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Securities Code: 5563

March 2, 2023

To our shareholders:

Yasushi Aoki, President  
**Nippon Denko Co., Ltd.**  
4-16, 1-chome, Yaesu, Chuo-ku, Tokyo

## Notice of the 123rd Annual General Meeting of Shareholders

**1. Date and Time:** Thursday, March 30, 2023 at 10 a.m. (JST)  
(Reception will open at 9:30 a.m.)

**2. Venue:** Yaesu First Financial Building  
Room A to C, 2nd floor, Bellesalle Yaesu  
3-7, 1-chome, Yaesu, Chuo-ku, Tokyo

### 3. Purpose

#### Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 123rd fiscal year (from January 1, 2022 to December 31, 2022) and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-consolidated Financial Statements for the 123rd fiscal year (from January 1, 2022 to December 31, 2022)

#### Matters to be resolved:

- |                       |  |
|-----------------------|--|
| <b>Proposal No. 1</b> | Dividends of Surplus   |
| <b>Proposal No. 2</b> | Election of Seven Directors  |
| <b>Proposal No. 3</b> | Election of One Audit & Supervisory Board Member   |
| <b>Proposal No. 4</b> | Continuation of Countermeasures Regarding a Large-scale Purchase of the Company's shares |

### 4. Matters subject to measures for electronic provision

Nippon Denko Co., Ltd. (hereinafter the "Company") takes measures for providing materials for the general meeting of shareholders in electronic format as provided for by the provisions of laws and regulations and Article 17 of the Articles of Incorporation of the Company. The materials are posted on the following websites on the Internet. Please access one of these websites.

Company's website:

<https://www.nippondenko.co.jp/wp/en/ir/>

Please access the Company's website above, select "IR Data," and then select "Notice of the 123rd Annual General Meeting of Shareholders" under "Notice of the Annual General Meeting of Shareholders."

Website for materials for the general meeting of shareholders:

<https://d.sokai.jp/5563/teiji/> (in Japanese only)

- When attending the meeting in person, please hand in the enclosed voting form at the reception desk at the meeting venue.
- Among matters subject to measures for electronic provision, "Notes to Consolidated Financial Statements" and "Notes to Non-consolidated Financial Statements" have been posted on the aforementioned websites. Accordingly, pursuant to the provisions of relevant laws and regulations and Article 17 of the Company's Articles of Incorporation, the above matters are excluded from the paper-based documents delivered to shareholders who have made a request for delivery of documents stating matters subject to measures for electronic provision. In addition, these matters are included in the Consolidated Financial Statements and Non-

consolidated Financial Statements audited in preparation of an audit report by the Audit & Supervisory Board Members and of an accounting audit report by the Accounting Auditor, respectively.

- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the aforementioned websites.

### **Response for the system on providing materials for the general meeting of shareholders in electronic format**

Although the system on providing materials for the general meeting of shareholders in electronic format has been implemented, the Company is sending the paper-based materials for this general meeting of shareholders as in the past in order to avoid confusion among our shareholders.

**In addition, starting from the next general meeting of shareholders, the Company requests our shareholders to view the materials for the general meeting of shareholders on its website. In principle, notice of the general meeting of shareholders will provide only the information necessary to access the website.** For our shareholders who wish to receive the paper-based materials on and after the next general meeting of shareholders, please complete the procedure for requesting delivery of paper-based documents at the Company's shareholder registry administrator (Mizuho Trust & Banking Co., Ltd.) or at your securities company, etc. as soon as possible by the next record date for voting rights (December 31 for annual general meeting of shareholders).

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1 Dividends of Surplus

The Company's dividend policy is basically to distribute dividends according to consolidated business performance of each fiscal year. In determining the amount of the dividends, we take into account the trends in business performance, the business development in the future and the amount of the reserves necessary for keeping the financial condition.

The consolidated payout ratio of approximately 30% is the guideline of the Company.

In accordance with this policy, the Company proposes to pay year-end dividends for the fiscal year as follows:

#### Year-end dividends

- (1) Type of dividend property  
Cash
- (2) Allotment of dividend property to shareholders and the total amount  
9 yen per share of the common stock of the Company  
Total amount: 1,258,554,888 yen
- (3) Effective date of dividends of surplus  
March 31, 2023

**Proposal No. 2** Election of Seven Directors

The terms of office of all seven Directors of the Company will expire at the conclusion of this meeting. Therefore, the Company proposes the election of seven Directors.

The candidates for Director are as follows:

Candidate No.	Name	Current position	Responsibility, etc.	Attributes
1	Yasushi Aoki	Representative Director and President	–	Reelection
2	Takayuki Koshimura	Director Senior Managing Executive Officer	In charge of matters relating to corporate planning, accounting & finance, general affairs, internal control & audits, and overseas business management	Reelection
3	Yoshimi Yamadera	Director Senior Managing Executive Officer	In charge of matters relating to production engineering technology, safety and environment, research and development, information system, and the electric power segment	Reelection
4	Hideshi Kita	Director Managing Executive Officer	In charge of matters relating to functional materials segment, environmental segment and overall environmental business	Reelection
5	Kazutoshi Ohmi	Outside	–	Reelection Outside Independent
6	Hokuto Nakano	Outside	–	Reelection Outside Independent
7	Masahiro Tani	Outside	–	Reelection Outside Independent

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 data-bbox="357 501 517 562">Yasushi Aoki (March 8, 1960)</p> <p data-bbox="384 595 489 622">Reelection</p> <p data-bbox="288 656 585 748">Number of years in office as a Director 3 years</p>	<p data-bbox="612 300 1236 421">Apr. 1983      Joined Nippon Steel Corporation (the former company of the current Nippon Steel Corporation before business integrations; English name remains the same)</p> <p data-bbox="612 432 1236 459">Apr. 2007      Head of Bangkok Representative Office</p> <p data-bbox="612 465 1236 492">June 2009      Seconded to Nippon Steel (Thailand) Co., Ltd.</p> <p data-bbox="612 499 1236 651">Apr. 2011      Head of Raw Materials Division I of Nippon Steel Corporation (the former company of the current Nippon Steel Corporation before business integrations; English name remains the same)</p> <p data-bbox="612 663 1236 781">Apr. 2015      Executive Officer, Head of Raw Materials Division-II of Nippon Steel &amp; Sumitomo Metal Corporation (currently Nippon Steel Corporation)</p> <p data-bbox="612 792 1236 819">Apr. 2018      Managing Executive Officer, Raw materials</p> <p data-bbox="612 826 1236 880">Mar. 2020      Director and Executive Vice President of the Company</p> <p data-bbox="612 891 1236 945">Jan. 2021      Representative Director and President (current position)</p>	39,800 shares
<p data-bbox="276 954 772 981">[Reasons for nomination as candidate for Director]</p> <p data-bbox="276 987 1426 1200">Yasushi Aoki has a high level of discernment in management in general and extensive experience in other companies through his activities such as his involvement in the corporate management of Nippon Steel Corporation as its Managing Executive Officer. He has also been working and leading the Company to achieve sustainable growth of the Company and increase corporate value over the medium-to long-term after becoming Director and Executive Vice President of the Company in March 2020 and Representative Director and President of the Company in January 2021. The Company judges that he can continue to fulfill his roles and duties appropriately, and thus proposes his election as 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;">Takayuki Koshimura (August 6, 1956)</p> <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Number of years in office as a Director 9 years</p>	<p>Apr. 1980      Joined Sumitomo Metal Industries, Ltd. (currently Nippon Steel Corporation)</p> <p>June 2002      Deputy General Manager of Raw Materials Division</p> <p>June 2004      General Manager of Planning Department of Chuo Denki Kogyo Co., Ltd.</p> <p>June 2009      Executive Officer and General Manager of Planning Department</p> <p>June 2012      Director and Managing Executive Officer, Supervising Companywide Administrative Department, and Supervising Ferroalloys &amp; Environmental Business Department</p> <p>July 2014      Director and Managing Executive Officer of the Company</p> <p>Jan. 2021      Director and Senior Managing Executive Officer; in charge of matters relating to corporate planning, general affairs, accounting &amp; finance, internal control &amp; audits, electric power business, overseas strategy of ferroalloys, and Osaka Office</p> <p>Jan. 2022      Director and Senior Managing Executive Officer; in charge of matters relating to corporate planning, accounting &amp; finance, general affairs, internal control &amp; audits, and overseas business management (current position)</p>	60,898 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Takayuki Koshimura assumed office as Director in 2014 and is currently in charge of the corporate planning department and general affairs department, and has extensive experience and track records in the administrative department and a high level of discernment in management in general through his activities such as his involvement in the management of the Company. He also has extensive experience in other companies. Therefore, the Company judges that he can continue to fulfill his roles and duties appropriately, and thus proposes his election as 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 data-bbox="347 622 528 680">Yoshimi Yamadera (June 30, 1959)</p> <p data-bbox="384 719 491 741">Reelection</p> <p data-bbox="288 779 587 875">Number of years in office as a Director 1 year</p>	<p data-bbox="612 264 1161 322">Apr. 1985      Joined Sumitomo Metal Industries, Ltd. (currently Nippon Steel Corporation)</p> <p data-bbox="612 331 1225 421">July 2008      General Manager of Quality Control &amp; Technical Service Department of Pipe &amp; Tube Company</p> <p data-bbox="612 430 1241 555">Apr. 2014      Executive Counselor, Head of Works, Amagasaki Works, Pipe &amp; Tube Unit of Nippon Steel &amp; Sumitomo Metal Corporation (currently Nippon Steel Corporation)</p> <p data-bbox="612 564 1225 622">May 2015      Executive Officer, Head of Works, Amagasaki Works, Pipe &amp; Tube Unit</p> <p data-bbox="612 631 1214 689">Apr. 2018      Managing Executive Officer, Head of Works, Wakayama Works</p> <p data-bbox="612 698 1241 757">Apr. 2019      Advisor of Nippon Steel Corporation, seconded to Vallourec Soluções Tubulares do Brasil S.A.</p> <p data-bbox="612 766 1193 855">Apr. 2021      Senior Managing Executive Officer and in charge of matters relating to electric power business of the Company</p> <p data-bbox="612 864 1193 1043">Jan. 2022      Senior Managing Executive Officer and in charge of matters relating to production engineering technology, safety and environment, research and development, information system, and the electric power segment</p> <p data-bbox="612 1052 1225 1232">Mar. 2022      Director and Senior Managing Executive Officer; in charge of matters relating to production engineering technology, safety and environment, research and development, information system, and the electric power segment (current position)</p>	13,200 shares
<p data-bbox="277 1245 772 1267">[Reasons for nomination as candidate for Director]</p> <p data-bbox="277 1274 1445 1422">Yoshimi Yamadera has extensive experience, achievements, and high level of discernment in management in general in the manufacturing department, including serving as the Head of Works at Nippon Steel Corporation, as well as his current role in charge of production engineering technology, safety and environment, research and development, etc., and he has extensive experience in other companies. Therefore, the Company judges that he can continue to fulfill his roles and duties appropriately, and thus proposes his election as 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;">Hideshi Kita (August 26, 1959)</p> <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Number of years in office as a Director 1 year</p>	<p>Apr. 1982      Joined Sumitomo Metal Industries, Ltd. (currently Nippon Steel Corporation)</p> <p>Apr. 2010      General Manager of Ferroalloy Sales Department of Chuo Denki Kogyo Co., Ltd.</p> <p>July 2011      Seconded to Vietnam Rare Earth Company Limited</p> <p>July 2014      Executive Officer, Head of Wakayama Plant of Chuo Denki Kogyo Co., Ltd.</p> <p>Jan. 2017      Managing Executive Officer, Head of Myoko Plant</p> <p>Apr. 2017      Executive Officer of the Company</p> <p>Jan. 2019      Executive Officer commissioned as Head of Kashima Plant</p> <p>Jan. 2022      Managing Executive Officer and in charge of matters relating to functional materials segment, environmental segment and overall environmental business</p> <p>Mar. 2022      Director and Managing Executive Officer; in charge of matters relating to functional materials segment, environmental segment and overall environmental business (current position)</p>	35,985 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Hideshi Kita has held important positions in plant management in the Group, has extensive experience and achievements including the functional materials business, and a high level of discernment in management in general. Therefore, the Company judges that he can continue to fulfill his roles and duties appropriately, and thus proposes his election as 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
5	Kazutoshi Ohmi (February 18, 1953)  Reelection Outside Director Independent Officer  Number of years in office as a Director 2 years	<p>Apr. 1977      Joined Mitsubishi Corporation</p> <p>Dec. 2004      Senior Operating Director of Meiho Facility Works Limited</p> <p>June 2006      Representative Director and CEO</p> <p>Aug. 2011      Representative Director and CEO of Yamagiwa Corporation</p> <p>Mar. 2014      Representative Director and CEO of JSR Life Sciences Corporation</p> <p>Apr. 2015      Representative Director and CEO of JSR Trading Co., Ltd.</p> <p>June 2019      Advisor</p> <p>Jan. 2020      Representative Director and CEO of My Taste Co., Ltd. (current position)</p> <p>May 2020      Part-time Audit &amp; Supervisory Board Member, ATEX Co., Ltd.</p> <p>Mar. 2021      Outside Director of the Company (current position)</p> <p>June 2022      Outside Member of the Board of ATEX Co., Ltd. (current position)</p>	5,000 shares
<p>[Reasons for nomination as candidate for outside Director and summary of expected roles] Kazutoshi Ohmi has a wealth of knowledge cultivated through his involvement in multiple corporate managements. The Company expects he will continue to use this knowledge to supervise and advise directors on the execution of their duties from a professional perspective, and thus proposes his election as outside Director.</p>			
6	Hokuto Nakano (December 22, 1959)  Reelection Outside Director Independent Officer  Number of years in office as a Director 2 years	<p>Apr. 1983      Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2002      Senior Vice President, Europe Treasury Department of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2010      Executive Officer, General Manager of Forex Division</p> <p>July 2013      Executive Officer, General Manager of Forex Division of Mizuho Bank, Ltd.</p> <p>Oct. 2015      Managing Executive Officer, Head of East Asia of Mizuho Financial Group, Inc.</p> <p>Apr. 2016      Managing Executive Officer, Joint Head of Global Markets Division of Mizuho Securities Co., Ltd.</p> <p>Mar. 2018      Director of ASICS Corporation</p> <p>Mar. 2020      Managing Executive Officer</p> <p>Mar. 2021      Outside Director of the Company (current position)</p> <p>June 2021      Outside Member of the Board of Penta-Ocean Construction Co., Ltd. (current position)</p>	0 shares
<p>[Reasons for nomination as candidate for outside Director and summary of expected roles] Hokuto Nakano has extensive knowledge of international finance and treasury. The Company expects he will continue to use this knowledge to supervise and advise directors on the execution of their duties from a professional perspective on financial-related operations, and thus proposes his election as outside 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
7	Masahiro Tani (August 2, 1960)  Reelection Outside Director Independent Officer  Number of years in office as a Director 1 year	Apr. 1985      Joined Ajinomoto Co., Inc. July 2006      General Manager of Mojokerto Factory of P.T. Ajinomoto Indonesia July 2008      Vice President July 2012      General Manager of Kyushu Plant of Ajinomoto Co., Inc. June 2013      Corporate Executive Officer, General Manager of Kyushu Plant June 2015      Corporate Executive Officer, General Manager of Food Production & Technology Administration Center June 2017      Corporate Executive Officer, General Manager of Group Procurement Center July 2020      Corporate Executive Officer, General Manager of Digital Transformation Dept. June 2021      Advisor Mar. 2022      Outside Director of the Company (current position)	0 shares
[Reasons for nomination as candidate for outside Director and summary of expected roles] Masahiro Tani has extensive knowledge of organizational management at manufacturing sites, including overseas, and also has abundant expertise in digital transformation. The Company expects he will continue to use this knowledge and expertise to supervise and advise directors on the execution of their duties from a professional perspective, and thus proposes his election as outside Director.			

- Notes:
1. There is no special interest between any of the candidates for Director and the Company.
  2. Kazutoshi Ohmi and Hokuto Nakano are currently outside Directors of the Company, and at the conclusion of this meeting, their tenure will have been two years.
  3. Masahiro Tani is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been one year.
  4. The Company has entered into agreements with Kazutoshi Ohmi, Hokuto Nakano and Masahiro Tani to limit their liability for damages as outside Director under Article 423, paragraph (1) of the Companies Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act. If their reelection is approved in this meeting, the Company plans to renew the respective agreements with them.
  5. In accordance with the provisions of Article 430-2, paragraph (1) of the Companies Act, the Company has entered into an indemnification agreement with current Directors in which the Company compensates for expenses incurred under item (i) of the same paragraph, and any losses incurred under item (ii) of the same paragraph, to the extent permitted by laws and regulations. If the reappointment of each candidate is approved, the Company plans to enter into such agreement with each one of them.
  6. The Company has entered with an insurance company a directors and officers liability insurance policy under Article 430-3, paragraph (1) of the Companies Act which covers losses arising from legal action against the insureds by the shareholders, company, or third parties. Each of the candidates will be included as an insured in the policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.
  7. The Company has submitted notification to the Tokyo Stock Exchange that Kazutoshi Ohmi, Hokuto Nakano and Masahiro Tani have been designated as independent officers as provided for by the aforementioned exchange. If their reelection is approved, the Company plans for their designation as an independent officer to continue.

**Proposal No. 3** Election of One Audit & Supervisory Board Member

In order to enhance the audit system, the Company proposes to increase the number of Audit & Supervisory Board Member by one, and requests approval for the election of one Audit & Supervisory Board Member.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

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

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
<p>Aogi Suemura (December 10, 1959)</p> <p>New election</p> <p>Outside Audit &amp; Supervisory Board Member</p> <p>Independent Officer</p> <p>Number of years in office as a Director</p> <p>–</p>	<p>Oct. 1992      Joined Asahi Shinwa &amp; Co. (currently KPMG AZSA LLC)</p> <p>Apr. 1996      Registered as certified public accountant</p> <p>Aug. 1999      Joined GOLDCREST Co., Ltd</p> <p>Jan. 2002      Joined Sumitomo Shoji Financial Management Co., Ltd.</p> <p>Nov. 2004      Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)</p> <p>June 2008      Partner</p> <p>Jan. 2022      Established Aogi Suemura Certified Public Accountant Firm (current position)</p> <p>June 2022      Outside Director [Audit &amp; Supervisory Committee Member] of RIKEN TECHNOS CORPORATION (current position)</p>	<p>0 shares</p>
<p>[Reason for proposing a candidate for Audit &amp; Supervisory Board Member]</p> <p>Aogi Suemura has never in the past been directly involved in the management of a company except as an outside officer. However, she has a wealth of knowledge and insight on corporate accounting and management cultivated over many years as a certified public accountant. The Company expects she will contribute on the audit and supervision of the Company's management from a female perspective, and thus proposes her election as outside Audit &amp; Supervisory Board Member.</p>		

- Notes:
1. There is no special interest between Aogi Suemura and the Company.
  2. Aogi Suemura is a candidate for new Audit & Supervisory Board Member.
  3. If Aogi Suemura is appointed as an outside Audit & Supervisory Board Member, the Company plans to enter into an agreement with her, as such, to limit her liability for damages under Article 423, paragraph (1) of the Companies Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act.
  4. In accordance with the provisions of Article 430-2, paragraph (1) of the Companies Act, the Company has entered into an indemnification agreement with current Audit & Supervisory Board Members in which the Company compensates for expenses incurred under item (i) of the same paragraph, and any losses incurred under item (ii) of the same paragraph, to the extent permitted by laws and regulations. If the appointment of Aogi Suemura is approved, the Company plans to enter into such agreement with her.
  5. The Company has entered with an insurance company a directors and officers liability insurance policy under Article 430-3, paragraph (1) of the Companies Act which covers losses arising from legal action against the insureds by the shareholders, company, or third parties. Aogi Suemura will be included as an insured in the policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.
  6. Aogi Suemura satisfies the requirements for an independent officer as provided for the Tokyo Stock Exchange, and the Company plans to submit notification to the aforementioned exchange concerning her designation as an independent officer.

**(Reference) Skills Matrix of Directors and Audit & Supervisory Board Members (Planned)**

If Proposals No. 2 and No. 3 are approved as originally proposed, the skills matrix, which indicates the knowledge, experience and abilities of officers with respect to the specified skills, will be as follows:

Name	Corporate planning Business strategy	Finance/ accounting Finance/ economics	Personnel/labor Human resources development	Governance/ risk management Legal/ compliance	Production/ technology Research and development	Sales/ purchasing Marketing	Global	Environment Sustain- ability
<b>Directors</b>								
Yasushi Aoki	○		○			○	○	○
Takayuki Koshimura	○	○	○	○			○	
Yoshimi Yamadera					○		○	○
Hideshi Kita	○				○	○		
Kazutoshi Ohmi	○					○	○	
Hokuto Nakano		○				○	○	
Masahiro Tani			○		○		○	
<b>Audit &amp; Supervisory Board Members</b>								
Kazunari Itami	○		○	○				○
Yoshio Aoki		○		○				
Hiroaki Kimura						○	○	
Aogi Suemura		○	○	○				

**Proposal No. 4** Continuation of Countermeasures Regarding a Large-scale Purchase of the Company's shares

The Company initially introduced the "Countermeasures Regarding a Large-scale Purchase of the Company's Shares" at a meeting of the Board of Directors held on June 28, 2007, and it was most recently continued with the approval of shareholders at the 120th Annual General Meeting of Shareholders held on March 27, 2020 (hereinafter the "Current Plan"). However, the effective period is until the conclusion of this General Meeting of Shareholders. Even after the continuation of the Current Plan, taking into account changes in the social and economic climate, various movements surrounding the so-called takeover defense measures, and the development of various discussions, the Company has continued to consider the current state of affairs, including the pros and cons of continuation, as one of its initiatives to secure and improve the corporate value of the Company and the common interests of shareholders.

As a result of such considerations, at a meeting of the Board of Directors held on February 24, 2023, the Company decided to continue the Plan subject to the approval of shareholders at this General Meeting of Shareholders (hereinafter the countermeasures after continuation are the "Plan") and we request your deliberations. In order to continue with the Plan, we have revised and reorganized some words and phrases, but there is no change to the scheme.

I. Details of the Plan (Measures to prevent persons deemed unsuitable in light of the basic policy concerning the Company's control from controlling the financial and business policies of the Company)

1. Purpose of the Plan

The Plan was introduced as a measure to prevent persons deemed unsuitable in light of the basic policy concerning the Company's control from controlling the financial and business policies of the Company.

In cases of a large-scale purchase of the Company's shares, the Board of Directors of the Company believes that securing the necessary information and time for shareholders to make appropriate decisions and conducting negotiations with a purchaser, etc., in accordance with standardized reasonable rules is consistent with corporate value and the common interests of shareholders, and has established standardized rules (hereinafter the "Large-scale Purchase Rules.") concerning the provision of information and securing time for consideration at the time of a large-scale purchase with the following details. We have decided to continue the Plan as a countermeasure, including policies in cases of a large-scale purchase by persons deemed unsuitable in light of the basic policy concerning the Company's control, subject to the approval of shareholders at this General Meeting of Shareholders. For an overview of the Plan as a whole, please refer to the Reference Materials at the end of this section.

2. Purchases, etc., of the Company's shares subject to the Plan

Purchases, etc., of the Company's shares subject to the Plan are the purchases of the Company's share certificates, etc., (Note 3) with the aim of increasing the ratio of voting rights (Note 2) of a specified shareholder group (Note 1) to 20% or more, or purchases of the Company's share certificates, etc., in which the ratio of voting rights of a specified shareholder group will become 20% or more as a result (Except for cases agreed in advance by the Board of Directors of the Company, and regardless of the specific purchase method such as market transactions or tender offers. Hereinafter, such purchases are a "Large-scale Purchase," and the persons conducting such purchases are a "Large-scale Purchaser.").

Note 1: A specified shareholder group is:

- (i) A holder (Including persons included in holders pursuant to Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply.) of the Company's share certificates, etc., (Share certificates, etc., as defined in Article 27-23, Paragraph 1 of the same Act.) and their joint holders (Joint holders as defined in Article 27-23, Paragraph 5 of the same Act, and includes persons deemed to be joint holders under Paragraph 6 of the same Article. Hereinafter, the same shall apply.) or,
- (ii) A person conducting purchases, etc., (Purchases, etc., as defined in Article 27-2, Paragraph 1 of the same Act, including those conducted on financial instruments exchange markets.) of the Company's share certificates, etc., (Share certificates, etc., as defined in Article 27-2, Paragraph 1 of the same Act.) or a specially related party (Specially related parties as defined in Article 27-2, Paragraph 7 of the same Act.).

Note 2: The ratio of voting rights is:

- (i) If a specified shareholder group is as described in Note 1 (i), the ratio of shares, etc., held by a holder (The ownership ratio of share certificates, etc., as defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. In this

case, the number of share certificates, etc., held by the joint holders of a holder (The number of share certificates, etc., held as defined in the same paragraph. Hereinafter, the same shall apply.) shall be included) or,

- (ii) If a specified shareholder group is as described in Note 1 (ii), the total ownership ratio of share certificates, etc., held by a Large-scale Purchaser and a specially related party (The ownership ratio of share certificates, etc., held as defined in Article 27-2, Paragraph 8 of the same Act.).

When calculating each ratio of voting rights, the most recently submitted Annual Securities Report, Quarterly Securities Report, or Report on the Status of Treasury Share Repurchases may be referred to for the total number of voting rights (As defined in Article 27-2, Paragraph 8 of the same Act.) and the total number of issued shares (As defined in Article 27-23, Paragraph 4 of the same Act.).

Note 3: Share certificates, etc., are any of the share certificates, etc., as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act or the share certificates, etc., stipulated in Article 27-2, Paragraph 1 of the same Act.

### 3. Establishment of the Independent Committee

Although the Board of Directors of the Company will make the final decision as to whether the Large-scale Purchase Rules have been complied with, or whether to take countermeasures on the grounds that a Large-scale Purchase would significantly harm the corporate value of the Company and the common interests of shareholders even if the Large-scale Purchase Rules are complied with, the Plan shall be properly operated and arbitrary decisions by the Board of Directors shall be prevented. An Independent Committee shall be established based on the Independent Committee Regulations as in the Current Plan to ensure the objectivity and rationality of the decisions (Please refer to Attachment 1 for an overview.). The Independent Committee shall consist of three or more members, and in order to enable fair and neutral judgment, the Independent Committee shall be appointed from among those who fall under the following categories: outside Directors, outside Audit & Supervisory Board Members, or outside experts (Note) who are independent from the execution of the Company's business. Outside Directors Kazutoshi Ohmi and Hokuto Nakano, current members of the Independent Committee, and Yukimasa Ozaki, an outside expert, are planned to continue to serve after the continuation of the Plan. (Please refer to Attachment 2 for career summaries.)

Prior to invoking the countermeasures, the Board of Directors of the Company shall consult with the Independent Committee on the pros and cons of invoking countermeasures, and the Independent Committee shall make recommendations to the Board of Directors of the Company as to whether it is in a state to invoke countermeasures after carefully evaluating and considering the Large-scale Purchase from the perspective of improving the corporate value of the Company and the common interests of shareholders. The Board of Directors of the Company shall decide on invoking countermeasures with the utmost respect to the recommendations of the Independent Committee. The details and overview of the recommendations of the Independent Committee shall be disclosed as appropriate.

Furthermore, in order to ensure that the judgment of the Independent Committee contributes to the corporate value of the Company and common interests of shareholders, the Independent Committee may obtain advice from independent third parties who are outside experts (financial advisors, certified public accountants, attorneys, consultants, and other experts) at the Company's expense as necessary.

Note: Outside experts are corporate managers with abundant management experience, persons familiar with investment banking operations, attorneys, certified public accountants, academic experts whose main research interests include the Companies Act, etc., or persons equivalent to these.

### 4. Overview of the Large-scale Purchase Rules

#### (1) Advance submission of statement of intent by a Large-scale Purchaser to the Company

In the event that a Large-scale Purchaser intends to conduct a Large-scale Purchase, prior to a Large-scale Purchase or proposing a Large-scale Purchase, the Purchaser shall first submit a statement of intent stating the following details in Japanese to the Board of Directors of the Company in the format prescribed by the Company.

- 1) Name and address of the Large-scale Purchaser
- 2) Governing law of incorporation
- 3) Name of representative
- 4) Contact details within Japan
- 5) Overview of the proposed Large-scale Purchase
- 6) Pledge to comply with the Large-scale Purchase Rules

When the Board of Directors of the Company receives a statement of intent from a Large-scale Purchaser, the Company shall promptly make a disclosure to that effect and disclose the details as necessary.

(2) Provision of Information Necessary for Evaluation by the Large-scale Purchaser

The Board of Directors of the Company shall deliver a list of all information concerning the Large-scale Purchase requested to be submitted by the Large-scale Purchaser within 10 business days from the day following receipt of the statement of intent contained in 4. (1), 1) through 6) above (Hereinafter the “Information Necessary for Evaluation.”). The Large-scale Purchaser shall submit the Information Necessary for Evaluation to the Board of Directors of the Company in writing in Japanese in accordance with the list.

Generally, the items of the Information Necessary for Evaluation are as follows. The specific details of such proposals will vary depending on the attributes of the Large-scale Purchaser and the details of the Large-scale Purchase, but in each case, they shall be limited to the extent necessary and sufficient for the judgment of shareholders and the formation of opinions by the Board of Directors of the Company.

- 1) Details of the Large-scale Purchaser and his or her group (Including joint holders, specially related parties, and (in the case of funds) members and other constituents.) (Including name, line of business, personal history or history, capital structure, financial details, and experience, etc., in businesses of the same type as the Company’s or the Group companies’ businesses.);
- 2) The purpose, method, and details of the Large-scale Purchase (Including the value and type of consideration for the Large-scale Purchase, the timing of the Large-scale Purchase, the mechanism of related transactions, the legality of the method of the Large-scale Purchase, the feasibility of the Large-scale Purchase and related transactions, etc.);
- 3) Basis for calculating the price of the Large-scale Purchase (Including the facts that form the basis of the calculation, the calculation method, the numerical information used in the calculation, and the details of synergies expected to arise from a series of transactions related to the Large-scale Purchase.);
- 4) Backing for the Large-scale Purchase funds (Including the specific name of any providers of funds (Including de facto providers.), method of raising funds, and details of any related transactions.);
- 5) Candidates for officers of the Company and its Group companies anticipated after the completion of the Large-scale Purchase (Including information on experience, etc., in businesses of the same type as the Company’s or the Group companies’ businesses.), management policy, business plans, financial plans, capital policy, dividend policy, asset utilization measures, etc., of the Company and its Group companies;
- 6) Whether there will be any change in the relationship between the stakeholders of the Company and its Group companies, including customers, business partners, and employees, and the Company and its Group companies, after the completion of the Large-scale Purchase, and the details thereof.

From the viewpoint of promptly implementing the Large-scale Purchase Rules, the Board of Directors of the Company may set a deadline to the Large-scale Purchaser for providing information as necessary. However, if the Large-scale Purchaser requests an extension based on reasonable grounds, the deadline may be extended.

In addition, if, as a result of the Board of Directors of the Company examining the Information Necessary for Evaluation initially submitted based on the above, it is determined that the Information Necessary for Evaluation is insufficient for evaluating and considering the Large-scale Purchase, the Board of Directors of the Company shall notify to the Large-scale Purchaser a reasonable deadline (Up to 60 days from the date of initial receipt of the Information Necessary for Evaluation.). Additional information may be requested until the Information Necessary for Evaluation is provided in full.

If the Board of Directors of the Company determines that the Large-scale Purchaser has provided in full the Information Necessary for Evaluation sufficient for evaluating and considering the Large-scale Purchase, the Board of Directors shall send a notice to that effect to the Large-scale Purchaser together with disclosure to that effect.

In addition, if the Board of Directors of the Company requests the provision of additional Information Necessary for Evaluation, but there is a reasonable explanation on the difficulties of providing some of the applicable information from the Large-scale Purchaser, even if not all of the Information Necessary for Evaluation required by the Board of Directors of the Company has been obtained, negotiations, etc., regarding the provision of information with the Large-scale Purchaser may be concluded and the Board of Directors may start its evaluation and consideration as described in (3) below.

Information Necessary for Evaluation provided to the Board of Directors of the Company shall be submitted to the Independent Committee, and if judgement from the shareholders is deemed necessary, all or a part of the information shall be disclosed when the Board of Directors of the Company deems it appropriate.



(3) Evaluation and consideration of the Information Necessary for Evaluation by the Board of Directors of the Company

The Board of Directors of the Company shall, after the Large-scale Purchaser provides the Information Necessary for Evaluation, depending on the degree of difficulty of evaluation, etc., of the Large-scale Purchase, establish a period of up to 60 days in cases of purchasing all of the Company's shares through a cash-only tender offer (in Japanese yen) or up to 90 days in cases of other Large-scale Purchases for evaluation, consideration, negotiation, opinion formation, and alternative proposals by the Board of Directors of the Company (Hereinafter the "Board of Directors Evaluation Period.").

During the Board of Directors Evaluation Period, the Board of Directors of the Company shall consult with the Independent Committee, receive advice from independent third parties such as outside experts (financial advisors, certified public accountants, attorneys, consultants, and other experts) as necessary, fully evaluate and consider the Information Necessary for Evaluation, and with the utmost respect to the recommendations of the Independent Committee, the Board of Directors of the Company shall carefully compile and disclose its opinions. Furthermore, the Board of Directors of the Company may negotiate improvements in the terms of the Large-scale Purchase with the Large-scale Purchaser and present alternative proposals to the Company's shareholders as the Board of Directors of the Company as necessary.

5. Policy for responding to a Large-scale Purchase

(1) If a Large-scale Purchaser does not comply with the Large-scale Purchase Rules

If a Large-scale Purchaser does not comply with the Large-scale Purchase Rules, regardless of the specific purchase method, the Board of Directors of the Company may take countermeasures against the Large-scale Purchase as permitted by the Companies Act, other laws, and the Articles of Incorporations of the Company such as the gratis allotment of stock acquisition rights for the purpose of protecting the corporate value of the Company and the common interests of shareholders. In addition, in determining whether the Large-scale Purchase Rules have been complied with, the circumstances of the Large-scale Purchaser shall be fully considered to a reasonable extent, and it shall not be determined that the Large-scale Purchase Rules have not been complied with solely because a part of the Information Necessary for Evaluation has not been submitted.

(2) If a Large-scale Purchaser complies with the Large-scale Purchase Rules

If a Large-scale Purchaser complies with the Large-scale Purchase Rules, the Board of Directors of the Company will, in principle, not take countermeasures against the Large-scale Purchase, even if it is opposed to the Large-scale Purchase, and will only ask for the understanding of the shareholders by expressing opposition to the purchase proposal and presenting alternative proposals. Shareholders will decide whether to accept the Large-scale Purchaser's purchase proposal after considering the purchase proposal and the opinions and alternatives to the purchase proposal presented by the Company.

However, even if the Large-scale Purchase Rules are complied with, if any of the following items 1) to 9) are applicable to the Large-scale Purchase, and it is judged to significantly harm the corporate value of the Company and the common interests of shareholders such as causing irreparable damage to the Company as a result, the Board of Directors of the Company may, as an exception, decide to invoke the countermeasures described in 1) above to the extent necessary and reasonable for the purpose of protecting the corporate value of the Company and the common interests of shareholders.

- 1) Cases when it is judged that the Company's shares are acquired simply for the purpose of inflating the stock price and having a related party of the Company take them over at a high price, even though the party does not genuinely intend to participate in the management of the Company (in the case of a so-called greenmailer);
- 2) Cases when it is judged that the Company's shares are acquired for the purpose of conducting a so-called scorched earth management, such as temporarily controlling the management of the Company and transferring intellectual property rights, know-how, trade secret information, major business partners and customers, etc., necessary for the business management of the Company or its Group companies, etc., to the Large-scale Purchaser or its group companies, etc.;
- 3) Cases when it is judged that the Large-scale Purchaser is acquiring the Company's shares in order to take control of the management, and subsequently use the assets of the Company or Group companies as collateral and repayment funds for the obligations of the Large-scale Purchaser or its group companies, etc.;
- 4) Cases when it is judged that the Large-scale Purchaser is acquiring the Company's shares in order to take temporary control of the management, sell or otherwise dispose of real estate, marketable securities, or other

high-value assets, etc., of the Company or Group companies, and use the proceeds from the disposal to pay a one-time high dividend or take advantage of the sudden increase in the share price caused by the one-time high dividend to sell the Company's shares at a high price;

- 5) Cases when it is judged that the method of purchasing the Company's shares proposed by the Large-scale Purchaser may limit shareholders' opportunities for assessment or freedom and effectively force shareholders to sell the Company's shares, such as a so-called coercive two-stage purchase (Refers to a purchase of shares by tender offer, etc., where the purchaser does not solicit the purchase of all the Company's shares in the initial purchase, and sets unfavorable purchase terms for the second stage or does not make the purchase terms clear.);
- 6) Cases when it is judged that the conditions (Including, but not limited to, the type and amount of the purchase consideration, the basis for calculating the amount, the specific details of other conditions, the presence or absence of illegality, feasibility, etc.) for the purchase of the Company's shares proposed by the Large-scale Purchaser are extremely inadequate or inappropriate in light of the corporate value of the Company and the common interests of shareholders;
- 7) Cases when it is judged that the growth and stability of the Company's or its Group Companies' businesses will be inhibited due to management policies, etc., being inadequate or insufficient after the purchase by the Large-scale Purchaser, and that there is a risk of a serious interference to the corporate value of the Company and the common interests of shareholders;
- 8) Cases when it is judged that the acquisition of control by a Large-scale Purchaser will significantly harm the corporate value of the Company and the common interests of shareholders by destroying relationships with customers, business partners, employees, local interested parties, and other stakeholders who are indispensable for realizing the sustainable increase in corporate value of not only the Company but also the Group companies;
- 9) Cases when it is judged on reasonable grounds that the Large-scale Purchaser is inappropriate as a controlling shareholder of the Company from the viewpoint of public order and morals, such as when the management, major shareholders, or investors of the Large-scale Purchaser include persons who have relationships with antisocial forces.

(3) Resolutions of the Board of Directors and the holding of a General Meeting of Shareholders

The Board of Directors of the Company shall, when deciding whether to invoke countermeasures under (1) or (2) above, make resolutions as an organization under the Companies Act regarding invoking or not invoking countermeasures after fully considering the necessity and appropriateness of countermeasures with the utmost respect to the recommendations of the Independent Committee.

Specifically, the Board of Directors of the Company will select the measures that it deems most appropriate at that time. As one of the specific countermeasures, the overview in cases of gratis allotment of stock acquisition rights by the Board of Directors of the Company is as described in Attachment 3 in principle, but in cases of actual gratis allotment of stock acquisition rights, the condition for exercising stock acquisition rights is to not belong to a specified shareholder group with a certain ratio of voting rights or more, and an exercise period and other conditions may be established that take into account the effect of countermeasures.

Furthermore, in cases when the Independent Committee makes a recommendation on invoking countermeasures and requests a General Meeting of Shareholders to be held regarding the resolution for invoking those countermeasures, the Board of Directors of the Company shall establish a period of up to 60 days to provide shareholders with a sufficient period of time to consider whether to invoke countermeasures under the Plan (Hereinafter the "Shareholder Consideration Period."), and the Company's General Meeting of Shareholders may be held during the Shareholder Consideration Period.

If the Board of Directors of the Company resolves to hold a General Meeting of Shareholders and determines a record date, the Board of Directors Evaluation Period shall conclude on that date and shall immediately shift to the Shareholder Consideration Period.

When holding the applicable General Meeting of Shareholders, the Board of Directors of the Company shall send to shareholders a document stating the Information Necessary for Evaluation provided by the Large-scale Purchaser, the opinions of the Board of Directors of the Company regarding the Information Necessary for Evaluation, alternative proposals by the Board of Directors of the Company, and other matters that the Board of Directors deems appropriate together with the Notice of the General Meeting of Shareholders, and disclose it in a timely and appropriate manner.

If a resolution is made at the General Meeting of Shareholders regarding invoking or not invoking countermeasures, the Board of Directors of the Company shall comply with the resolution of the General Meeting of Shareholders. Therefore, if the General Meeting of Shareholders resolves to reject invoking countermeasures, the Board of Directors of the Company will not invoke countermeasures. The Shareholder Consideration Period shall end at the conclusion of the General Meeting of Shareholders, and the results of the General Meeting of Shareholders shall be disclosed in a timely and appropriate manner after the resolution.

(4) Waiting period for a Large-scale Purchase

In cases where there is no Shareholder Consideration Period, the waiting period for a Large-scale Purchase shall be the day the statement of intent described above in I. 4. (1) “Advance submission of statement of intent by a Large-scale Purchaser to the Company” is submitted to the Board of Directors of the Company until the conclusion of the Board of Directors Evaluation Period, and in cases where there is a Shareholder Consideration Period, until the time when both the Board of Directors Evaluation Period and the Shareholder Consideration Period have concluded. During the waiting period for a Large-scale Purchase, no Large-scale Purchases may take place.

Accordingly, a Large-scale Purchase may begin only after the conclusion of the waiting period for a Large-scale Purchase.

(5) Suspending, etc., the invoking of countermeasures

In the above (3), if the Board of Directors of the Company determines that invoking countermeasures is inappropriate, such as when a Large-Scale Purchaser withdraws or changes the Large-Scale Purchase after a resolution to take specific countermeasures is made by the Board of Directors of the Company or the General Meeting of Shareholders, the Board of Directors may suspend, etc., invoking countermeasures with sufficient respect to the opinions and recommendations of the Independent Committee.

For example, in cases where a gratis allotment of stock acquisition rights is undertaken as a countermeasure, even after the Board of Directors of the Company has made a resolution for a gratis allotment or a gratis allotment has already been made, if the Board of Directors of the Company determines that it is not appropriate to invoke countermeasures, such as when a Large-scale Purchaser withdraws or changes the Large-scale Purchase, with the utmost respect to the recommendations of the Independent Committee, it is possible to suspend the invoking of countermeasures through the methods of suspending the gratis allotment of stock acquisition rights until the day before the effective date of the gratis allotment of stock acquisition rights, or for when the gratis allotment of stock acquisition rights has already been made, acquisition of stock acquisition rights without consideration by the Company (Shareholders’ stock acquisition rights will be terminated upon acquisition of stock acquisition rights without consideration by the Company.) until the day before the start of the exercise period.

In cases when such countermeasures are suspended, etc., the Company will disclose such decisions in a timely and appropriate manner in accordance with laws and regulations and the regulations of financial instruments exchanges on which the Company is listed.

6. Start, expiration date, continuation, and discontinuation of the Plan

The Plan shall take effect on the same day upon resolution at this General Meeting of Shareholders, and the expiration date shall be until the conclusion of the Annual General Meeting of Shareholders for the last business year ending within three years after the conclusion of this General Meeting of Shareholders.

However, even after continuation is approved and becomes effective at this General Meeting of Shareholders, if 1) a resolution is made at a General Meeting of Shareholders of the Company to discontinue the Plan, or 2) a resolution is made by the Board of Directors of the Company to discontinue the Plan, then the Plan shall be discontinued at that point.

In addition, the Board of Directors of the Company may review the Plan from time to time from the viewpoint of improving corporate value and the common interests of shareholders even during the effective period of the Plan, and may change the Plan with the approval of the General Meeting of Shareholders. In this way, if the Board of Directors of the Company decides to continue, change, discontinue, etc., the Plan, the details will be promptly disclosed.

Furthermore, the Board of Directors of the Company may, even during the effective period of the Plan, obtain the approval of the Independent Committee as necessary and revise or change the Plan when laws and regulations and regulations, etc., of the financial instruments exchanges are newly established, revised, or abolished, when it is appropriate to revise the words and phrases due to typographical errors, etc., and when there are no disadvantages to shareholders.

## II. Supplementary Explanation

The details of the Plan are as described in I. above, but the impact of the Plan and the timing of gratis allotment of stock acquisition rights for shareholders and investors, along with the judgments and reasoning by the Board of Directors of the Company regarding the Plan, are as follows.

We request that shareholders approve this proposal after taking these points into consideration.

### 1. Impact of the Plan on shareholders

#### (1) Impact, etc., of the Large-scale Purchase Rules on shareholders

The purpose of the Large-scale Purchase Rules is to ensure that shareholders have the information necessary to determine how to respond to a Large-scale Purchase, the opportunity to receive opinions from the Board of Directors of the Company, currently responsible for the management of the Company, and the opportunity for shareholders to receive a presentation of alternative proposals for a Large-scale Purchase. As a result, shareholders will be able to make appropriate decisions on how to respond to a Large-scale Purchase based on sufficient information and proposals, leading to preserving corporate value of the Company and the common interests of shareholders. Therefore, we believe that the establishment of Large-scale Purchase Rules is a prerequisite for shareholders to make appropriate decisions and contributes to the interests of shareholders.

As described in I. 5. above, the Company's policy on responding to a Large-scale Purchase differs depending on whether a Large-scale Purchaser complies with the Large-scale Purchase Rules, so we ask shareholders to pay attention to the movements of the Large-scale Purchaser.

#### (2) Impact on shareholders when countermeasures are invoked

When a Large-scale Purchaser does not comply with the Large-scale Purchase Rules or even if the Large-scale Purchase Rules are complied with, if it is determined that a Large-scale Purchase will significantly harm the corporate value of the Company and the common interests of shareholders, such as causing irreparable damage to the Company, the Board of Directors of the Company may take countermeasures as permitted by the Companies Act, other laws, and Articles of Incorporation of the Company such as a gratis allotment of stock acquisition rights for the purpose of protecting the corporate value of the Company and the common interests of shareholders. Due to the mechanism of such countermeasures, we do not anticipate a situation in which shareholders (Excluding Large-scale Purchasers who do not comply with the Large-scale Purchase Rules and Large-scale Purchasers who make Large-scale Purchases deemed to harm the interests of the Company's shareholders as a whole, such as causing irreparable damage to the Company.) will suffer any significant loss in terms of legal rights or economic aspects.

In cases where the Board of Directors of the Company decides to take specific countermeasures, the Company will disclose the information in a timely and appropriate manner in accordance with laws and regulations and the regulations of financial instruments exchanges.

As one of the countermeasures, for example, in the case of a gratis allotment of stock acquisition rights, the allotment will be made to the shareholders recorded in the register of shareholders on the date of allotment of stock acquisition rights. Shareholders will receive the allotment of stock acquisition rights without the need to apply, and if the Company takes procedures for the acquisition of stock acquisition rights, the Company will receive the Company's shares as consideration for the acquisition of the stock acquisition rights without paying money equivalent to the exercise price of the stock acquisition rights, so there is no need to apply or pay for the stock acquisition rights. However, in this case, the Company may request shareholders to be allotted stock acquisition rights to submit a separate document in the form prescribed by the Company pledging that they are not a member of a specified shareholder group, including a Large-scale Purchaser, etc.

Furthermore, the Company may suspend the allotment of stock acquisition rights or acquire stock acquisition rights without consideration without the Company delivering the Company's shares for the stock acquisition rights until the day before the start of the exercise period, due to circumstances such as when a Large-scale Purchaser withdraws the Large-scale Purchase, even after the date of allotment of the stock acquisition rights or the effective date of the stock acquisition rights. In such cases, shareholders or investors who sell shares on the premise that the value of shares per share will be diluted may suffer considerable damages due to fluctuations in stock prices.

2. Why the Plan is in line with the basic policy concerning the Company's control, is consistent with the corporate value of the Company and the common interests of shareholders, and is not intended to maintain positions of corporate officers of the Company

(1) On the fact that the Plan satisfies the requirements of the guidelines, etc., regarding takeover defense measures  
The Plan satisfies the three principles (the principle of protecting and enhancing corporate value and shareholders' common interests, the principle of prior disclosure and shareholders' will, and the principle of ensuring the necessity and reasonableness) set forth in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" announced on May 27, 2005 by the Ministry of Economy, Trade and Industry and the Ministry of Justice.

In addition, the Plan also takes into consideration the report, "Takeover Defense Measures in Light of Recent Environmental Changes" announced on June 30, 2008 by the Corporate Value Study Group, established within the Ministry of Economy, Trade and Industry, and the content of "Principle 1.5 Anti-Takeover Measures" of "Japan's Corporate Governance Code" announced by the Tokyo Stock Exchange on June 1, 2015 (revised versions announced June 1, 2018 and June 11, 2021).

(2) On the fact that the Plan has been introduced in order to secure and improve the common interests of shareholders

As described above in I. 1. "Purpose of the Plan," the Plan was introduced for the purpose of securing and improving the corporate value of the Company and the common interests of shareholders by enabling shareholders to determine how to respond to a Large-scale Purchase of the Company's shares, to secure the information and time necessary for the Board of Directors of the Company to present alternative proposals to a Large-scale Purchase, and to negotiate with the purchaser, etc., on behalf of shareholders.

(3) On the fact that the Plan reflects the will of shareholders

The Plan will come into effect upon approval by shareholders at this General Meeting of Shareholders. Therefore, at this General Meeting of Shareholders, we plan to advise shareholders on the continuation of the Plan, and the will of shareholders will be reflected. Furthermore, if a resolution to abolish the Plan is made at the General Meeting of Shareholders of the Company after the continuation of the Plan but before the expiration of the effective period, the Plan will be abolished at that time, and the will of the shareholders will be reflected.

(4) On the fact that the Plan prioritizes the judgment of highly independent outside persons and information disclosure

As described above in I. 5. "Policy for responding to a Large-scale Purchase," the Company consults with the Independent Committee composed of members who are independent of management that executes the Company's business, and with the utmost respect to the recommendations of the Independent Committee, when invoking countermeasures in the Plan. A mechanism for the transparent operation of the Plan is thus secured for the corporate value of the Company and the common interests of shareholders.

Furthermore, an overview of the recommendations of the Committee will be disclosed.

(5) On the fact that the Plan is not a dead-hand type or slow-hand type countermeasure

As described above in I. 6. "Start, expiration date, continuation, and discontinuation of the Plan," the Plan may be abolished by the Board of Directors composed of Directors elected at the General Meeting of Shareholders of the Company, and a person who has purchased a large amount of the Company's shares can nominate Directors at the General Meeting of Shareholders of the Company, and may abolish the Plan through the Board of Directors composed of such Directors.

Accordingly, the Plan is not a dead-hand type countermeasure (a countermeasure whose invocation cannot be prevented even if a majority of members of the Board of Directors are replaced). Furthermore, since the term of office of Directors of the Company is one year, the Plan is not a slow-hand type countermeasure (a countermeasure that requires time to prevent its invocation because it is not possible to replace Directors all at once).

Overview of the Independent Committee Regulations

- The Independent Committee shall be established by resolution of the Board of Directors of the Company.
- The Independent Committee shall consist of three or more members, and in order to enable fair and neutral judgment, the Independent Committee shall be elected by the Board of Directors of the Company from among those who fall under the following categories: outside Directors, outside Audit & Supervisory Board Members, or outside experts who are independent from the execution of the Company's business. However, outside experts are elected from corporate managers with abundant management experience, persons familiar with investment banking operations, attorneys, certified public accountants, academic experts whose main research interests include the Companies Act, etc., or persons equivalent to these.
- The Independent Committee shall, in principle, recommend to the Board of Directors of the Company the details of the decision on matters consulted by the Board of Directors of the Company, with the reasons and grounds for the decision. Furthermore, each member of the Independent Committee shall make such decisions from the perspective of whether they contribute to the corporate value of the Company and the common interests of shareholders.
- The Independent Committee may obtain advice from independent third parties who are outside experts (financial advisors, certified public accountants, attorneys, consultants, and other experts), etc., at the Company's expense as necessary.
- Resolutions of the Independent Committee shall be made by a majority of the members.

## Names and Career Summaries of Members of the Independent Committee

## Kazutoshi Ohmi (born 1953)

Apr. 1977	Joined Mitsubishi Corporation
Dec. 2004	Senior Operating Director of Meiho Facility Works Limited
June 2006	Representative Director and CEO
Aug. 2011	Representative Director and CEO of Yamagiwa Corporation
Mar. 2014	Representative Director and CEO of JSR Life Sciences Corporation
Apr. 2015	Representative Director and CEO of JSR Trading Co., Ltd.
June 2019	Advisor
Jan. 2020	Representative Director and CEO of My Taste Co., Ltd. (current position)
May 2020	Part-time Audit & Supervisory Board Member, ATEX Co., Ltd.
Mar. 2021	Outside Director of the Company (current position)
Mar. 2021	Independent Committee Member of the Company (current position)
June 2022	Outside Director, ATEX Co., Ltd. (current position)

## Hokuto Nakano (born 1959)

Apr. 1983	Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)
Apr. 2002	Senior Vice President, Europe Treasury Department of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
Apr. 2010	Executive Officer, General Manager of Forex Division
July 2013	Executive Officer, General Manager of Forex Division of Mizuho Bank, Ltd.
Oct. 2015	Managing Executive Officer, Head of East Asia of Mizuho Financial Group, Inc.
Apr. 2016	Managing Executive Officer, Joint Head of Global Markets Division of Mizuho Securities Co., Ltd.
Mar. 2018	Director of ASICS Corporation
Mar. 2020	Managing Executive Officer
Mar. 2021	Outside Director of the Company (current position)
Mar. 2021	Independent Committee Member of the Company (current position)
June 2021	Outside Member of the Board of Penta-Ocean Construction Co., Ltd. (current position)

## Yukimasa Ozaki (born 1959)

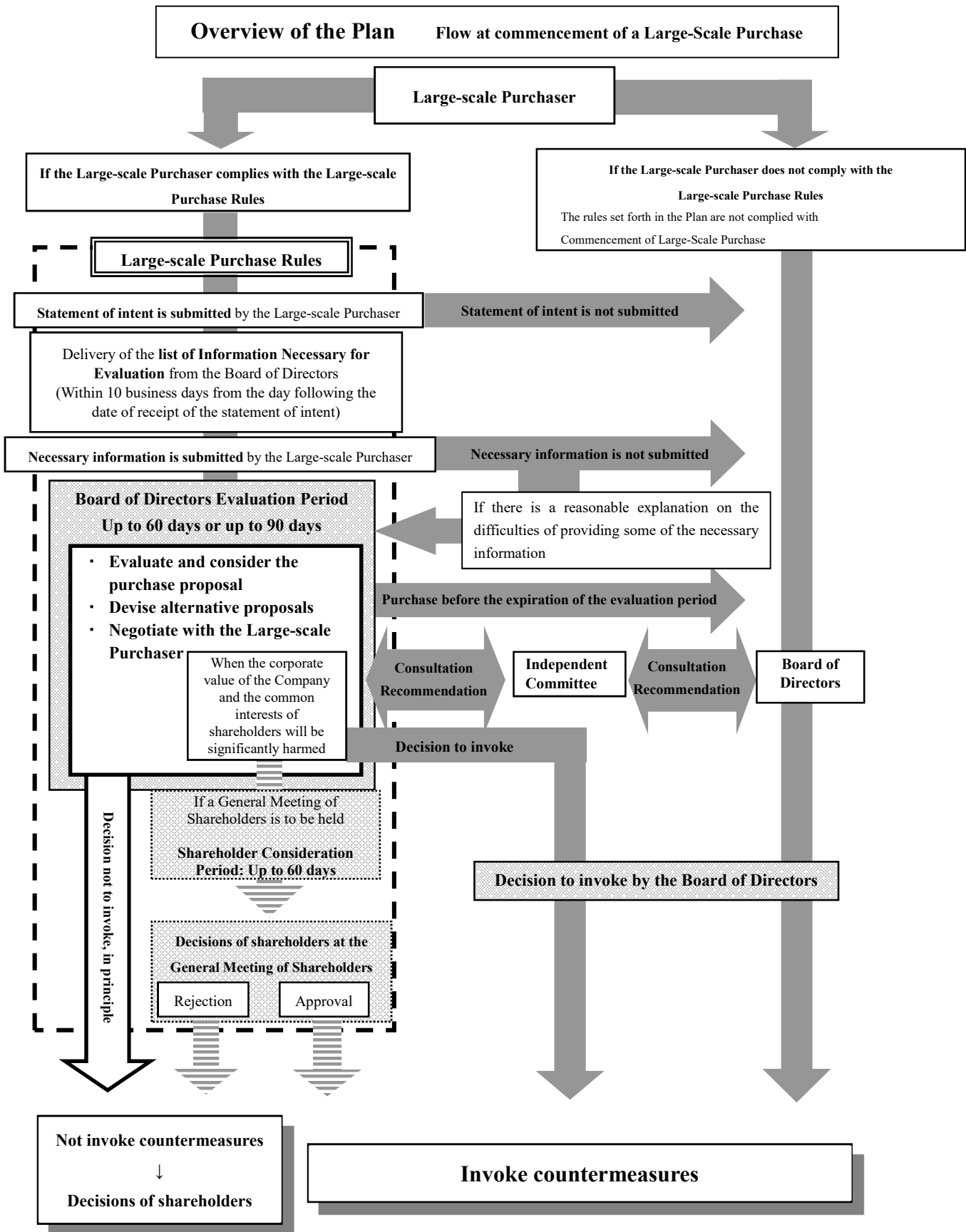
Mar. 1984	Graduated from School of Law, Waseda University
Apr. 1989	Registered as an Attorney at Law (Dai-Ichi Tokyo Bar Association) Joined Ozaki Law Office
Dec. 1992	Master of Arts in Legal Institutions, Law School, University of Wisconsin-Madison
Jan. 1993	Worked at Godfrey & Kahn S.C. in Wisconsin and Kaye, Scholer, Fierman, Hays & Handler in New York City, New York
Aug. 1993	Attorney at Ozaki Law Office
Feb. 1994	Attorney at Harada, Ozaki & Hattori Law Office due to name change
July 2004	Attorney at Ozaki & Hattori Law Office due to name change
Dec. 2006	Attorney at Ozaki Law Office due to name change
Feb. 2012	Independent Committee Member of the Company (current position)
Apr. 2017	Executive Governor of Japan Federation of Bar Associations Vice-president of Dai-Ichi Tokyo Bar Association

There is no special interest between any of the above Independent Committee members and the Company. Outside Directors Kazutoshi Ohmi and Hokuto Nakano have been registered as independent officers on the financial instruments exchanges on which the Company is listed.

Overview of the Gratis Allotment of Stock Acquisition Rights

1. Shareholders eligible for the gratis allotment of stock acquisition rights and method of allocation  
Stock acquisition rights shall be allotted to shareholders recorded in the final shareholder register on the allotment date determined by the Board of Directors of the Company at a ratio of one stock acquisition right per share of common stock of the Company held without requiring additional payment (However, this excludes common stock of the Company held by the Company.).
2. Type and number of shares underlying the stock acquisition rights  
The type of shares for which the stock acquisition rights are intended shall be the Company's common stock, and the number of shares per each intended stock acquisition right shall be one share. However, if the Company conducts a share split or consolidation of shares, the necessary adjustments shall be made.
3. Total number of stock acquisition rights allocated to shareholders  
The upper limit shall be the total number of issued shares of common stock of the Company (However, this excludes shares of common stock of the Company held by the Company) subtracted from the total number of shares to be issued of the Company on the allotment date determined by the Board of Directors of the Company. The Board of Directors of the Company may allocate stock acquisition rights multiple times.
4. Property and amount to be contributed when exercising the share acquisition rights  
The property to be contributed upon the exercise of each stock acquisition right shall be money, and the value shall be an amount of one yen or more, determined by the Board of Directors of the Company. If the Board of Directors of the Company decides to acquire the stock acquisition rights, the Company may deliver new shares to shareholders as consideration for the acquisition of the stock acquisition rights by the Company without paying an amount equivalent to the exercise price.
5. Transfer restrictions on stock acquisition rights  
The approval of the Board of Directors of the Company shall be required for the acquisition of the stock acquisition rights by transfer of such stock acquisition rights.
6. Exercise conditions on stock acquisition rights  
Exercise conditions shall be set and shall include such terms as that the person cannot belong to a specified shareholder group with a ratio of voting rights of 20% or more (However, this excludes persons who have the prior consent of the Board of Directors of the Company.).
7. Exercise period of stock acquisition rights, etc.  
The date on which the allotment of stock acquisition rights takes effect, the exercise period, the terms of acquisition, and other necessary matters shall be separately determined by the Board of Directors of the Company. Furthermore, with regard to the terms of acquisition, the Company may set terms to the effect that it may acquire stock acquisition rights held by persons other than persons who are not permitted to exercise the stock acquisition rights due to the exercise conditions described in 6. above, and may deliver the number of shares separately determined by the Board of Directors of the Company for each stock acquisition right, or that the Company may acquire stock acquisition rights without consideration without delivering the Company's shares for the stock acquisition rights. In addition, the Company does not anticipate the delivery of money as consideration for the acquisition of stock acquisition rights held by persons who are not permitted to exercise the stock acquisition rights due to the exercise conditions described in 6. above.





Note: This is a diagram of the typical flow of procedures to aid the readers' understanding of the Plan, and does not necessarily present all of the procedures involved. Please refer to the text for details.