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Securities code: 6844

June 7, 2022

To our shareholders

2-2-1, Ohtemachi, Chiyoda-ku, Tokyo, Japan

Shindengen Electric Manufacturing Co., Ltd.

Yoshinori Suzuki, President

Notice of the 98th Ordinary General Meeting of Shareholders

We would like to express our heartfelt appreciation for your long-standing patronage of Shindengen Electric Manufacturing Co., Ltd.

We hereby notify you that the 98th Ordinary General Meeting of Shareholders of Shindengen Electric Manufacturing Co., Ltd. will be held as stated below.

As the situation with COVID-19 infections continues to be a concern, we ask shareholders to consider refraining from attending the meeting in person, regardless of individual health conditions, to ensure the safety and peace of mind of our shareholders. We ask shareholders to please exercise your voting rights in advance by written ballot or electronic means (Internet, etc.).

Please note however, that even if not attending the meeting in person, you can still exercise your voting rights in writing or by electromagnetic means (the Internet etc.), so we ask that shareholders take full advantage of these options. After reading the shareholder meeting reference documents below, please submit your voting instructions by no later than 5:30 p.m. on Monday June 28, 2022 in accordance with the “Instructions concerning the exercising of voting rights” provided on page 3.

Regards

Notice of Meeting

1. **Date and time:** Wednesday, June 29, 2022, 10:00 a.m.
2. **Place:** 4F DaiyaGgate Ikebukuro, 1-16-15 Minami Ikebukuro, Toshima-ku, Tokyo
TKP Garden City Premium Ikebukuro

■Please note that the location of the meeting will be different from the previous year.

The venue of will be changed from the previous year in order to operate the General Meeting of Shareholders more flexibly in conjunction with the opening of the Asaka Office.

3. Agenda

Reports:

1. Business report, consolidated financial statements, and consolidated financial statement audit reports by the accounting auditors and the Board of Corporate Auditors for the 99th fiscal year
(from April 1, 2021 to March 31, 2022)
2. Non-consolidated financial statements for the 99th fiscal year
(from April 1, 2021 to March 31, 2022)

Resolutions:

Proposal 1: Appropriation of Surplus

Proposal 2: Partial Amendments to the Articles of Incorporation

Proposal 3: Election of Six (6) Directors

Proposal 4: Election of One (1) Substitute Audit & Supervisory Board Member

Proposal 5: Continuation of the policy against the buying of an enormous amount of shares of our company (anti-takeover measures)

4. Decisions concerning the convocation of the Meeting

Please refer to “Instructions concerning the exercising of voting rights” on the next page.

We respectfully ask shareholders to consider refraining from attending the meeting this year in person to minimize the risk of COVID-19 infection. (Souvenirs for shareholders attending the meeting will not be distributed this year.)

If revisions are made to any of the reference documents for shareholders, business reports, financial statements, and consolidated financial statements, said revisions will be posted on our website at (<https://www.shindengen.co.jp/ir/>).

Instructions concerning the exercising of voting rights

Voting rights may be exercised in the following three ways.

If attending the General Meeting of Shareholders

Please bring the voting card with you and present it at the reception desk at the Meeting. (Your personal seal is not necessary.)

Date and time: 10:00 a.m. on Tuesday, June 29, 2022

Place: TKP Garden City PREMIUM Ikebukuro(4th floor)

If exercising voting rights by post

Please indicate your answers to the proposals on the enclosed voting card and send the card by post. You need not affix any postage.

Exercise deadline: Receipt by 5:30 p.m. on Monday, June 28, 2022

If exercising voting rights via the Internet

Access the voting website (<https://evote.tr.mufg.jp/>) via personal computer, smartphone or mobile phone. Enter the login ID and temporary password shown on the enclosed voting card, and enter your answer according to the instructions on the screen.

Exercise deadline: Until 5:30 p.m. on Monday, June 28, 2022

(1) In the case of voting twice via mail (voting card) and via the Internet

Please take note that if you vote twice via mail (voting card) and via the Internet, the vote that you gave via the Internet will be taken as an effective vote.

(2) In the case of voting via the Internet more than once

If you vote via the Internet more than once, the last vote you give will be taken as an effective vote.

(3) Procedures for voting via the Internet

When voting via the Internet, please confirm the following points before doing so.

If you plan to attend the Meeting on the day, you do not have to complete the procedures for voting via mail (voting card) or via the Internet.

Method for voting via the Internet

- (i) On the voting website (<https://evote.tr.mufg.jp/>), use the login ID and temporary password written on your voting card, and enter your answers according to the instructions on the screen.
- (ii) Please be aware that the site will ask you to change your temporary password in order to prevent other people from hacking your account or falsifying your vote.
- (iii) You will be provided with a new login ID and temporary password each time a General Meeting of Shareholders is convened.

Expenses incurred when accessing the voting site

All expenses incurred when accessing the voting site (fee for Internet connection, etc.) shall be borne by the shareholders. And expenses incurred when accessing the voting site via mobile phones, etc. (packet communication fees, etc.) shall be borne by the shareholders.

Platform for electronic voting

Nominee shareholders (including standing proxies) such as trust management banks may apply in advance to use the platform for electronic voting operated by the ICJ Inc., a joint venture company established by the Tokyo Stock Exchange, Inc., and others. In such a case, the shareholders can use the ICJ platform to vote at the General Meeting of Shareholders in addition to the Internet and other methods mentioned above.

<p>All inquiries regarding the computing system, etc. should be addressed to: Corporate Agency Division (Help Desk) Mitsubishi UFJ Trust and Banking Corporation Phone: 0120-173-027 (09:00–21:00, toll-free)</p>

Reference Documents for Shareholders Meeting

Proposal 1: Appropriation of Surplus

The Company desires to appropriate the surplus in the following manner.

Matters concerning the year-end dividend.

The Company regards the return of profits to shareholders as one of management's important tasks and makes it our basic policy to determine the distribution of profits by taking into account in a general manner the internal reserve to maintain and strengthen its competitiveness in the industry, the level of the return on equity, the performance or the like. The Company desires to declare the year-end dividend of the current term in the following manner.

(1) Type of dividend property

Cash

(2) Matter concerning the assignment of the dividend property and its total amount

The sum of 100 yen per one common share of the Company

The total amount shall be 1,030,706,400 yen.

(3) The day on which the distribution of dividend of surplus shall take effect:

June 30, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reason for the amendments

The revised provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Revising the Companies Act (Law No. 70 of 2019) will come into effect on September 1, 2022, and the Company proposes to amend its Articles of Incorporation as follows in order to prepare for the introduction of the system of electronic provision of materials for the General Meeting of Shareholders.

- (1) Article 22, Paragraph 1 of the proposed amendment provides that the Company shall take measures for electronic provision of information that is the contents of reference documents, etc. for the General Meeting of Shareholders.
- (2) Article 22, Paragraph 2 of the proposed amendment would establish a provision to limit the scope of matters to be included in the documents to be delivered to shareholders who have requested the delivery of such documents.
- (3) The provision for Internet disclosure and deemed provision of reference documents, etc. for the General Meeting of Shareholders (Article 22 of the current Articles of Incorporation) shall be deleted as it is no longer necessary.
- (4) In accordance with the above new establishment and deletion, the Supplementary Provisions regarding the effective date, etc. shall be established.

2. Details of the amendments

Details of the amendment are as follows.

(The amended sections are underlined.)

Current Articles of Incorporation	Proposed Changes
<p style="text-align: center;">Chapter 4 General Meeting of Shareholders</p> <p><u>(Internet Disclosure of Reference Documents for General Meeting of Shareholders, etc. and Deemed Provision)</u></p> <p><u>Article 22 The Company may, upon convocation of a general meeting of shareholders, deem that it has provided the shareholders with information pertaining to matters to be stated or indicated in reference documents for general meetings of shareholders, business report, financial statements and consolidated financial statements by disclosing such information via the Internet in accordance with the applicable Ordinance of the Ministry of Justice.</u></p>	<p style="text-align: center;">Chapter 4 General Meeting of Shareholders</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Changes
(Newly established)	<p>(Measures for Electronic Provision, etc.)</p> <p><u>Article 22 The Company shall take measures for electronic provision of information that is the contents of reference documents, etc. for the General Meeting of Shareholders.</u></p> <p><u>2 The Company may not include all or part of the matters for which it takes , electronic provision of information as provided for in the applicable Ordinance of the Ministry of Justice in the document to be delivered to shareholders who have made a written request by the record date for voting rights.</u></p>
(Newly established)	<p>(Supplementary Provisions)</p> <p><u>1. The deletion of Article 22 (Disclosure via the Internet and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the current Articles of Incorporation and the proposed amendment of Article 22 (Measures for Electronic Provision, etc.) shall become effective as of the date of enforcement of the amended provisions prescribed (below, “date of enforcement”) in the proviso of Article 1 of the Supplementary Provision of the Act to Amend the Companies Act (Law No. 70 of 2019).</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 22 of the present Articles of Incorporation shall remain in force with respect to the General Shareholders' Meeting whose date is within six months from the date of enforcement.</u></p> <p><u>3. This Supplementary Provision shall be deleted after six months have elapsed from the date of enforcement or after three months have elapsed from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Six (6) Directors

The term of office of all of the six Directors will expire upon conclusion of this Ordinary General Meeting of Shareholders. It is therefore requested that six Directors be elected from the candidates listed below.

Candidate No.	Name	Positions, tasks and responsibilities at the Company	Category
1	Yoshinori Suzuki	President	Reappointment
2	Yasumi Negishi	Director (Senior Executive Officer) In Charge of Corporate Departments	Reappointment
3	Kenji Horiguchi	Director (Executive Officer) In Charge of Magnetic Components, Environmental & Health , ISO Promotion	Reappointment
4	Nobuyoshi Tanaka	Director (Executive Officer) In Charge of Sales, Energy Systems & Solutions Div. (current position)	Reappointment
5	Hideyuki Hashimoto	Director	Reappointment Outside Independent
6	Akiko Shigemoto	-	New appointment Outside Independent
<p>New appointment Candidate for new appointment as Director</p> <p>Reappointment Candidate for reappointment as Director</p> <p>Outside Candidate for Outside Director</p> <p>Independent Independent Director pursuant to the rules specified by the stock exchange and others</p>			

Candi- date No.	Name (Date of birth)	Brief background description, positions/tasks at the Company (Situation of important concurrent posts, if any)	No. of the Company's shares held by the candidate
1	Yoshinori Suzuki (May 21, 1957) Reappointment	<p>April 1982 Joined the Company</p> <p>March 1996 Managing Director, Shindengen Singapore Pte Ltd.</p> <p>April 1999 Department Manager, Device Overseas Sales Dept., Semiconductor Div., Electronic Device Div. Group</p> <p>April 2000 Department Manager, Device Overseas Sales Dept., Sales Div., Electronic Device Div. Group</p> <p>April 2002 Department Manager, Sales Planning Dept., Sales Div., Electronic Device Div. Group</p> <p>April 2003 Department Manager, Marketing Dept. II, Consumer Electronics Sales Div., Electronic Device Div. Group</p> <p>April 2005 Branch Manager, Osaka Branch, Area Sales Management Div., Sales Div. Group</p> <p>April 2006 Branch Manager, Osaka Branch, Area Sales Div., Electronic Device Sales Div. Group</p> <p>April 2007 General Manager, Electronic Device Sales Div., the Electronic Device Div. Group</p> <p>June 2008 Officer, Deputy Division Director, Electronic Device Div. Group and General Manager, Electronic Device Sales Div., Electronic Device Div. Group</p> <p>February 2009 Officer, Corporate Planning Group</p> <p>June 2009 Director and Officer, Corporate Planning Group</p> <p>June 2012 Director and Officer, In charge of Overseas and Area Sales</p> <p>April 2013 Director and Officer, Division Director, Sales Division Group</p> <p>June 2013 Director and Officer, In charge of Sales and Car Electrics</p> <p>June 2014 Director and Senior Officer, In charge of Sales and Car Electrics</p> <p>April 2015 Director and Senior Officer, President, Shindengen Device Commerce Co., Ltd.</p> <p>June 2015 Director and Senior Officer, In charge of structural reform President, Shindengen Device Commerce Co., Ltd.</p> <p>April 2016 President (current position)</p>	8,578 common shares
<p>Significant concurrent positions: Not applicable</p>			
<p>Reasons for nomination as candidate: Having been taking the leadership of domestic and overseas sales departments for many years, Mr. Yoshinori Suzuki has a great deal of business experience and excellent credentials as a business person. In addition, he has been serving as President since April 2016 after he had served as Director of the Corporate Planning Group as well as served as a Director and Officer. In his capacity as the President, he has been appropriately exercising control and supervision over the Company's business. We therefore anticipate that he is well-qualified for a leader who is responsible for enhancing the Company's value in a sustainable manner, and he has been nominated as candidate for a Director for the following term.</p>			
<p>Special-interest relationships: No special-interest relationships exist between Mr. Yoshinori Suzuki and the Company.</p>			

Candi- date No.	Name (Date of birth)	Brief background description, positions/tasks at the Company (Situation of important concurrent posts, if any)	No. of the Company's shares held by the candidate
2	Yasumi Negishi (October 8, 1958) Reappointment	<p>April 1982 Joined the Company</p> <p>November 2004 Department Manager, Finance Dept.</p> <p>February 2009 Department Manager, Personnel Dept.</p> <p>April 2009 Department Manager, Personnel Dept. and Learning Center</p> <p>June 2012 Director and Officer, Corporate Planning Group, In charge of Personnel, Administration and Learning Center</p> <p>October 2012 Director and Officer, Corporate Planning Group In charge of Personnel, Administration and Human Resources Development</p> <p>June 2015 Director and Senior Officer, Corporate Planning Group In charge of Personnel, Administration and Human Resources Development</p> <p>July 2015 Director and Senior Officer, Corporate Planning Group In charge of Personnel, Administration and Human Resources Development.</p> <p>April 2016 President, Shindengen Enterprise Co., Ltd. Director and Executive Officer, Corporate Planning Group In charge of accounting and administration departments</p> <p>April 2017 Director and Executive Officer, Corporate Planning Group In Charge of Administration Departments</p> <p>April 2018 Director and Senior Executive Officer , Corporate Planning Group In Charge of Administration Departments</p> <p>April 2020 Director and Senior Executive Officer (current position) In Charge of Corporate Departments (current position)</p>	5,715 common shares
<p>Significant concurrent positions: Not applicable</p>			
<p>Reasons for nomination as candidate: Having been taking the leadership of administration departments for many years, Mr. Yasumi Negishi has wide business experience in accounting, personnel affairs, general affairs, business planning and others, as well as in-depth knowledge of business. Furthermore, he has been acting as Director since June 2012 and has been appropriately overseeing management of the Company. In view of this, the Company recognizes him as an indispensable person for management of the Company; therefore, the Company has continued to choose him as a candidate for the position of Director.</p>			
<p>Special-interest relationships: No special-interest relationships exist between Mr. Yasumi Negishi and the Company.</p>			

Candi- date No.	Name (Date of birth)	Brief background description, positions/tasks at the Company (Situation of important concurrent posts, if any)	No. of the Company's shares held by the candidate
3	Kenji Horiguchi (November 16, 1959) Reappointment	<p>April 1983 Joined the Company</p> <p>April 2000 Department Manager, Device Design Dept., Advanced Power Products Div., Advanced Power Products Div. Group</p> <p>October 2003 Associate General Manager, Advanced Power Products Div., Electronic Device Div. Group; Department Manager, Design Dept., Advanced Power Products Div., Electronic Device Div. Group</p> <p>April 2005 General Manager, Advanced Power Products Div., Electronic Device Div. Group; Department Manager, Design Dept., Advanced Power Products Div., Electronic Device Div. Group</p> <p>April 2006 General Manager, Advanced Power Products Div., Electronic Device Div. Group</p> <p>April 2008 General Manager, IC Development Center, Technology & Development Div. Group</p> <p>April 2009 Deputy Division Director, Technology & Development Center</p> <p>June 2010 Officer</p> <p>June 2012 President, Higashine Shindengen Co., Ltd.</p> <p>June 2012 Officer President, Higashine Shindengen Co., Ltd.; In Charge of Shindengen group Productivity Innovation System (SPIS) Project</p> <p>March 2013 Officer President, Higashine Shindengen Co., Ltd.; General Manager, SPIS Project; In Charge of SPIS Project</p> <p>April 2013 Officer President, Higashine Shindengen Co., Ltd.</p> <p>June 2013 Director and Officer; In Charge of Technology, Production, Quality, Intellectual Property and Power Module Products</p> <p>June 2014 Director and Officer; General Manager, Technology & Development Center; In Charge of Technology, Production, Quality, Intellectual Property and Power Module Products</p> <p>June 2015 Director and Officer; In Charge of Technology, Production and Quality</p> <p>April 2016 Director and Senior Officer; In Charge of Technology, Production and Quality</p> <p>April 2017 Director and Senior Officer Factory Director; In Charge of Structural Reform, Materials, Distribution, Magnetic Components</p> <p>April 2018 Director and Executive Officer; Factory Director; In Charge of Structural Reform, Materials, Distribution, Magnetic Components</p> <p>April 2019 Director and Executive Officer; Factory Director; In Charge of Structural Reform, Magnetic Components</p> <p>April 2020 Director and Executive Officer; (current position) Factory Director; In Charge of Magnetic Components, Environments, ISO Promotion Office</p> <p>November 2020 Director and Executive Officer; Factory Director; In Charge of Magnetic Components, Environmental & Health, ISO Promotion Office</p> <p>April 2022 Director and Executive Officer; (current position) In Charge of Magnetic Components, Environmental & Health, ISO Promotion</p>	4,641 common shares
Significant concurrent positions:			
Not applicable			
Reasons for nomination as candidate:			
Mr. Kenji Horiguchi has been mainly engaged in the Design, Production and Quality Management departments and has great insight and plenty of experience in those fields. Furthermore, he has been acting as Director since June 2013 and has been appropriately overseeing management of the Company. In view of this, the Company recognizes him as an indispensable person for management of the Company; therefore, the Company has continued to choose him as a candidate for the position of Director.			
Special-interest relationships:			
No special-interest relationships exist between Mr. Kenji Horiguchi and the Company.			

Candidate No.	Name (Date of birth)	Brief background description, positions/tasks at the Company (Situation of important concurrent posts, if any)	No. of the Company's shares held by the candidate
4	Nobuyoshi Tanaka (July 20, 1961) Reappointment	<p>April 1985 Joined the Company</p> <p>October 2006 Department Manager, Planning Dept., Corporate Planning Group</p> <p>April 2010 Department Manager, Administration Dept., Electronic Device Management Div., Electronic Device Div. Group</p> <p>July 2010 General Manager, Electronic Device Management Div., Electronic Device Div. Group</p> <p>June 2011 Officer; Division Director, Electronic Device Div. Group</p> <p>June 2015 Officer; Division Director, Electronic Device Div. Group; Division Director, Sales Div. Group</p> <p>April 2016 Senior Officer; Division Director, Electronic Device Div. Group; Division Director, Sales Div. Group</p> <p>April 2017 Senior Officer; Division Director, Sales Div. Group; In Charge of Electric Vehicle Project</p> <p>June 2017 Director and Senior Officer; Division Director, Sales Div. Group; In Charge of Electric Vehicle Project</p> <p>April 2018 Director and Executive Officer; Division Director, Sales Div. Group; In Charge of Electric Vehicle Project</p> <p>April 2020 Director and Executive Officer In Charge of Sales Departments, CSR Promotion Office</p> <p>April 2022 Director and Executive Officer (current position); In Charge of Sales, Energy Systems & Solutions Div. (current position)</p>	4,612 common shares
Significant concurrent positions:			
Not applicable			
Reasons for nomination as candidate:			
Mr. Nobuyoshi Tanaka has been engaged in the Sales departments inside and outside Japan. He has broad business experience and great insight, leading the Corporate Planning Group and the Electronic Device Div. Group. Furthermore, he has been as Director since June 2017 and has been appropriately overseeing management of the Company. In view of this, the Company recognizes his experience and knowledge to be indispensable for sustainable improvement in the corporate value; therefore, the Company has chosen him as a candidate for the position of Director.			
Special-interest relationships:			
No special-interest relationships exist between Mr. Nobuyoshi Tanaka and the Company.			

Candidate No.	Name (Date of birth)	Brief background description, positions/tasks at the Company (Situation of important concurrent posts, if any)	No. of the Company's shares held by the candidate
5	Hideyuki Hashimoto (January 25, 1964) Reappointment Outside Independent	October 1991 Joined Chuo Shinkou Audit Corporation	0 common shares
		April 1995 Registered as a certified public accountant	
		January 2000 Opened Hashimoto Public Accounting Office	
		April 2000 Registered as a certified tax accountant	
		May 2007 Joined BDO Toyo & Co.	
		June 2014 Managing Partner, BDO Toyo & Co. (current position)	
		June 2015 Director of the Company (current position)	
		October 2019 Outside Director, Silver Life Co., Ltd.(current position)	
		August 2020 Senior Partner, BDO Toyo & Co. (current position)	
Significant concurrent positions:			
Certified public accountant, certified tax accountant, Outside Director, Silver Life Co., Ltd.			
Reasons for nomination as candidate, and expected role:			
Mr. Hideyuki Hashimoto has specialized knowledge and a wealth of experience as both a certified public accountant and a certified tax accountant. The Company has continued to choose him as a candidate for the position of Outside Director with expectations that he will provide useful advice on management of the Company.			
Mr. Hideyuki Hashimoto's term of office as Outside Director will be 6 years as of the conclusion of this General Meeting.			
The Company has registered Mr. Hideyuki Hashimoto as an Independent Director with the Tokyo Stock Exchange, Inc., pursuant to the rules specified by the exchange. The Company plans to continue appointing him as an Independent Director if he is reappointed.			
Special-interest relationships:			
No special-interest relationships exist between Mr. Hideyuki Hashimoto and the Company.			
Limited liability agreement:			
The Company has entered into an agreement with Mr. Hideyuki Hashimoto pursuant to Article 427, Paragraph 1 of the Companies Act to limit the amount of the liability for damages prescribed in Article 423, Paragraph 1 of the same law. The limit of the liability for damages in this agreement is in line with the amount stipulated by laws and regulations. The Company plans to extend said agreement with him if his reappointment is approved at the General Meeting.			

Candidate No.	Name (Date of birth)	Brief background description, positions/tasks at the Company (Situation of important concurrent posts, if any)	No. of the Company's shares held by the candidate
6	Akiko Shigemoto (February 26, 1971) New appointment Outside Independent	May 2005 Securities Examiner, Secretariat of Securities and Exchange Surveillance Commission, Financial Services Agency	0 common shares
		May 2011 Researcher, Institute for Ethical Leadership, Rutgers University, USA	
		May 2013 Lecturer, Rutgers Business School, Rutgers University, USA	
		May 2017 Senior Researcher, Institute for Global Environmental Strategies	
		September 2019 Associate Professor, Graduate School of Business Administration, Waseda University (current position)	
	Significant concurrent positions: Associate Professor, Waseda University		
Reasons for nomination as candidate, and expected role: Akiko Shigemoto has abundant experience and insight in management strategy, accounting, auditing, and corporate fraud through many years of practice and research in industry, academia, and government in Japan and the US. She is nominated as a candidate for Outside Director in the expectation that she will provide guidance and advice to management based on her expertise and extensive experience. In addition, she meets the requirements for an independent officer as stipulated by the Tokyo Stock Exchange, and if her appointment is approved, the Company intends to appoint her as an independent officer.			
Special-interest relationships: No special-interest relationships exist between Ms. Akiko Shigemoto and the Company.			
Limited liability agreement: The Company has entered into an agreement with Ms. Akiko Shigemoto pursuant to Article 427, Paragraph 1 of the Companies Act to limit the amount of the liability for damages prescribed in Article 423, Paragraph 1 of the same law. The limit of the liability for damages in this agreement is in line with the amount stipulated by laws and regulations. The Company plans to extend said agreement with her if her reappointment is approved at the General Meeting.			

■ Summary of the contents of the liability insurance contract for officers, etc.

The Company has entered into a liability insurance contract with an insurance company for officers, etc., as stipulated in Article 430-3, Paragraph 1 of the Companies Act, and a summary of the contents of such insurance contract is shown on page 47 of the Business Report. If the election of the candidate for Director is approved, they will be included as the insured under the said insurance contract.

[Reference]

If Proposal 3 is approved, the management structure will be as follows. Please note that the following list does not represent all the expertise and experience possessed by each officer.

Name	Position and responsibilities	Attributes	Corporate Management	Finance and accounting	Legal compliance	Risk management	Manufacturing, engineering, R&D	Sales and marketing	Global	ESG
Yoshinori Suzuki	President		●					●	●	●
Yasumi Negishi	Director (Senior Executive Officer) In Charge of Corporate Departments		●	●						●
Kenji Horiguchi	Director (Executive Officer) Factory Director In Charge of Magnetic Components, Environmental & Health, ISO Promotion Office		●				●			●
Nobuyoshi Tanaka	Director (Executive Officer) In Charge of Sales Departments, CSR Promotion Office		●					●	●	●
Hideyuki Hashimoto	Director	Outside Independent		●						
Akiko Shigemoto	Director	Outside Independent	●	●		●			●	●
Yoshiaki Higo	Full-time Auditor		●					●		
Yuichiro Miyake	Auditor	Outside Independent			●					
Harusato Nihei	Auditor	Outside Independent	●	●					●	
Sachie Tsuji	Auditor	Outside Independent		●		●				

Proposal 4: Election of One (1) Substitute Audit & Supervisory Board Member

The Company proposes that one person be elected as Substitute Audit & Supervisory Board Member in case the Company should face a shortfall in the number of Audit & Supervisory Board Members stipulated by laws and regulations.

This proposal has obtained the consent of the Audit & Supervisory Board.

The candidate for the position of Substitute Audit & Supervisory Board Member is as follows:

Name (Date of Birth)	Brief Personal History, Positions at the Company and Important Concurrent Positions	Number of the Company's Shares Held	
Shoji Chiba (June 25, 1965)	April 1988 Joined the Company April 2010 Department Manager, Planning Dept. April 2014 Department Manager, Finance Dept. April 2020 Officer (current position) Department Manager, Administration Dept. (current position) Department Manager, Legal Dept. (current position)	1,960 common shares	
	Significant concurrent positions: Not applicable		
	Special-interest relationships: No special-interest relationships exist between Mr. Shoji Chiba and the Company.		

Proposal 5: Continuation of the policy against the buying of an enormous amount of shares of our company (anti-takeover measures)

At the 95th General Meeting of Shareholders held on June 27, 2019, we decided to continue our policy for handling mass purchases of shares of the Company (hereinafter referred to as the “Current Plan”). Our shareholders have shown that they approve of this decision.

The effective period of the Current Plan expires at the 98th General Meeting of Shareholders to be held in June 2022. Based on our current situation and improvements made to anti-takeover measures, we have been considering the ideal way to proceed with the Current Plan. Our goal is to further secure and improve the corporate value of the Company and the common interests of shareholders.

As a result, at the Company’s Board of Directors meeting on May 12, 2022, it was decided that after obtaining approval from shareholders at the 98th General Meeting of Shareholders in June 2019 (hereinafter the “General Meeting of Shareholders”), we will continue our policy for handling mass purchases of shares (hereinafter “the Plan”).

All four of our corporate auditors, including three outside corporate auditors, have expressed their opinion in favor of the Plan, provided that it is undertaken properly.

As of now, there are no proposals for mass purchases, and no particular threats have arisen with regards to mass purchases.

The main changes to the Plan are as follows.

- (1) Necessary changes have been made in accordance with the new establishment of the Independent Committee to clarify the elimination of arbitrary decisions by the Board of Directors when implementing countermeasures, and a mechanism to respect its recommendations to the maximum extent possible.
- (2) The Company has clearly stated that when acquiring stock acquisition rights held by the Specific Purchaser, etc., no money, etc. will be delivered as consideration.
- (3) Other necessary revisions, such as formal wording amendments, have been made.

1. Efforts to secure and improve the corporate value of the Company and the common interests of shareholders

(1) Management philosophy and corporate mission

The Group conducts its daily business activities under the management philosophy of “A company that grows together with society, clients, and employees” as a management philosophy. Based on our corporate mission of “Maximizing energy conversion efficiency for the benefit of humanity and society,” as a manufacturing company that possesses semiconductor, circuit, and packaging technologies, we will create products that will play a role in realizing a decarbonized society by integrating, developing, and applying these technologies.

(2) Long-term Vision 2030

The Group believes that building a product portfolio that fits the times and contributing to the resolution of social issues will contribute to the enhancement of corporate value in the current era of sustainability.

Based on the above, we have formulated the following long-term vision for FY 2030.

[Ideal vision for the Long-term Vision 2030]

A power electronics company that continues to be needed by all stakeholders, contributing to a sustainable society by creating advanced, environmentally conscious solutions through innovative technologies.

From a long-term perspective, we will create power devices that will become key parts of a decarbonized society, mobility solutions that are entrusted with the future of people and the environment, and environmental solutions that integrate the core technologies of all our businesses, and continue to develop our product portfolio with a greater emphasis on environmental contributions. At the same time, to build a stable management base on which to base sustainable growth, we will emphasize capital efficiency, review our business portfolio, and optimize the allocation of management resources, including capital investment, R&D investment, and human resource investment.

(3) 16th Mid-Term Business Plan

The 16th Mid-Term Management Plan," which covers the three-year period from FY2022 to FY2024, sets the management policy of building a foundation for the realization of our long-term vision and sets the main themes of building a profitable structure, making strategic moves to expand growth businesses, and allocating resources to areas to reduce greenhouse gas emissions to promote the shift to a product portfolio that integrates business growth and sustainability toward the ideal vision set forth in the Long-Term Vision 2030.

To realize its management policy, the Company will make extensive use of digital transformation (DX) in the execution of each of its measures.

2. Reason and necessity for continuing this plan

As long as it is allowed to freely buy and sell our listed shares, the Company's Board of Directors believes that the final decision on whether to accept large-scale purchases from specific parties should be made by shareholders.

However, it cannot be said that there are no mass purchases of shares that would seriously damage the common interests of shareholders, such as those that have a mechanism to force shareholders to sell their shares or those that may cause irreparable damage to our Group due to insufficient understanding of the source of corporate value inherent in our Group. We believe that persons who would conduct such purchases or similar acts are inappropriate as persons who control the Company's financial and business policies, and that persons who control the Company's financial and business policies must be persons who maintain a stable management system from a medium to long-term perspective in order to maintain a relationship of trust with the various stakeholders who support our Group, enhance our Group's corporate value, and secure and enhance the common interests of shareholders.

Therefore, in the event that a mass purchase of shares is about to take place, we believe that in order for our shareholders to make an appropriate decision as to whether or not to accept the mass purchase of shares, it is necessary to provide them with sufficient information regarding the mass purchase of shares. Accordingly, the Company's Board of Directors will request the Mass Buyer to provide information on the Mass Buyer to the

Company's Board of Directors for the purpose of providing our shareholders with materials for their decision-making, evaluate and examine the information provided, and compile and disclose the Company's Board of Directors' opinion. In addition, the Company's Board of Directors may negotiate with the Mass Buyer or present an alternative proposal to our shareholders as necessary.

For the above reasons, the Company's Board of Directors has resolved to continue the Plan, subject to the approval of our shareholders at this General Meeting of Shareholders, because we believe that a mass purchase of shares conducted in accordance with reasonable rules is consistent with securing and enhancing the corporate value of our Group and, in turn, the common interests of our shareholders.

3. Establishment of Independent Committee

In order to eliminate arbitrary decisions by the Board of Directors when implementing countermeasures, the Plan respects the recommendations of the Independent Committee (hereinafter the "Independent Committee"), which is composed solely of the Company's outside directors, outside corporate auditors, or outside experts (company executives with proven track records, persons from government offices, lawyers, certified public accountants, or academic experts, or persons of similar qualifications) who are independent of the management team that executes the Company's business, in accordance with the Independent Committee Rules (see Exhibit 1 for a summary), and ensures transparency through timely information disclosure to shareholders. The five members of the Independent Committee at the time of continuation of the Plan are scheduled to be appointed as the members of the Independent Committee as described in Exhibit 2.

4. Contents of the Plan

(1) Target purchases

All purchases of shares of the Company (Note 3) by a specific shareholder group (Note 1) which amount to a voting rights ratio (Note 2) of 20% or more; or would cause said group's voting rights ratio to exceed 20% as a result of the purchase are subject to this plan (This includes specific methods of purchase such as market transactions and tender offers, with the exception of purchases which the Company's Board of Directors has agreed to in advance. Such purchases will be referred to as "Mass Purchases," and the person making the offer will be referred to as the "Mass Buyer"). The Mass Buyer shall follow the procedures prescribed in this plan (hereinafter referred to as the "Rules for Mass Purchase").

Note 1: Specific shareholder group

A specific shareholder group refers to:

- (i) Holders (includes the parties defined in Article 27-23, paragraph 3 of the Financial Instruments and Exchange Act; the same shall apply hereinafter) and joint holders (defined in Article 27-23, paragraph 5; includes the parties listed in paragraph 6 who are considered to be joint holders; the same shall apply hereinafter) of shares of the Company (share certificates as defined in Article 27-23, paragraph 1).
- (ii) A party making a purchase (purchases as defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act; includes transactions in the securities market) of shares of the Company (share certificates as defined in Article 27-2, paragraph 1) and those in a special relationship with said party (special relationships defined in Article 27-2, paragraph 7).

Note 2: Voting rights ratio

- (i) If the specific shareholder group is subject to the conditions described in Note 1-(i), then the voting rights ratio refers to the percentage of shares held by the shareholder (the shareholding ratio as defined in Article 27-23, paragraph 4 of the Financial Instruments and Exchange Act). This includes shares which are jointly held (defined in Article 27-23, paragraph 4 as jointly held shares; the same shall apply hereinafter).
- (ii) If the specific shareholder group is subject to the conditions described in Note 1-(ii), then the voting rights ratio refers to the total percentage of shares held by the shareholder and those in a special relationship with the shareholder (the shareholding ratio as defined in Article 27-2, paragraph 8 of the Financial Instruments and Exchange Act).

In calculating each shareholding ratio, the total number of voting rights (as defined in Article 27-2, paragraph 8) and the total number of issued shares (as defined in Article 27-23, paragraph 4) may be determined by referencing the Shareholder Registry and the Report on Large Shareholdings, in addition to the most recently submitted document from the following list: Annual Securities Report, Semi-Annual Report, Extraordinary Report, and Share Buyback Report.

Note 3: “Shares” refers to share certificates as defined in either Article 27-23, paragraph 1 and Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act.

(2) Requests for Information to Mass Buyers

Unless otherwise specified by the Company’s Board of Directors, prior to making the Mass Purchase, the Mass Buyer shall present the Board of Directors with the information specified below (hereinafter referred to as “Necessary Information”), along with a written statement of intent to abide by the rules at the time of the Mass Purchase (hereinafter referred to as the “Tender Offer Statement”). Company regulations require that the Necessary Information and Tender Offer Statement need to be submitted in Japanese and in a form prescribed by the Company.

- (i) Details (specific name, capital structure, description of business, financial information, etc.) about the Mass Buyer and their group (including joint holders, special parties, and, in the case of funds, each other member).
- (ii) The purpose, method, and other details of the Mass Purchase (including the type, value, timing, legality, and feasibility of the Mass Purchase; and other related transactions).
- (iii) The basis for calculating the value of the Mass Purchase (premise, calculation method, numerical information used in the calculation, and information regarding anticipated synergistic effects resulting from the series of Mass Purchase-related transactions. Synergistic effects include those experienced by minority shareholders).
- (iv) Proof that the Mass Buyer is able to procure the funds required for the Mass Purchase (specific name of the fund’s provider (including the substantial provider), means of procurement, and information regarding related transactions).
- (v) The business philosophy, business plan, capital policy and dividend policy of the Company and Company Group after the Mass Purchase.
- (vi) Policies regarding the treatment of employees, labor unions, business partners, customers, local communities, and other Company stakeholders after the Mass Purchase.
- (vii) Specific measures to avoid conflicts of interest with our other shareholders
- (viii) Information that the Company’s Board of Directors deems to be reasonably necessary

The Board of Directors will promptly provide the Independent Committee with all information submitted by the Mass Buyer, and if the Board of Directors and the Independent Committee determine that the details contained in such Tender Offer Statement are insufficient as the Necessary Information, the Board of Directors

may request the Mass Buyer to provide additional information within an appropriate period of time. In such case, the Mass Buyer shall be required to provide such additional information by such deadline.

If the Board of Directors and the Independent Committee determine that the Mass Buyer has sufficiently provided the Necessary Information, they will notify the Mass Buyer to that effect (the "Notice of Information Provided") and promptly disclose it.

(3) Examining the details of the Mass Purchase, negotiating with the Mass Buyer, and discussing alternatives
① Review by the Board of Directors

The Company's Board of Directors confirms that the Mass Buyer has provided sufficient information and materials (including those that were specifically requested) and sets the period of review (hereinafter referred to as the "Review Period") to begin one day after the Notice of Information Provided is delivered.

Provided that shares of the Company are purchased by tender offer, in cash, and in Japanese yen, the Review Period does not exceed 60 days; however, for other purchases the Review Period may be extended up to 90 days.

However, the Review Period may be extended only when the Board of Directors deems it reasonably necessary. In such cases, the Board of Directors shall notify the Mass Buyer of the extended period and the specific reasons why such extended period is necessary, and promptly disclose to that effect. The period of extension shall be a maximum of 30 days.

During the Review Period, the Board of Directors will formulate the Board of Directors' opinion based on the information, materials, etc. provided by the Mass Buyer, and from the perspective of ensuring and enhancing the Company's corporate value and the common interests of shareholders, will consider the details of the mass purchase by the Mass Buyer and the alternative proposal by the Board of Directors.

During the Review Period, the Mass Buyer shall promptly respond to requests from the Board of Directors with regard to consultations, negotiations, and the provision of materials and other information. The Mass Buyer may not initiate a Mass Purchase until the Review Period has ended.

In addition, the Company's Board of Directors shall, as necessary, consult independent third parties (financial advisors, CPAs, lawyers, consultants, and other experts) when reviewing the Necessary Information and during discussions and negotiations with the Mass Buyer.

② Disclosure of information to shareholders and stakeholders

The Board of Directors will make a prompt disclosure when the Mass Buyer has submitted a proposal for the Mass Purchase, and an outline of the proposal along with the Necessary Information and other information the Board of Directors and the Independent Committee deems necessary will be disclosed at the timing that the Board of Directors considers appropriate.

(4) Recommendation of the Independent Committee regarding implementation of countermeasures

During the Review Period, the Independent Committee shall make recommendations to the Board of Directors on the appropriateness of triggering the countermeasures in accordance with the following procedures, in parallel with the Board of Directors' consideration, negotiation, opinion formation and formulation of alternative proposals as described in (3) (1) above. In doing so, the Independent Committee may, at the Company's expense, obtain advice from third parties (financial advisors, certified public accountants, lawyers, consultants and other experts) who are independent from the Company, in order to ensure that the Independent Committee's decision will contribute to securing and enhancing the Company's corporate value and, in turn, the common interests of shareholders. In the event that the Independent Committee makes a recommendation to the Board of Directors of the Company as set forth below, the Board of Directors of the Company shall promptly disclose the fact and summary of such recommendation and other matters that the Board of Directors of the Company deems appropriate.

(1) If the Mass Buyer fails to comply with the Rules for Mass Purchases

If the Mass Buyer fails to comply with the Rules for Mass Purchases, the Independent Committee shall deem such mass purchase to be materially damaging the corporate value of the Company and, in turn, the common interests of its shareholders, and shall, in principle, recommend that the Board of Directors take countermeasures.

(2) If the Mass Buyer complies with the Rules for Mass Purchases

If the Mass Buyer complies with the Rules for Mass Purchases, the Independent Committee will recommend that the countermeasures not be exercised against the Large-Scale Purchase to the Board of Directors of the Company.

However, even in cases where the Mass Buyer complies with the Rules for Mass Purchase, if the mass purchase is deemed to be a mass purchase that would materially damage the Company's corporate value and/or the common interests of shareholders (Note 4), and if the Independent Committee determines that it is appropriate to take countermeasures, it may, in exceptional cases, recommend that the Board of Directors of the Company take countermeasures.

The Independent Committee may attach a reservation to the effect that confirmation of the shareholders' intentions should be obtained in advance with respect to the implementation of countermeasures.

Note 4: Mass Purchases that would cause irreparable damage to the Company or significantly lower the corporate value of the Company and the common interests of shareholders

- (i) Purchasing shares and asking the Company to buy them back at a high price, without any intention of participating in the Company's management
- (ii) Abusing the management position by profiting at the expense of the Company, such as temporarily gaining control of Company management in order to acquire critical assets at a low price.
- (iii) Using Company assets as collateral to settle the debts of the Mass Buyer and related group companies.
- (iv) Taking temporary control of the Company to sell large assets that are not immediately related to the Company's business, with the intention of using the proceeds to temporarily raise the dividend or sell shares at high prices after causing stock prices to rise due to the high dividend.
- (v) Mass Purchases that would effectively force shareholders to sell their shares, such as forced two-step acquisition (executing the first phase of the Mass Purchase, whereby no solicitations for purchasing all the shares are made at the first phase, and disadvantageous purchase terms are set or the purchase terms are not made explicitly clear in the second phase).

The countermeasure shall be the gratis allotment of share acquisition rights (hereinafter the "share acquisition rights"), the outline of which is described in Exhibit 3, but in the event that the share acquisition rights are actually issued, the exercise period and exercise conditions, acquisition clause and acquisition conditions, etc. may be established in consideration of the effect as a countermeasure, such as making it a condition for exercising the share acquisition rights that the holder not belong to a specific group of shareholders whose voting rights account for 20% or more of the voting rights.

(5) Resolution of the Board of Directors and confirmation of shareholders' intentions

The Board of Directors of the Company shall respect the recommendations of the Independent Committee set forth in (4) above to the maximum extent possible and, based on such recommendations, shall promptly pass a resolution for implementation or non-implementation of countermeasures from the perspective of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders.

If the Independent Committee, in recommending the implementation of countermeasures, includes a reservation to the effect that the shareholders' intentions should be confirmed in advance of such implementation, the Board of Directors of the Company shall, unless it is extremely difficult to hold such a

meeting from a practical standpoint, convene a general meeting of shareholders to confirm the shareholders' intentions (hereinafter the "general meeting for confirming the intentions of shareholders") within the shortest possible practical time, and pass a resolution to either implement or not implement the countermeasures. The general meeting for confirming the intentions of shareholders may be held in conjunction with an Ordinary General Meeting of Shareholders or an Extraordinary General Meeting of Shareholders.

If the Board of Directors decides to hold the general meeting for confirming the intentions of shareholders, the Review Period shall end at that time. If the general meeting for confirming the intentions of shareholders passes a proposal for implementation of countermeasures, the Board of Directors of the Company shall pass a resolution for implementation of the countermeasures and take necessary procedures in accordance with the decision made at the general meeting for confirming the intentions of shareholders. On the other hand, if a proposal for the implementation of countermeasures is rejected at the said general meeting for confirming the intentions of shareholders, the Board of Directors will pass a resolution for non-implementation of the countermeasures.

In the event of the above resolution, the Board of Directors will promptly disclose a summary of such resolution and other matters deemed appropriate by the Board of Directors and the Independent Committee, and in the event of a general meeting for confirming the intentions of shareholders, the Board of Directors and the Independent Committee will promptly disclose the voting results and other matters deemed appropriate by the Board of Directors and the Independent Committee.

(6) Case where the implementation of countermeasures is cancelled

After the decision to take countermeasures in (5) above, the Board of Directors may suspend or change the implementation of the countermeasures if the Board of Directors determines that the implementation of the countermeasures is not appropriate, such as when the Mass Buyer withdraws or changes the mass purchase. For example, until the effective date of gratis allotment of share acquisition rights, the Company may cancel the gratis allotment of share acquisition rights and, during a period from the effective date of gratis allotment of share acquisition rights to the day before the first day of the exercise period of share acquisition rights, the Company may make a decision, including the free acquisition of share acquisition rights.

5. Effective period, discontinuation, and revision of this plan

This plan will be put into action on the day when it is approved by shareholders at the General Meeting of Shareholders, and its effective period will be until the conclusion of the Annual Meeting of Shareholders to be held in June 2025.

Even before the expiration of the effective period, if it is resolved, at a General Meeting of Shareholders, that this plan will be revised or discontinued, this plan will be revised or discontinued immediately in accordance with said resolution. In addition, if the Board of Directors composed of directors elected at a General Meeting of Shareholders of the Company resolves to discontinue this plan, this plan will be discontinued immediately.

The Board of Directors may amend or modify the Plan with the approval of the Independent Committee to the extent not inconsistent with the Plan or to the extent deemed reasonably necessary due to changes in the Companies Act, the Financial Instruments and Exchange Act, other laws and regulations, or stock exchange rules or their interpretation or operation, or changes in the tax system, judicial precedents, etc. In the event that the Company's Board of Directors makes any changes to the contents of the Plan that would have a substantial impact on the Company's shareholders, the Company will again submit a proposal for approval of the shareholders at the most recently held General Meeting of Shareholders.

If this plan is discontinued or revised, the Company will immediately disclose the fact and details of said discontinuation or revision and other items considered appropriate by the Company's Board of Directors.

6. Reasonability of this plan

(1) Satisfaction of all requirements of the guidelines for anti-takeover measures

This plan fully satisfies the three principles (the principle of securing and improving corporate value of the Company and common interests of shareholders, the principle of prior disclosure and shareholders' intentions, and the principle of securing necessity and fairness) set in "the guidelines regarding anti-takeover measures for securing and improving corporate value of the Company and common interests of shareholders" announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice. This plan was designed with reference to the report titled "Ideal anti-takeover measures considering recent changes in the business environment" announced by the corporate value workshop of the Ministry of Economy, Trade and Industry on June 30, 2008.

(2) Continuation of this plan with the aim of securing and improving common interests of shareholders

This plan will be continued for the purpose of securing and improving the corporate value of the Company and the common interests of shareholders by securing necessary information and time for shareholders to decide whether or not to respond to the Mass Purchases of shares of the Company or for the Board of Directors to give an alternate proposal, and enabling the negotiation with the Mass Buyer for shareholders, and so on.

(3) Importance on the intentions of shareholders

This plan will be put into action when it is approved by shareholders at the Annual Meeting of Shareholders. If, after the continuation of the Plan, a resolution to amend or abolish the Plan is passed at a subsequent General Meeting of Shareholders of the Company, the Plan will be amended or abolished in accordance with such resolution.

Namely, the intentions of shareholders will be sufficiently reflected in the continuation of this plan, the discontinuation and revision of this plan.

(4) Emphasis on judgment of highly independent outsiders and information disclosure

As described in 3. above, the Company established the Independent Committee for the purpose of eliminating arbitrary decisions by the Board of Directors regarding implementation of countermeasures against a mass purchase under the Plan and ensuring objectivity and rationality of the Board of Directors' decisions and responses. The Board of Directors of the Company shall respect the recommendations of the Independent Committee to the maximum extent when passing resolutions for implementation or non-implementation of countermeasures.

In addition, the Company will disclose information to shareholders and investors regarding the outline of the Independent Committee's decision, thereby ensuring a mechanism for the transparent implementation of the Plan so as to contribute to the Company's corporate value and, in turn, the common interests of shareholders.

(5) Setting of reasonable and objective requirements for implementation

As mentioned in the above section 4, the countermeasures under the Plan are designed so that they will not be triggered unless predetermined reasonable and objective triggering requirements are met, thereby ensuring a mechanism to prevent arbitrary triggering by the Board of Directors of the Company.

(6) It is neither the dead nor slow hand-type measure against takeover

As mentioned in the above section 5, this plan may be discontinued by the Board of Directors composed of directors elected at a General Meeting of Shareholders of the Company at any time. Therefore, this plan is not a dead hand-type measure against takeover (which means an anti-takeover measure whose implementation cannot be stopped even when a majority of members of the Board of Directors are replaced).

Since the term of office varies among directors of the Company, this plan is not a slow hand type (which means an anti-takeover measure for which it takes some time to stop implementation because the members of the Board of Directors cannot be replaced at once).

7. Effects on shareholders and investors

(1) Effects of continuation of this plan on shareholders and investors

This plan is aimed at offering necessary information for shareholders to decide whether or not to respond to Mass Purchases, opinions of the Board of Directors, which engages in business administration of the Company, and so on, and guaranteeing shareholders' opportunities to receive alternate proposals. With this plan, shareholders will be able to obtain sufficient information and make an appropriate judgment about whether or not to respond to Mass Purchases. This will contribute to protect the common interests of shareholders and investors. Accordingly, in a broad sense, the setting of this plan is a prerequisite for shareholders and investors to make an appropriate investment decision, and contributes to common interests with shareholders and investors. In a narrow sense, the gratis allotment of share acquisition rights is not conducted when this plan is continued; accordingly, this plan will not directly affect the rights and interests of shareholders.

As mentioned in the above section 4, the Company's response to Mass Purchases depends on whether the Mass Buyer follows this plan. Therefore, we would like shareholders and investors to pay attention to the behaviors of Mass Buyers.

(2) Effects of countermeasures on shareholders and investors

The Company's Board of Directors may implement countermeasures mentioned in the above section 4 (4), for the purpose of protecting the corporate value of the Company and the common interests of shareholders, but we do not assume any event in which shareholders (excluding the Mass Buyers who do not follow the rules for Mass Purchases and the Mass Buyers who conduct an act of Mass Purchases that will certainly degrade the corporate value of the Company or the common interests of shareholders significantly) will incur an exceptional loss in their legal rights or economic aspect.

If the Board of Directors decides to take countermeasures, the Company will disclose appropriate information timely in accordance with laws, regulations, and the rules of stock exchanges.

In the case where the Board of Directors resolves to carry out the gratis allotment of share acquisition rights as a countermeasure, unless shareholders pay the specified exercise amount and complete the procedures for the exercise of share acquisition rights mentioned in (2) of the following clause (3) during the exercise period for share acquisition rights, the shares they hold will be diluted through the exercise of stock acquisition rights by other shareholders; provided, however, that the Company may obtain share acquisition rights from shareholders other than Mass Buyers through the procedures described in (3) of the following clause (3) and issue the shares of the Company in exchange. In this case, the shares held by shareholders other than Mass Buyers will not be diluted, because they will receive the shares of the Company without exercising share acquisition rights or paying the amount equivalent to the specified exercise price.

As mentioned in the above section 4. (6), the Company's Board of Directors may cancel the gratis allotment of share acquisition rights or conduct the free acquisition of share acquisition rights. In this case, stock value per share will not be diluted. Accordingly, there is a possibility that the shareholders and investors who have traded any shares of the Company while assuming the dilution of stock value per share will incur some damage due to share price fluctuations.

(3) Procedures shareholders need to complete at the time of gratis allotment of share acquisition rights

(1) Procedure on the date of allotment

If the Company's Board of Directors resolves to conduct the gratis allotment of share acquisition rights, the Company will announce the date of said allotment. Shareholders will become the holders of the share

acquisition rights on the effective date of said allotment. Accordingly, the shareholders do not need to complete the procedures for application or the like.

(2) Procedure for exercising share acquisition rights

In principle, the Company will send the request forms for exercising share acquisition rights (in the format specified by the Company, including the details and number of share acquisition rights, necessary items, such as the date of exercising the rights, the clause for shareholders' declaration and guarantee that they satisfy the conditions for exercising the rights, compensation clauses, and other declarations) and other necessary documents to the shareholders recorded in the latest list of shareholders as of the data of allotment. After the gratis allotment of share acquisition rights, shareholders shall submit these necessary documents during the period for exercise of share acquisition rights, and pay the price determined by the Board of Directors through the resolution for gratis allotment of share acquisition rights at a designated place with the lower limit being 1 yen per share acquisition right and the upper limit being 50% of the market share price per share. Then, one common share for each share acquisition right will be issued.

(3) Procedure for the Company to acquire share acquisition rights

If the Board of Directors decides to acquire share acquisition rights, the Board of Directors may obtain share acquisition rights on a separately designated date and issue the shares of the Company to shareholders, in accordance with the statutory procedures. In this case, the shareholders may need to submit documents including the declaration that they are not Mass Buyers, compensation clauses, and other declarations in the format designated by the Company.

In addition to the above mentioned, we will announce or notify shareholders of the detailed methods for allotment, exercise, and the Company's acquisition, after the Board of Directors makes a resolution regarding the gratis allotment of share acquisition rights. Please check said content.

Summary of Independent Committee Rules

1. The Independent Committee shall be established by resolution of the Board of Directors of the Company as an advisory body to the Board of Directors for the purpose of eliminating arbitrary decisions by the Board of Directors regarding implementation of countermeasures against a mass purchase and ensuring objectivity and rationality of the Board of Directors' decisions and responses.
2. The Independent Committee members shall be at least three persons, who are independent of the management team that executes the Company's business, and shall be selected by resolution of the Board of Directors from among outside directors, outside corporate auditors, or outside experts (company executives with proven track records, persons from government offices, lawyers, certified public accountants, or academic experts, or persons of similar qualifications). The Company shall appoint the Independent Committee Members based on a resolution of the Board of Directors of the Company.
3. The term of office of the members of the Independent Committee shall expire at the conclusion of the General Meeting of Shareholders relating to the last fiscal year ending within three years from the time of their election or until the date separately agreed upon by the relevant Independent Committee member and the Company. However, this shall not apply if otherwise determined by a resolution of the Board of Directors of the Company.
4. The Independent Committee shall be convened by a representative director of the Company or an Independent Committee member.
5. The chairman of the Independent Committee shall be selected by mutual election of each Independent Committee member.
6. In principle, resolutions of the Independent Committee shall be adopted by a majority of the Independent Committee members present at a meeting where all the Independent Committee members are present. However, if any Independent Committee member is unable to attend a meeting or for any other special reason, a resolution of a meeting of the Independent Committee shall be adopted by a majority of the Independent Committee member present at a meeting where a majority of the Independent Committee members are present.
7. The Independent Committee shall, upon consultation with the Board of Directors of the Company, deliberate and resolve the matters described in each of the following items, and make recommendations to the Board of Directors of the Company with the reasons for the resolutions.

- (1) Whether or not to implement the countermeasures under the Plan (including whether or not to obtain prior confirmation of shareholders' intentions with respect to implementation)
- (2) Suspension or cessation of implementation of the countermeasures under the Plan
- (3) Abolition or amendment of the Plan
- (4) Any other matters that the Board of Directors of the Company may voluntarily consult with the Independent Committee in relation to the Plan

Each Independent Committee member must make deliberations and resolutions at the Independent Committee solely from the perspective of whether or not they contribute to the corporate value of the Company and the common interests of shareholders, and must not seek to make personal profit for himself or herself or the management of the Company.

8. The Independent Committee may, as necessary, have a director or employee of the Company or any other person it deems necessary attend the meeting and request opinions or explanations concerning matters requested by the Independent Committee.

9. In performing its duties, the Independent Committee may, at the Company's expense, obtain advice from outside experts (including financial advisors, certified public accountants, lawyers, consultants and other experts) who are independent of the management team that conducts the Company's business.

Biographies of Independent Committee Members

Hideyuki Hashimoto (January 25, 1964)

October 1991 Joined Chuo Shinkou Audit Corporation
 April 1995 Registered as a certified public accountant
 January 2000 Opened Hashimoto Public Account Office
 April 2000 Registered as a certified tax accountant
 May 2007 Joined BDO Toyo & Co.
 June 2014 Managing Partner, BDO Toyo & Co.
 June 2015 Director of the Company (current position)
 October 2019 Outside Director, Silver Life Co., Ltd. (current position)
 August 2020 Senior Partner, BDO Toyo & Co. (current position)

*The Company has submitted notification to the Tokyo Stock Exchange that Hideyuki Hashimoto has been designated as an independent officer as provided for by the aforementioned exchange.

Akiko Shigemoto (February 26, 1971)

May 2005 Securities Examiner, Secretariat of Securities and Exchange Surveillance Commission, Financial Services Agency
 May 2011 Researcher, Institute for Ethical Leadership, Rutgers University, USA
 May 2013 Lecturer, Rutgers Business School, Rutgers University, USA
 May 2017 Senior Researcher, Institute for Global Environmental Strategies
 September 2019 Associate Professor, Graduate School of Business Administration, Waseda University (current position)

*Akiko Shigemoto is a candidate for Outside Director on the agenda for the election of Directors to be submitted to the 98th Annual General Meeting of Shareholders of the Company to be held on June 29, 2022. The Company plan to submit notification to the Tokyo Stock Exchange that Akiko Shigemoto has been designated as an independent officer as provided for by the aforementioned exchange.

Yuichiro Miyake (August 8, 1947)

April 1972 Registered and opened practice as Attorney-At-Law (Tokyo Bar Association) (current position)
 June 1999 Outside Director of Sanyo Denki Co., LTD.
 June 2003 Auditor of the Company (current position)
 June 2015 Outside Director (Audit Committee Member) of Asahi Organic Chemicals Industry Co., Ltd. (currently Asahi Yukizai Co., Ltd.) (current position)

*The Company has submitted notification to the Tokyo Stock Exchange that Yuichiro Miyake has been designated as an independent officer as provided for by the aforementioned exchange.

Sachie Tsuji (April 23, 1972)

October 1996 Joined Deloitte Touche Tohmatsu
April 1999 Registered as a Certified Public Accountant
July 2015 Representative Director of Splus Inc. (currently Bizsuppli Corporation) (current position)
 Director of Sachie Tsuji Certified Public Accountant Office (current position)
June 2016 Director, Japan Association of Certified Fraud Examiners (current position)
March 2021 Outside Director (Audit Committee Member) of SBS Holdings, Inc. (current position)
June 2021 Auditor of the Company (current position)
March 2022 Outside Auditor of Otsuka Holdings Co., Ltd.

*The Company has submitted notification to the Tokyo Stock Exchange that Sachie Tsuji has been designated as an independent officer as provided for by the aforementioned exchange.

Kinichi Kosugi (December 12, 1952)

April 1986 Registered as Attorney-At-Law (Tokyo Bar Association) (current position)
April 2001 Chairman of Management Responsibility Elucidation Committee, Wakaba Shinkin Bank
 Chairman of the Management Responsibility Elucidation Committee, Akita Central Credit
 Union
 Financial Arrangement Trustee, Tokyo Credit Union
January 2002 Defense Counsel, Supreme Court of Japan Research and Training Institute for Court
 Clerks
April 2006 Member of the Examination Committee for Dispute Resolution Procedures
 Representation, National Association of Social Insurance and Labor Consultants
November 2006 Member of the New Bar Examination Committee, Ministry of Justice
April 2007 Professor, Toyo University Law School
April 2011 Part-time Lecturer, University of Tsukuba Law School
June 2019 Director, Judicial Association of Japan (current position)
April 2022 Executive Director, Japan Federation of Bar Associations (current position)

*There are no special interests between the above five persons and the Company.

Guide to gratis allotment of share acquisition rights

I. Determination of matters related to the gratis allotment of share acquisition rights

(1) Content and number of share acquisition rights

Share acquisition rights allocated to shareholders (hereinafter individually or collectively referred to as “share acquisition rights”) shall be based on the contents described in Section II below. When the Board of Directors decides to enable the gratis allotment of share acquisition rights (hereinafter referred to as “Gratis Allotment Resolution”), the number of share acquisition rights and the day on which they are to be allocated (hereinafter referred to as the “Allocation Date”) shall each be determined separately by the Gratis Allotment Resolution by the Board of Directors. The number of share acquisition rights is equal to the total number of shares issued by the Company on the Allocation Date (not including shares owned by the Company at that time; the same shall apply hereinafter).

(2) Shareholders targeted for allocation

For shareholders other than those listed in the Company's final shareholder registry on the Allocation Date, the Board of Directors may allocate up to one free share acquisition right per share held, at the ratio set when determining the gratis allotment of share acquisition rights.

(3) Effective date of the gratis allotment of share acquisition rights

The date set separately by the Company's Board of Directors when determining the Gratis Allotment Resolution.

II. Content of share acquisition rights

(1) Type and number of shares issued when exercising share acquisition rights

① The type of shares to be issued when exercising share acquisition rights shall be the Company's common shares, and the number of shares to be issued per share acquisition right (hereinafter referred to as the “Number of Target Shares”) shall be 1 share. However, if the Company splits or consolidates shares, the Number of Target Shares will be adjusted according to the following equation. Fractions of shares will be rounded down, with no cash adjustments made.

Adjusted Number of Target Shares = Number of Target Shares before adjustment × ratio of split shares to consolidated shares

② In the case of a stock split, the adjusted Number of Target Shares will be applicable from the day following the split; and in the case of consolidation, the adjusted Number of Target Shares will be applicable one day after the effective date.

③ In addition to the cases described in ① above, in cases such as the gratis allotment of share acquisition rights, mergers, company splits, or other events where there is a change or potential change in the total number of shares issued by the Company (excluding the number of treasury shares held by the Company), the Company will consider each case and make reasonable adjustments to the Number of Target Shares as necessary.

- (2) Value of assets to be contributed when exercising share acquisition rights
- ① The purpose of contributing assets when exercising share acquisition rights is money, and the value is the Exercise Price (as defined in ② below) multiplied by the target shares.
 - ② The value of assets, per share, to be contributed when exercising share acquisition rights (hereinafter referred to as the “Exercise Price”) has a lower limit of 1 yen and an upper limit of 50% of the market value of one common share. The Board of Directors will set the Exercise Price separately when determining the Gratis Allotment Resolution. The “Current Price” is the average TSE closing price (including quotations) for the regular trade of common shares during the 90 days leading up to the Gratis Allotment Resolution (excluding days where there is no closing price). Amounts will be rounded up to the nearest yen.
- (3) Exercise period of share acquisition rights
- The exercise period starts on either the effective date of the gratis allotment of share acquisition rights or a date set by the Board of Directors when determining the Gratis Allotment Resolution. The Board of Directors generally sets the length of the exercise period between 1 and 2 months by the Gratis Allotment Resolution; however if share acquisition rights are acquired from the Company as described in (6)-② below, the exercise period for the share acquisition rights pertaining to that acquisition shall last up until the business day prior to the date of acquisition. In addition, if the final day of the exercise period falls on a holiday for the institution handling the exercise payments, the final day will instead be on the following business day.
- (4) Conditions for exercising share acquisition rights
- ① The following parties are not able to exercise share acquisition rights, and will hereinafter be collectively referred to as “Special Buyers.”
 - (i) Special Mass Shareholders; (ii) Joint holders of Special Mass Shareholders; (iii) Special Mass Buyers; (iv) Parties in a Special Relationship with the Special Mass Buyer; (v) Other parties who have acquired or inherited share acquisition rights from those falling under categories (i) through (iv) above without the consent of the Company’s Board of Directors; or
 - (vi) Other parties related to those described in (i) through (v) above.

The terms used above are defined as follows.

- (a) “Special Mass Shareholder” refers to holders (including the holders defined in Article 27-23, paragraph 3 of the Financial Instruments and Exchange Act) of shares issued by the Company (share certificates as defined in Article 27-23, paragraph 1; the same shall apply below unless stated otherwise) whose shareholding ratio is confirmed by the Board of Directors to be at least 20% (shareholding ratio as defined in Article 27-23, paragraph 4).
- (b) “Joint holder” means a joint holder as defined in Article 27-23, paragraph 5 of the Financial Instruments and Exchange Act, and includes those who the Board of Directors considers to be joint holders based on Article 27-23, paragraph 6.

(c) “Special Mass Buyer” refers to a party who has made a public announcement to purchase shares (purchases and share certificates as defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act; the same applies to the remainder of this (c) section) issued by the Company through a Tender Offer (as defined in Article 27-2, paragraph 6); and the Board of Directors considers whose total percentage of shares held (including the cases described in Article 7, paragraph 1 of the Ordinance for Enforcement of the Financial Instruments and Exchange Act) is 20% or greater when combined with the shareholding ratio (the shareholding ratio as defined in Article 27-2, paragraph 8) of those who share a special relationship with said party.

(d) “Special Relationship” means special relationship as defined in Article 27-2, paragraph 7 of the Financial Instruments and Exchange Act (including parties recognized by the Company’s Board of Directors as falling under this category). However, the parties described in item 1 of paragraph 7 do not include those specified in Article 3, paragraph 2 of the Cabinet Office Ordinance regarding the disclosure of Tender Offers by persons other than the issuer.

(e) “Other parties” refers to persons related to the party in question who the Board of Directors has recognized as effectively controlling that party; or who are operating in joint control. “Control” (as defined in Article 3, paragraph 3 of the Ordinance for Enforcement of the Companies Act) means possessing the ability to decide the financial and business policies of another company.

② Regardless of the terms described in ① above, the following parties listed in (a) through (d) below shall not be considered Special Mass Holders or Special Mass Buyers.

(a) The Company, subsidiaries of the Company (as defined in Article 8, paragraph 3 of the Regulations on Terms, Shares, and Preparation Methods of Financial Statements), or affiliates of the Company (as defined in Article 8, Paragraph 5 of the same Regulations)

(b) Parties who have been found to meet the conditions described in ①-(a) above, but are recognized by the Company’s Board of Directors as having no intention to control the Company; and parties who lose their status as a Special Mass Shareholder within 10 days of becoming a Special Mass Shareholder due to disposing of shares of the Company (the Board of Directors may extend the 10 day period).

(c) Parties who are recognized by the Company’s Board of Directors as becoming Special Mass Shareholders as described in ①-(a) above due to reasons out of their control, such as the buyback of treasury shares by the Company (unless said party later decides to purchase additional shares of the Company).

(d) Parties who the Company’s Board of Directors believes will not damage the corporate value of the Company and the common interests of shareholders by acquiring or holding shares of the Company (in the case of Special Buyers, the Board of Directors can make a separate determination as to whether they pose a threat to the corporate value of the Company and the common interests of shareholders. If, under certain circumstances, the Company’s Board of Directors considers the Special Buyer doesn’t threaten the corporate value of the Company and the common interests of shareholders, it is applied only when these conditions will be fulfilled).

③ When exercising share acquisition rights that fall under the jurisdiction of applicable foreign laws and regulations, parties subject to said jurisdiction shall (i) fulfill the necessary procedures; (ii) satisfy the necessary conditions (including submitting additional documents or agreeing to exercise limitations for a certain period); or (iii) both fulfill the necessary procedures and satisfy the necessary conditions (hereinafter collectively referred to as “Applicable Exercise Laws”). Such share acquisition rights can only be exercised once it has

been confirmed by the Board of Directors that all conditions have been fulfilled or satisfied, and cannot be exercised without this confirmation. It is also not the Board of Directors' responsibility to fulfill or satisfy the Applicable Exercise Laws required in order to exercise share acquisition rights falling under other jurisdictions. Share acquisition rights cannot be exercised in areas where the exercising party is legally unable to do so.

④ Regardless of the terms described in ③ above, parties located in the United States may only exercise share acquisition rights if they have expressed and can prove to the Company that (i) they qualify as an accredited investor as defined in Rule 501 (a) of the Securities Act of 1933; and if (ii) they have pledged that common shares acquired as a result of exercising share acquisition rights shall only be sold through regular transactions on the TSE (provided that such transactions are not based on prior arrangements and that no prior solicitation was made). In order for parties located in the United States to exercise share acquisition rights, they must fulfill or satisfy the Applicable Exercise Laws described in United States State Law and Regulation D of the United States Securities Act of 1933, which includes procedures and conditions that must be handled by the Company. The Company will only fulfill or satisfy these Applicable Exercise Laws if the above terms have been met. Furthermore, even if a party located in the United States satisfies the conditions described in (i) and (ii) above, they may be unable to exercise share acquisition rights if the Board of Directors determines that they are not legally able to do so due to changes in United States laws and regulations.

⑤ Parties owning share acquisition rights may exercise those share acquisition rights only if they are not considered by the Company to be Special Buyers; are not attempting to exercise share acquisition rights for Special Buyers; have submitted all documents required by law; and have sworn to have fulfilled all Share Option exercise requirements regarding declaration, guarantee, reimbursement, and breach of contract.

⑥ Even if parties owning share acquisition rights are unable to exercise those share acquisition rights based on the circumstances described in ④ above, the Company will not bear responsibility or be liable for any damages to said parties.

(5) Restrictions on transfer of share acquisition rights

① Acquiring share acquisition rights through transfers requires the approval of the Company's Board of Directors.

② When the party attempting to transfer share acquisition rights is located outside of Japan and is unable to exercise share acquisition rights due to the reasons described in (4)-③ and (4)-④ above (not including Special Buyers), the Company's Board of Directors will consider the following, and decide whether or not to approve the transfer (① above).

(a) Whether or not an agreement has been signed or sealed by the assignor and assignee when share acquisition rights would be acquired through transfer (in full or in part) by parties located outside of Japan (including the conditions related to (b) through (d) below regarding declaration, guarantee, reimbursement, and breach of contract).

(b) Whether or not it is clear that the assignor and assignee are not considered to be Special Buyers.

(c) Whether or not it is clear that the assignee is not located outside of Japan and is not attempting to receive a transfer from persons outside of Japan.

(d) Whether or not it is clear that the assignee is not attempting to receive a transfer on behalf of a Special Buyer.

(6) Acquisition of share acquisition rights by the Company

① If deemed appropriate by the Board of Directors, the Company may, at any time up until one day prior to the start of the Share Option exercise period, acquire all share acquisition rights at no charge on a day determined separately by the Board of Directors.

② The Company may, on a day determined separately by the Board of Directors, acquire all share acquisition rights which are not held by a Special Buyer, etc. and have not been exercised as of the business day prior to that day. In exchange, the Company will issue shares whose number is equal to the number of shares pertaining to each share acquisition right. The Company may acquire such share acquisition rights more than once. However, in the event that the Company acquires stock acquisition rights held by the Special Mass Buyer, no money or other consideration shall be delivered in exchange. Details of the conditions for acquisition of stock acquisition rights shall be separately determined in the resolution for the gratis allotment of stock acquisition rights.

(7) Regarding mergers (if the Company would cease to exist due to the merger), absorption-type splits, incorporation-type splits, share exchanges, and the issue of share acquisition rights in the case of share transfers, the gratis allotment of share acquisition rights will be determined separately by the Company's Board of Directors.

(8) The Company will not issue certificates for share acquisition rights

(9) Amendments due to changes in laws and regulations

The rules described above are based on the laws and regulations in effect as of May 12, 2022. If, at a later date, it becomes necessary to amend these rules, alter their wording, or replace certain terminology due to the creation of new laws and regulations or changes made to existing laws and regulations, the Board of Directors may do so to a reasonable extent after considering the reasons for the newly created or changed laws and regulations.