. or its group companies.
 - (d) Temporarily controlling the management of the Company to dispose of high-value assets, etc. that are not currently related to the Company's business, and using the profits from such disposal to pay temporarily high dividends, or selling the shares at a high price, taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (ii) If the Purchaser, etc. is likely to virtually coerce the shareholders to sell their share certificates, etc. as seen in a so-called coercive two-tier purchases (referring to the purchase by a tender offer, etc. in which the purchase of all the shares is not solicited in the first stage of purchase, and the purchasing conditions in the second stage are set unfavorably or not stated clearly).
- (iii) Terms and conditions of the Purchase, etc. (including price and type of consideration, timeframe of the Purchase, etc., legality of the method of the Purchase, etc., feasibility of the Purchase, etc., management policy or business plan after the Purchase, etc., and policies for minority shareholders, employees, business partners, customers and other stakeholders of the Company after the Purchase, etc.) is significantly insufficient or inappropriate in light of the intrinsic value of the Company.

(2) In cases where the Purchaser, etc. does not comply with the Rules

In cases where the Purchaser, etc. does not comply with the Rules, regardless of the specific method of purchase, the Board of Directors of the Company plans to oppose the Purchase, etc. by triggering defensive measures for the purpose of protecting the SAXA Group's corporate value and ultimately the common interests of its shareholders.

(3) Independent Committee

The Board of Directors will make a final decision as to whether or not to take countermeasures on the grounds that the Purchaser, etc. does not comply with the Rules or that, even if the Purchaser, etc. does comply with the Rules, it is reasonable to trigger defensive measures because the details of the Purchase, etc. by the Purchaser, etc. fall under any of the conditions for triggering defensive measures. However, in order to properly implement the Rules, prevent arbitrary decisions by the Board of Directors, and ensure the objectivity, reasonableness, and fairness of such decisions, the Independent Committee consisting of three or more outside experts (such as attorneys-at-law, certified public accountants, financial advisors, etc.) shall be established. A summary of the recommendations of the Independent Committee shall be disclosed in a timely manner.

(4) Establishment of assessment period

The assessment period shall be set as a time period for the Board of Directors of the Company to assess and examine the Purchase, etc. by the Purchaser, etc. The assessment period shall be 90 days from the date of receipt by the Board of Directors of the Company of the Purchase Document containing necessary and sufficient information.

In the event that the Board of Directors of the Company fails to pass a resolution regarding where or not to trigger the defense measures within the assessment period and an extension of the assessment period is necessary, the Board of Directors of the Company shall make an inquiry to the Independent Committee by submitting a document stating the reasons why an extension of the assessment period is necessary, the period of extension and other matters it considers appropriate. The assessment period may be extended only if the Independent Committee makes a recommendation to approve its extension.

The same shall apply in the event that the assessment period is extended for a further period after such extension. If the assessment period is extended in accordance with the above, the Board of Directors of the Company shall continue to collect information, examine the details, etc. and make its best efforts to pass a resolution regarding whether or not to trigger the defense measures within the extended assessment period. If the assessment period is extended, the Board of Directors of the Company shall disclose the reasons for extending the assessment period, the period of extension, and any other matters deemed appropriate promptly after the resolution of such extension.

The assessment period may be extended for up to 30 days beyond the original assessment period.

(5) Recommendations of the Independent Committee

Under the Rules, defense measures will not be triggered in principle if the Purchaser, etc. complies with the Rules as set forth in 4-(1) above. However, when triggering defense measures in the event that the Purchase, etc. by the Purchaser, etc. falls under any of the conditions for triggering defense measures set forth in 4-(1) fall, and when the Purchaser, etc. does not comply with the Rules set forth in 4-(2), the Board of Directors of the Company shall, in order to ensure objectivity, reasonableness, and fairness of the judgment, first consult with the Independent Committee on the appropriateness of triggering the defense measures, and the Independent Committee shall make a recommendation for triggering or not triggering the defense measures after thoroughly examining whether the Rules are complied with or not.

The Board of Directors of the Company shall pass a resolution to trigger the defense measures only when the Independent Committee recommends that it is appropriate to do so.

(6) Resolution of the Board of Directors of the Company

Under the Rules, the Board of Directors of the Company shall be delegated the authority to decide matters concerning the gratis allotment of the Stock Acquisition Rights in accordance with the conditions set forth in the Rules.

The Board of Directors of the Company shall, in accordance with the recommendation of the Independent Committee in 4-(5) above and based on the Rules to be introduced with the approval of the shareholders at the General Shareholders' Meeting, pass a resolution to trigger or not trigger the defense measures by the expiration date of the assessment period set forth in 4-(4) above.

In the event of passing any of the above resolutions, the Company will promptly disclose a summary of such resolution and other matters deemed appropriate by the Board of Directors of the Company.

The Purchaser, etc. shall not execute the Purchase, etc. until the Board of Directors of the Company passes a resolution regarding non-triggering of the defense measures.

Even after the Board of Directors of the Company has resolved to trigger the defense measures, if it determines that the Company falls under any of the following cases, it may pass a new resolution to cancel the gratis allocation of the Stock Acquisition Rights by the time when the gratis allocation takes effect, and a new resolution to acquire the Stock Acquisition Rights without consideration during the period from the day when the gratis allocation takes effect until the day before the exercise period begins.

- (i) In cases where the Purchaser, etc. withdraws the Purchase, etc. after such resolution or where the Purchase, etc. ceases to exist
- (ii) In cases where it is not reasonable to implement the gratis allocation of the Stock Acquisition Rights or to permit the exercise of the Stock Acquisition Rights due to changes in the facts on which the decision on the resolution was based.

5. Effective Period of the Rules

The effective period of the Rules (hereinafter referred to as the “Effective Period”) shall be from the conclusion of the Ordinary General Shareholders’ Meeting for the fiscal year ended March 31, 2022 (FY2021) to the conclusion of the Ordinary General Shareholders’ Meeting for the fiscal year ending March 31, 2024 (FY2023).

6. Abolition and amendment of the Rules

- (1) The Rules may be abolished at any time prior to the expiration of the Effective Period in cases where the following resolution is passed. In other words, the Rules may be abolished at the will of the shareholders.

- (i) In cases where a resolution to abolish the Rules is passed at a general shareholders’ meeting of the Company
- (ii) In cases where a resolution to abolish the Rules is passed at the Board of Directors of the Company

- (2) The Rules may be partially reviewed or amended by a resolution of the Board of Directors of the Company in accordance with the recommendation of the Independent Committee even during the effective period.

In the event that the Rules are abolished or amended, the Company shall promptly disclose the fact of such abolition or amendment, the details of the amendment in the case of amendment, and other matters.

- (3) The provisions of laws and regulations cited in the Rules are based on the provisions in force as of May 23, 2022. If it becomes necessary to revise the meaning of any provision or term cited herein after May 23, 2022 due to the enactment, amendment, or abolition of any law or ordinance, such provision or term may be read as appropriate to the extent reasonable, taking into consideration the intent of such enactment, amendment, or repeal.

7. Reasonableness of the Rules

- (1) Fulfillment of the requirements of the Guidelines Regarding Takeover Defense

The Rules fulfill the three principles set forth in the Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests” published on May 27, 2005 by the Ministry of Economy, Trade and Industry and the Ministry of Justice.

The Rules also reflects the discussions and other contents of the Takeover Defense Measures in Light of Recent Environmental Changes published on June 30, 2008 by Corporate Value Study Group of the Ministry of Economy, Trade and Industry.

Furthermore, the Rules are in conformity with the intent of the various rules and regulations regarding the introduction of anti-takeover measures as stipulated by the Tokyo Stock Exchange.

- (2) Emphasis on the will of the shareholders (resolutions at the general shareholders’ meeting and sunset clauses)

The Rules will be introduced (or renewed) upon the approval of shareholders at the general shareholders’ meeting. Furthermore, even before the expiration of the effective period, if a resolution to abolish the Rules is passed at the general shareholders’ meeting, the Rules will be abolished at that time. As such the introduction and abolition of the Rules will reflect the will of the shareholders.

(3) Establishment of Independent Committee and Disclosure

In introducing the Rules, the Company will establish the Independent Committee in order to eliminate arbitrary decisions by the Board of Directors. The Independent Committee shall consist of three or more outside experts (attorneys-at-law, certified public accountants, etc.). In the event of the Purchase, etc., is actually conducted, the Independent Committee will recommend the appropriateness of the triggering of defense measures by the Board of Directors of the Company in accordance with the Rules as set forth in 4-(5) above.

The Board of Directors of the Company shall disclose information on the content of such recommendations in a timely manner and, in accordance with such recommendations, shall pass a resolution at the General Shareholders' Meeting to trigger or not trigger defense measures based on the Rules, which shall be introduced with the approval of the shareholders.

In this way, the Board of Directors of the Company is strictly monitored by the Independent Committee to ensure that it does not arbitrarily trigger the defense measures. In addition, the outline of the Independent Committee's decision is disclosed to the shareholders, thereby ensuring a mechanism for fair and appropriate operation of the Rules to contribute to protecting or enhancing the SAXA Group's corporate value and ultimately the common interests of shareholders.

(4) Establishment of reasonable and objective conditions

The Board of Directors of the Company may trigger defense measures only when any of the conditions for triggering defense measures apply even if the Purchaser, etc. complies with the Rules as set forth in 4 above or when the Purchaser, etc. does not comply with the Rules. The Rules ensure a mechanism to prevent arbitrary triggering by the Board of Directors of the Company.

(5) Obtaining opinions of third-party experts

The Independent Committee may obtain advice from independent third-party experts (experts other than members of the Independent Committee) at the Company's expense. This system is designed to more strongly ensure the fairness and objectivity of the decisions made by the Independent Committee.

(6) No dead-hand takeover defense

The Rules may be abolished at any time by the Board of Directors of the Company. The Rules may be abolished by the Purchaser, etc. in a way the Purchaser, etc. appoints directors nominated by the Purchaser, etc. at a general shareholders' meeting of the Company and forms the Board of Directors of the Company consisting of such directors.

Therefore, the Rules are not a dead-hand takeover defense (a takeover defense that cannot be blocked even if the majority of the members of the Board of Directors of the Company are replaced).

8. Impact on Shareholders, etc.

(1) Impact on shareholders and investors upon introduction of the Rules

Since the gratis allotment of the Stock Acquisition Rights itself will not take place at the time of introduction of the Rules, there will be no direct specific impact on the shareholders and investors.

(2) Impact on shareholders and investors at the time of the gratis allotment of the Stock Acquisition Rights

The Board of Directors of the Company will allot the Stock Acquisition Rights without consideration to the shareholders on the Allotment Date separately determined in the resolution for the gratis allotment of the Stock Acquisition Rights at a ratio of one Stock Acquisition Right per one share held by the shareholder. However, if the shareholders do not make the necessary payment for exercising the Stock Acquisition Rights within the exercise period or take other procedures for exercising the Stock Acquisition Rights as set forth in 8-(3)-(i) below, the shares of the Company held by such shareholders will be diluted due to the exercise of the Stock Acquisition Rights by the other shareholders.

In addition, the Company may, upon the decision of the Board of Directors and in accordance with the procedures set forth in 8-(3)-(ii) below, acquire the Stock Acquisition Rights from the shareholders other than those who fall under any of the following types of shareholders and deliver the Company's shares in exchange of the Stock Acquisition Rights.

- (i) a specified large-volume holder,
- (ii) a joint holders of a specified large-volume holder,
- (iii) a specified large-volume purchaser,
- (iv) a specially related party of a specified large-volume purchaser,
- (v) a person who has acquired or succeeded the Stock Acquisition Rights from a person falling under (i) through (v) above without the approval of the Board of Directors, or
- (vi) a person who is an affiliated person of a person falling under (i) through (v) above (hereinafter, a person falling under any of (i) through (vi) shall be collectively referred to as a "Non-qualified Person").

If the Company takes such acquisition procedures, shareholders other than those who fall under Non-qualified Persons will receive the Company's shares without exercising the Stock Acquisition Rights or paying the cash amount equivalent to the exercise price. In this case, the value per share of the Company held by them will be diluted, but the value of the shares held by them as a whole will not be diluted.

In the event that the Company cancels the gratis allotment of the Stock Acquisition Rights or acquires without consideration the Stock Acquisition Rights allotted without consideration after the shareholders who are to receive the gratis allotment of the Stock Acquisition Rights have been determined, the dilution of the value per share will not occur. Therefore, investors who have traded based on the assumption that the value per share will be diluted may suffer commensurate damage depending on fluctuations in the share price.

Note: Non-qualified Persons as described in (i) through (vi) above are defined as follows:

- a. The term "specified large-volume holder" is a holder of share certificates, etc., issued by the Company whose ownership ratio of the share certificates, etc. is 20% or more (including those who are deemed to fall under this category by the Board of Directors of the Company).
- b. The term "joint holder" means a joint holder as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including a person deemed to be a joint holder pursuant to Paragraph 6 of the same article (including those who are deemed to fall under this category by the Board of Director of the Company).
- c. The term "specified large-volume purchaser" means a person who has made a public notice to the effect that he or she will conduct the purchase, etc. (as defined in 27-2, Paragraph 1 of the same Act. The same shall apply hereinafter in this c.) of the share certificates (as defined in 27-2, Paragraph 1 of the same Act. The same shall apply hereinafter in this c.) issued by the Company through a tender offer and whose ownership ratio of the share certificates, etc. after the purchase, etc. (including the cases equivalent thereto set forth in Article 7, Paragraph 1 of the Enforcement Ordinance of the same Act) together with the ownership ratio of persons having a special relationship with a specified large-volume purchaser is 20% or more.
- d. The term "specially related party" is defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act (including those who are deemed to fall under this category by the Board of Director of the Company). However, with respect to persons listed in Item 1 of the same paragraph, persons stipulated in Article 3, Paragraph 1 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers shall be excluded.
- e. The term "affiliated person" of a person means a person recognized by the Board of Directors of the Company as substantially controlling, controlled by, or under common control with, that person, or a person recognized by the Board of Directors of the Company as acting in concert with that person. The term "control" means "controlling decisions on financial and business policies" of another company, etc. (defined in Article 3 of the Regulations for Enforcement of the Companies Act).

(3) Procedures required of shareholders in connection with gratis allotment of the Stock Acquisition Rights

(i) Procedures for exercising the Stock Acquisition Rights

The Company will send to the shareholders entered or recorded in the final shareholder register as of the Allotment Date a written request for the exercise of the Stock Acquisition Rights (which will be in the form prescribed by the Company and will contain necessary matters such as the details and number of the Stock Acquisition Rights to be exercised and the scheduled date of exercise of the Stock Acquisition Rights, as well as a representations and warranties clause stating that the shareholder satisfies the conditions for the exercise of the Stock Acquisition Rights, an indemnity clause and other covenants) and other documents necessary for the exercise of the Stock Acquisition Rights, in principle. After the gratis allotment of the Stock Acquisition Rights, if a shareholder submits these necessary documents and pays 1 yen or more per Stock Acquisition Right to the place of payment during the exercise period of the Stock Acquisition Rights, one share of the Company per Stock Acquisition Right will be issued to the shareholder.

(ii) Procedures for the acquisition of the Stock Acquisition Rights by the Company

If the Board of Directors of the Company decides to acquire the Stock Acquisition Rights, the Company will, in accordance with the statutory procedures, acquire the Stock Acquisition Rights on the day determined separately by the Board of Directors of the Company. In the event that shares of the Company are delivered to shareholders in exchange for the acquisition of the Stock Acquisition Rights, such shares shall be delivered promptly.

In this case, each shareholder may be required to separately submit a written statement in the form prescribed by the Company which includes a representations and warranties clause stating that the shareholder does not fall under a Non-qualified Person, an indemnity clause, and other covenants.

In addition to the above, for details of the method of allotment, the method of exercise, and the method of acquisition of the Stock Acquisition Rights by the Company, please refer to the contents of the disclosure or notice to be provided to the shareholders after the Board of Directors of the Company resolves to implement the gratis allotment of the Stock Acquisition Rights.

End of Document

(Appendix 1) Summary of Stock Acquisition Rights

1. Shareholders eligible for gratis allotment of stock acquisition rights and method of the allotment

Stock acquisition rights shall be allotted to those shareholders who are recorded on the final shareholder registry of the Company on the date of allotment determined by the Board of Directors of the Company without consideration at a proportion of one stock acquisition right to one common share of the Company owned by the shareholder (excluding common shares of the Company owned by the Company at the same time).

2. Type and number of shares to be issued upon exercise of stock acquisition rights

The type of shares to be issued upon the exercise of stock acquisition rights shall be common shares of the Company, and the number of common shares to be so issued shall be one (1) share for each stock acquisition right. However, if the Company conducts a stock split or a stock consolidation, the necessary adjustments shall be made.

3. Total number of stock acquisition rights to be issued

The total number of stock acquisition rights to be issued to shareholders shall not exceed the total number of shares of the Company authorized less the total number of common shares of the Company issued (excluding the common shares of the Company held by the Company) at the date of allotment determined by the Board of Directors of the Company. The Board of Directors of the Company may make more than one allotment of stock subscription rights.

4. Property to be contributed upon exercise of each stock acquisition right and its value

The property to be contributed upon the exercise of each stock subscription right shall be cash, and its value shall be determined by the Board of Directors of the Company as one yen or more.

5. Restrictions on transfer of stock acquisition rights

Any acquisition of stock acquisition rights through the transfer of stock acquisition rights requires the approval by the Board of Directors of the Company.

6. Conditions for the exercise of stock acquisition rights

The conditions for the exercise of stock acquisition rights shall include a requirement of not being a person who falls under the category of a Non-qualified Person. Details shall be determined by the Board of Directors of the Company.

7. Exercise period of stock acquisition rights, etc.

The date on which the allotment of stock acquisition rights takes effect, the period for exercising stock acquisition rights, the provisions on the acquisition of stock acquisition rights and other necessary matters shall be separately provided for by the Board of Directors.

As for the provisions on the acquisition, a provision may be set forth that the Company may acquire the stock acquisition rights owned by persons other than those who are not allowed to exercise the stock acquisition rights due to the exercise conditions as specified in the preceding paragraph, and may deliver such number of common shares of the Company as separately provided for by the Board of Directors for every one stock acquisition right.

End of Appendix 1

(Appendix 2) Summary of Independent Committee Rules

1. The Independent Committee shall be established by a resolution of the Board of Directors of the Company.
2. The Independent Committee shall have at least three members and members of the Committee shall be appointed by the Board of Directors of the Company from among experts (attorneys-at-law, certified public accountants, financial advisors, etc.) who are independent of the management team that executes the business of the Company.
3. The term of office of the Committee members shall be from the time of their assumption of office until the expiration of the effective period of the Rules in effect at the time of their assumption of office. However, this shall not apply if otherwise determined by a resolution of the Board of Directors of the Company.

In the event that a member of the Committee is unable to fulfill the number of members as set forth in the preceding paragraph due to an accident, etc., a new member of the Committee shall be appointed by the Board of Directors of the Company from among those who fulfill the requirements of the preceding paragraph.

4. The Independent Committee shall make decisions on the matters set forth in each of the following items in accordance with the Rules, and shall recommend the details of its decisions, together with the reasons therefor, to the Board of Directors of the Company.

Each member of the Independent Committee shall make a decision solely from the viewpoint of whether the Purchase, etc. is appropriate in light of the Basic Policy and which will protect or enhance the SAXA Group's corporate value and ultimately the common interests of its shareholders, the content of the Purchase Document of the Purchaser, etc. or the Board of Directors' Statement of Opinion.

- (i) Triggering or non-triggering of defense measures
 - (ii) Whether or not the Rules need to be changed.
 - (iii) Extension of the assessment period and other matters for which the Board of Directors of the Company has consulted the Independent Committee
5. In addition to the matters set forth above, the Independent Committee may conduct the following matters.
 - (i) Determination of the information required by the Independent Committee and the deadline for submission thereof
 - (ii) Matters that the Board of Directors of the Company separately determines that the Independent Committee may conduct.
6. If the Independent Committee determines that the Purchase Document and its contents are insufficient as necessary information, the Independent Committee shall request the Board of Directors of the Company to tell the Purchaser, etc. to submit additional information. In addition, if the Independent Committee receives from the Purchaser, etc. the Purchase Document and additional information requested by the Independent Committee, the Independent Committee may request the Board of Directors to present, within a prescribed period, the Statement of Opinion regarding the details of the Purchase, etc. by the Purchaser, etc. and other information deemed necessary by the Independent Committee.
7. In order to gather necessary information, the Independent Committee may request the attendance of Directors, Auditors and Employees of the Company, and other persons whom the Independent Committee deems necessary, and may request explanations regarding matters required by the Independent Committee.
8. The Independent Committee may, at the Company's expense, obtain advice from independent third-party experts (experts other than members of the Independent Committee).
9. President & C.E.O. may convene the Independent Committee in the event of the Purchase, etc. or at any other time.
10. Resolutions of the Independent Committee shall, in principle, be adopted by the majority of the votes of the members present at a meeting where at least two-thirds of the members are present. However, in case of unavoidable circumstances, resolutions of the Independent Committee may be adopted by the majority of the votes of the members present at a meeting where a majority of the members are present.

End of Appendix 2

(Appendix 3) Names and Career Summary of (Candidates for) Members of the Independent Committee

KONO Takashi

Attorney-at-law

<Career Summary>

April 1992 Registered as Attorney-at-law
June 1997 Auditor of Tamura Electric Works, Ltd.
February 2004 Outside Auditor of the Company (retired in June 2016)
April 2004 Outside Auditor, SAXA, Inc. (retired in June 2016)
June 2016 Member of the Company's Independent Committee (to present)

YAMAZAKI Hayato

Attorney-at-law

<Career Summary>

October 2005 Registered as Attorney-at-law
July 2013 Partner of Showa General Law Office (to present)
June 2016 Substitute Auditor of the Company
Member of the Independent Committee of the Company (to present)

YAGI Toru

Certified Public Accountant, Certified Public Tax Accountant

<Career Summary>

April 2007 Joined ShinNihon Audit Corporation (currently Ernst & Young ShinNihon LLC) (resigned in August 2017)
October 2010 Registered as Certified Public Accountant
September 2017 Joined AGS Consulting Co., Ltd.
January 2019 Joined Tomoo Udono Tax Accountant Office (to present)
Established Toru Yagi CPA Office (to present)
March 2019 Registered as Certified Public Tax Accountant
June 2021 Substitute Auditors of the Company
Member of the Independent Committee of the Company (to present)

* There are no special interests between the above (candidates for) members of the Independent Committee and the Company.

End of Appendix 3

– End of Reference Documents –