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(Securities Code: 8057)

September 27, 2022

To our shareholders:

Noboru Okubo,
President and Chief Executive Officer
UCHIDA YOKO CO., LTD.
4-7, Shinkawa 2-chome, Chuo-ku, Tokyo

Notice of the 84th Annual General Meeting of Shareholders

We are pleased to announce the 84th Annual General Meeting of Shareholders (the “Meeting”) of UCHIDA YOKO CO., LTD. (the “Company”), which will be held as indicated below.

The Company has decided to hold the Meeting on a smaller scale in order to prevent the spread of the novel coronavirus disease (COVID-19) by taking appropriate measures to prevent infection.

We request that you do not force yourself and carefully consider whether to attend the Meeting in person. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:15 p.m. on Friday, October 14, 2022 (JST), following the “Instructions on Exercise of Voting Rights” (available in Japanese only). For your reference, the summary of the instructions on exercise of voting rights by mail or via the Internet, etc. is as follows.

[Voting by mail]

You can vote by mail by indicating your approval or disapproval of each proposal on the enclosed voting form and returning the form by postal mail.

[Voting via the Internet, etc.]

You can vote via the Internet, etc. by accessing the website for exercising voting rights specified by the Company (<https://www.web54.net>) and exercising your voting rights using the “Code for the exercise of voting rights” and the “Password” provided on the enclosed voting form in accordance with the directions on the screen.

- 1. Date and Time:** Saturday, October 15, 2022, at 10:00 a.m. (JST)
- 2. Venue:** Room number 801, 8F, Tekko Kaikan
2-10 Nihonbashi-kayabacho 3-chome, Chuo-ku, Tokyo

3. Objectives of the Meeting

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 84th fiscal year (from July 21, 2021 to July 20, 2022), as well as the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 84th fiscal year (from July 21, 2021 to July 20, 2022)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Amendment to the Articles of Incorporation
- Proposal No. 3:** Election of Nine (9) Directors
- Proposal No. 4:** Election of One (1) Audit & Supervisory Board Member
- Proposal No. 5:** Renewal of Countermeasures to Large-Scale Acquisitions of Company Shares (Takeover Defense Measures)

4. Arrangements in Convening the Meeting

- (1) If you exercise your voting rights both by mail and via the Internet, etc., the one exercised via the Internet, etc. will be deemed valid.
 - (2) If you exercise your voting rights more than once via the Internet, etc., the last vote will be deemed valid.
- When you attend the Meeting, you are kindly requested to present the enclosed voting form at the reception. Please also bring this Notice with you.
 - Of the documents attached to the Notice, the items below are provided on the Company's website (<https://www.uchida.co.jp/>) based on laws and regulations and in accordance with the provisions of Article 15 of the Company's Articles of Incorporation, and are therefore not included in the attachments to this Notice of the Meeting.
 - (i) Notes to Consolidated Financial Statements
 - (ii) Notes to Non-consolidated Financial StatementsThe Consolidated Financial Statements or the Non-consolidated Financial Statements stated in the attached documents are a part of the Consolidated Financial Statements or the Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board Members in preparing their respective audit reports.
 - If any changes are made to items in the Reference Documents for the General Meeting of Shareholders, the Business Report, or to Consolidated Financial Statements and Non-consolidated Financial Statements, such changes will be posted on the Company's website (<https://www.uchida.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows.

Matters related to year-end dividend:

The Company aims for sound and sustainable growth to increase comprehensive shareholders' value over the long term. The Company's basic policy on returns of profits to shareholders is, on an assumption of steady dividends, to strive to further enhance returns to shareholders, while striking a balance between "strengthening the financial base" and "investment for realizing the Company's management strategies for the medium and long term."

In line with this basic policy, although a year-end ordinary dividend of ¥110 per share was planned for the 84th fiscal year, due to profit for the fiscal year far exceeding plan targets, the Company proposes to raise this amount to ¥140 per share.

(1) Type of dividend property

Cash

(2) Dividend property allotment to shareholders and total amount thereof

Dividends per common share of the Company: ¥140 (of which, an ordinary dividend is ¥140)

Total amount of dividends: ¥1,376,939,620

(3) Effective date of the dividend of surplus

October 18, 2022

Proposal No. 2: Amendment to the Articles of Incorporation

1. Reasons for the amendment

In line with the enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) on September 1, 2022, and introduction of the system for providing informational materials for the general meeting of shareholders in electronic format, the Company proposes to make the following changes to its Articles of Incorporation.

- (1) Article 15 (Measures, etc. for Providing Information in Electronic Format) will be newly established in order to stipulate t that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format, and to enable the Company to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who have requested the delivery of paper-based documents.
- (2) Since the provisions under Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation shall no longer be required with the adoption of the system for providing informational materials for the general meeting of shareholders in electronic format, these provisions shall be deleted.
- (3) Supplementary provisions will be established in relation to the effect of the aforementioned deletion. These supplementary provisions will be deleted after the effective date has passed.

2. Details of the amendments

Details of the amendments are as follows:

(Underline indicates amendments.)

| Current Articles of Incorporation | Proposed Amendments |
|---|--|
| <p>Article 15. <u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements (including the respective audit reports by the Accounting Auditor and the Audit & Supervisory Board Members relating to those consolidated financial statements) through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p>(Newly established)</p> | <p>(Deleted)</p> <p>Article 15. <u>(Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p><u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> |

| Current Articles of Incorporation | Proposed Amendments |
|-----------------------------------|---|
| (Newly established) | <p data-bbox="804 232 1059 262"><u>Supplementary Provisions</u></p> <p data-bbox="804 266 1398 349"><u>Article 1. (Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p> <ol data-bbox="820 353 1398 663" style="list-style-type: none"> <li data-bbox="820 353 1398 517"><u>1. Article 15 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six months from September 1, 2022.</u> <li data-bbox="820 521 1398 663"><u>2. The provisions of this article shall be deleted on the date when six months have elapsed from September 1, 2022, or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u> |

Proposal No. 3: Election of Nine (9) Directors

At the conclusion of the Meeting, the terms of office of all nine (9) current Directors will expire. Accordingly, the Company proposes to elect nine (9) Directors. The proposed candidates are as follows.

| Candidate No. | Name | Current position and responsibility in the Company | |
|---------------|--------------------|--|--|
| 1 | Noboru Okubo | President and Chief Executive Officer | <u>Reelection</u> |
| 2 | Masao Kikuchi | Director, Senior Executive Managing Officer, Executive Manager of Local Facilities, General Manager of Educational Facilities Division, and General Manager of Regional Sales Division | <u>Reelection</u> |
| 3 | Toyotsugu Miyamura | Director, Senior Executive Managing Officer, Executive Manager of ICT for Public Market, and General Manager of Educational ICT Division | <u>Reelection</u> |
| 4 | Toshiji Hayashi | Director, Executive Managing Officer, Executive Manager of Finance Management Group, and General Manager of Group Management Department | <u>Reelection</u> |
| 5 | Akio Shirakata | Director, Executive Managing Officer, Executive Manager of ICT Engineering, and General Manager of Systems Engineering Division | <u>Reelection</u> |
| 6 | Satoshi Koyanagi | Director, Senior Executive Officer, and Executive Manager of Sales Management Group | <u>Reelection</u> |
| 7 | Hidenori Hirose | Outside Director | <u>Reelection</u> <u>Outside Director</u> <u>Independent Officer</u> |
| 8 | Kuniharu Takemata | Outside Director | <u>Reelection</u> <u>Outside Director</u> <u>Independent Officer</u> |
| 9 | Keiji Imajo | Outside Director | <u>Reelection</u> <u>Outside Director</u> <u>Independent Officer</u> |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | Number of the Company's shares owned |
|---|--|--|--------------------------------------|
| 1 | <p style="text-align: center;">[Reelection]</p> <p style="text-align: center;">Noboru Okubo (July 1, 1954)</p> <p>Attendance at Board of Directors Meetings during the 84th fiscal year 15/15 (100%)</p> | <p>Mar. 1979 Joined the Company</p> <p>Oct. 2003 Director, General Manager of Educational Systems Division</p> <p>July 2005 Managing Director, Vice General Manager of Marketing Headquarters, and General Manager of Educational Systems Division</p> <p>July 2008 Director, Senior Executive Managing Officer, General Manager of Marketing Headquarters, and General Manager of Educational Systems Division of Sales Headquarters</p> <p>July 2010 Director, Senior Executive Managing Officer, and General Manager of Public Sector Headquarters</p> <p>July 2013 Director, Senior Executive Managing Officer, and General Manager of General Sales Headquarters</p> <p>July 2014 President and Chief Executive Officer (current position)</p> | 36,259 |
| <p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Noboru Okubo, having had success in recovering and improving performances of the Company while serving as the Company's President and Chief Executive Officer, is fulfilling his duties as President and Chief Executive Officer by making the most of his strong leadership while working toward accomplishing the goals set in the Company's group management. He is well versed in the overall operations of the Company and possesses the initiative, judgment, insight, etc., which are expected of management. As such, the Company believes he is qualified to serve as a Director.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | Number of the Company's shares owned |
|---|--|--|--------------------------------------|
| 2 | <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Masao Kikuchi (August 11, 1957)</p> <p>Attendance at Board of Directors Meetings during the 84th fiscal year 15/15 (100%)</p> | <p>Apr. 1981 Joined the Company</p> <p>July 2007 Executive Officer, and General Manager of Eastern-Japan Equipment Sales Department of Educational Systems Division</p> <p>July 2008 Executive Officer, and General Manager of Facilities Sales Department of Educational Systems Division</p> <p>July 2013 Executive Officer, and General Manager of Educational Facilities Division of Public Headquarters of General Sales Headquarters</p> <p>July 2015 Senior Executive Officer, and General Manager of Educational Facilities Division of Sales Headquarters</p> <p>Oct. 2016 Director, Executive Officer, and General Manager of Educational Facilities Division of Sales Headquarters</p> <p>July 2018 Director, Executive Officer, General Manager of Educational Facilities Division, and General Manager of Northern-Japan Regional Sales Division</p> <p>July 2019 Director, Executive Managing Officer, General Manager of Educational Facilities Division, and General Manager of Eastern-Japan Regional Sales Division</p> <p>July 2020 Director, Executive Managing Officer, General Manager of Educational Facilities Division, and General Manager of Regional Sales Division</p> <p>July 2021 Director, Senior Executive Managing Officer, Executive Manager of Local Facilities, General Manager of Educational Facilities Division, and General Manager of Regional Sales Division (current position)</p> | 12,259 |
| <p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Masao Kikuchi has been mainly engaged in sales in the environmental construction-related business. Currently, he is successfully achieving great business performance mainly in public and school facilities business as Executive Manager of Local Facilities, General Manager of Educational Facilities Division, and General Manager of Regional Sales Division, and fulfilling the duties of said stations. He is well versed in the overall operations of the Company with particular focus on sales in the environmental construction-related business, and possesses the initiative, judgment, insight, etc., which are expected of management. As such, the Company believes he is qualified to serve as a Director.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | Number of the Company's shares owned |
|--|--|--|--------------------------------------|
| 3 | <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Toyotsugu Miyamura (August 27, 1957)</p> <p>Attendance at Board of Directors Meetings during the 84th fiscal year 15/15 (100%)</p> | <p>Apr. 1981 Joined the Company</p> <p>July 2011 Executive Officer, and General Manager of ICT Systems Eastern-Japan Sales Department of Educational ICT & Environment Solutions Division of Public Headquarters</p> <p>July 2013 Executive Officer, and General Manager of Educational ICT Division of Public Headquarters of General Sales Headquarters</p> <p>July 2015 Senior Executive Officer, and General Manager of Educational ICT Division of Sales Headquarters</p> <p>Oct. 2018 Director, Senior Executive Officer, and General Manager of Educational ICT Division</p> <p>July 2019 Director, Executive Managing Officer, and General Manager of Educational ICT Division</p> <p>July 2021 Director, Senior Executive Managing Officer, Executive Manager of ICT for Public Market, and General Manager of Educational ICT Division (current position)</p> | 13,499 |
| <p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Toyotsugu Miyamura has been mainly engaged in sales in the ICT-related businesses. Currently, he is successfully achieving great business performance mainly in the government agency and school ICT business as Executive Manager of ICT for Public Market, and General Manager of Educational ICT Division, and fulfilling the duties of said stations. He is well versed in the overall operations of the Company with particular focus on sales in the ICT-related businesses, and possesses the initiative, judgment, insight, etc., which are expected of management. As such, the Company believes he is qualified to serve as a Director.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | Number of the Company's shares owned |
|---------------|--|---|--------------------------------------|
| 4 | <p style="text-align: center;"><u>Reelection</u></p> <p style="text-align: center;">Toshiji Hayashi (June 5, 1959)</p> <p>Attendance at Board of Directors Meetings during the 84th fiscal year 15/15 (100%)</p> | <p>Apr. 1983 Joined the Company</p> <p>July 2013 Executive Officer, and General Manager of Corporate Planning Department</p> <p>July 2015 Executive Officer, Vice General Manager of Corporate Planning & Administrative Headquarters, and General Manager of Group Management Department</p> <p>Oct. 2016 Director, Executive Officer, Vice General Manager of Corporate Planning & Administrative Headquarters, and General Manager of Group Management Department</p> <p>Oct. 2018 Director, Senior Executive Officer, Vice Executive Manager of Corporate Planning & Administrative Management Group, and General Manager of Group Management Department</p> <p>July 2020 Director, Senior Executive Officer, Executive Manager of Finance & Accounting Management Group, and General Manager of Group Management Department</p> <p>July 2021 Director, Senior Executive Officer, Executive Manager of Finance Management Group, and General Manager of Group Management Department</p> <p>Oct. 2021 Director, Executive Managing Officer, Executive Manager of Finance Management Group, and General Manager of Group Management Department (current position)</p> <p>[Significant concurrent positions outside the Company] President of UCHIDA YOKO GLOBAL LIMITED</p> | 11,432 |
| | | <p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Toshiji Hayashi has been mainly engaged in accounting and finance. Currently, toward promoting finance and administration of group management as Executive Manager of Finance Management Group and General Manager of Group Management Department, he is fulfilling the duties of said stations. He is well versed in the overall operations of the Company with particular focus on finance, and possesses the initiative, judgment, insight, etc., which are expected of management. As such, the Company believes he is qualified to serve as a Director.</p> | |
| 5 | <p style="text-align: center;"><u>Reelection</u></p> <p style="text-align: center;">Akio Shirakata (September 29, 1957)</p> <p>Attendance at Board of Directors Meetings during the 84th fiscal year 11/11 (100%)</p> | <p>Apr. 1981 Joined the Company</p> <p>July 2016 Executive Officer, and General Manager of Major Account & Public System Support Division of Sales Headquarters</p> <p>July 2018 Senior Executive Officer, and General Manager of Systems Engineering Division</p> <p>July 2021 Senior Executive Officer, Executive Manager of ICT Engineering, and General Manager of Systems Engineering Division</p> <p>Oct. 2021 Director, Executive Managing Officer, Executive Manager of ICT Engineering, and General Manager of Systems Engineering Division (current position)</p> | 4,500 |
| | | <p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Akio Shirakata has been mainly engaged in system engineering for the private and public sectors. Currently, as Executive Manager of ICT Engineering and General Manager of Systems Engineering Division, he is fulfilling the duties of said stations, aiming for growth and development of engineers and smooth system engineering operations. He is well versed in the overall operations of the Company with particular focus on systems in general, and possesses the initiative, judgment, insight, etc., which are expected of management. As such, the Company believes he is qualified to serve as a Director.</p> | |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | Number of the Company's shares owned |
|---|--|--|--------------------------------------|
| 6 | <p style="text-align: center;"><u>Reelection</u></p> <p style="text-align: center;">Satoshi Koyanagi (April 27, 1960)</p> <p>Attendance at Board of Directors Meetings during the 84th fiscal year 15/15 (100%)</p> | <p>Apr. 1983 Joined the Company</p> <p>July 2015 Executive Officer, Vice Executive Manager of Sales Management Group of Sales Headquarters, and General Manager of Corporate Planning Department of Corporate Planning & Administrative Headquarters</p> <p>Oct. 2017 Senior Executive Officer, Vice Executive Manager of Sales Management Group of Sales Headquarters, and General Manager of Corporate Strategy & Planning Division</p> <p>Oct. 2018 Director, Senior Executive Officer, Executive Manager of Sales Management Group, and General Manager of Corporate Strategy & Planning Division</p> <p>July 2020 Director, Senior Executive Officer, and Executive Manager of Sales Management Group (current position)</p> | 8,732 |
| <p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Satoshi Koyanagi has been mainly engaged in product design and business planning. Currently, toward increasing the efficiency of the Company's Group business as Executive Manager of Sales Management Group, he is fulfilling the duties of said stations. He is well versed in the overall operations of the Company with particular focus on planning, and possesses the initiative, judgment, insight, etc., which are expected of management. As such, the Company believes he is qualified to serve as a Director.</p> | | | |
| 7 | <p style="text-align: center;"><u>Reelection</u></p> <p style="text-align: center;"><u>Outside Director</u></p> <p style="text-align: center;"><u>Independent Officer</u></p> <p style="text-align: center;">Hidenori Hirose (June 11, 1945)</p> <p>Attendance at Board of Directors Meetings during the 84th fiscal year 15/15 (100%)</p> | <p>Mar. 1968 Joined The SEIYU, LTD. ("SEIYU")</p> <p>May 1989 Director of SEIYU</p> <p>May 1999 Director of FamilyMart Co., Ltd.</p> <p>June 2003 President and Representative Director of Warehouse TERRADA</p> <p>Oct. 2012 Outside Director of the Company (current position)</p> | 1,200 |
| <p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Hidenori Hirose held positions such as Director of SEIYU Group and President and Representative Director of Warehouse TERRADA, and therefore possesses the judgment and insight which are expected of management. As such, the Company believes he is qualified to supervise the Company's management and provide advice as an Outside Director. He can be expected to utilize his experience in management and administration in other industries to provide accurate advice from a practical perspective and fulfill the role of supervising the performance of duties.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | Number of the Company's shares owned |
|---|---|---|--------------------------------------|
| 8 | <p style="text-align: center;"> Reelection Outside Director Independent Officer </p> <p>Kuniharu Takemata (September 29, 1954)</p> <p>Attendance at Board of Directors Meetings during the 84th fiscal year 15/15 (100%)</p> | <p>Apr. 1978 Joined Electric Power Development Co., Ltd. ("J-Power")</p> <p>June 2006 Executive Officer, and Department Director of Business Planning Department of J-Power</p> <p>June 2007 Executive Managing Officer, and Department Director of Corporate Planning Department of J-Power</p> <p>June 2009 Director of J-Power</p> <p>June 2012 Director, and Executive Managing Officer of J-Power</p> <p>Oct. 2016 Outside Director of the Company (current position)</p> <p>June 2017 Outside Director of erex Co., Ltd.</p> <p>June 2018 Managing Director of erex Co., Ltd.</p> <p>June 2021 Advisor of erex Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Advisor of erex Co., Ltd.</p> | 900 |
| <p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Kuniharu Takemata held positions such as Director, and Executive Managing Officer of Electric Power Development Co., Ltd. and thereafter served as Managing Director of erex Co., Ltd., and therefore possesses the judgment and insight which are expected of management. As such, the Company believes he is qualified to supervise the Company's management and provide advice as an Outside Director. He can be expected to utilize his experience in management and administration in other industries to provide accurate advice from a practical perspective and fulfill the role of supervising the performance of duties.</p> | | | |
| 9 | <p style="text-align: center;"> Reelection Outside Director Independent Officer </p> <p>Keiji Imajo (August 5, 1961)</p> <p>Attendance at Board of Directors Meetings during the 84th fiscal year 15/15 (100%)</p> | <p>Apr. 1985 Joined Kanegafuchi Chemical Industry Co., Ltd. (currently KANEKA CORPORATION)</p> <p>Jan. 2001 Joined Future Venture Capital Co., Ltd.</p> <p>June 2011 Representative Director and President of Future Venture Capital Co., Ltd.</p> <p>Jan. 2016 Representative Director and Chairman of the Board of Future Venture Capital Co., Ltd.</p> <p>June 2016 Director and Chairman of the Board of Future Venture Capital Co., Ltd.</p> <p>July 2017 Outside Director of JOHNNAN Corporation (current position)</p> <p>Dec. 2018 Outside Director of OSAKA YUKA INDUSTRY LTD. (current position)</p> <p>Oct. 2019 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Outside Director of JOHNNAN Corporation</p> <p>Outside Director of OSAKA YUKA INDUSTRY LTD.</p> | 500 |
| <p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Keiji Imajo was engaged in operations such as new product development at Kanegafuchi Chemical Industry Co., Ltd. (currently KANEKA CORPORATION), held positions such as Representative Director and President of Future Venture Capital Co., Ltd., and therefore possesses the judgment and insight which are expected of management. As such, the Company believes he is qualified to supervise the Company's management and provide advice as an Outside Director. He can be expected to utilize his experience in management and administration in other industries to provide accurate advice from a practical perspective and fulfill the role of supervising the performance of duties.</p> | | | |

- Notes:
1. Mr. Toshiji Hayashi also serves as President of UCHIDA YOKO GLOBAL LIMITED, with whom the Company has a business relationship, including the sale and import/export of furniture and fixtures. The other candidates do not have any special interest with the Company.
 2. Mr. Hidenori Hirose, Mr. Kuniharu Takemata and Mr. Keiji Imajo are candidates for Outside Director.
 3. At the conclusion of the Meeting, Mr. Hirose's tenure as Outside Director of the Company will have been ten years, Mr. Takemata's tenure as Outside Director of the Company will have been six years and Mr. Imajo's tenure as Outside Director of the Company will have been three years.

4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Hirose, Mr. Takemata and Mr. Imajo to limit their liability for damages as provided for in Article 423, paragraph 1 of the same Act. The limit of liability for damages pursuant to the limited liability agreement is the aggregate sum of the amounts provided for in each item in Article 425, paragraph 1 of the Companies Act. If their election is approved, the Company plans to renew the respective agreements with each one of them.
5. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. This insurance policy covers the insured's losses and litigation expenses, etc. incurred from claims for damages arising from acts (including illegal activities) that the insured, including a Director of the Company, has carried out as an officer or person of other position at the Company. If the election of each candidate is approved, each of them will be included in the policy as an insured. In addition, when the policy is renewed, the Company plans to also renew the policy with the same terms.
6. The Company has submitted notification to the Tokyo Stock Exchange that Mr. Hirose, Mr. Takemata and Mr. Imajo have been appointed as an independent officer as provided for in the Securities Listing Regulations of the aforementioned exchange. If their election is approved, the Company plans for their appointment as an independent officer to continue.

<Reference>

Skill Matrix of Directors of the Company

The abilities and experience of each Director, assuming approval of Proposal No. 3, are as follows:

| Position | Name | Corporate management | | | Other experience, achievements and insight | | | | | |
|-------------------------|--------------------|----------------------|------------------------|-------------------------------------|--|----------------|-----|----------------------------|--------------------|--------------------------|
| | | Corporate management | Finance and accounting | General affairs and human resources | Public sector | Private sector | ICT | Environmental construction | Marketing planning | Technology/manufacturing |
| Chief Executive Officer | Noboru Okubo | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Director | Masao Kikuchi | ○ | | | ○ | | | ○ | | |
| Director | Toyotsugu Miyamura | ○ | | | ○ | ○ | ○ | | | |
| Director | Toshiji Hayashi | ○ | ○ | | | | | | | |
| Director | Akio Shirakata | ○ | | | ○ | ○ | ○ | | | ○ |
| Director | Satoshi Koyanagi | ○ | | | ○ | ○ | ○ | | ○ | ○ |
| Outside Director | Hidenori Hirose | ○ | ○ | ○ | | ○ | | | ○ | |
| Outside Director | Kuniharu Takemata | ○ | ○ | ○ | ○ | ○ | | | ○ | |
| Outside Director | Keiji Imajo | ○ | ○ | ○ | | ○ | | | ○ | ○ |

Policies and Procedures for Nomination of Director Candidates

Candidates for Director are nominated in view of the experience, knowledge, expertise and insight possessed by each candidate, while also giving consideration to the overall balance of the composition of the entire Board of Directors in terms of diversity and other aspects. In addition, nomination of Directors shall require the Nominating Committee, where independent Outside Directors hold a majority, to conduct discussion and examination and provide the resulting opinion to the Board of Directors which determines the nominations based on a final discussion.

Proposal No. 4: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Shoichiro Takai will expire at the conclusion of this meeting. In that regard, the Company proposes to elect one (1) Audit & Supervisory Board Member. The proposed candidate is as follows.

For your information, the Audit & Supervisory Board has approved this proposal.

| Name (Date of birth) | Career summary and position in the Company, and significant concurrent positions outside the Company | Number of the Company's shares owned |
|---|--|--------------------------------------|
| <p><u>Reelection</u></p> <p>Shoichiro Takai (March 6, 1955)</p> <p>Attendance at Board of Directors Meetings during the 84th fiscal year 15/15 (100%)</p> <p>Attendance at Audit & Supervisory Board Meetings during the 84th fiscal year 11/11 (100%)</p> | <p>Mar. 1978 Joined the Company</p> <p>July 2013 Executive Officer, Vice General Manager of Public Headquarters of General Sales Headquarters, and General Manager of Operations Control Department</p> <p>Oct. 2013 Director, Executive Officer, Vice General Manager of Public Headquarters of General Sales Headquarters, and General Manager of Operations Control Department</p> <p>July 2014 Director, Executive Officer, and General Manager of Public Headquarters</p> <p>July 2015 Director, Executive Managing Officer, Vice General Manager of Sales Headquarters, and Executive Manager of Sales Management Group</p> <p>July 2018 Director, Executive Managing Officer, and Executive Manager of Sales Management Group</p> <p>Oct. 2018 Standing Audit & Supervisory Board Member of the Company (current position)</p> | 7,400 |
| <p>[Reasons for nomination as a candidate for Audit & Supervisory Board Member]</p> <p>Mr. Shoichiro Takai has been mainly engaged in sales and sales planning. After serving in such roles as Director, Executive Managing Officer, and Executive Manager of Sales Management Group, he is currently fulfilling his duties as Audit & Supervisory Board Member. As such, the Company believes he is qualified to make use of his abundant experience and in-depth knowledge in the audit of the Company.</p> | | |

- Notes:
1. The candidate does not have any special interest with the Company.
 2. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with the candidate to limit his liability for damages as provided for in Article 423, paragraph 1 of the same Act. The limit of liability for damages pursuant to the limited liability agreement is the aggregate sum of the amounts provided for in each item in Article 425, paragraph 1 of the Companies Act. If his election is approved, the Company plans to renew the agreement with him.
 3. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. This insurance policy covers the insured's losses and litigation expenses, etc. incurred from claims for damages arising from acts (including illegal activities) that the insured, including an Audit & Supervisory Board Member of the Company, has carried out as an officer or person of other position at the Company. If the election of the candidate is approved, he will be included in the policy as an insured. In addition, when the policy is renewed, the Company plans to also renew the policy with the same terms.

Proposal No. 5: Renewal of Countermeasures to Large-Scale Acquisitions of Company Shares (Takeover Defense Measures)

The Company introduced “countermeasures to large-scale acquisitions of Company shares (takeover defense measures)” with the approval of the 69th Annual General Meeting of Shareholders held on October 13, 2007. After three renewals, the Company obtained the shareholders’ approval to renew partially amended countermeasures at the 81st Annual General Meeting of Shareholders held on October 12, 2019. The effective period of the current plan is due to expire at the conclusion of the Meeting.

Accordingly, prior to the expiration of the effective period of the current plan, the Company’s Board of Directors has considered the state of the current plan, including whether or not it should be renewed from the perspective of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders. As a result of that consideration, at the Board of Directors meeting held on September 8, 2022, the Company decided, conditional upon the approval of the shareholders at the Meeting, to renew the countermeasures to large-scale acquisitions of Company shares (takeover defense measures) as set out in III below (the countermeasures after renewal, the “Plan”) as a measure to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate (Article 118, Item 3(b)(ii) of the Enforcement Regulations of the Companies Act) under the basic policy regarding the persons who control decisions on the Company’s financial and business policies (as provided for in Article 118, Item 3 of the Enforcement Regulations of the Companies Act; the “Basic Policy”) as set out in I below.

1. Reasons why the Plan is considered necessary

- (1) The Plan is one in which substantive decisions regarding its triggering or abolishment are made by a committee independent from the Company’s management team. The Independent Committee under the Plan has an additional member who is an independent Outside Director compared with before the renewal and is composed of three independent Outside Directors and two experts.

The operation of the Plan is such that if the Independent Committee determines that it is reasonable to obtain a resolution of the general meeting of shareholders even though a large purchaser has followed the procedures prescribed in the Plan, the Company’s Board of Directors will follow what is decided by the general meeting of shareholders. Transparency throughout the course of the procedures is secured by disclosing information to shareholders.

Taking these points into account, the Company believes that the Plan contains mechanisms for eliminating arbitrary decisions by the management team of the Company.

- (2) The Plan prescribes that “a framework be put in place for securing sufficient information and time for shareholders to make an appropriate decision as well as for providing shareholders with opportunities for negotiation with purchasers.”

The Company will continue to endeavor to enhance its corporate value and the common interests of shareholders, but in view of factors such as the characteristics of the Company’s business platform and its business size, the Company is not necessarily able to reject the possibility of a large purchase of its shares. In particular, it is also expected that in the case of a large purchase of the shares of the Company by a purchaser who does not understand the unique business and resources that the Company has developed throughout its history, there would be a material impact on the Company’s management strategies for the medium and long term.

The Company believes that the Plan will be effective for shareholders even if such an event transpires, because the Plan would secure the time needed to sufficiently examine the content of a proposal by a purchaser.

- (3) The Company believes that the rules of the tender offer framework under the Financial Instruments and Exchange Act cannot be considered sufficient for securing the information and time necessary for shareholders to make a decision on whether the purchase is appropriate or for enabling negotiations on behalf of shareholders.

2. Effective term of the Plan

The Plan will be effective until the conclusion of the annual general meeting of shareholders held three years after the conclusion of the annual general meeting of shareholders at which a resolution approving the Plan is made. However, if a resolution to abolish the Plan is made by the Board of Directors even before the expiration of the effective term, the Plan will be abolished at that time.

Therefore, the Company requests the shareholders' approval to delegate to the Company's Board of Directors the authority to decide matters relating to the gratis allotment of share options in accordance with the Plan, pursuant to the provisions of Article 11 of the Company's Articles of Incorporation.

Upon renewing the current plan and adopting the Plan, revisions to the following, among other matters, were made as appropriate: (i) the definition of "Acquisitions" that are subject to the Plan; (ii) cases in which the intent of shareholders will be confirmed upon triggering the Plan; and (iii) the terms of share options to be allotted upon triggering the Plan.

All five of the Audit & Supervisory Board Members of the Company (of whom three are Outside Audit & Supervisory Board Members) were present at the Board of Directors meeting where it was decided to adopt the Plan and expressed opinions consenting to the adoption of the Plan on the condition that the specific implementation of the Plan is performed appropriately.

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

The Company believes that shareholders of the Company should be decided through free market transactions, and, accordingly, a decision on whether or not to accept a proposal to acquire a sufficient number of shares to control decisions on the Company's financial and business policies must ultimately be left to the discretion of each shareholder.

The Company considers that in order to ensure and enhance its corporate value and the common interests of its shareholders, it is essential to foster human resources from a medium and long term perspective, constantly adopt new technologies and designs, and maintain and grow relationships of trust with business partners as well as an excellent customer base.

However, there are some forms of large-scale acquisitions of shares that do not ensure or enhance the corporate value of the target company or in turn the common interests of its shareholders, including, without limitation: (i) those that threaten to cause obvious harm to the corporate value of the target company and in turn the common interests of its shareholders in light of matters such as the purpose of and the management policies after the acquisition; (ii) those that threaten to effectively coerce shareholders into selling their shares; and (iii) those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the conditions and other details of the acquisition or for the target company's board of directors to make an alternative proposal. Therefore, the Company believes that persons who would make a large-scale acquisition of the shares in the Company in an inappropriate manner as described above would not be appropriate as persons who control decisions on the Company's financial and business policies, and it is necessary to ensure the corporate value of the Company and in turn the common interests of its shareholders by taking the necessary and reasonable measures against large-scale acquisitions by such persons.

II. The Source of the Company's Corporate Value and Measures to Realize the Basic Policy

1. The Source of the Company's Corporate Value

Under the 15th Mid-term Management Plan (fiscal year ended July 2019 to fiscal year ended July 2021), the Company group focused on growing demand, and it achieved its management targets. During the last fiscal year under the plan, the Company group marked record-high revenue, with turnover of 291 billion yen and operating income of 10.3 billion yen, by taking group-wide measures for the GIGA School Program. In addition, during the fiscal year ended July 2022, which was the first year under the 16th Mid-term Management Plan (fiscal year ended July 2022 to fiscal year ending July 2024), the Company group achieved turnover of 221.8 billion yen and operating income of 7.8 billion yen, which were well above our initial projections despite the fact that the GIGA School Program ended before that period. In this way, the Company group's baseline, excluding special demand, has been steadily ascending.

We believe that maintaining the source of corporate value described below will be necessary for sustainable growth going forward.

(1) Corporate culture passed down throughout the Company group's history

The Company group marked the 112th anniversary of its foundation in Dalian, China in 1910. Originally conducting business dedicated to surveying and drawing tools for The Southern Manchurian Railway Company (Mantetsu), which supported the Manchurian Railway in expanding its lines, the Company expanded its business by importing advanced office equipment from Europe and North America after the Manchurian Railway business developed. When it became a matter of urgency for Japanese domestic companies during the Meiji and Taisho eras to pursue innovation in their industries, the Company was also the first to disseminate into the domestic Japanese market cutting-edge products that incorporate European and North American technologies, such as Hemmi bamboo slide rulers and Kent drawings, for the design and construction industries. During the post-war rebuilding period, the Company advanced into the field of distributing science educational materials to revive education and took on the further challenge of commercializing an ultracompact electronic computer, known as the USAC, for industrial modernization.

In this way, the Company group has a history of transforming its own business by ascertaining solutions together with customers in the private, public, and educational sectors in response to changing issues faced by those. Throughout this history, the Company group has always valued relationships with customers and passed down a pioneering spirit with an eagerness to open up new markets. Our corporate culture, developed over a century as described above, forms a foundation that supports the sustainable growth of the Company group.

(2) Talented people who realize management policy a reality

The greatest resource for pursuing management policy is people (employees). The Company has consistently sought to create our customers by educating our personnel based on the belief that the source of corporate competence is people (employees). Under the medium and long term management policy, the experience, know-how, expertise, and skills of our people, such as system engineers in the ICT-related businesses and technical experts in the environmental construction-related business, as well as sales personnel and other members of staff who understand customers in both the private and public markets, support the advancement of our management policies. We believe that these people form the core of the Company's fundamental philosophy of "supporting customer growth" and this is achieved only by growing together with customers through a medium and long term management perspective.

(3) Business management capable of utilizing tangible and intangible managerial resources

In Japan, the process of streamlining for the purpose of improving profitability in society as a whole will become essential due to declines in the birthrate that will accelerate from 2025. We anticipate that our major customers, who are mainly corporations, local governments, and educational institutions, will push forward with reforms for working and educational practices, as well as the construction of ICT and environments that support such reforms, in line with the promotion of digitalization. Seeing these endeavors to address these large social issues as an opportunity for growth in the medium and long term, the Company group formulated the 16th Mid-term Management Plan, and we will undertake the restructuring of the core businesses of the group as a whole while pushing ahead with the reorganization of our resources.

During the process of formulating the 16th Mid-term Management Plan, we reviewed our business portfolio from a more holistic perspective by recategorizing our businesses into four matrices with an axis that represents products and skills divided between the ICT-related businesses and environmental

construction-related business and an axis that represents markets divided between the private market and the public market. When the business structure of the Company group is considered from this perspective, the ICT-related businesses that account for more than 60% of our revenue are the basis that underpins the growth of the Company group going forward, and on that basis, the combination of the ICT-related businesses with the environmental construction-related business, which is a unique business structure that is unprecedented among other companies, supports our strengths. Management that properly understands the features of the Company group is important in order to ascertain and develop such growth potential and distinctiveness.

At the same time, because of direct connections between our customers and the network of sales personnel and technical experts established within our business units, which are connections that have been forged over many years across Japan, the Company group is able to properly understand issues faced by the customers and to propose diverse solutions from a standpoint familiar with the market. The Company boasts the experience, knowledge and information obtained from such customer contact points that constitute our business resources. We believe that, based on these strengths, organically combining business units that accumulate various resources enables reorganization of the core businesses, which in turn creates new business opportunities.

In order for the Company group to reorganize our core businesses to respond to social structural change, it is important to execute management capable of utilizing tangible and intangible managerial resources that have been cultivated throughout our long history.

2. Corporate Governance

The Company endeavors to strengthen its corporate governance for the purposes of achieving swift decision making that addresses changes in the management environment, clarifying responsibilities, and improving the transparency of business. Specifically, the Company has introduced the executive officer system, thereby separating the management administration functions and business execution functions, in addition to which the Company has set the term of office of Directors at one year in order to firmly establish a flexible management system that can promptly respond to changes in the management environment and to clarify the management responsibilities of Directors. Decisions on the election, removal and nomination of Directors are to be made after discussion and examination at meetings of the Nominating Committee, a majority of whose members are independent Outside Directors, and Outside Directors provide various advice and recommendations from an objective perspective in regard to both decision making and supervision at Board of Directors meetings.

In addition, the Company made Uchida Esco Co., Ltd. (listed on the Standard Market of the Tokyo Stock Exchange) a wholly-owned subsidiary through a tender offer for its shares for the purpose of resolving potential conflicts of interest due to the parent-subsidiary listings and enabling prompt management decision-making by concentrating business resources.

The Company group believes that robustly maintaining the source of corporate value described above will stabilize our business foundation, thereby enabling the Company group to achieve long-term and comprehensive enhancement of shareholder value, as well as sound and sustainable growth. We will continue striving to ensure and enhance corporate value and the common interests of shareholders.

III. Measures to Prevent Decisions on the Company's Financial and Business Policies from Being Controlled by Persons Deemed Inappropriate Under the Basic Policy

1. Purpose of the Plan

The renewal by adopting the Plan is for the purpose of ensuring and enhancing the corporate value of the Group and, in turn the common interests of its shareholders in line with the Basic Policy set out in I. above.

The Board of Directors determined that it continues to be essential to have in place a framework for restraining large purchases that are contrary to the corporate value of the Company and the common interests of its shareholders on the occasion that the shares of the Company are subject to a large purchase by securing necessary time and information for shareholders to decide whether or not to accept the large purchase or for the Board of Directors to present an alternative proposal to the shareholders, and enabling the Board of Directors to have discussions, negotiations, or the like with the purchaser for the benefit of the shareholders.

2. Details of the Plan

(1) Plan Outline

(a) Purpose

The Plan is for the purpose of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders on the occasion that an act of large-scale acquisition of the shares in the Company takes place by securing information and a period of time necessary and sufficient for shareholders to make appropriate decisions and opportunities for discussions, negotiations, or the like with the acquirer, etc. and taking other actions.

(b) Prescribed Procedures

The Plan sets out procedures necessary to achieve the purpose stated in (a) above such as requesting to a person who conducts an act of acquisition of the share certificates, etc. of the Company or any similar act, or a proposal for such act (an "Acquirer"; such act, an "Acquisition") to provide information in advance, when such Acquisition is to take place (please see (2) 'Procedures for the Plan' below for details).

(c) Implementation of Gratis Allotment of Share Options

In cases such as where an Acquirer conducts an Acquisition of the Company's share certificates, etc. without following the procedures set out in the Plan, or an Acquisition threatens to cause obvious harm to the corporate value of the Company and the common interests of its shareholders (please see (3) 'Requirements for Gratis Allotment of Share Options' below for the details of requirements for the implementation of measures), the Company will allot share options (the main terms of which are outlined in (4) 'Outline of Gratis Allotment of Share Options' below; "Share Options") with (a) an exercise condition that does not allow the Acquirer to exercise rights, and (b) an acquisition provision to the effect that the Company may acquire the share options in exchange for the Company's shares from persons other than the Acquirer by means of a gratis allotment of share options to all shareholders, except the Company, at that time.

If a gratis allotment of Share Options were to take place in accordance with the Plan and all shareholders other than the Acquirer received shares in the Company as a result of those shareholders exercising or the Company acquiring those Share Options, the ratio of voting rights pertaining to the Company's shares held by the Acquirer may be diluted by up to a third of all voting rights.

(d) Use of the Independent Committee

In order to eliminate arbitrary decisions by the Board of Directors on matters such as the implementation or non-implementation of the gratis allotment of Share Options or the acquisition of Share Options in accordance with the Plan, these matters are to be decided through an objective judgment by the Independent Committee, which is composed of outside parties who are highly independent from the Company (please see (5) 'Establishment of the Independent Committee' below for details). In addition, if the Independent Committee recommends that, when implementing a gratis allotment of Share Options, a general meeting of shareholders be convened and the intent of the shareholders in regard to the implementation of the gratis allotment of Share Options be confirmed, the Board of Directors will convene that general meeting of shareholders.

Moreover, in the course of these procedures, the Company will ensure the transparency of the procedures by disclosing information to shareholders.

(2) Procedures for the Plan

(a) Targeted Acquisitions

The Plan will be applied in cases where an Acquisition that falls under any of (I) through (III) below takes place. The Acquirer will be required to follow the procedures prescribed in the Plan.

- (i) An acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariiai*)¹ of a holder (*hoyuusha*)² totaling at least 20% of the share certificates, etc. (*kabuken tou*)³ issued by the Company;
- (ii) A tender offer (*koukai kaitusuke*)⁴ that would result in the party conducting the tender offer's ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariiai*)⁵ and the ownership ratio of share certificates, etc. of a specially related party (*tokubetsu kankei-sha*)⁶ totaling at least 20% of the share certificates, etc. (*kabuken tou*)⁷ issued by the Company; or
- (iii) Regardless of whether or not any of the acts provided for in items (I) and (II) above is conducted, an act (i) conducted between (a) a person who intends to acquire share certificates, etc. of the Company, a joint holder (*kyoudou hoyuusha*)⁸ with respect to that person, or a specially related party of that person (each, an "acquirer of share certificates, etc." in this item (III)) and (b) one or more other shareholders of the Company and that constitutes an agreement or other act as a result of which the other shareholder(s) become(s) a joint holder of the acquirer of share certificates, etc. or any act that establishes a relationship whereby the acquirer of share certificates, etc. or the other shareholder substantially controls the other or they act jointly or in concert with each other^{9,10} and (ii) that would result in the total holding ratio of share certificates, etc. issued by the Company of that acquirer of share certificates, etc. and the other shareholder accounting for 20% or more.

(b) Request to the Acquirer for Provision of Information

An Acquirer who conducts an Acquisition will be requested to submit to the Company before effecting the Acquisition a document that contains information set out in the items below ("Essential Information") and other matters such as an undertaking that the Acquirer will comply with the procedures set out in the Plan upon effecting the Acquisition (collectively, "Acquisition

¹ Defined in Article 27-23.4 of the Financial Instruments and Exchange Act. The same applies throughout this Proposal.

² Including persons described as a holder under Article 27-23.3 of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors). The same applies throughout this Proposal.

³ Defined in Article 27-23.1 of the Financial Instruments and Exchange Act. The same applies throughout this Proposal unless otherwise provided for.

⁴ Defined in Article 27-2.6 of the Financial Instruments and Exchange Act. The same applies throughout this Proposal.

⁵ Defined in Article 27-2.8 of the Financial Instruments and Exchange Act. The same applies throughout this Proposal.

⁶ Defined in Article 27-2.7 of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors); provided, however, that persons provided for in Article 3.2 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person other than Issuer are excluded from the persons described in Article 27-2.7(i) of the Financial Instruments and Exchange Act. The same applies throughout this Proposal.

⁷ Defined in Article 27-2.1 of the Financial Instruments and Exchange Act.

⁸ Defined in Article 27-23(5) of the Financial Instruments and Exchange Act, including persons regarded as a joint holder under Article 27-23(6) of the Financial Instruments and Exchange Act (including persons who are deemed a joint holder by the Board of Directors). The same applies throughout this proposal.

⁹ Determination as to whether or not a "relationship whereby the acquirer of share certificates, etc. or the other shareholder substantially controls the other or they act jointly or in concert with each other" has been established between them will be made based on certain factors such as the formation of a new capital relationship, business alliance relationship, business or contractual relationship, relationship of interlocking directorate, providing financing, and credit granting, and having a beneficial interest in the Company's share certificates, etc. through derivatives, stock lending, and other transactions, and direct or indirect effects on the Company caused by that acquirer of share certificates, etc. and the other shareholder.

¹⁰ Whether or not an act specified in item (III) of the main text has been conducted or not will be reasonably determined by the Board of Directors. Please note that the Board of Directors may request the shareholders of the Company to provide information necessary to the extent required for making a determination as to the satisfaction of the requirements specified in item (III) of the main text.

Document”) in the form prescribed by the Company. Please note that the Company may set a due date for the Acquirer’s provision of the Acquisition Document and other information if necessary.

If the Board of Directors receives an Acquisition Document, it will promptly provide it to the Independent Committee. If the Independent Committee, having received the Acquisition Document, determines that the Acquisition Document does not contain sufficient Essential Information, it may set a reply period as appropriate and request, either itself or through the Board of Directors or the like, that the Acquirer submit additional Essential Information. In this case, the Acquirer must submit such additional Essential Information within the reply period.

- (i) Details (including name, capital composition, financial position, terms of any previous transactions which are similar to the Acquisition, results of these transactions, impacts of these past transactions on the corporate value of the target company) of the Acquirer and its group (including joint holders, specially related parties, and (if the Acquirer is a fund) each partner and its members).
- (ii) The purpose, method and terms of the Acquisition (including information on the amount and type of consideration for the Acquisition, the timeframe of the Acquisition, the scheme of any related transactions, the legality of the Acquisition method, and the feasibility of the Acquisition).
- (iii) The basis for the calculation of the purchase price of the Acquisition (including facts and assumptions based on which the calculation has been made, calculation methods, numerical information used for the calculation, and the details of synergies that are expected to be brought about by a set of transactions relating to the Acquisition, and the details of those synergies that are to be allocated to minority shareholders).
- (iv) Information relating to an agreement between the Acquirer and a third party regarding the share certificates, etc. of the Company and any previous acquisition of the share certificates, etc. of the Company by the Acquirer.
- (v) Financial support for the Acquisition (including the names of providers of funds (including all indirect providers of funds) for the Acquisition, financing methods and the terms of any related transactions, etc.).
- (vi) Post-Acquisition management policy, business plan, and, capital and dividend policies for the Group.
- (vii) Post-Acquisition policies for treating and dealing with the Company’s employees, business partners, and clients of the Company, and other stakeholders of the Company.
- (viii) Specific measures to avoid any conflict of interest with other shareholders in the Company.
- (ix) Information regarding any relationship with an anti-social force.
- (x) Any other information that the Independent Committee reasonably considers necessary.

If it is determined that the Acquirer has commenced the Acquisition in a manner that is not in compliance with the procedures set out in the Plan, the Independent Committee will, as a general rule, recommend the Board of Directors to implement a gratis allotment of Share Options as set out in (d)(i) below, except if there are special circumstances based on which the Independent Committee should continue to request the Acquirer to submit Acquisition Documents and Essential Information and have discussions, negotiations, or the like with the Acquirer.

(c) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal

(i) Requesting the Board of Directors to Provide Information

When an Acquisition Document and any Essential Information additionally requested by the Independent Committee have been submitted by an Acquirer, in order to compare and examine the content of the Acquisition Document and Essential Information against the management plans, corporate evaluations, and the like by the Board of Directors from the

perspective of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent Committee may set an appropriate reply period (in principle, limited to 60 days maximum) in consideration of the time needed for the Board of Directors to collect information or consider corporate evaluations or the like (including consideration by outside experts, as necessary) and request the Board of Directors to promptly submit its opinion regarding the terms of the Acquisition by the Acquirer (including a statement that an opinion is temporarily withheld; the same applies below), the materials on which the opinion is based, an alternative proposal (if any), and any other information, materials, or the like deemed necessary by the Independent Committee.

(ii) Consideration by Independent Committee

If the Independent Committee determines that the Acquirer and (if the Independent Committee requested the Board of Directors to provide information, materials, or the like as set out in (i) above) the Board of Directors have provided sufficient information, materials, and the like (including those additionally requested to be provided) in order to begin the consideration of the terms of the Acquisition and the like, the Independent Committee will set a consideration period, in principle limited to 60 days maximum (however, in cases such as those stated in (d)(iii) below, the Independent Committee may extend that period by resolving to do so) (the “Independent Committee Consideration Period”), and notify the Acquirer and the Board of Directors to that effect. During the Independent Committee Consideration Period, the Independent Committee will consider the terms of the Acquisition by the Acquirer, gather information on and compare and examine management plans, business plans, and other policies for management by the Acquirer and the Board of Directors, consider an alternative plan to be presented by the Board of Directors, and conduct other actions. Further, if it is necessary in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent Committee will, either directly itself or indirectly through the Board of Directors or the like, discuss and negotiate with the Acquirer or present the alternative plan presented by the Board of Directors to the Company’s shareholders, or conduct similar actions.

If the Independent Committee, either directly itself or indirectly through the Board of Directors or the like, requests the Acquirer to provide materials for consideration or any other information, discuss and negotiate, or conduct other actions, the Acquirer must promptly respond to such request.

In order to ensure that the Independent Committee’s decision contributes to the Company’s corporate value and the common interests of its shareholders, the Independent Committee may, at the cost of the Company, obtain advice from independent third parties (including financial advisors, certified public accountants, attorneys, consultants, and other experts).

(iii) Information Disclosure to Shareholders

The Company will, at the time determined appropriate by the Independent Committee, disclose information to shareholders on the fact that an Acquirer has emerged, the fact that an Acquisition Document has been submitted by the Acquirer, the fact that the Independent Committee Consideration Period has commenced, the fact that the Board of Directors has presented an alternative plan to the Independent Committee, an outline of Essential Information, and other matters that the Independent Committee determines appropriate.

(d) Judgment of the Independent Committee

If an Acquirer emerges, the Independent Committee will make a recommendation to the Board of Directors or extend the Independent Committee Consideration Period as follows. If the Independent Committee makes a recommendation to the Board of Directors or an extension set out in (i) through (iii) below, or in other cases where the Independent Committee determines it to be appropriate, the Company will promptly disclose information on the fact that such recommendation or resolution has been made, the outline thereof, and other matters that the Independent Committee determines appropriate (if the Independent Committee Consideration Period is extended, including the period of the extension and an outline of the reasons for extension).

(i) If implementation of gratis allotment of Share Options is recommended

If the Acquirer does not comply with the procedures set out in the Plan or if, as a result of the consideration of the terms of the Acquisition by the Acquirer or discussions, negotiations, or the like with the Acquirer, the Independent Committee determines that the Acquisition by the Acquirer falls under any of the requirements set out in (3) 'Requirements for Gratis Allotment of Share Options' below and it is reasonable to implement a gratis allotment of Share Options, then regardless of whether or not the Independent Committee Consideration Period has started or ended, the Independent Committee will recommend the implementation of a gratis allotment of Share Options to the Board of Directors.

However, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Share Options, if the Independent Committee determines that either of the events in (A) or (B) below applies, it may, during the period until the day immediately prior to the Exercise Period Commencement Date for the Share Options (defined in (f) of (4) 'Outline of Gratis Allotment of Share Options' below), cancel the gratis allotment of Share Options (if it is before the gratis allotment becoming effective) or make a new recommendation that the Company will acquire the Share Options for no consideration (if it is after the gratis allotment becoming effective).

(A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.

(B) There has been a change or the like in the facts or other matters on which the recommendation decision was made, and the Acquisition by the Acquirer does not fall under any of the requirements set out in (3) 'Requirements for Gratis Allotment of Share Options' below or, even if it does, it is not reasonable to implement a gratis allotment of Share Options or accept exercise of Share Options.

Even if the Independent Committee determines that it is reasonable to implement a gratis allotment of Share Options, if it also determines that it is reasonable to ask the shareholders to pass a resolution for the implementation of a gratis allotment of Share Options at a general meeting of shareholders in advance or subsequently, it shall recommend that the Board of Directors convene a general meeting of shareholders and refer a proposal for the implementation of the gratis allotment of Share Options to the meeting.

(ii) If non-implementation of gratis allotment of Share Options is recommended

If the Independent Committee, as a result of the consideration of the terms of the Acquisition by the Acquirer or discussions, negotiations, or the like with the Acquirer, determines that the Acquisition by the Acquirer does not fall under any of the requirements set out in (3) 'Requirements for Gratis Allotment of Share Options' below or, even if it does, it is not reasonable to implement a gratis allotment of Share Options, then regardless of whether or not the Independent Committee Consideration Period has started or ended, the Independent Committee will recommend the non-implementation of the gratis allotment of Share Options to the Board of Directors.

However, even after the Independent Committee has already made a recommendation for the non-implementation of the gratis allotment of Share Options, if there is a change in the facts or other matters on which the decision on the recommendation was made and the Independent Committee determines that the Acquisition by the Acquirer falls under any of the requirements set out in (3) 'Requirements for Gratis Allotment of Share Options' below and it is reasonable to implement a gratis allotment of Share Options, the Independent Committee may make a new decision, including a new recommendation that the Company should implement the gratis allotment of Share Options, and make that recommendation to the Board of Directors.

(iii) If the Independent Committee Consideration Period is extended

If the Independent Committee does not make a recommendation regarding the implementation or non-implementation of a gratis allotment of Share Options (including a recommendation to convene a general meeting of shareholders and put forth a proposal regarding the implementation of a gratis allotment of Share Options) by the end of the initial Independent Committee Consideration Period, the Independent Committee shall pass a resolution to extend the Independent Committee Consideration Period to the extent

reasonable (however, not exceeding 30 days) as necessary for taking actions such as the consideration of the terms of the Acquisition by the Acquirer, discussion and negotiation with the Acquirer, and consideration of an alternative proposal.

If the Independent Committee Consideration Period is extended pursuant to the above resolution, the Independent Committee will continue gathering information, considering relevant matters, and conducting other such actions and use its best efforts to make a recommendation regarding the implementation or non-implementation of a gratis allotment of Share Options (including a recommendation to convene a general meeting of shareholders and put forth a proposal regarding the implementation of a gratis allotment of Share Options) within the extended period.

(e) Resolutions by the Board of Directors and Holding of General Meeting of Shareholders

The Board of Directors will promptly pass a resolution as an organization under the Companies Act relating to the implementation or non-implementation of a gratis allotment of Share Options (including cancellation of a gratis allotment of Share Options) respecting to the maximum extent any recommendation made by the Independent Committee set out above.

In addition, if the Board of Directors receives a recommendation from the Independent Committee that the Board of Directors should convene a general meeting of shareholders and put forth a proposal regarding the implementation of a gratis allotment of Share Options or the Board of Directors determines that a gratis allotment of Share Options should be implemented and that it is appropriate to confirm the intent of shareholders in light of the Directors' duty of care of a good manager, the Board of Directors shall promptly convene a general meeting of shareholders and refer a proposal for the implementation of the gratis allotment of Share Options to the meeting so that it is able to hold a general meeting of shareholders in the shortest period practically possible unless it is in practice extremely difficult to hold a general meeting of shareholders. If a resolution for the implementation of the gratis allotment of Share Options (a resolution pursuant to Article 11, Paragraph 1 of the Company's Articles of Incorporation) is passed at the general meeting of shareholders, the Board of Directors shall perform the necessary procedures for the gratis allotment of Share Options in accordance with the decision of that general meeting of shareholders (if a resolution to delegate to the Board of Directors the determination of matters pertaining to the gratis allotment of Share Options is passed at the general meeting of shareholders, the Board of Directors shall pass a resolution for the implementation of the gratis allotment of Share Options). However, if the proposal for the implementation of the gratis allotment of Share Options is rejected at the general meeting of shareholders, the Board of Directors shall pass a resolution for the non-implementation of the gratis allotment of Share Options.

After the commencement of the procedures under the Plan, the Acquirer shall not give effect to the Acquisition until the Board of Directors passes a resolution for the implementation or non-implementation of the gratis allotment of Share Options or, if a general meeting of shareholders is held as set out above, until the proposal for the gratis allotment of Share Options is passed or rejected at that general meeting of shareholders.

If the Board of Directors passes a resolution for the implementation or non-implementation of the gratis allotment of Share Options or a resolution to convene a general meeting of shareholders described above, or the general meeting of shareholders passes a resolution for the implementation of the gratis allotment of Share Options, the Board of Directors will promptly disclose information on an outline of the resolutions and other matters that the Board of Directors considers appropriate.

(3) Requirements for Gratis Allotment of Share Options

The Company plans to implement a gratis allotment of Share Options if an Acquisition by an Acquirer falls under any of the requirements set out below and it is determined reasonable to implement a gratis allotment of Share Options, based on the resolution by the Board of Directors or the general meeting of shareholders set out in (e) of (2) 'Procedures for the Plan' above. As set out in (d) of (2) 'Procedures for the Plan' above, a determination as to whether any of the following requirements applies to an Acquisition and whether it is reasonable to implement a gratis allotment of Share Options must be made through a judgment by the Independent Committee.

- (a) The Acquisition is not in compliance with the procedures for providing information set out in (b) of (2) ‘Procedures for the Plan’ above or for securing the Independent Committee Consideration Period, or other procedures set out in the Plan.
 - (b) The Acquisition threatens to cause obvious harm to the corporate value of the Company and the common interests of its shareholders through any of the following acts or similar acts:
 - (i) A buyout of share certificates, etc. to require such share certificates, etc. to be compulsorily purchased by the Company at a high price.
 - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company’s management for the low-cost acquisition of the Company group’s material assets.
 - (iii) Diversion of the Company group’s assets to secure or repay debts of the Acquirer or its group company.
 - (iv) Temporary control of the Company group’s management to bring about the disposal of high-value assets that have no current relevance to the Company group’s business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share price created by the temporarily high dividends.
 - (v) An act such as an acquisition of the shares in the Company solely for the purpose of inflating the share price and forcing the Company’s stakeholders, etc. to buy the shares at a high price even though the Acquirer does not actually intend to participate in the Company’s management.
 - (c) The Acquisition threatens to effectively coerce shareholders into selling shares, such as a coercive two-tiered tender offer (meaning an acquisition of shares including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable for shareholders or unclear).
 - (d) The terms of the Acquisition (including the amount and type of consideration, timeframe of the Acquisition, legality of the Acquisition method, feasibility of the Acquisition being effected, post-Acquisition management policy and business plan, and policies for treating the Company’s other shareholders, employees, clients, business partners, and other stakeholders of the Company after the Acquisition) are inadequate or inappropriate in light of the Company’s intrinsic value.
 - (e) The Acquisition materially threatens to oppose the corporate value of the Company or the common interests of shareholders, by ways such as damaging the Company’s relationships with employees, clients, business partners, and the like or the Company’s social credibility or brand value, which are indispensable to the generation of the Company’s corporate value.
- (4) Outline of Gratis Allotment of Share Options

The following is an outline of the gratis allotment of Share Options to be implemented under the Plan. (Please see Attachment 1 ‘Terms and Conditions for Gratis Allotment of Share Options’ for the details of Share Options.)

- (a) Number of Share Options

The number of Share Options to be allotted upon implementation of a gratis allotment of Share Options is a number to be separately determined in a resolution by the Board of Directors or by the general meeting of shareholders regarding the gratis allotment of Share Options (the “Gratis Allotment Resolution”), which must not exceed the number equivalent to twice as many as the most recent total number of issued shares in the Company (excluding the number of shares in the Company held by the Company at that time) on an allotment date (the “Allotment Date”) that is separately determined in the Gratis Allotment Resolution.

- (b) Shareholders Eligible for Allotment

The Company will allot the Share Options for no consideration to shareholders, other than the Company, who are stated or recorded in the Company’s most recent register of shareholders on the Allotment Date, at the ratio of up to two Share Options, as separately determined in the Gratis Allotment Resolution, for each share in the Company held.

(c) Effective Date of Gratis Allotment of Share Options

The effective date of the gratis allotment of Share Options will be separately determined in the Gratis Allotment Resolution.

(d) Number of Shares to be Acquired upon Exercise of Share Options

The number of shares in the Company to be acquired upon exercise of each Share Option¹¹ (these shares constitute “book-entry transfer shares” provided for in Article 128.1 of the Act on Book-Entry Transfer of Corporate Bonds and Shares, to which the provisions of the same Act apply) (the “Applicable Number of Shares”) shall be one share, unless otherwise adjusted.

(e) Amount to be Contributed upon Exercise of Share Options

Contributions upon exercise of the Share Options are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Share Options will be an amount to be separately determined in the Gratis Allotment Resolution, which must be within the range of no less than one yen and no more than an amount equivalent to half the market value per share in the Company. “Market value” means the average closing price (including quotations) of the Company’s shares in regular trading on the Tokyo Stock Exchange over a 90-day period (excluding dates on which no closing price exists) until the day immediately prior to the Gratis Allotment Resolution, and any fraction less than one yen will be rounded up to the nearest whole yen.

(f) Exercise Period of Share Options

The commencement date of the exercise period will be a date separately determined in the Gratis Allotment Resolution (this commencement date of the exercise period is hereinafter referred to as the “Exercise Period Commencement Date”), and the period will be a period from one month to three months long as separately determined in the Gratis Allotment Resolution. However, if the Company acquires Share Options in accordance with the provisions of (i)(ii) below, the exercise period of the Share Options so acquired will be until the business day immediately prior to the acquisition date. In addition, if the last day of the exercise period is a non-business day of the institution that handles payment of money to be paid upon the exercise of the Share Options, the previous business day will be the last day of the exercise period.

(g) Conditions for Exercise of Share Options

As a general rule, the following parties may not exercise the Share Options (the parties falling under (I) through (VI) below shall collectively be referred to as “Non-Qualified Parties”):

- (I) Specified Large Holders¹²;
- (II) Joint holders of Specified Large Holders;

¹¹ Even if the Company becomes a “company with class shares” (Article 2, Item 13 of the Companies Act) in the future, (i) shares in the Company to be issued upon the exercise of Share Options and (ii) shares to be delivered in exchange for the acquisition of the Share Options are the same class of shares as those that the Company has actually issued at the time of holding the Meeting (i.e., shares of common stock).

¹² “Specified Large Holder” means, in principle, a party who is deemed by the Board of Directors to be a holder of share certificates, etc. issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is at least 20%; provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company’s corporate value or the common interests of shareholders or a certain other party that the Board of Directors separately determines in the Gratis Allotment Resolution is not a Specified Large Holder. The same applies throughout this proposal.

- (III) Specified Large Purchasers¹³;
- (IV) Specially related parties of Specified Large Purchasers;
- (V) Any transferee of, or successor to, the Share Options of any party falling under (I) through (IV) without the approval of the Board of Directors; or
- (VI) Any Affiliated Party¹⁴ of any party falling under (I) through (V).

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Share Options may not as a general rule exercise the Share Options (provided, however, that some of the nonresidents, such as persons to whom exemption provisions of the applicable foreign laws and ordinances apply, may exercise the Share Options, and the Share Options held by nonresidents will be subject to acquisition by the Company in exchange for shares in the Company as set out in (i)(ii) below). Please see Attachment 1 ‘Terms and Conditions for Gratis Allotment of Share Options’ for details.

(h) Assignment of Share Options

Any acquisition of the Share Options by assignment requires the approval of the Board of Directors.

(i) Acquisition of Share Options by the Company

- (i) At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Board of Directors deems that it is appropriate for the Company to acquire the Share Options, the Company may, on a day separately determined by the Board of Directors, acquire all of the Share Options for no consideration.
- (ii) On a date separately determined by the Board of Directors, the Company may acquire all of the Share Options that have not been exercised on or before the business day immediately prior to such date determined by the Board of Directors and are held by parties other than Non-Qualified Parties and, in exchange, deliver shares in the Company in the Applicable Number of Shares for each Share Option. The Company may acquire the Share Options on more than one occasion.
- (iii) On a date separately determined by the Board of Directors, the Company may acquire all of the Share Options held by Non-Qualified Parties and, in exchange, deliver share options that may not, as a general rule, be exercised by Non-Qualified Parties as consideration¹⁵ in the number equal to the Share Options to be acquired. In addition, with respect to such share options, acquisition provisions such as a provision stipulating that in certain cases the Company may acquire such share options by delivering reasonable consideration may be provided. The details of such share options will be determined in the Gratis Allotment Resolution. Please see Attachment 1 ‘Terms and Conditions for Gratis Allotment of Share Options’ for the definitions of the terms used above and details.

¹³ “Specified Large Purchaser” means, in principle, a person who is deemed by the Board of Directors to be a person who makes a public announcement of purchase, etc. (as defined in Article 27-2.1 of the Financial Instruments and Exchange Act; the same applies throughout this Note 13) of share certificates, etc. (as defined in Article 27-2.1 of the Financial Instruments and Exchange Act; the same applies throughout this Note 13) issued by the Company through a tender offer and whose ownership ratio of share certificates, etc. in respect of such share certificates, etc. owned by such person after such purchase, etc. (including similar ownership as prescribed in Article 7.1 of the Order for Enforcement of the Financial Instruments and Exchange Act) is at least 20% when combined with the ownership ratio of share certificates, etc. of a specially related party.

¹⁴ An “Affiliated Party” of a given party means a person who is deemed by the Board of Directors to be a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Board of Directors), or a party deemed by the Board of Directors to act in concert with such given party. “Control” means to “control the determination of the financial and business policies” (as defined in Article 3.3 of the Enforcement Regulations of the Companies Act) of other corporations or entities.

¹⁵ However, the Company may set a condition that Non-Qualified Parties may exercise such share options in certain cases. For example, the Company intends to set out matters such as that when (x) an Acquirer cancels or revokes an Acquisition, or promises that it will not conduct any subsequent Acquisition, after the Gratis Allotment Resolution and the Acquirer or other Non-Qualified Parties entrust a securities firm permitted by the Company with the disposal of their shares in the Company, and (y) the Acquirer’s holding ratio of share certificates, etc. determined by the Board of Directors (when calculating the holding ratio of share certificates, etc., Non-Qualified Parties other than the Acquirer and its joint holders are deemed to be the Acquirer’s joint holders, and share options held by Non-Qualified Parties, the conditions of which have not been satisfied, are excluded) falls below 20%, the Acquirer or other Non-Qualified Parties may exercise share options held by them to the extent of the said ratio being under the said 20%.

(5) Establishment of the Independent Committee

The Company will have the Independent Committee that has been established for the purpose of eliminating arbitrary decisions by the Board of Directors on matters such as the implementation or non-implementation of a gratis allotment of Share Options under the Plan and as an organization that objectively makes substantive decisions on the operation of the Plan for shareholders. If the renewal by adopting the Plan is approved at the Meeting, the Independent Committee after the renewal will be composed of members who are highly independent from the Company's management team: three Outside Directors of the Company (the Company has notified the Tokyo Stock Exchange that all of those Outside Directors are independent directors) and two outside experts. (Standards for the election of the members of the Independent Committee, requirements for resolutions and matters to be resolved at the meetings of the Independent Committee, and other related matters are described in Attachment 2 'Outline of the Rules of the Independent Committee,' and the profiles of the persons who are scheduled to assume office as the members of the Independent Committee after the renewal by adopting the Plan are described in Attachment 3 'Names and Profiles of the Members of the Independent Committee.')

If any Acquisition were to be actually conducted, the Independent Committee shall make a substantive decision on whether or not the Acquisition would have a detrimental effect on the corporate value of the Company and the common interests of its shareholders, and the Board of Directors shall pass a resolution as an organization under the Companies Act by taking into consideration the decision to the maximum extent as set out in (2) 'Procedures for the Plan' above.

(6) Effective Period and Abolition of and Amendment to the Plan

The period during which the authority to determine matters regarding a gratis allotment of Share Options under the Plan is delegated to the Board of Directors according to the resolution of the Meeting (the "Effective Period") will be the period until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years after the conclusion of the Meeting.

However, if, before the expiration of the Effective Period, the Board of Directors composed of Directors elected at a general meeting of shareholders of the Company resolves to abolish the Plan, the Plan will be abolished at that time.

Further, the Board of Directors may, subject to the approval of the Independent Committee, revise or amend the Plan even during the Effective Period of the Plan, in cases where the revision or amendment is not contrary to the purpose of the delegation made by the resolution of the Meeting (such as cases where any law, ordinance, or rule of a financial instruments exchange or the like concerning the Plan is established, amended or abolished and it is appropriate to reflect such establishment, amendment or abolition in the Plan, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, and cases where the revision or amendment does not cause any disadvantage to the Company's shareholders).

If the Plan is abolished, revised or amended, the Company will promptly disclose the fact that such abolition, revision or amendment has taken place, and (in the event of a revision or amendment) the details of the revision, amendment and any other matters.

The details of the Plan are set out in III. above, but the impact on shareholders and investors and the decisions and reasoning by the Board of Directors regarding each measure above are as follows. Shareholders are therefore requested to approve this Proposal after taking these matters into consideration.

1. Impact on Shareholders and Investors

(1) Impact on Shareholders and Investors Upon Renewal by Adopting the Plan

Upon the renewal by adopting the Plan, there will be no direct or material impact on shareholders and investors because the Board of Directors will only be delegated the authority to determine a gratis allotment of Share Options according to the resolution of the general meeting of shareholders, and no actual gratis allotment of Share Options will be implemented.

(2) Impact on Shareholders and Investors at the Time of Gratis Allotment of Share Options

If the Board of Directors or the general meeting of shareholders of the Company resolves to make a gratis allotment of Share Options, the Company will allot Share Options for no consideration to each

shareholder as of the Allotment Date to be separately determined in the Gratis Allotment Resolution at the ratio of up to two Share Options, as separately determined in the Gratis Allotment Resolution, per share in the Company held by the shareholder. If any shareholder does not make payment of money or otherwise follow procedures for the exercise of Share Options detailed in (b) of (3) 'Procedures that are Required to be Followed by Shareholders Due to Gratis Allotment of Share Options' below within the exercise period of the Share Options, the value of shares in the Company held by that shareholder as a whole will be diluted by the exercise of the Share Options by other shareholders. However, the Company may acquire Share Options from shareholders other than Non-Qualified Parties and, in exchange, deliver shares in the Company by the procedures set out in (c) of (3) 'Procedures that are Required to be Followed by Shareholders Due to Gratis Allotment of Share Options' below. If the Company follows this acquisition process, the shareholders other than the Non-Qualified Parties will receive shares in the Company without exercising the Share Options or making payment of the amount of money equivalent to the prescribed exercise price of the Share Options, and, in this case, although the value per share in the Company held by each shareholder will be diluted, the economic value of the shares in the Company held by all shareholders as a whole will not be diluted as a general rule.

In addition, even after the Board of Directors resolves to make a gratis allotment of Share Options, the Company may, by respecting any recommendation of the Independent Committee described in (d)(i) of III.2.(2) 'Procedures for the Plan' above to the maximum extent, (i) (on or before the effective date of the gratis allotment of Share Options) cancel the gratis allotment of Share Options, or (ii) (after the effective date of the gratis allotment of Share Options and until the day immediately prior to the Exercise Period Commencement Date of the Share Options) acquire Share Options for no consideration. In such cases, no dilution of the value per share in the Company will result, and it is possible that shareholders or investors who have sold, bought, or otherwise traded the shares in the Company expecting to see such a dilution in the value per share in the Company will be affected by a fluctuation in the share price.

(3) Procedures that are Required to be Followed by Shareholders Due to Gratis Allotment of Share Options

(a) Procedures for Gratis Allotment of Share Options

If the Board of Directors or the general meeting of shareholders of the Company resolves to implement a gratis allotment of Share Options, the Company will give a public notice regarding the Allotment Date for the gratis allotment of Share Options. In this case, shareholders who are stated or recorded in the Company's most recent register of shareholders will become share option holders as a matter of course on the effective date of the gratis allotment of Share Options, so no procedures, such as applying for such gratis allotment, will be necessary.

(b) Procedures for Exercising Share Options

The Company will deliver, as a general rule, a written request for the exercise of the Share Options (in the form prescribed by the Company and containing necessary matters such as the terms and number of Share Options for exercise and the exercise date for the Share Options, an account for transferring book-entry transfer shares, as well as representations and warranties regarding matters such as that the shareholders are not Non-Qualified Parties, indemnity clauses and other covenants) and other documents necessary for the exercise of the Share Options to shareholders who are stated or recorded in the Company's most recent register of shareholders on the Allotment Date. After the gratis allotment of Share Options, the shareholders will be issued, as a general rule, one share in the Company in exchange for each Share Option after (i) submitting the written request for the exercise of the Share Options and other necessary documents in the manner prescribed by the Company during the exercise period of Share Options and before the acquisition of the Share Options by the Company taking effect, (ii) these documents arriving at the location for accepting exercise requests for the Share Options, and (iii) paying an amount of money equivalent to the exercise price to be separately determined in the Gratis Allotment Resolution, which must be within the range of no less than one yen and no more than half the market value per share in the Company, for each Share Option, at the location for accepting exercise requests for the Share Options.

(c) Procedures for Acquisition of Share Options by the Company

If the Board of Directors determines to acquire Share Options, the Company will acquire the Share Options in accordance with the statutory procedures on the date separately determined by the Board of Directors.

If, in this case, the Company acquires the Share Options from the shareholders other than Non-Qualified Parties and deliver shares in the Company in exchange for the Share Options, the shareholders concerned will come to receive one share in the Company in principle as consideration for the acquisition by the Company of those Share Options, without paying the amount equivalent to the exercise price. However, in such case, the shareholders concerned will be separately requested to submit, in the form prescribed by the Company, a document that contains necessary matters such as an account for transferring book-entry transfer shares, representations and warranties regarding matters such as the fact that they are not Non-Qualified Parties, indemnity clauses and other covenants.

In addition, the Company will disclose information to or notify all of its shareholders with respect to the particulars of the allotment method, exercise method and method for acquisition by the Company in relation to the Share Options after these matters are determined in the Gratis Allotment Resolution, so we request that shareholders check these details at that time.

2. Decisions and Reasoning by the Board of Directors Regarding Each Measure Above

- (1) Decisions and Reasoning Regarding the Special Measures to Make Effective Use of the Company's Assets, Form an Appropriate Corporate Group, and Otherwise Realize the Basic Policy (measures set out in II. above)

As set out in II. above, the Company has implemented such measures for enhancing the corporate value and strengthening its corporate governance practices as specific measures to continually and persistently enhance the Company's corporate value and the common interests of the Company's shareholders, and these measures will contribute to the realization of the Basic Policy.

Therefore, these measures comply with the Basic Policy and are not detrimental to the common interests of the Company's shareholders, and are not implemented for the purpose of maintaining the positions of corporate officers of the Company.

- (2) Decisions and Reasoning Regarding the Measures to Prevent Decisions on the Company's Financial and Business Policies from being Controlled by a Person Viewed as Inappropriate under the Basic Policy (measures set out in III. above)

- (a) The Plan is in Line with the Basic Policy

The Plan is a mechanism to maintain the corporate value of the Company and the common interests of its shareholders by ensuring the necessary time and information is made available for the shareholders to decide whether or not to accept the Acquisition of share certificates, etc. of the Company and for the Board of Directors to present an alternative proposal to the shareholders, and by enabling the Board of Directors to have discussions, negotiations, or the like with the Acquirer for the benefit of the shareholders when the Acquisition is to be effected. As above, the Plan is in compliance with the Basic Policy.

- (b) The Measures are not Detrimental to Common Interests of Shareholders and do not Aim to Maintain Positions of Corporate Officers of the Company

For the following reasons, the Company believes that the measures to prevent control by a person viewed as inappropriate under the Basic Policy would not be detrimental to the common interests of the Company's shareholders, and that the measures have not been implemented for the purpose of maintaining the positions of corporate officers of the Company.

- (i) Satisfying Requirements of the Guidelines for Takeover Defense Measures

The Plan satisfies all of the three principles set out in the Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 and is designed based on "Takeover Defense Measures in Light of Recent Environmental Changes" published on June 30, 2008 by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry.

- (ii) Placing High Value on Shareholders' Intent (Resolution at General Meeting of Shareholders and Sunset Clause)

The renewal by adopting the Plan will be effected when the resolution for delegation regarding the Plan is made at the Meeting.

Further, as set out in III.2.(6) 'Effective Period and Abolition of and Amendment to the Plan' above, the Plan is subject to a so-called sunset clause setting the Effective Period of approximately three years and if, even before the expiration of the Effective Period of the Plan, the Board of Directors composed of Directors elected at a general meeting of shareholders of the Company resolves to abolish the Plan, the Plan will be abolished at that time. In this regard, whether it is appropriate to continue to adopt the Plan depends on the intent of the Company's shareholders.

(iii) Disclosure of Information and Emphasis on Decisions by Highly Independent Outside Parties

Upon the renewal by adopting the Plan, the Company will continue to have the Independent Committee make substantive decisions on the operation of the implementation of the gratis allotment of Share Options or other matters in order to eliminate arbitrary decisions by the Board of Directors for shareholders.

If an Acquisition of shares in the Company were to be actually conducted, the Independent Committee would, as set out in III.2.(2) 'Procedures for the Plan' above, and in accordance with the Rules of the Independent Committee, make a substantive decision on whether or not the Acquisition would have a detrimental effect on the corporate value of the Company and the common interests of its shareholders. Then, the Board of Directors would, by taking into consideration the decision to the maximum extent, pass a resolution as an organization under the Companies Act.

In this way, the Independent Committee will strictly monitor the Board of Directors so that the Board of Directors will not arbitrarily implement a gratis allotment of Share Options, and outlines of its decisions will be disclosed to the shareholders, thereby ensuring a structure under which the Plan is operated so that it contributes to the corporate value of the Company and the common interests of its shareholders.

If the renewal by adopting the Plan is approved by the Meeting, the Independent Committee after the renewal will be composed of members who are highly independent from the Company's management team: three Outside Directors of the Company (the Company has notified the Tokyo Stock Exchange that all of those Outside Directors are independent directors) and outside experts. Standards for the election of the members of the Independent Committee, requirements for resolutions and matters to be resolved at the meetings of the Independent Committee, and other related matters are described in Attachment 2 'Outline of the Rules of the Independent Committee,' and the profiles of the persons who are scheduled to assume office as the members of the Independent Committee after the renewal by adopting the Plan are described in Attachment 3 'Names and Profiles of the Members of the Independent Committee.'

(iv) Establishment of Reasonable and Objective Requirements

As set out in (d) of III.2.(2) 'Judgment of the Independent Committee' and III.2.(3) 'Requirements for Gratis Allotment of Share Options' above, the Company believes that the Plan is established so that any gratis allotment of Share Options will not be implemented unless the prescribed reasonable and specific objective requirements have been satisfied, and ensures a structure to eliminate arbitrary implementation by the Board of Directors.

(v) Obtaining Advice of Outside Experts

As set out in (c) of III.2.(2) 'Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal' above, if an Acquirer emerges, the Independent Committee may obtain the advice of independent third parties (including financial advisors, certified public accountants, attorneys, consultants, or other experts) at the cost of the Company. This is a mechanism to even more securely enhance the objectivity and fairness of the decisions made by the Independent Committee.

(vi) No Dead-Hand or Slow-Hand Takeover Defense Measures

As stated in III.2.(6) 'Effective Period and Abolition of and Amendment to the Plan' above, the Plan is designed with a framework under which it may be abolished by a person who

acquires a large number of share certificates, etc. in the Company through the election at a general meeting of shareholders of Directors nominated by that person and through a resolution of the Board of Directors attended by the so-elected Directors. Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure in which even if a majority of the members of the Board of Directors are replaced, the triggering of the measure cannot be stopped). Also, as the Company has not adopted a system of staggered terms of office, the Plan is not a slow-hand takeover defense measure either (a takeover defense measure in which triggering takes more time to stop due to the fact that all members of the Board of Directors cannot be replaced at once).

---End---

Attachment 1

Terms and Conditions for Gratis Allotment of Share Options

I. Decisions on Matters Relating to Gratis Allotment of Share Options

(1) Details and Number of Share Options

The details of share options to be allotted to each shareholder (individually and collectively, “Share Options”) are based on the matters stated in II. below, and the number of Share Options to be allotted will be a number to be separately determined in a resolution by the Board of Directors or a resolution at a general meeting of shareholders regarding the gratis allotment of Share Options (the “Gratis Allotment Resolution”), which must not exceed a number equivalent to twice as many as the most recent total number of issued shares in the Company (excluding the number of shares in the Company held by the Company at that time) on an allotment date (the “Allotment Date”) that is separately determined in the Gratis Allotment Resolution.

(2) Shareholders Eligible for Allotment

The Company will allot Share Options for no consideration to each shareholder, other than the Company, who is stated or recorded in the Company’s latest register of shareholders on the Allotment Date, at the ratio of up to two Share Options, as separately determined in the Gratis Allotment Resolution, per share in the Company held by the shareholder.

(3) Effective Date of Gratis Allotment of Share Options

The effective date of the gratis allotment of Share Options will be separately determined in the Gratis Allotment Resolution.

II. Details of Share Options

(1) Number of Shares to be Acquired upon Exercise of Share Options

- 1) The number of shares to be acquired upon exercise of each Share Option (the “Applicable Number of Shares”) shall be one share. However, if the Company implements a share split or share consolidation, the Applicable Number of Shares will be adjusted in accordance with the following formula and any fraction less than one share resulting from the adjustment will be rounded down, and no adjustment by money shall be made.

$$\text{Applicable Number of Shares after adjustment} = \text{Applicable Number of Shares before adjustment} \times \text{ratio of share split or consolidation}$$

- 2) The Applicable Number of Shares after the adjustment will apply: (i) in the event of a share split, from and after the day immediately following the record date for the share split; and (ii) in the event of a share consolidation, from and after the effective date of the share consolidation.
- 3) In addition to the provisions set out in 1) above, if the Company effects an act that causes or may cause a change in the total number of issued shares (excluding the number of shares in the Company held by the Company) such as a gratis allotment of shares, merger, or company split, and an adjustment of the Applicable Number of Shares is necessary, the Company will make a reasonable adjustment of the Applicable Number of Shares after taking into consideration the conditions for and other matters relating to the gratis allotment of shares, merger, company split, or other acts.

(2) Amount of Contributions upon Exercise of Share Options

- 1) Contributions upon exercise of the Share Options are to be in cash, and the amount is the Exercise Price (defined in 2) below) multiplied by the Applicable Number of Shares.
- 2) The amount per share in the Company to be contributed upon exercise of the Share Options (the “Exercise Price”) will be an amount separately determined in the Gratis Allotment Resolution, which must be within the range of no less than one yen and no more than an amount equivalent to half the market value per share in the Company. “Market value” means the average closing price (including quotations) of the Company’s

shares in regular trading on the Tokyo Stock Exchange over a 90-day period (excluding dates on which no closing price exists) until the day immediately prior to the Gratis Allotment Resolution, and any fraction less than one yen will be rounded up to the nearest whole yen.

(3) Exercise Period of Share Options

The commencement date of the exercise period will be a date separately determined in the Gratis Allotment Resolution, and the period will be a period from one month to three months long as separately determined in the Gratis Allotment Resolution. However, if the Company acquires Share Options in accordance with the provisions of section (7)2 below, the exercise period of the Share Options so acquired will be until the business day immediately prior to the acquisition date. In addition, if the last day of the exercise period is a non-business day of the institution that handles payment of money to be paid upon the exercise of the Share Options, the previous business day will be the last day of the exercise period.

(4) Conditions for Exercise of Share Options

- 1) The following parties may not exercise the Share Options (the parties falling under (i) through (vi) below are collectively referred to as “Non-Qualified Parties”):
 - (i) Specified Large Holders;
 - (ii) Joint holders of Specified Large Holders;
 - (iii) Specified Large Purchasers;
 - (iv) Specially related parties of Specified Large Purchasers;
 - (v) Any transferee of, or successor to, the Share Options of any party falling under (i) through (iv) without the approval of the Board of Directors; or
 - (vi) Any Affiliated Party of any party listed in (i) through (v).

The terms used above are defined as follows:

- (i) “Specified Large Holder” means, in principle, a party who is a holder (including a party who is included in holders under Article 27-23.3 of the Financial Instruments and Exchange Act) of share certificates, etc. (as defined in Article 27-23.1 of the Financial Instruments and Exchange Act; the same applies hereinafter unless otherwise prescribed), issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is considered to be at least 20% by the Board of Directors; provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company’s corporate value or the common interests of shareholders or a certain other party that the Board of Directors separately determines in the Gratis Allotment Resolution is not a Specified Large Holder.
- (ii) “Joint holder” means, in principle, a joint holder as defined in Article 27-23.5 of the Financial Instruments and Exchange Act, including a party deemed by the Board of Directors to be a joint holder under Article 27-23.6 of the Financial Instruments and Exchange Act.
- (iii) “Specified Large Purchaser” means, in principle, a person who makes a public announcement of purchase, etc. (as defined in Article 27-2.1 of the Financial Instruments and Exchange Act; the same applies in this (iii)) of share certificates, etc. (as defined in Article 27-2.1 of the Financial Instruments and Exchange Act; the same applies in this (iii)) issued by the Company through a tender offer (as defined in Article 27-2.6 of the Financial Instruments and Exchange Act) and whose ownership ratio of share certificates, etc. (as defined in Article 27-2.8 of the Financial Instruments and Exchange Act; the same applies hereinafter), in respect of such share certificates, etc., owned by such person after such purchase, etc., (including similar ownership as prescribed in Article 7.1 of the Order for Enforcement of the Financial Instruments and Exchange Act) is considered by the Board of Directors to be at least 20% when combined with the ownership ratio of share certificates, etc., of a specially related party.
- (iv) “Specially related party” means, in principle, a specially related party as defined in Article 27-2.7 of the Financial Instruments and Exchange Act (including a party who is considered to fall under the above by the Board of Directors). However, parties provided for in Article 3.2 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates, etc. by Person other than Issuer

are excluded from the parties described in Article 27-2.7, Item (1) of the Financial Instruments and Exchange Act.

- (v) An “Affiliated Party” of a given party means a person who is considered by the Board of Directors to substantially control, be controlled by, or be under common control with such given party, or a party deemed by the Board of Directors to act in concert with such given party. “Control” means to “control the determination of the financial and business policies” (as defined in Article 3.3 of the Ordinance for Enforcement of the Companies Act) of other corporations or entities.
- 2) Notwithstanding 1) above, the parties listed in (i) through (iv) below are not Specified Large Holder or Specified Large Purchaser:
- (i) the Company, its subsidiaries (as defined in Article 8.3 of the Regulations concerning Terminology, Forms and Method of Preparation of Financial Statements, etc.) or its affiliates (as defined in Article 8.5 of the Regulations concerning Terminology, Forms and Method of Preparation of Financial Statements, etc.);
 - (ii) a party that the Board of Directors recognizes as a party that became a Specified Large Holder as set forth in 1)(i) above with no intention to control the Company and that ceased to be a Specified Large Holder as set forth in 1)(i) above due to a disposal of the share certificates, etc. of the Company held within ten (10) days after becoming a Specified Large Holder as set forth in 1)(i) above (provided, however, that the ten (10) day period may be extended by the Board of Directors);
 - (iii) a party that the Board of Directors recognizes as a party that involuntarily became a Specified Large Holder as set forth in 1)(i) above by the Company acquiring treasury stock or for any other reason (excluding cases where the party thereafter newly acquires the Company’s share certificates, etc. at its own discretion); or
 - (iv) a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc. of the Company is not contrary to the Company’s corporate value or the common interests of shareholders. (The Board of Directors may separately recognize that a party that it has recognized as a Non-Qualified Party is not contrary to the Company’s corporate value or the common interests of shareholders. If the Board of Directors determines that an acquisition or holding is not contrary to the Company’s corporate value or common interests of shareholders under certain conditions, such recognition will be effective to the extent that these conditions are satisfied).
- 3) Under the applicable foreign laws and ordinances, if a party located within a jurisdiction of such laws and ordinances is required for the purposes of exercising the Share Options to (i) perform certain procedures, (ii) satisfy certain conditions (including prohibition of exercise for a certain period of time or submission of specified documents), or (iii) both perform such procedures and satisfy such conditions (collectively, the “Governing Law Exercise Procedures and Conditions”), such party may exercise the Share Options only if the Board of Directors recognizes that it has fully performed or satisfied the Governing Law Exercise Procedures and Conditions, and such party may not exercise the Share Options if the Board of Directors does not recognize that it has satisfied the Governing Law Exercise Procedures and Conditions. The Company shall bear no obligation to implement or satisfy any Governing Law Exercise Procedures and Conditions which are required in order for the party located in such jurisdiction to exercise the Share Options. In addition, if a party located in such jurisdiction is not permitted to exercise the Share Options under such laws and ordinances, the party located in such jurisdiction may not exercise the Share Options.
- 4) Notwithstanding 3) above, a party located in the United States may exercise the Share Options, only if (i) such party represents and warrants that it is an accredited investor as defined in Rule 501(a) of the U.S. Securities Act of 1933, and (ii) such party covenants to resell the shares of the Company to be acquired upon exercise of the Share Options held by such party only through a regular transaction at the Tokyo Stock Exchange (not on the basis of any previous arrangements and without previous solicitation). In such case only, the Company shall perform or satisfy the Regulation D of the U.S. Securities Act of 1933 and the Governing Law Exercise Procedures and Conditions under applicable U.S. state laws that are required to be performed or satisfied by the Company for exercise of the Share Options by a party located in the United States. A party located in the United States shall not exercise the Share Options if the Board of Directors determines that such party is not permitted to legally exercise the Share Options under the U.S. Securities Act due to a change in the law of the United States or some other reason, even though such party satisfies the conditions as described in (i) and (ii) above.
- 5) A holder of the Share Options may exercise the Share Options only if the holder submits to the Company a written statement in which the holder undertakes representations and warranties, including, but not limited to, the fact that the holder is not a Non-Qualified Party, nor a party that has any intention to exercise

the Share Options on behalf of a Non-Qualified Party and that the holder has satisfied the conditions for the exercise of the Share Options, provisions for indemnification and other matters prescribed by the Company and any written statement required under the laws and ordinances.

- 6) Even if a holder of the Share Options is unable to exercise the Share Options in accordance with the provisions of this section (4), the Company shall not be liable to such holder of the Share Options for damages or any other obligations.

(5) Capital and Capital Reserve to Be Increased Upon Issuance of Shares by Exercise of Share Options

The capital and capital reserve to be increased upon issuance of shares by exercise of the Share Options shall be the amount separately determined in the Gratis Allotment Resolution.

(6) Restriction on Assignment of Share Options

- 1) Any acquisition of the Share Options by assignment requires the approval of the Board of Directors.
- 2) If a party who intends to assign the Share Options is located outside Japan and is unable to exercise the Share Options in accordance with the provisions of sections (4)3) and (4)4) (excluding a Non-Qualified Party), then the Board of Directors shall determine if it gives such approval as described in section 1) above considering the following matters:
 - (i) whether or not a written undertaking prepared and signed or sealed by the transferor and transferee (including provisions for representations and warranties with respect to the matters described in (ii), (iii) and (iv), provisions for indemnification, and provisions for penalties) is submitted with respect to the acquisition by assignment of all or part of the Share Options by a person located in such jurisdiction;
 - (ii) whether or not it is clear that the transferor and transferee are not Non-Qualified Parties;
 - (iii) whether or not it is clear that the transferee is not located in such jurisdiction and does not intend to accept the Share Options for a party located in such jurisdiction;
 - (iv) whether or not it is clear that the transferee does not intend to accept the Share Options for a Non-Qualified Party.

(7) Acquisition of Share Options by the Company

- 1) At any time on or before the date immediately prior to the first date of the exercise period of Share Options, if the Board of Directors deems that it is appropriate for the Company to acquire the Share Options, the Company may, on a date separately determined by the Board of Directors, acquire all of the Share Options for no consideration.
- 2) On a date separately determined by the Board of Directors, the Company may acquire all of the Share Options that are held by parties other than Non-Qualified Parties that have not been exercised by the business day immediately prior to that date determined by the Board of Directors and, in exchange, deliver shares in the Company in the number equivalent to the Applicable Number of Shares for each Share Option. The Company may conduct such acquisition of the Share Options on several occasions.
- 3) On a date separately determined by the Board of Directors, the Company may acquire all of the Share Options held by Non-Qualified Parties and, in exchange, deliver share options that may not, as a general rule, be exercised by Non-Qualified Parties as consideration¹⁶ in the number equal to the Share Options to be acquired. In addition, with respect to such share options, acquisition provisions such as a provision

¹⁶ However, the Company may set a condition that Non-Qualified Parties may exercise such share options in certain cases. For example, the Company intends to set out matters such as that when (x) an Acquirer cancels or revokes an Acquisition, or promises that it will not conduct any subsequent Acquisition, after the Gratis Allotment Resolution and the Acquirer or other Non-Qualified Parties entrust a securities firm permitted by the Company with the disposal of their shares in the Company, and (y) the Acquirer's holding ratio of share certificates, etc. determined by the Board of Directors (when calculating the holding ratio of share certificates, etc., Non-Qualified Parties other than the Acquirer and its joint holders are deemed to be the Acquirer's joint holders, and share options held by Non-Qualified Parties, the conditions of which have not been satisfied, are excluded) falls below 20%, the Acquirer or other Non-Qualified Parties may exercise share options held by them to the extent of the said ratio being under the said 20%.

stipulating that in certain cases the Company may acquire such share options by delivering reasonable consideration may be provided. The details of such share options will be separately determined in the Gratis Allotment Resolution.

- (8) Delivery of the Share Options and the Conditions Thereof in the Case of Merger (Only in the Case Where the Company is Extinguished by the Merger), Absorption-Type Company Split, Incorporation-Type Company Split, Share Exchange, or Share Transfer

The delivery of the Share Options and the conditions thereof in the case of merger (only in the case where the Company is extinguished by the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer will be separately determined in the Gratis Allotment Resolution.

- (9) Issuance of Certificates of Share Options

No certificates of Share Options will be issued.

- (10) Revision Due to Amendment to Laws and Ordinances

The provisions of the laws and ordinances referred to above are those in force as of September 8, 2022. If the meanings of the provisions or terms as set forth in each item above require revision due to the enactment, amendment or abolishment of laws and ordinances after September 8, 2022, the Board of Directors may differently read the meanings of the provisions or terms as set forth in each item above to the reasonable extent as required, taking into consideration the purposes of such enactment, amendment or abolishment.

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Attachment 2

Outline of the Rules of the Independent Committee

- The Independent Committee shall be established by resolution of the Board of Directors.
- The Independent Committee shall comprise of no less than three members elected by the Board of Directors and independent from the management that executes the business of the Company and fall into any of the three categories, namely, (i) Outside Directors of the Company, (ii) Outside Audit & Supervisory Board Member of the Company, or (iii) other outside experts. However, such experts must be experienced corporate managers, persons with knowledge of the investment banking industry or the business areas engaged in by the Company, lawyers, certified public accountants, researchers whose research focuses on the Companies Act or the like, or persons of similar qualifications, and must have executed with the Company an agreement separately specified by the Board of Directors that contains a provision obligating them to exercise the duty of care of a good manager or similar provision.
- Unless otherwise determined by a resolution of the Board of Directors, the term of office of members of the Independent Committee will be until the conclusion of the ordinary general meeting of shareholders relating to the final fiscal year ending within three years after the conclusion of the Meeting. If a member of the Independent Committee who is an Outside Director or Outside Audit & Supervisory Board Member ceases to be a Director or an Audit & Supervisory Board Member (excluding the case where such member is reappointed as a Director or an Audit & Supervisory Board Member), his or her term of office as a member of the Independent Committee will expire at the same time.
- The Independent Committee shall make decisions on the matters listed below and make recommendations to the Board of Directors containing the details of and reasons for the recommendation. Respecting such recommendations of the Independent Committee to the maximum extent, the Board of Directors shall make resolutions on the implementation or non-implementation of the gratis allotment of Share Options as an organization under the Companies Act (however, if the proposal regarding the implementation of the gratis allotment of Share Options is submitted to the Company's general meeting of shareholders, the Board of Directors shall be subject to the resolution of such general meeting of shareholders). Each member of the Independent Committee and each Director of the Company must make such decisions solely with a view to whether or not the corporate value of the Company and the common interests of its shareholders will be enhanced, and they must not serve the purpose of their own interests or those of the management of the Company.
 - (i) The implementation or non-implementation of the gratis allotment of Share Options (including convocation of a general meeting of shareholders for the submission of a proposal regarding the implementation of the gratis allotment of Share Options to the Company's general meeting of shareholders).
 - (ii) The cancellation of the gratis allotment of Share Options or the gratis acquisition of Share Options.
 - (iii) Any other matters that are for determination by the Board of Directors in respect to which it has consulted the Independent Committee.
- In addition to the matters prescribed above, the Independent Committee shall conduct the matters listed below.
 - (i) Determination of whether the Acquisition is a case where the Plan applies to or not.
 - (ii) Decisions on information to be provided to the Independent Committee from the Acquirer as well as the Board of Directors, and the time limit of such provision.
 - (iii) Examination and consideration of the terms of the Acquirer's Acquisitions.
 - (iv) Negotiations and discussions with the Acquirer
 - (v) Request for submission of an alternative proposal from the Board of Directors, review of the alternative proposal and its presentation
 - (vi) Decision on extension of the Independent Committee Consideration Period
 - (vii) Approval of revision or amendment of the Plan.
 - (viii) Any other matters that the Plan prescribes that the Independent Committee may conduct.
 - (ix) Any matters that the Board of Directors separately determines that the Independent Committee may conduct.

- If the content of the Acquisition Document or information provided has been found insufficient as Essential Information, the Independent Committee shall request the Acquirer to additionally provide such information. Upon submission from the Acquirer of the Acquisition Document and the information additionally requested by the Committee, the Independent Committee may also request the Board of Directors to provide its opinion over the details of the Acquisition proposed by the Acquirer, evidence that supports such opinion, alternative proposals (if any,) and other information, materials, and the like considered necessary by the Committee as appropriate, within a certain period of time.
- The Independent Committee shall also discuss and negotiate with the Acquirer, directly or indirectly via the Board of Directors or the like, or present shareholders with the alternative proposals submitted by the Board of Directors if necessary, for altering the details of the Acquisition proposed by the Acquirer with a view to ensuring and enhancing the corporate value of the Company and the common interests of its shareholders.
- The Independent Committee may, in order to collect necessary information, request the Company's Directors, Audit & Supervisory Board Members, employees or other persons whom the Independent Committee considers necessary, to attend a meeting of the Independent Committee, and to explain the matters requested by the Independent Committee.
- The Independent Committee may, at the Company's expense, obtain the advice of independent third parties (including financial advisers, certified public accountants, lawyers, consultants and other experts) and conduct similar actions.
- Each member of the Independent Committee may convene a meeting of the Independent Committee at the time of the Acquisition or at any other times.
- In principle, a resolution may pass with a majority of the members present provided that all members of the Independent Committee are in attendance. However, if any member of the Independent Committee is unable to attend due to an accident or other unavoidable circumstance, a resolution may be made with the attendance of a majority of the members, and by a majority of the voting rights thereof.

---End---

Attachment 3

Names and Profiles of the Members of the Independent Committee

The following five persons are scheduled to be the members of the Independent Committee after the renewal by adopting the Plan.

Hidenori Hirose

Career summary:

| | |
|-----------|--|
| 1945 | Born |
| Mar. 1968 | Joined The SEIYU, LTD. (“SEIYU”) |
| May 1989 | Director of SEIYU |
| May 1999 | Director of FamilyMart Co., Ltd. |
| June 2003 | President and Representative Director of Warehouse TERRADA |
| Oct. 2012 | Outside Director of the Company (current position) |

Mr. Hidenori Hirose is an Outside Director of the Company. Mr. Hirose does not have any business relationship with, or special interest in, the Company. The Company has notified the Tokyo Stock Exchange that Mr. Hirose is an independent officer of the Company.

Kuniharu Takemata

Career summary:

| | |
|-----------|---|
| 1954 | Born |
| Apr. 1978 | Joined Electric Power Development Co., Ltd. (“J-Power”) |
| June 2006 | Executive Officer, and Department Director of Business Planning Department of J-Power |
| June 2007 | Executive Managing Officer, and Department Director of Corporate Planning Department of J-Power |
| June 2009 | Director of J-Power |
| June 2012 | Director, and Executive Managing Officer of J-Power |
| Oct. 2016 | Outside Director of the Company (current position) |
| June 2017 | Outside Director of erex Co., Ltd. |
| June 2018 | Managing Director of erex Co., Ltd. |
| June 2021 | Advisor of erex Co., Ltd. (current position) |

Mr. Kuniharu Takemata is an Outside Director of the Company. Mr. Takemata does not have any business relationship with, or special interest in, the Company. The Company has notified the Tokyo Stock Exchange that Mr. Takemata is an independent officer of the Company.

Keiji Imajo

Career summary:

| | |
|-----------|---|
| 1961 | Born |
| Apr. 1985 | Joined Kanegafuchi Chemical Industry Co., Ltd. (currently KANEKA CORPORATION) |
| Jan. 2001 | Joined Future Venture Capital Co., Ltd. |
| June 2011 | Representative Director and President of Future Venture Capital Co., Ltd. |
| Jan. 2016 | Representative Director and Chairman of the Board of Future Venture Capital Co., Ltd. |
| June 2016 | Director and Chairman of the Board of Future Venture Capital Co., Ltd. |
| July 2017 | Outside Director of JOHNNAN Corporation (current position) |
| Dec. 2018 | Outside Director of OSAKA YUKA INDUSTRY LTD. (current position) |
| Oct. 2019 | Outside Director of the Company (current position) |

Mr. Keiji Imajo is an Outside Director of the Company. Mr. Imajo does not have any business relationship with, or special interest in, the Company. The Company has notified the Tokyo Stock Exchange that Mr. Imajo is an independent officer of the Company.

Toshikuni Hirai

Career summary:

| | |
|-----------|---|
| 1942 | Born |
| Apr. 1965 | Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd) |
| June 1992 | Director of The Mitsubishi Bank., Ltd. (currently MUFG Bank, Ltd) |
| June 1996 | Full-time Audit & Supervisory Board Member of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd) |
| June 1998 | Representative Director, Executive Vice President of Chiyoda Corporation |
| June 2001 | Vice President of INTEC Inc. |
| Oct. 2006 | Director, Vice President and joint Chief Executive Officer of INTEC Holdings, Ltd. |
| June 2007 | Audit & Supervisory Board Member of GUNZE LIMITED |
| July 2007 | Executive Director of incorporated foundation Japan Philharmonic Orchestra (currently public interest incorporated foundation Japan Philharmonic Orchestra) |
| July 2014 | President & CEO of public interest incorporated foundation Japan Philharmonic Orchestra (current position) |

Although the Company has made donations to the public interest incorporated foundation Japan Philharmonic Orchestra, where Mr. Toshikuni Hirai serves as President & CEO, the Company determined that it is unlikely that such donations will affect his independence as an independent member in light of the size, nature, and the like of the donations. Mr. Hirai does not have any other business relationship with, or special interest in, the Company.

Naoto Nakamura

Career summary:

| | |
|-----------|--|
| 1960 | Born |
| Oct. 1982 | Passed Bar Exam |
| Mar. 1983 | Graduated from Hitotsubashi University Faculty of Law |
| Apr. 1985 | Graduated from The Legal Training and Research Institute of the Supreme Court of Japan |
| | Registered as Attorney at Dai-Ni Tokyo Bar Association, Joined Mori Sogo (currently Mori Hamada & Matsumoto) |
| Apr. 1998 | Established Hibiya Park, Partner of the law firm |
| Feb. 2003 | Established Nakamura Law Firm (currently Nakamura Tsunoda & Matsumoto) (current position) |

Mr. Naoto Nakamura does not have any business relationship with, or special interest in, the Company.

---End---