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(Securities Code 6381)

June 1, 2023

(Commencement of electronic provision: May 26, 2023)

ANEST IWATA Corporation

NOTICE OF THE 77TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

We wish to inform you that the 77th Annual General Meeting of Shareholders will be held as described below.

The Company has adopted a system of electronic provision for the convocation of this General Meeting of Shareholders. Electronically provided matters are posted on the website below as “Notice of the 77th Annual General Meeting of Shareholders.”

The Company’s website

<https://www.anestiwata-corp.com/ir/library/sh-meeting-material>

This information has also been posted on the following website:

Tokyo Stock Exchange’s “Listed Company Search” page

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Enter the Company’s name or securities code in the appropriate field, and click on “Search.” Next, click on “Basic Information” and “Documents for public inspection/PR information” in turn to view.

If not attending the meeting in person, you may exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders below and exercise your voting rights no later than 5:30 p.m. (JST) on Thursday, June 22, 2023.

- 1. Date and Time:** Friday, June 23, 2023 at 10:00 a.m. Japan time
- 2. Place:** Head Office, ANEST IWATA Corporation
3176, Shinyoshida-cho, Kohoku-ku, Yokohama-shi, Kanagawa, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 77th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the Company’s 77th Fiscal Year (April 1, 2022 - March 31, 2023)
 - Proposals to be resolved:**
 - Proposal No. 1:** Distribution of Surplus
 - Proposal No. 2:** Partial Amendments to the Articles of Incorporation
 - Proposal No. 3:** Election of Seven Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
 - Proposal No. 4:** Revision to the Amount of Compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
 - Proposal No. 5:** Continuation of the Policy against Large-Scale Purchases of the Company’s Shares (Takeover Defense Measures)

4. Matters Concerning the Meeting

- (1) Treatment of Voting Rights Exercise Forms Without Indication of Approval or Disapproval of Proposals

If there is no indication of your vote for or against any proposals, we will deem that you have voted for the proposal by the Company and against the proposal by shareholder.

- (2) Exercise of Voting Rights by Proxy (Qualifications of Proxy and the number)

If you wish to exercise your voting rights by a proxy, you may designate a shareholder of the Company who is entitled to voting rights of the Company. Please note that a document evidencing authority of the proxy (letter of attorney and Voting Rights Exercise Form) must be submitted.

- (3) Advance Notification of Diverse Exercise of Voting Rights

With regard to notice prescribed in Article 313, Paragraph 2 of the Companies Act (notice relating to diverse exercise of voting rights), please submit a document in writing of the intention to diversely exercise voting rights and the reasons thereof no later than three (3) days prior to the Annual General Meeting of Shareholders.

- (4) Matters Omitted from the Paper Copies of the Electronically Provided Matters

The documents sent to shareholders also constitute the paper copies of the electronically provided matters based on requests for delivery of paper copies. Pursuant to laws and regulations as well as Article 17 of the Articles of Incorporation of the Company, the following matters are not included. Accordingly, the documents sent to shareholders form part of the documents that the Accounting Auditor and the Audit & Supervisory Board Members audited in the preparation of their Audit Reports.

- 1) “(1) Systems for Ensuring Appropriate Business Operations and Its Operational Status” and a portion of the contents of “(2) Basic Policy on the Control of the Company” under “5. Company Systems and Policies” in the Business Report.
- 2) Consolidated statement of changes in equity and Notes to the Consolidated Financial Statements
- 3) Non-consolidated statement of changes in equity and Notes to the Non-Consolidated Financial Statements

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- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form to the receptionist.
 - ◎ Should the electronically provided matters require revisions, the revised details will be posted on the various websites.

[Business Report Video]

A video on the 77th business report and explanatory materials will be available on the Company’s website (https://www.anestiwata-corp.com/jp/ir/library/sh-meeting-material/information_2022r1) (Japanese only) on Monday, June 12, 2023.

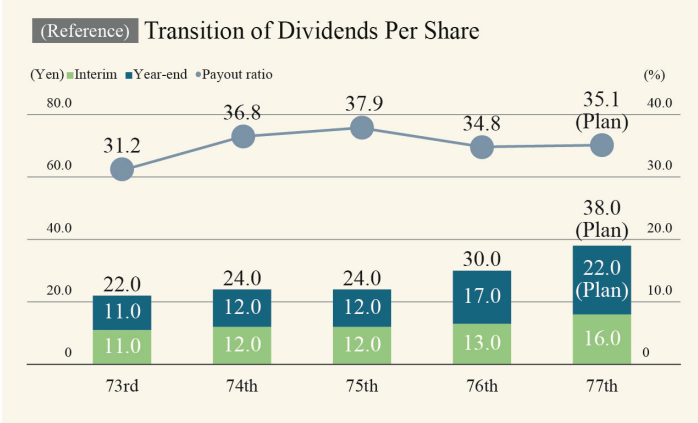
Business Report video page

Reference Document for the Annual General Meeting of Shareholders
Explanation of Key Points for the Exercise of Voting Rights

The Points of Proposal No. 1

The Group’s Approach to the Dividend

The Company’s basic policy is to maintain “net profits of current term attributable to owners of parent company” in consolidated financial results and a consolidated dividend payout ratio of 35%.



The Points of Proposal No. 3

- The Company proposes the approval of Mr. Eisuke Miyoshi, who has abundant experience in Human Resources Management/Human Resources Development and Sales and Marketing as a new Director.
- The Company proposes the approval of Mr. Makoto Shimamoto who has abundant experience in R&D and Manufacturing and Supply Chain as a new Director.

	Names of the candidates for Directors	Gender	Business Management	Overseas Business	Human Resources Management/ Human Resources Development	Audit	R&D	Manufacturing and Supply Chain	Sales and Marketing	Financial Accounting	Legal and Risk Management	IT and Digital	New Business Development	Attribution of the candidates for Directors		
Directors	Shinichi Fukase	Male	●	●			●	●	●				●	Reappointment		
	Kenichi Osawa	Male		●			●	●	●			●	●	Reappointment		
	Katsumi Takeda	Male					●	●	●				●	Reappointment		
	Eisuke Miyoshi	Male		●	●				●	●		●	●	New appointment		
	Yoshitsugu Asai	Male		●	●				●	●	●		●	Reappointment	External	Independent Officer
	Yuko Shirai	Female			●	●					●			Reappointment	External	Independent Officer
	Makoto Shimamoto	Male	●	●			●	●				●	●	New appointment	External	Independent Officer
Directors Who Are Audit & Supervisory Committee Members	Masato Suzuki	Male		●		●	●	●	●							
	Kyosuke Oshima	Male	●		●	●			●		●		●		External	Independent Officer
	Kazumichi Matsuki	Male	●	●	●	●					●				External	Independent Officer
	Reiko Ohashi	Female				●				●	●				External	Independent Officer

The Points of Proposal No. 4

Based on comprehensive consideration of factors such as the size of the Company's business, the structure and pay levels of compensation for officers, the current number of officers, and future trends, including increases in the performance-linked compensation ratio, the Company seeks approval to change the amount of compensation, including directors' bonuses (excluding performance-linked stock compensation) to no more than ¥300 million per annum.

Eligible	Maximum amount of compensation, etc. (million yen)		Number of recipients	
	Current	Proposed Change	As of resolution of proposal for current amount (*1)	Current (*2)
Directors (excluding Directors who are Audit & Supervisory Committee Members)	200	300	5	7
Of which, Outside Directors	40	40	1	3

- (Notes) 1. At conclusion of the 70th Annual General Meeting of Shareholders (held on Jun 28, 2016)
2. If Proposal No. 3 is approved

The Points of Proposal No. 5

The Group's business activities consist of two businesses: the Coating Business with "technology to atomize paints and various liquid into a mist" as its core, and the Air Energy Business with "technology to compress air and various gases without using lubricating oil" as its core. The Group is engaged in business activities that contribute to global manufacturing, with both businesses interacting with each other in all activities, from manufacturing to proposals to customers, including product development that mutually leverages know-how possessed by both businesses such as "method of atomizing liquid into a mist using compressed air" and "manufacturing compressors that do not use lubricating oil by applying coating technologies."

In order to ensure stable development of business activities, the Company recognizes that it is important to take measures against any activity including large-scale purchase of shares by a party who has no intention to participate in the management of the Company, and the sale of business conducted solely for the benefit of the purchaser by temporarily controlling the management of the Company.

Every year, on an ongoing basis, the Company submits the Policy as a proposal, in order to ensure that shareholders and the Company have sufficient time to consider in the event of any large-scale purchase of shares by a specific party that may damage the interests of stakeholders and be significantly detrimental to corporate value of the Group and the common interests of shareholders.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Distribution of Surplus

Matters concerning the year-end dividend

As the Company defines the efforts to provide stable profit return to its shareholders as its important mission, its basic policy is to work on strengthening earnings power and pay a stable dividend.

(1) Type of dividend property

Cash

(2) Matters concerning allotment of dividends to shareholders and the total amount

22.0 yen per common share for a total of 894,104,926 yen

The annual dividend will be a total of 38.0 yen per share including the interim dividend of 16.0 yen per share.

(3) Effective date of distribution of surplus

June 26, 2023

Dividend	(Yen)				
	73rd	74th	75th	76th	77th
Interim	11	12	12	13	16
Year-end	11	12	12	17	22 (Plan)
Total	22	24	24	30	38 (Plan)

	(%)				
	73rd	74th	75th	76th	77th
Payout ratio	31.2	36.8	37.9	34.8	35.1 (Plan)

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

1. Reason for the proposal

To accommodate the expansion and diversification of the business domains of the Company and its subsidiaries, the Company proposes to add a business purpose to Article 2 (Purpose) of the current Articles of Incorporation.

2. Details of the Amendments

The contents of the amendments are as follows:

*Changes are underlined.

Current Articles of Incorporation	Proposed Amendments
<p>Article 2 (Purpose) The purposes of the Company are to engage in the following businesses:</p> <p>1. to 8. (Omitted) (Newly established)</p> <p><u>9. to 12.</u> (Omitted)</p>	<p>Article 2 (Purpose) (Unchanged)</p> <p>1. to 8. (Unchanged)</p> <p><u>9. Production, processing and sale of agricultural, livestock, and marine products</u></p> <p><u>10. to 13.</u> (The item numbers are moved down. Unchanged)</p>

Proposal No. 3: Election of Seven Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office of all seven Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply hereinafter in this Proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of seven Directors is proposed.

This proposal has been determined following the deliberations of the Nominating/Compensation Committee, which is chaired by an Independent Director who is an Audit & Supervisory Committee Member, and has also been considered by the Audit & Supervisory Committee. The Committee did not identify any particular issues relating to this proposal.

Messrs. Takahiro Tsubota and Kozo Yoneda, Directors of the Company, will resign due to the expiration of their terms of office at the conclusion of this Annual General Meeting of Shareholders..


The candidates for Directors are as follows.


No.	Name	Positions and Responsibilities in the Company	Attendance rate at meetings of Board of Directors	Attendance rate at meetings of Nominating/Compensation Committee	Attendance rate at meetings of Internal Control Committee	Attendance rate at meetings of Sustainability/CSR Committee
1	Shinichi Fukase	President, Representative Director and Chief Executive Officer Member of Nominating/Compensation Committee Chairman of Internal Control Committee	100% (13/13)	100% (8/8)	100% (5/5)	100% (5/5)
	Reappointment	Member of Sustainability/CSR Committee				
2	Kenichi Osawa	Director, Senior Managing Executive Officer, Chief Operating Officer of Coating Division	100% (13/13)	-	-	-
	Reappointment					
3	Katsumi Takeda	Director, Managing Executive Officer, Chief Operating Officer of Sales Division	100% (10/10)	-	-	-
	Reappointment					
4	Eisuke Miyoshi	Managing Executive Officer, Chief Operating Officer of Business Administration Division	-	-	-	-
	New appointment					
5	Yoshitsugu Asai	Independent Director	100% (13/13)	100% (8/8)	-	-
	Reappointment	Member of Nominating/Compensation Committee				
6	Yuko Shirai	Independent Director	100% (13/13)	100% (8/8)	100% (5/5)	100% (5/5)
	Reappointment	Member of Nominating/Compensation Committee Member of Internal Control Committee Member of Sustainability/CSR Committee				
7	Makoto Shimamoto	-	-	-	-	-
	New appointment	Outside Director Independent				

- (Note) 1. Attendance rate at meetings of Board of Directors and each committee by each candidate is the actual number during the fiscal year.
2. Mr. Katsumi Takeda assumed the post of Director at the 76th Annual General Meeting of Shareholders held on June 24, 2022, and therefore, his attendance rate reflects the meetings held after his appointment.


No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	 Shinichi Fukase (Male) May 13, 1965 (57 years old) [Reappointment] Attendance at meetings of Board of Directors 100% (13/13)	<p>April 1988 Joined the Company</p> <p>April 2008 President of ANEST IWATA CAMPBELL K.K.</p> <p>April 2010 Executive Officer General Manager, Vacuum Equipment Department of the Company</p> <p>April 2016 Executive Officer Factory Manager, Fukushima Factory, Air Energy Division</p> <p>April 2019 Executive Vice President Chief Operating Officer, Air Energy Division Factory Manager, Fukushima Factory</p> <p>June 2019 Director</p> <p>April 2020 Senior Managing Executive Officer Chief Operating Officer, Air Energy Division</p> <p>April 2022 President, Representative Director and Chief Executive Officer (current position)</p> <p>[Significant concurrent positions] Mr. Shinichi Fukase does not have significant concurrent positions in other companies.</p>	32,395 shares
		<p>[Reason for nomination as candidate for Director] Mr. Shinichi Fukase has served as President of a domestic sales subsidiary, manager in a procurement department, and Factory Manager of Fukushima Factory. He is familiar with core technologies as an engineer and has a high level of expertise and insight in a wide range of areas, from sales/logistics to procurement/production divisions. In addition, he has a practical point of view based on his abundant experience and has also demonstrated excellent leadership in terms of human resource development. For these reasons, we believe that he can lead the sustainable enhancement of corporate value as President, Representative Director, Chief Executive Officer in the future, and thus propose his continued appointment as Director.</p>	
		<p>[Other items of note regarding the candidates for Director]</p> <ol style="list-style-type: none"> No special interest exists between the Company and Mr. Shinichi Fukase. The Company shall enter into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company. The contract will cover damages that may arise due to the insureds assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Mr. Shinichi Fukase is elected, he will be included as an insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same contents at the next renewal. The number of shares of the Company held by candidate for Director shows the effective number of shares held as of March 31, 2023, including shares held in the officers' shareholding association of the Company. 	
		<p>To our shareholders</p> <p>As the Company's business environment remains uncertain, I recognize the demand on us to respond to the bewildering pace of change by flexibly incorporating opposing activities such as competition and cooperation, a deep focus on existing business and the challenge of new fields, the physical world and the virtual world. In other words, it is my promise that we will grow to be a flexible, resilient and leaner company. At the same time, we will remain conscious of the SDGs and strive for the realization of a free and open-minded corporate culture, which is free from bias of gender or age.</p>	


No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	 <p>Kenichi Osawa (Male) January 19, 1970 (53 years old)</p>	<p>April 1990 Joined the Company January 2010 President of ANEST IWATA (SHANGHAI) Corporation June 2012 President of ANEST IWATA Shanghai Trading Corporation April 2014 General Manager, Fluid Engineering Department of the Company April 2015 Executive Officer January 2018 General Manager, Coating Development May 2019 Executive Vice President East Asian Regional General Manager January 2020 Assistant Chief Operating Officer, Coating Division April 2020 Senior Managing Executive Officer Chief Operating Officer of Coating Division (current position) June 2020 Director (current position) [Significant concurrent positions] Mr. Kenichi Osawa does not have significant concurrent positions in other companies.</p>	4,457 shares
	<p>[Reappointment]</p> <p>Attendance at meetings of Board of Directors 100% (13/13)</p>	<p>[Reason for nomination as candidate for Director] Mr. Kenichi Osawa is well versed in the development of coating equipment and coating systems and has an established track record in recent years in strengthening the growth basis of the whole coating business by leading the companywide reform to drastically review development and production systems. In addition, he has served as a representative of overseas subsidiaries over many years and therefore has insight that is necessary for business operation from a global viewpoint and a high level of expertise. For these reasons, we believe that he is an appropriate person to realize the sustainable enhancement of corporate value, and thus propose his continued appointment as Director.</p>	
		<p>[Other items of note regarding the candidates for Director]</p> <ol style="list-style-type: none"> No special interest exists between the Company and Mr. Kenichi Osawa. The Company shall enter into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company. The contract will cover damages that may arise due to the insureds assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Mr. Kenichi Osawa is elected, he will be included as an insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same contents at the next renewal. The number of shares of the Company held by candidate for Director shows the effective number of shares held as of March 31, 2023, including shares held in the officers' shareholding association of the Company. 	
		<p>To our shareholders</p> <p>The new Medium-term Management Plan "500 & Beyond" launched in April 2022. As a world leading manufacturer, we will strive to bring new value to the coating market by offering people-friendly and environmentally-friendly coating technologies and developing new products that respond to changes in the external environment. In addition, as we approach the 100th anniversary that falls in the period of our next medium-term management plan, we will also actively explore new business portfolios and take on the challenge of new businesses in different industries, in our efforts to enhance corporate value.</p>	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	 Katsumi Takeda (Male) March 28, 1967 (56 years old) [Reappointment] Attendance at meetings of Board of Directors 100% (10/10)	<p>April 1989 Joined the Company</p> <p>April 2008 Executive Officer General Manager, Coating Equipment Division</p> <p>April 2011 General Manager, Fluid Engineering Department</p> <p>April 2014 General Manager, Coating System Marketing / R&D Department</p> <p>April 2016 Executive Officer General Manager, Coating System Marketing / R&D Department, Coating Division</p> <p>April 2020 Managing Executive Officer General Manager, Coating System Marketing / R&D Department, Coating Division</p> <p>April 2021 Managing Executive Officer Chief Operating Officer, Domestic Sales Division General Manager, Partner Alliance Department</p> <p>April 2022 Managing Executive Officer Chief Operating Officer of Sales Division (current position)</p> <p>June 2022 Director (current position)</p> <p>[Significant concurrent positions] Mr. Katsumi Takeda does not have significant concurrent positions in other companies.</p>	19,763 shares
		<p>[Reason for nomination as candidate for Director] Mr. Katsumi Takeda has participated in business operation of coating equipment and coating system over many years, and has contributed to the expansion of coating business by demonstrating a high level of expertise and abundant sales experience. In recent years, he has led and had an established track record in operational reforms, aiming to establish a sales foundation to improve customer satisfaction, in his capacity as head of domestic sales division. For these reasons, we believe that he is an appropriate person to realize the sustainable enhancement of corporate value, and thus propose his continued appointment as Director.</p>	
		<p>[Other items of note regarding the candidates for Director]</p> <ol style="list-style-type: none"> 1. No special interest exists between the Company and Mr. Katsumi Takeda. 2. The Company shall enter into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company. The contract will cover damages that may arise due to the insureds assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Mr. Katsumi Takeda is elected, he will be included as an insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same contents at the next renewal. 3. Mr. Katsumi Takeda assumed the post of Director at the 76th Annual General Meeting of Shareholders held on June 24, 2022, and therefore, his attendance rate reflects the meetings held after his appointment. 4. The number of shares of the Company held by candidate for Director shows the effective number of shares held as of March 31, 2023, including shares held in the officers' shareholding association of the Company. 	
		<p>To our shareholders</p> <p>As the status of COVID-19 in Japan has been downgraded to a Class 5 infectious disease, our sales operations are rapidly shifting toward a more real-world style premised on face-to-face visits. However, we will continue to take advantage of the digital-based sales operations that we have learned from our experiences over the last three years as a way of raising labor productivity. We will continue our sales operations based on digital marketing, including the enhancement of the various content and highly efficient customer responses through the active use of digital tools. We will also conduct sales and service operations that will enhance customer engagement through dialogue with customers in physical settings, so that customers who wish to purchase air compressors and coating equipment will choose our products. These efforts will lead to the enhancement of corporate value, which is the greatest purpose of the Company.</p>	

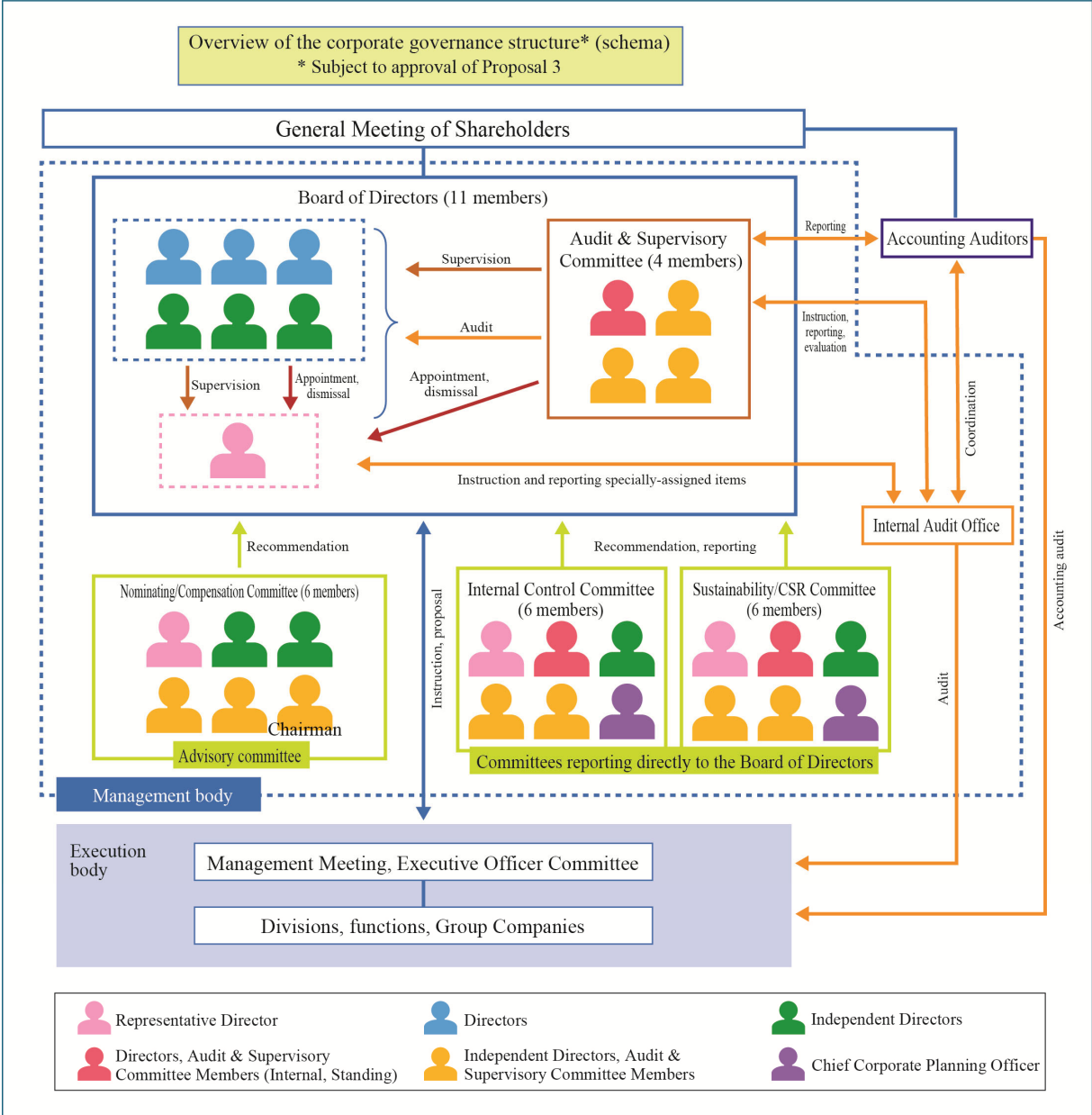
No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	 Eisuke Miyoshi (Male) April 22, 1970 (53 years old) [New appointment] Attendance at meetings of Board of Directors - % (-/-)	<p>April 1993 Joined the Company</p> <p>April 2012 President of ANEST IWATA Coating Service Corporation</p> <p>April 2014 President of ANEST IWATA Coating Solutions Corporation</p> <p>April 2016 Executive Officer</p> <p>January 2018 General Manager, Coating Marketing Department</p> <p>April 2019 Deputy Chief Operating Officer, Business Administration Division General Manager, HR & General Administration Department</p> <p>January 2020 Chief Operating Officer, Business Administration Division General Manager, HR & General Administration Department</p> <p>August 2020 Chief Operating Officer, Business Administration Division General Manager, HR & General Administration Department General Manager, Financial & Accounting Department</p> <p>April 2021 Managing Executive Officer Chief Operating Officer, Business Administration Division General Manager, Financial & Accounting Department</p> <p>April 2023 Managing Executive Officer Chief Operating Officer of Business Administration Division (current position)</p> <p>[Significant concurrent positions] Mr. Eisuke Miyoshi does not have significant concurrent positions in other companies.</p>	4,805 shares
		<p>[Reason for nomination as candidate for Director] In addition to his practical experience in the sales division, Mr. Eisuke Miyoshi has played a leading role in streamlining the Group's operations in recent years from his position overseeing administrative functions, including the human resources and financial & accounting functions. He also has deep insight into new business development and has contributed to strengthening the business foundation that will ensure next-generation growth. For these reasons, we believe that he is an appropriate person to realize the sustainable enhancement of corporate value, and thus propose his appointment as Director.</p>	
		<p>[Other items of note regarding the candidates for Director]</p> <ol style="list-style-type: none"> No special interest exists between the Company and Mr. Eisuke Miyoshi. The Company shall enter into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company. The contract will cover damages that may arise due to the insureds assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Mr. Eisuke Miyoshi is elected, he will be included as an insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same contents at the next renewal. The number of shares of the Company held by candidate for Director shows the effective number of shares held as of March 31, 2023, including shares held in the officers' shareholding association of the Company. 	
		<p>To our shareholders</p> <p>In an ever-changing and unpredictable world, as a leading division in business operations, we will focus on management and governance, while keeping the enhancement of corporate value at top of mind, and accelerate the transformation of functions in individual departments, including HR & General Administration, Legal & Intellectual Property, Financial & Accounting, Logistics, and Information Systems to maximize and improve their efficiency. In this way, we will work on various valuable reforms and initiatives with the aim of returning profits to shareholders.</p>	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	 <p>Yoshitsugu Asai (Male) May 16, 1954 (68 years old)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>The term of office as Director 3 years (at the conclusion of this Annual General Meeting of Shareholders)</p> <p>Attendance at meetings of Board of Directors 100% (13/13)</p> <p>Attendance at meetings of Nominating/ Compensation Committee 100% (8/8)</p>	<p>April 1977 Joined BROTHER INDUSTRIES, LTD. July 1989 Representative Director & President of BROTHER INDUSTRIES (AUST) PTY LTD October 2000 General Manager of General Planning Department of BROTHER INDUSTRIES, LTD. June 2004 Executive Officer; EVP* of I & D Company and General Manager of Corporate Planning Department of BROTHER INDUSTRIES, LTD. April 2006 Executive Officer and General Manager of Human Resource Department of BROTHER INDUSTRIES, LTD. April 2011 Managing Executive Officer and General Manager of Legal & General Affairs Department responsible for Corporate Communication (Public Relations) Department of BROTHER INDUSTRIES, LTD. April 2016 Managing Executive Officer responsible for Finance & Accounting Department, Law, Environment & General Affairs Department and CSR & Corporate Communication of BROTHER INDUSTRIES, LTD. June 2017 Outside Director of FUJIMI INCORPORATED (current position) June 2020 Independent Director of the Company (current position) *EVP: Executive Vice President</p> <p>[Significant concurrent positions] Outside Director of FUJIMI INCORPORATED</p> <p>[Reason for nomination as candidate for Outside Director and expected roles] Mr. Yoshitsugu Asai held a number of important positions at human resources, legal and general affairs departments at an electronics manufacturer. Thus, he has abundant experience and broad knowledge in business administration. As an Outside Director, he has actively made statements to enhance the transparency and fairness of the management of the Company in the Board of Directors, the Advisory Committee, etc., and has also appropriately supervised its management. In order for Mr. Yoshitsugu Asai to engage in the supervision of management to realize the sustainable enhancement of corporate value of the Company, we propose his continued appointment as Director.</p> <p>[Other items of note regarding the candidates for Director]</p> <ol style="list-style-type: none"> 1. No special interest exists between the Company and Mr. Yoshitsugu Asai. 2. Mr. Yoshitsugu Asai is a candidate for Outside Director. In addition, the Company has designated him as an Independent Officer provided for by the Tokyo Stock Exchange and has registered him at the Exchange. 3. In accordance with the provisions of the Articles of Incorporation, the Company has entered into an agreement with Mr. Yoshitsugu Asai to limit his liability for damages, as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the amount set forth by laws and regulations. The Company will continue said agreement with Mr. Yoshitsugu Asai if he is elected. 4. The Company shall enter into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company. The contract will cover damages that may arise due to the insureds assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Mr. Yoshitsugu Asai is elected, he will be included as an insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same contents at the next renewal. 5. The number of shares of the Company held by the candidate for Director shows the effective number of shares held as of March 31, 2023, including shares held in the officers' shareholding association of the Company. <p>To our shareholders Recruiting and developing human resources and building a team that can create new value is a key strategy in our medium-to long-term plans. To secure human resources, it is important that we make use of the Group's global network, in recruitment as well as M&As. To achieve this, we have already started to work on establishing an appealing workplace environment, including the promotion of health and productivity management. I will make further efforts to substantially enhance corporate value by providing full support for the challenges taken on by the management executives.</p>	10,935 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	 Yuko Shirai (Female) February 11, 1954 (69 years old) [Reappointment] [Outside] [Independent] The term of office as Director 2 years (at the conclusion of this Annual General Meeting of Shareholders) Attendance at meetings of Board of Directors 100% (13/13) Attendance at meetings of Nominating/Compensation Committee 100% (8/8) Attendance at meetings of Internal Control Committee 100% (5/5) Attendance at meetings of Sustainability/CSR Committee 100% (5/5)	April 1986 Registered as an attorney-at-law (member of Tokyo Bar Association) April 1991 Established Wing Law Office, Partner April 2004 Director, Kanto Federation of Bar Associations April 2005 Expert Committee Member and Conciliation Committee Member, Tokyo District Court May 2009 Chair, Shinjuku Ward Board of Education April 2010 Auditor, Japan Federation of Bar Associations April 2011 Auditor, Japan Intellectual Property Arbitration Center April 2012 Vice-President, Tokyo Bar Association October 2013 Chair, Shinjuku Ward Board of Education June 2015 Outside Director, Seika Corporation (current position) April 2016 Audit Commissioner, Shinjuku Ward, Tokyo (current position) June 2021 Independent Director of the Company (current position) [Significant concurrent positions] Attorney-at-law Audit Commissioner, Shinjuku Ward, Tokyo Outside Director, Seika Corporation	3,173 shares
		[Reason for nomination as candidate for Outside Director and expected roles] Ms. Yuko Shirai has abundant experience and broad knowledge in corporate legal affairs as an attorney-at-law. As an Outside Director, she has actively made statements to enhance the transparency and fairness of the management of the Company in the Board of Directors, and has also appropriately supervised its management with independence, from an objective perspective based on the entire corporate community, including laws and regulations. In order for Ms. Yuko Shirai to engage in the supervision of management to realize the sustainable enhancement of corporate value of the Company, we propose her continued appointment as Director.	
		[Other items of note regarding the candidates for Director] 1. No special interest exists between the Company and Ms. Yuko Shirai 2. Ms. Yuko Shirai is a candidate for Outside Director. In addition, the Company has designated her as an Independent Officer provided for by the Tokyo Stock Exchange and has registered her at the Exchange. 3. Ms. Yuko Shirai currently holds office as an Outside Director of Seika Corporation. Although the Company has transactions with Seika Corporation, the amount of such transactions comprises less than 2% of the annual consolidated total sales for the latest fiscal year or as an average of the last three (3) fiscal years of Seika Corporation, and she satisfies the independence criteria for Outside Directors set forth by the Company. 4. In accordance with the provisions of the Articles of Incorporation, the Company has entered into an agreement with Ms. Yuko Shirai to limit her liability for damages, as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the amount set forth by laws and regulations. The Company will continue said agreement with Ms. Yuko Shirai if she is elected. 5. The Company shall enter into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company. The contract will cover damages that may arise due to the insureds assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Ms. Yuko Shirai is elected, she will be included as an insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same contents at the next renewal. 6. The number of shares of the Company held by the candidate for Director shows the effective number of shares held as of March 31, 2023, including shares held in the officers' shareholding association of the Company.	
		To our shareholders In recent years, corporate management has been called on to make transparent, fair, prompt, and bold decisions that focus not only on financial aspects, but also on non-financial aspects such as the environment and human rights, in order to enhance corporate value and achieve sustainable growth. I will strive to fulfill my mission as an outside director in a flexible and speedy manner by improving the Company's governance even further, to meet the expectations of all stakeholders, including shareholders, customers, employees, business partners, and local communities.	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	 <p>Makoto Shimamoto (Male) August 19, 1960 (62 years old)</p> <p>[New appointment] [Outside] [Independent]</p> <p>Attendance at meetings of Board of Directors -% (-/-)</p>	<p>April 1983 Joined Yamaha Motor Co., Ltd.</p> <p>January 2007 General Manager of Engine Designing Division, Product Development Section, MC*¹ Business Operations of Yamaha Motor Co., Ltd.</p> <p>January 2010 Senior General Manager of Cost Innovation Section, Procurement Center of Yamaha Motor Co., Ltd.</p> <p>January 2012 Director and President of Yamaha Motor Asian Center Co., Ltd.</p> <p>January 2014 Senior General Manager of PF Model Development Section, PF*² Model Unit of Yamaha Motor Co., Ltd.</p> <p>March 2014 Executive Officer of Yamaha Motor Co., Ltd.</p> <p>January 2015 Chief General Manager of PF Model Unit and Senior General Manager of PF Model Development Section, PF*² Model Unit of Yamaha Motor Co., Ltd.</p> <p>March 2015 Senior Executive Officer of Yamaha Motor Co., Ltd.</p> <p>January 2017 Chief General Manager of Technology Center and Chief General Manager of PF Model Unit of Yamaha Motor Co., Ltd.</p> <p>March 2017 Senior Executive Officer and Director of Yamaha Motor Co., Ltd.</p> <p>January 2018 Chief General Manager of Mobility Technology Center of Yamaha Motor Co., Ltd.</p> <p>January 2020 Chief General Manager of Mobility Technology Center and Chief General Manager of Advanced Technology Center of Yamaha Motor Co., Ltd.</p> <p>January 2021 Technical Advisor of Yamaha Motor Co., Ltd.</p> <p>March 2022 Advisor of Yamaha Motor Co., Ltd. (current position)</p> <p>*1 MC: Motorcycle *2 PF: Platform</p> <p>[Significant concurrent positions] Advisor of Yamaha Motor Co., Ltd.</p>	- shares
<p>[Reason for nomination as candidate for Outside Director and expected roles] Mr. Makoto Shimamoto has accumulated broad knowledge in the engineering division of a compact car manufacturer and possesses a broad range of insights, including engagement in the management of an overseas subsidiary, which will help to strengthen the governance function of the Board of Directors of the Company. It is also determined that he will be able to supervise our operations appropriately in the diversification of our business foundations through development of new business. In order for Mr. Makoto Shimamoto to engage in the supervision of management to realize the sustainable enhancement of corporate value of the Company, we propose his appointment as Director.</p>			
<p>[Other items of note regarding the candidates for Director]</p> <ol style="list-style-type: none"> 1. No special interest exists between the Company and Mr. Makoto Shimamoto. 2. Mr. Makoto Shimamoto is a candidate for Outside Director. In addition, the Company plans to designate him as an Independent Officer provided for by the Tokyo Stock Exchange and to register him at the Exchange. 3. In accordance with the provisions of the Articles of Incorporation, the Company plans to enter into an agreement with Mr. Makoto Shimamoto to limit his liability for damages, as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the amount set forth by laws and regulations. 4. The Company shall enter into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company. The contract will cover damages that may arise due to the insureds assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Mr. Makoto Shimamoto is elected, he will be included as an insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same contents at the next renewal. 			
<p>To our shareholders The social and economic stagnation caused by the COVID-19 pandemic is coming to an end on a global scale, and a wave of even greater change will soon be upon us. To successfully ride this wave and take on challenges toward growth, we must enhance our core technologies and manufacturing capabilities at a speed that outpaces social change. I will do my utmost to create a growth scenario that exceeds shareholders' expectations by making use of my experience to date.</p>			

(Reference) Approach to Corporate Governance



(Reference) Independence Criteria for Outside Directors

The Company has set forth election criteria and election procedures for Directors, in addition to assessment criteria relating to the independence of Outside Directors as follows.

1. Election Criteria and Election Procedures for Directors

When electing internal Directors, they must be persons with the necessary specialist knowledge and management skills for business execution, and be able to make judgments based on objective thinking and from a broad perspective without bias toward favored areas and certain departments, and a comprehensive evaluation shall also be made of such factors as the person's self-awareness, personal qualities, sense of ethics, proactive approach to identifying issues, and problem solving ability as a leader in the Company, in accordance with the Company's management philosophy, the "ANEST IWATA Corporate Philosophy."

When electing Outside Directors, the balance of knowledge, experience, and ability of the Board of Directors as a whole, and the appropriate perspective of stakeholders in relation to the business activities of the Company shall be considered, as a comprehensive assessment is made that takes into account the diversity, etc. of the person's specialist areas and origins, etc., in addition to his or her independence from the Company.

Proposals for the election of Directors submitted to the General Meeting of Shareholders shall be made by resolution of the Board of Directors, following the deliberations of the Nominating/Compensation Committee, the Chairperson of which shall be an Independent Outside Director (in the case of the election of Directors who are Audit & Supervisory Committee Members, the Audit & Supervisory Committee shall give its prior consent).

2. Independence Criteria for Outside Directors

(1) Independent Directors must not be a person falling under any of the following items:

- a) A person who is or was a business executor (an Executive Director or an employee) of the Company or any of its subsidiaries;
- b) A party whose major business partner is the Company or its subsidiaries (a party who has carried out transactions with the Company for an amount of 2% or more of the annual consolidated total sales for the latest fiscal year or as an average of the last three (3) fiscal years of that party), or a person who is or was a business executor thereof;
- c) A major business partner of the Company or its subsidiaries (a party who has carried out transactions with the Company for an amount of 2% or more of the annual consolidated total sales for the latest fiscal year of the Company or as an average of the past three (3) fiscal years), or a person who is or was a business executor thereof;
- d) A consultant or specialist in accounting or law who has received a large amount of money or other assets (an amount of money or other property exceeding an average of 10 million yen per year for the latest fiscal year or as an average of the last three (3) fiscal years, or an amount of 2% or more of the annual consolidated total sales), excluding remuneration for officers, from an employee of the Company or any of its subsidiaries (in the case of a corporation or other group, a person who belongs or has belonged to the group);
- e) A major shareholder of the Company (a shareholder whose ratio of voting rights is 10% or more) (in the case of a corporation, a person who is or was a business executor of the corporation);
- f) A person who is a close relative (a relative within the second degree of relationship or a relative living together) of the persons listed in any of the a) through e) above;
- g) A person from a company, its parent company or subsidiary where there is a Director who is also an employee of the Company or any of its subsidiaries.

The past tense used in items a) through d) refers to the past as defined in the independence criteria of the Exchange.

(2) Independent Directors shall not be persons for who pose a risk of a conflict of interests, even for reasons other than those prescribed in paragraph 1 above.

(3) Even if a person falls under the categories in paragraph 1 or 2 above, if he or she is considered suitable as an Independent Director of the Company in view of his or her character, insight, and other factors, he or she may become an Independent Director, subject to the Company providing an explanation to external parties concerning the reasons he or she is considered suitable as an Independent Director.

- (4) Outside Directors and Outside Directors who are Audit & Supervisory Committee Members who have been in office for ten years or more shall not be reappointed, to maintain their independence. However, if the Nominating/Compensation Committee submit a special report against the said measure depending on the circumstances, the Board of Directors may deliberate and resolve the matter.

Anest Iwata from the views of Independent Directors

<p>Yoshitsugu Asai</p> <p>The underlying factors behind our performance in the last fiscal year include the Company's extremely appropriate response to risks such as the COVID-19 pandemic and the trust that ANEST Iwata has built up in the market. The Company has an overwhelming share of the coating equipment market and has made steady progress in developing new markets with air compressors and other products. Not resting on their laurels, the executive management of the Company is constantly striving to take on challenges in new areas with the lofty ambition of overwhelmingly enhancing and maximizing its technology capabilities, and I am confident that this will lead to the steady enhancement of corporate value.</p>	<p>Yuko Shirai</p> <p>As evidenced by its prompt action in establishing a risk management committee in response to the COVID-19 pandemic and building a framework for responding to customers' requests, the Company's strengths include its emphasis on business operations from the customers' viewpoint, and the pride that all employees, from the President down, take in the manufacturing industry. One could describe that customers' viewpoint and pride in the manufacturing industry as assets that enable us to respond swiftly to the demands of a dramatically changing corporate and social environment. Let's devote our corporate efforts to fostering greater understanding of that earnest and innovative corporate culture ("Makoto no Kokoro" (Trustworthy & Sincere)) and all work together to take another leap forward!</p>	<p>Kyosuke Oshima</p> <p>Under new president Mr. Fukase, who took office last April, the Company again achieved record sales and profits in the current fiscal year, the first year of the new Medium-term Management Plan, repeating its feat of the previous fiscal year. In particular, the introduction of new products boosted the growth of overseas markets, including customer expansion in Europe and market expansion in India. The "expansion of overseas markets" and "implementation of new business areas," which are stated in the Medium-term Management Plan, are being accelerated. The shareholder return plan, such as purchasing treasury shares at the end of the previous fiscal year and increasing dividends for the second consecutive year, are also being steadily implemented. I look forward to watching the Company grow even further as a strong, right, and good company that customers, employees, and shareholders will be able to count on more and more.</p>
<p>Kazumichi Matsuki</p> <p>Economic recovery after the COVID-19 pandemic has come to a sudden stop, and a sense of slowdown is emerging in overseas markets targeted in the Medium-term Management Plan. Even in such a tumultuous environment, my sense is that the Company is moving toward the enhancement of medium- to long-term corporate value while demonstrating our ability to respond to changes by "thinking outside the box." That ability is based on a sense of unity in moving toward its goals fostered through company-wide planning and the development of the Medium-term Management Plan. As an outside director, I will work together with management executives in an appropriate manner and demonstrate my supervisory function as proactive governance</p>	<p>Reiko Ohashi</p> <p>This fiscal year is the first year of the new Medium-term Management Plan, which we have positioned as the first step in "VISION2030: Add color to the world and bring about an enriched society with fluid and air technologies." We have taken a multifaceted approach to achieving this goal. I feel that the Company is made stronger by the deep discussions we hold regarding the challenges and solutions to these approaches from various angles. I look forward to watching the Company grow as it aims to become a "True World-class Company."</p>	

Proposal No. 4: Revision to the Amount of Compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

Compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members; and the same shall apply hereinafter in this paragraph) not exceeding ¥200 million per annum was approved at the 70th Annual General Meeting of Shareholders held on June 28, 2016, and it remains so to this day.

As the economic and business environment has changed in recent years, it has become more difficult for the Company to manage its business in response to these changes. Under these circumstances, in order to further enhance business performance and strengthen corporate governance, it is important to ensure competitive compensation levels for directors (including outside directors) to secure diverse and talented human resources. Given that the number of Directors has increased compared with that at the time of the 70th Annual General Meeting of Shareholders, in this proposal, the Company seeks approval to increase annual compensation for Directors, including Directors' bonuses, to no more than ¥300 million (although the figure of no more than ¥40 million for Outside Directors will remain unchanged) (excluding performance-linked stock compensation resolved at the 73th Annual General Meeting of Shareholders held on June 25, 2019). As this proposal concerns the revision to the upper limit of compensation, etc., there will be no change to the policy on determining compensation for Directors. A summary of this policy is provided on page 47 of the Business Report (Japanese only). This proposal has been determined after deliberation by the Board of Directors, taking into comprehensive consideration the size of the Company's business, the structure and pay levels of compensation for officers, the current number of officers, and future trends, including the increase in the performance-linked ratio, and it is consistent with the policy on determining compensation for Directors. For these reasons, the Company believes this proposal is appropriate. As in the past, compensation for Directors shall not include the employee portion of salaries and bonuses of those Directors currently serving as employees. The number of Directors is currently seven (7) (including three (3) Outside Directors) and it will be seven (7) (including three (3) Outside Directors) if Proposal 3 is approved as originally proposed. (The number will be unchanged)

Reference: The number of Directors after the 70th Annual General Meeting of Shareholders held on June 28, 2016 was five (5) (including one (1) Outside Director) .

Proposal No. 5: Continuation of the Policy against Large-Scale Purchases of the Company's Shares (Takeover Defense Measures)

Based on the resolution of the Board of Directors on May 10, 2022 and approval at the 76th Annual General Meeting of Shareholders on June 24, 2022, the Company renewed its policy against purchases of the Company's shares, etc. for the purpose of making the ratio of voting rights held by a specific shareholder group 20% or more, or acts of purchasing the Company's shares, etc. which subsequently make the ratio of voting rights held by a specific shareholder group 20% or more (in either case, except for purchases which have been approved by the Board of Directors of the Company in advance; hereinafter the policy referred to as the "Policy"). The effective period of the Policy shall expire at the conclusion of the Annual General Meeting of Shareholders to be held on June 23, 2023 (hereinafter "this Annual General Meeting of Shareholders"). Accordingly, in Proposal No. 5, the Company requests to approve the continuation of the Policy from the conclusion of this Annual General Meeting of Shareholders until the conclusion of the next Annual General Meeting of Shareholders.

Furthermore, the Board of Directors of the Company has brought the continuation of the Policy as Proposal No. 5 at this Annual General Meeting of Shareholders, and thus the continuation of the Policy is subject to the approval of shareholders. In the event that the approval of shareholders regarding the continuation of the Policy is not granted at this Annual General Meeting of Shareholders, the Policy shall be abolished at that time.

There are no changes to the basic content of the Policy upon this continuation.

The content of the Policy is described in "The Policy against Large-Scale Purchases of the Company's Shares (Takeover Defense Measures)."

The Audit & Supervisory Committee has given its approval to this continuation, under the condition that the specific operation of the Policy is properly executed.

As of the date of this notice, the Company has not received any approach or proposal, etc. regarding a large-scale purchase of the Company's shares.

The Policy against Large-Scale Purchases of the Company's Shares (Takeover Defense Measures)

Effective May 15, 2007

Revised May 9, 2023

1. Measures for the Security and Enhancement of the Company's Corporate Value and Common Interests of its Shareholders

Since its founding in 1926, the Company has always "taken the customer's standpoint and delivered products and services with trustworthiness and sincerity," under our corporate motto of "Trustworthy & Sincere (*Makotono Kokoro*)."

The Company has striven for quality improvement and technological innovation, and, with the support of our customers, has grown into a company that aims to be the leading global specialist manufacturer of coating equipment, coating systems, air compressors, and vacuum equipment. This is all thanks to the support of our shareholders.

To become a 100-year company, the Group has set forth the below Group Management Vision as its medium- to long-term management strategy: i) become a development-oriented company full of vigor and novelty that is capable of providing high-performance, high-quality products and services in a sincere manner from the customer's point of view; ii) shift from enhancement-based product development focused on cost cutting and internal core technologies to become a flexible company that collaborates with many different businesses based on an accurate understanding of market needs; and iii) aim to become a "True World-Class Company" where all employees of the Group work as one in order to maximize customer satisfaction and constantly create innovative technologies and products for achieving the world's No. 1 position. In addition to the quality improvement and technological innovation with the aim of realization of our corporate motto, we also believe that expanding the scale of business and contributing to society will enhance the Company's corporate value over the long-term, and contribute to the protection and enhancement of the common interests of its shareholders.

2. Objectives of the Policy and Basic Approach

The Board of Directors of the Company recognizes as a listed company that the Company's shares are freely traded, and that even so-called "hostile takeovers" conducted without the consent of the Board of Directors of the Company should not be denied unconditionally if such actions benefit the corporate value and common interests of shareholders. We believe that the acceptance or denial of a large-scale purchase

proposed by a specific party should ultimately be decided by shareholders who hold the Company's shares.

However, among large-scale purchases of shares, there are many that violate the protection and enhancement of the corporate value of the target company and the common interests of its shareholders. Examples of such large-scale purchase of shares include those whose purpose of the purchase deemed significantly detrimental to the corporate value of the target company and the common interests of its shareholders, those that force shareholders to sell their shares in effect, those that do not provide sufficient time or information for the board of directors or the shareholders of the target company to deliberate their purpose of the purchase or for the board of directors to prepare an alternate proposal, those that require the target company to negotiate with the purchaser in order for the target company to attain more favorable terms than the conditions presented by the purchaser. Therefore, the Board of Directors of the Company introduced rules regarding large-scale purchases (hereinafter referred to as the "Large-Scale Purchase Rules") in order to protect the corporate value of the Company and the common interests of its shareholders, and provides its shareholders time to make an appropriate judgment regarding whether to accept the purchase.

At present, the Company is not aware of any specific large-scale purchase of the Company's shares.

3. Large-Scale Purchase Rules

Large-Scale Purchase Rules defines that a large scale purchase of the Company's shares are implemented only when i) the purchaser provides the Board of Directors of the Company necessary and adequate information in advance and then ii) a sufficient time is provided for the Board of Directors to examine and evaluate the large-scale purchase according to the information provided by the purchaser, or if a General Meeting is held, a sufficient time is provided for its shareholders to determine whether to implement a countermeasure against the purchase.

The overview of the Large-Scale Purchase Rules is described below.

(1) The large-scale purchase that falls under this rule

The Policy is applied when a purchase of the Company's shares or a similar action falls under the following 1) and 2) (except actions approved by the Board of Directors of the Company) (hereinafter referred to as the "Action of Large-Scale Purchase"). Persons attempting to conduct a large-scale purchase (hereinafter referred to as the "Large-Scale Purchaser") must follow the procedures set forth in the Policy in advance.

- 1) As for the share certificates, etc. issued by the Company (Note 1), purchases where the holder's (Note 2) ownership ratio of shares, etc. (Note 3), will be 20% or more.
- 2) As for the share certificates, etc. issued by the Company (Note 4), tender offers (Note 5) where the total ownership ratio of share certificates, etc. (Note 6), relating to the tender offer and that of any specially related parties (Note 7) will be 20% or more.

Note 1: Refers to shares certificates, etc., provided for in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

Note 2: Refers to a holder provided for in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including parties deemed to be holders pursuant to Article 27-23, Paragraph 3 of the Act, and the same shall apply hereinafter.

Note 3: Refers to the ownership ratio of share certificates, etc., provided for in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act, and the same shall apply hereinafter.

Note 4: Refers to share certificates, etc., provided for in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act, and the same shall apply hereinafter in 2).

Note 5: As provided for in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act, and the same shall apply hereinafter.

Note 6: Refers to the ownership ratio of share certificates, etc., held provided for in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act, and the same shall apply hereinafter.

Note 7: Refers to specially related parties provided for in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act. However, with regard to persons specified in Item (i) of the same, this excludes persons set forth in Article 3, Paragraph 2 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc., by Person Other than Issuer, and the same shall apply hereinafter.

(2) Provision of Information of the Large-Scale Purchase

The Large-Scale Purchaser who intends to conduct the Action of Large-Scale Purchase should submit ahead of the Action of Large-Scale Purchase to the Board of Directors "a statement of intent" stating pledging compliance with the Large-Scale Purchase Rules. Such statement of intent should clearly include

the name of the Large-Scale Purchaser, the address, governing law over incorporation, the names of representatives, contact details in Japan, and an outline of the proposed Action of Large-Scale Purchase. The Large-Scale Purchaser should submit necessary and adequate information (hereinafter referred to as the “Necessary Information”) in order for our shareholders to make judgments and for the Board of Directors to form an opinion. Within 10 working days of receipt of the statement of intent, the Board of Directors will provide the Large-Scale Purchaser with a list of Necessary Information to be submitted at first by the Large-Scale Purchaser. The Board of Directors requests the submission of additional information from the Large-Scale Purchaser until the Necessary Information is complete when the Board of Directors judged after careful examination that the initially provided information is not sufficient. The specific content to be included in the Necessary Information will differ depending on the characteristics of the Large-Scale Purchaser and the details of the Action of Large-Scale Purchase but in general the content includes followings.

- 1) Summary of the Large-Scale Purchaser and the group (including joint holders, specially related parties, and (in the case of funds) partners and other constituent members) (including information related to the Large-Scale Purchaser’s business, capital structure, experience in business that are similar to the Company’s and our group’s operations, etc.)
- 2) Objectives and details of the Action of Large-Scale Purchase (including the amount and type of consideration for the purchase, etc., timing of the purchase, etc., structure of related transactions, legality of the method of purchase, etc., and feasibility of the purchase, etc., and related transactions)
- 3) Basis for calculating the amount of consideration for acquisition of the Company’s shares and proof of the Company’s share acquisition funds (including the specific names of providers of funds (including substantial providers), method of raising funds, and details of related transactions)
- 4) Candidates for management (including information related to experience in businesses of the same type as those of the Company and our group, etc.), management policies, management philosophy, business plans, financial plans, capital policies, dividend policies, asset utilization policies, etc., expected after participating in the management of the Company and our group
- 5) Whether any changes will be made to the relationship between our stakeholders such as business partners, customers or employees, etc., and the Company and our group after completion of the Action of Large-Scale Purchase and the details thereof
- 6) Other information the Board of Directors or the Independent Committee (please refer to 4. “Establishment of an Independent Committee” below, Appendix 2 “Overview of the Independent Committee Regulations,” and (Note 8)) deems reasonably necessary for evaluating the validity and legality, etc., of the Action of Large-Scale Purchase.

Note 8: As a third-party body independent from the Board of Directors, the Independent Committee shall engage in supervision to ensure the Policy is not used for Directors’ own interests, and shall work to prevent purchases that violate the protection and enhancement of corporate value and the common interests of its shareholders. In order to make fair and reasonable judgment, the Independent Committee comprises three or more members appointed from Outside Directors, attorneys-at-law, certified public accountants, academic experts, persons who are well-versed in investment banking, corporate managers with proven track records or other similar persons, who are independent from the management team that engages in the business execution of the Company, and do not have any special interests with the Company or the Board of Directors. Furthermore, the names and career summary of Independent Committee Members as of the continuation of the Policy are as described in Appendix 3 “Names, Career Summary and Positions of Independent Committee Members” below.

From the perspective of the prompt implementation of the Large-Scale Purchase Rules, the Board of Directors may set a deadline for the submission of information by the Large-Scale Purchaser. However, this deadline may be extended if there is a request for extension from the Large-Scale Purchaser based on reasonable cause.

Furthermore, if it is recognized that the fact a proposal for the Action of Large-Scale Purchase and the Necessary Information are submitted to the Board of Directors is necessary for shareholders’ judgment, the Board of Directors discloses this information in full or in part at a time judged appropriate.

(3) The Board of Directors’ Evaluation Period

The Board of Directors believes that a period of 60 days (if purchasing all of the Company’s shares through a tender offer in exchange for cash (yen) only) or 90 days (if some other Action of Large-Scale Purchase) should be granted as a period during which the Board of Directors conduct evaluations,

investigations, negotiations, form opinions as the Board of Directors, and formulate alternative plans as the Board of Directors (hereinafter referred to as the “Board of Directors’ Evaluation Period”), reckoned from the completion of the provision of Necessary Information by the Large-Scale Purchaser to the Board of Directors, in accordance to the level of difficulty of evaluating the Action of Large-Scale Purchase, etc., During the Board of Directors’ Evaluation Period, the Board of Directors shall adequately evaluate and investigate Necessary Information provided while also consulting the Independent Committee and receiving advice from outside experts, etc., as necessary, and shall respect the recommendations of the Independent Committee to the maximum extent and carefully compile and disclose their opinion as the Board of Directors. Furthermore, as necessary, the Board of Directors may negotiate improvement of conditions related to the Action of Large-Scale Purchase with the Large-Scale Purchaser and present alternative proposals to our shareholders as the Board of Directors. Furthermore, if submission of the Necessary Information is completed, the Board of Directors of the Company shall promptly disclose that fact together with the date the Board of Directors’ Evaluation Period will end.

4. Establishment of the Independent Committee

Under the Policy, in order to ensure objectivity, fairness and rationality in examining and evaluating matters such as the range of information that the Large-Scale Purchaser should provide to the Board of Directors, whether or not the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules, whether or not the Action of Large-Scale Purchase violates the protection and enhancement of corporate value and common interests of shareholders, and whether or not to take countermeasures, the Company established an Independent Committee as an organization independent from the Board of Directors. The Board of Directors must consult with this Independent Committee, and the Independent Committee shall issue a recommendation regarding matters about which it has been consulted. In order to increase the rationality and objectivity of its judgments, the Independent Committee may obtain, at the Company’s expense, the advice of third parties independent from the management team of the Company, as necessary (including financial advisers, attorneys-at-law, certified public accountants, consultants and other experts). In addition, the Independent Committee shall request that the Directors of the Company, Directors who are Audit & Supervisory Committee Members, employees, etc. attend the meetings of Independent Committee and provide explanations concerning necessary information, while also deliberating and resolving matters on which it has been consulted by the Board of Directors, and providing a recommendation to the Board of Directors based on the content of those resolutions. These recommendations shall be publicly disclosed.

The Board of Directors shall respect the recommendation of the Independent Committee to the maximum extent, and promptly make a resolution regarding whether to invoke countermeasures.

When making a decision, the Board of Directors shall respect the recommendation of the Independent Committee to the maximum extent possible, and must also follow this procedure of receiving a recommendation from the Independent Committee, and therefore the Company positions this as a method that will function to ensure the objectivity, fairness, and rationality of the judgment of the Board of Directors.

The Company plans to appoint a total of six (6) persons as members of the Independent Committee, Mr. Yoshitsugu Asai, Ms. Yuko Shirai, Messrs. Kyosuke Oshima and Kazumichi Matsuki, Ms. Reiko Ohashi, and Mr. Makoto Shimamoto. The overview of the rules of the Independent Committee is provided in Appendix 2 “Overview of the Independent Committee Regulations,” and the career summary and positions of each member are given in Appendix 3 “Names, Career Summary and Positions of Independent Committee Members.”

5. The Policy If Action of Large-Scale Purchase Take Place

(1) In the Event the Large-Scale Purchaser Does Not Comply with Large-Scale Purchase Rules

In the event the Large-Scale Purchaser does not comply with Large-Scale Purchase Rules, regardless of its purchase method, the Board of Directors may oppose such Action of Large-Scale Purchase by taking countermeasures approved by the Companies Act of Japan and other laws such as the issuing of stock acquisition rights, with the aim of protection and enhancement of the Company’s corporate value and common interests of its shareholders. The Board of Directors shall determine whether the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules, and whether or not to invoke countermeasures, while receiving advice from outside experts, etc. and respecting the recommendations of the Independent Committee as much as possible.

(2) If the Large-Scale Purchaser Has Complied with Large-Scale Purchase Rules

Countermeasures shall not be taken with regards to such Action of Large-Scale Purchase if the Large-Scale Purchaser has complied with Large-scale Purchasing Rules, and even if the Board of Directors

is opposed to the Action of Large-Scale Purchase, it shall only persuade shareholders by expressing its opposing opinion regarding the purchase proposal and presenting an alternate proposal. Whether to accept the Large-Scale Purchaser's purchase proposal should be decided by our shareholders after considering opinions and alternative proposals, etc., regarding the purchase proposal by the Purchaser and purchase proposals made by the Company.

However, even if the Large-Scale Purchase Rules have been complied with, if evaluations by the Board of Directors conclude that such Action of Large-Scale Purchase significantly damage the Company's corporate value and common interests of shareholders, for example, the Action of Large-Scale Purchase falls under any of the categories 1 to 8 below, and as a result it will damage the Company in a way that will be difficult to recover from, the Board of Directors may as an exception, and within a necessary and appropriate range, take countermeasures in order to protect and enhance corporate value and common interests of shareholders after receiving advice from outside experts, etc. and given maximum respect to the recommendations of the Independent Committee. It will also receive approval at a General Meeting of Shareholders as necessary.

- 1) A purchase of the Company's shares whose objective is deemed to increase the share price and force parties related to the Company to purchase those shares at a high price, despite not truly having any intention to participate in the management of the Company (cases judged to be so-called green-mailing)
- 2) When purchasing the Company's shares for the purpose of temporarily controlling the management of the Company to engage in so-called scorched-earth management, such as forcing the transfer to the Large-Scale Purchaser or its group companies, etc., of intellectual property necessary for the management of the Company's businesses, know-how, confidential corporate information, or main trading partners and customers, etc.
- 3) When deemed purchasing the Company's shares for the purpose of diverting the Company's assets as security or funds for repayment of the buyer's or their group companies' debts after controlling the management of the Company
- 4) When purchasing shares for the purpose of temporarily controlling the management of the Company to sell or otherwise dispose of high value assets such as real estate, securities, etc., not related to the businesses of the Company for now and for the foreseeable future, and using the profits from such disposal to pay a temporarily high dividend, or for the purpose of using the opportunity of the rapid rise in share value resulting from the temporarily high dividend to sell the Company's shares at a high price
- 5) When deemed to be conducting a purchase that may effectively force our shareholders to dispose of the Company's shares such as coercive two-stage acquisition (a purchase method for the Company's shares presented by the Large-Scale Purchaser that sets less favorable purchasing conditions during the second stage than the initial purchase, or in which share purchasing is conducted as a tender offer, etc., without clarifying purchasing conditions of the second stage)
- 6) Cases when it is judged that as a result of the Large-Scale Purchaser acquiring control, the interests of stakeholders such as employees, customers, or business partners, etc., will be harmed, and as a result, the Company's corporate value and common interests of its shareholders will be significantly harmed
- 7) Cases when it is judged that the purchase terms for the Company's shares presented by the Large-Scale Purchaser are highly insufficient or inappropriate in view of the corporate value of the Company (including the amount and type of consideration, the timing of the purchase, etc., the legality of the purchase method, and policies with regard to the treatment of stakeholders such as employees, customers, or business partners, etc., of the Company after the purchase, etc.)
- 8) Cases when it is judged with reasonable basis that the Large-Scale Purchaser is unsuitable as a controlling shareholder of the Company, from the perspective of public order or good morals.

(3) Resolution of the Board of Directors and Holding of the General Meeting of Shareholders

When judging the appropriateness of activating countermeasures as described in items (1) and (2) above, the Board of Directors shall make a resolution regarding whether to invoke countermeasures, etc., as an organization under the Companies Act, while respecting the recommendation of the Independent Committee to the maximum extent, and after sufficiently considering the necessity and appropriateness, etc., of countermeasures.

Regarding the specific method to implement, the Board of Directors shall choose the method that is judged the most appropriate at that time. As an example of a specific countermeasure, an overview of a case when the Board of Directors conducts an allotment of stock acquisition rights without contribution is given in Appendix 1, but in the event that an allotment of stock acquisition rights without contribution is

actually conducted, an exercise period or other exercise conditions may be determined in view of its effect as a countermeasure, such as exercise condition of stock acquisition rights where the shareholder does not belong to a specific shareholder group with a ratio of voting rights above a certain level.

In addition, if the Independent Committee makes a recommendation regarding the activation of countermeasures and requests a holding of a General Meeting of Shareholders regarding a resolution for the invocation, the Board of Directors may establish a period of up to 60 days for shareholders to sufficiently consider whether to approve the invocation of countermeasures under the Policy (hereinafter, the “Shareholder Consideration Period”), and may hold a General Meeting of Shareholders during this Shareholder Consideration Period.

If the Board of Directors resolves to hold a General Meeting of Shareholders and determine a record date, the Board of Directors’ Evaluation Period shall end on that day, and the procedure shall immediately move to the Shareholder Consideration Period.

When holding such a General Meeting of Shareholders, the Board of Directors shall disclose shareholders the Necessary Information provided by the Large-Scale Purchaser, the opinion of the Board of Directors regarding the Necessary Information, alternative proposal by the Board of Directors, and documents describing any other matters judged appropriate by the Board of Directors, together with the Notice of the General Meeting of Shareholders, and shall make timely, appropriate disclosure thereof.

If a resolution is made at a General Meeting of Shareholders regarding whether to invoke countermeasures, the Board of Directors shall comply with that resolution. If the General Meeting of Shareholders resolves to reject the activation of countermeasures, the Board of Directors shall not invoke countermeasures.

In addition, the Shareholder Consideration Period shall end at the conclusion of the General Meeting of Shareholders, and the Company shall make timely, appropriate disclosure of the results of the General Meeting of Shareholders after the resolution.

(4) Waiting Period for Action of Large-Scale Purchase

If there is no Shareholder Consideration Period, the period from when the letter of intent described in the above 3. (2) “Provision of Information of the Large-Scale Purchase” is submitted to the Board of Directors until the end of the Board of Directors’ Evaluation Period, shall be the Waiting Period for Action of Large-Scale Purchase, or if there is a Shareholder Consideration Period, this shall be the combined period until the end of the Board of Directors’ Evaluation Period and the Shareholder Consideration Period. The Action of Large-Scale Purchase may not be conducted during the Waiting Period for Action of Large-Scale Purchase.

Therefore, the Action of Large-Scale Purchase may only be commenced after the end of the Waiting Period for Action of Large-Scale Purchase.

6. Impact on Shareholders and Investors, etc.

(1) Impact, etc. of Large-Scale Purchase Rules on Shareholders and Investors

Large-Scale Purchase Rules aim to provide our shareholders information necessary for them to make judgments on whether to accept Action of Large-Scale Purchase and the opinion of the Board of Directors currently responsible for managing the Company, and to secure opportunities for our shareholders to be informed of alternative proposals. We believe that as a result, our shareholders will be able to make appropriate judgments regarding whether to accept Action of Large-Scale Purchase based on sufficient information, which will lead to protection and enhancement of the Company’s corporate value and common interests of shareholders. Consequently, the establishment of Large-Scale Purchase Rules is a prerequisite for our shareholders and investors to make appropriate investment decisions, and is thought to contribute to the interests of our shareholders and investors.

As stated in 5. “The Policy If Action of Large-Scale Purchase Take Place” above, our policy against Action of Large-Scale Purchase differ dependent on whether the Large-Scale Purchaser has complied with Large-Scale Purchase Rules, and we ask for our shareholders and investors to pay careful attention to the movements of Large-Scale Purchasers.

(2) Impact, etc. of Invocation of Countermeasures on Shareholders and Investors

The Board of Directors may take countermeasures with the aim of protecting corporate value and common interests of shareholders, but if the Board of Directors has decided to take specific countermeasures, appropriate disclosure should take place in a timely manner in accordance with stock exchange regulations and other laws and regulations. Given the structure of such countermeasures, the Company does not expect situations to arise in which its shareholders suffer from any losses economically

or in terms of their legal rights (the shareholders exclude Large-Scale Purchaser who has violated Large-Scale Purchase Rules and Large-Scale Purchaser who conducts Action of Large-Scale Purchase deemed significantly damaging the Company's corporate value and common interests of shareholders).

Of the conceivable countermeasures, if stock acquisition rights are issued, it may be necessary to pay a certain amount within a specific period to exercise the stock acquisition rights. If the Board of Directors of the Company decides to acquire the stock acquisition rights, the Company will provide new shares to its shareholders as consideration for the stock acquisition rights without monetary payment. Specific details of such procedures shall be announced separately pursuant to laws and regulations when an issue of stock acquisition rights is decided. However, shareholders whose registration or recording in the shareholder register is incomplete (so-called entry of name change) must complete their registration or recording in the shareholder register by the record date of the stock acquisition rights separately determined and announced by the Board of Directors, in order to acquire the stock acquisition rights (entry of name change procedures is not necessary for shares deposited with the Japan Securities Depository Center).

However, even after the Independent Committee has recommended the invocation of countermeasures to the Board of Directors, if the Large-Scale Purchaser withdraws the purchase after the recommendation, and if fluctuations arise in the actual facts that formed the basis of the recommendations, and if such purchase by the Large-Scale Purchaser is judged not to fall under 1) or 8) in "(2) If the Large-Scale Purchaser Has Complied with Large-Scale Purchase Rules" in "5. The Policy If Action of Large-Scale Purchase Take Place" above, the Independent Committee may recommend the cancellation of the invocation of countermeasures to the Board of Directors, or to withdraw the previous recommendation.

If the Board of Directors cancels the issuance of stock acquisition rights or acquires the stock acquisition rights without consideration, the share value per share is not diluted and shareholders or investors who purchased or sold shares on the assumption that the value of shares would be diluted on or after the ex-rights date of the allotment of stock acquisition rights without contribution may suffer contingent damages due to the fluctuation in share price.

7. Effective Period, etc. of the Large-Scale Purchase Rules

The effective period of the Policy shall be until the conclusion of the Annual General Meeting of Shareholders to be held in June 2024. The Policy shall be brought as a proposal at this Annual General Meeting of Shareholders, and if it is approved by shareholders, it shall be brought as a proposal at the Annual General Meeting of Shareholders of the Company to be held every year in June, from next year onward, and thus the intention of shareholders will be confirmed. However, if the approval of shareholders is not obtained regarding the continuation of the Policy at this Annual General Meeting of Shareholders, then the Policy shall be abolished at that point.

Even during the effective period of the Policy, if a resolution is made to cancel the Policy by the Board of Directors, then the Policy shall be abolished at that point. Furthermore, from the perspective of the protection and enhancement of corporate value and common interests of shareholders, the Company intends to review the Policy as needed based on trends in judicial judgments, the responses of public bodies, and developments and amendments to related laws and regulations, including the Companies Act and the Financial Instruments and Exchange Act, etc. The Board of Directors may amend the Policy regardless if prior to expiration of the effective period, while respecting the recommendations of the Independent Committee to the maximum extent.

The status of major shareholders as of March 31, 2023 is as shown in "2. Overview of the Company, (1) Status of Shares in the Business Report" in this Notice.

8. Rationality of the Policy

As shown below, the Policy is highly rational.

1) The Policy fully satisfies the requirements of the guidelines regarding Anti-Takeover Measures

The Policy fully satisfies the three basic principles (principle of protection and enhancement of corporate value and common interests of shareholders, principle of prior disclosure and shareholders' intentions, principle of necessity and suitability) provided in the "Guidelines Regarding Takeover Defense for the Purposes of the 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.

Additionally, it is based on the content of "The Proper Role of Takeover Defense Measures in Light of Recent Changes in Various Environments" published on June 30, 2008 by the Corporate Value Study Group established within the Ministry of Economy, Trade and Industry.

2) The Policy is introduced with the purpose of protecting and enhancing the Company's corporate value

and common interests of shareholders

The Policy provides the necessary information, time, or opportunities, etc. to be informed of alternative proposals by the Board of Directors in cases of Large-Scale Purchases in order for our shareholders to make judgments on whether to accept such Action of Large-Scale Purchase. The Policy is implemented with the purpose of protecting and enhancing the Company's corporate value and common interests of shareholders.

3) The Policy depends on the rational will of shareholders

The Board of Directors has decided to implement the Policy, but as described in 7. "Effective Period, etc. of the Large-Scale Purchase Rules" above, the Policy shall be brought as a proposal at this Annual General Meeting of Shareholders in order to confirm the intention of shareholders regarding the Policy, and in the event that the consent of shareholders is not obtained, the Policy shall be abolished at that time. As a result, the existence and content of the Policy shall depend on the rational decision of the Company's shareholders. In addition, the intention of shareholders regarding the Policy shall be reflected at the Annual General Meeting of Shareholders of the Company to be held every year.

4) Importance of the decision of a party with a high level of independence

Upon the implementation of the Policy, in order to eliminate arbitrary decisions by the Board of Directors when invoking countermeasures, etc., an Independent Committee was established as an advisory body to provide realistic evaluations from an objective perspective for the shareholders of the Company. The Independent Committee consists of more than three members, and in order to make fair, neutral judgments, comprises Outside Directors of the Company and external experts (attorneys-at-law, certified public accountants, academic experts, persons who are well-versed in investment banking, corporate managers with proven track records, or other similar persons), who are independent from the management team that engages in the business execution of the Company, and do not have any special interests with the Company or the management team of the Company.

5) Establishes rational and objective activation conditions

As stated in 5. "The Policy If Action of Large-Scale Purchase Take Place" above, the Policy has been set out so that it cannot be invoked unless predetermined rational and objective conditions for activation are fulfilled. It is therefore considered that a system for ensuring the prevention of any arbitrary activation by the Board of Directors has been ensured.

6) The Policy is not a dead-hand anti-takeover measure

As stated in 7. "Effective Period, etc. of the Large-Scale Purchase Rules" above, the Policy stipulates that it can be discontinued by the Board of Directors comprising Directors elected at a General Meeting of Shareholders of the Company. Therefore, it is possible that the Policy be discontinued by a Board of Directors comprising of Directors nominated by a Large-Scale Purchaser at a General Meeting of Shareholders. Thus, the Policy is not a dead-hand anti-takeover measure (a takeover defense measure that cannot be prevented even by the replacement of a majority of the members of the Board of Directors).

1. Shareholders entitled to be granted stock acquisition rights and conditions for issuing options

Stock acquisition rights shall be allocated without requiring further payment at a ratio of acquisition right per common stock owned in the Company (excluding the Company's common stock held by the Company) to shareholders recorded in the final shareholder registry on the record date prescribed by the Board of Directors.

2. Class and number of shares subject to stock acquisition rights

The class of shares subject to stock acquisition rights shall be the Company's common stock, and the total number of shares subject to stock acquisition rights shall be limited to the total number of authorized shares on the record date prescribed by the Board of Directors less the total number of issued shares of the Company's common stock (excluding the Company's common stock held by the Company). The number of shares subject to one stock acquisition right shall be the number prescribed separately by the Board of Directors; provided, however, that necessary adjustments shall be made if the Company splits shares or consolidates shares.

3. Total number of stock acquisition rights issued

The total number of stock acquisition rights issued shall be prescribed separately by the Board of Directors. The Board of Directors may allocate stock acquisition rights more than once.

4. Amount of property to be invested (amount to be paid) when exercising each stock acquisition right

The amount of property to be invested (the amount to be paid) when exercising each stock acquisition right shall be one yen or more and such amount shall be prescribed by the Board of Directors, and the maximum amount shall be half of the market price of the Company's shares.

5. Restrictions on the transfer of stock acquisition rights

Approval from the Board of Directors is required for the acquisition of stock acquisition rights by transfer of stock acquisition rights.

6. Requirements for exercising stock acquisition rights

(1) Specified Large Volume Holder (Note 9), (2) Joint Holder of the Specified Large Volume Holder, (3) Specified Large-Scale Purchaser (Note 10), (4) Persons in Special Relationship with the Specified Large-Scale Purchaser, or (5) any person who was transferred or inherited stock acquisition rights from any person falling under (1) through (4) above without obtaining approval of the Board of Directors, or (6) Affiliated Person (Note 11) of any person falling under (1) through (5) (hereinafter the person falling under any of the above generally shall be referred to as "Non-Qualified Persons") may not exercise stock acquisition rights. The details of the requirements for exercising stock acquisition rights shall be separately determined by the resolution concerning the allotment of stock acquisition rights without contribution.

7. Exercise period, etc. of stock acquisition rights

Effective date of the allotment of stock acquisition rights, exercise period, terms of acquisition and other requirements shall be set out separately by the Board of Directors. The Company may establish terms of acquisition which stipulate that the Company may acquire stock acquisition rights held by the persons other than those who are not allowed, due to the requirements for exercising stock acquisition rights stated in above 6., to exercise stock acquisition rights, and issue certain number of shares of common stock of the Company for one stock acquisition right, as determined separately by the Board of Directors.

Note 9 Refers to a person who is a holder of share certificates, etc. issued by the Company and the ratio of share certificates, etc. held is 20% or more, or a person considered to be a Specified Large Volume Holder by the Board of Directors. However, a person that the Board of Directors recognizes as a person 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, and other given persons that the Board of Directors separately determined by the resolution concerning the allotment of stock acquisition rights without contribution, are not included.

Note 10 Refers to a person who makes a public announcement of purchase, etc. (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply

hereinafter in this note), of share certificates, etc. issued by the Company (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply hereinafter in this note) through a tender offer and whose ratio of share certificates, etc. held, in respect to such share certificates, etc. owned by such person after such purchase, etc. (including a similar holding rate as prescribed in Article 7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act), is 20% or more when combined with the ratio of share certificates, etc. held by the Persons in Special Relationship, or a person considered to be a Specified Large-Scale Purchaser by the Board of Directors. However, a person that the Board of Directors recognizes as a person 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, and other given persons that the Board of Directors separately determined in the resolution relating to the allotment of stock acquisition rights without contribution, are not included.

Note 11 "Affiliated Person" of a given person shall mean a person who controls, is controlled by or is under the common control of such given person (including a person deemed by the Board of Directors to fall under these), or a person deemed by the Board of Directors to act in concert with such given person. "Control" means to "control the decisions of the financial and business policies" (as defined in Article 3, Paragraph 3 of the Regulation for Enforcement of the Companies Act) of other corporations or entities.

1. Establishment of an Independent Committee

In order to ensure the objectivity, rationality, and fairness of the judgments of the Board of Directors regarding the Action of Large-Scale Purchase, the Company shall establish an Independent Committee.

2. Composition and Appointment of the Independent Committee

(1) Membership of the Independent Committee (hereinafter referred to as the “Independent Committee Members”) shall consist of at least 3 persons.

(2) Independent Committee Members shall be independent of the management team executing the business of the Company and shall be selected by the Board of Directors from among: Outside Directors, attorneys-at-law, certified public accountants, academic experts, persons who are well-versed in investment banking, corporate managers with proven track records, or other similar persons. The Board of Directors shall appoint the Independent Committee Members by the majority vote of Directors in attendance. When appointing Independent Committee Members, their expertise regarding corporate management, insight regarding corporate value, practical experience, and other factors shall be comprehensively considered in view of their roles as Independent Committee Members.

3. The Term of Independent Committee Members

The term of office of Independent Committee Members shall be, in principle, from the day the Board of Directors appoints that person an Independent Committee Member and approves his or her taking office as an Independent Committee Member, until the conclusion of the first Annual General Meeting of Shareholders held after his or her taking office; reappointment is permitted.

4. Dismissal of Independent Committee Members

If any of the following events occurs, the Board of Directors may dismiss Independent Committee Members by two thirds or more of the votes of Directors in attendance.

(1) The Independent Committee Member cannot execute his or her duties owing to severe physical or mental disability, or other reasons.

(2) Cases when it is recognized that the Independent Committee Member has a relationship with a person who is in Large-Scale Purchaser’s group or who will be in Large-Scale Purchaser’s group, and cannot provide a recommendation from an objective and neutral position.

(3) Cases when the Independent Committee Member has violated laws or regulations, etc.

(4) Cases when the Independent Committee Member no longer meets the criteria described above in item 2. (2).

5. Duty of Care

Independent Committee Members shall faithfully perform their duties, with the due care of a prudent manager.

6. Convening of the Independent Committee

In accordance with these regulations, the Independent Committee shall be convened as necessary.

7. Convocation of Meetings of the Independent Committee

Meetings of the Independent Committee shall be convened by the Representative Director of the Company or each Independent Committee Member.

8. Authority of the Independent Committee

(1) The Independent Committee shall deliberate and make decisions regarding the matters set forth below about which it is consulted by the Board of Directors, and make recommendations of its conclusions to the Board of Directors, together with the reasons thereof. The Board of Directors must respect the recommendation of the Independent Committee to the maximum extent possible.

1) Whether or not the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules.

2) Whether or not the information submitted by Large-Scale Purchaser to the Board of Directors is sufficient for the Board to form opinions.

3) Whether or not the Action of Large-Scale Purchase violates the protection and enhancement of corporate value of the Company and common interests of its shareholders.

- 4) Whether or not to implement countermeasures.
 - 5) Whether or not the countermeasures to be implemented by the Board of Directors are an appropriate method.
 - 6) Any other matters related to the above.
- (2) The Independent Committee may, at the Company's expense, seek specialist advice from independent third parties (including financial advisers, attorneys-at-law, certified public accountants, consultants and other experts) as necessary for its consideration and deliberations.
 - (3) The Independent Committee may request the submission of necessary materials related to the Company for its consideration and deliberations from Directors, employees, or Directors who are Audit & Supervisory Committee Members of the Company.
9. Recommendations of the Independent Committee
- The contents of recommendations shall be made in principle with the attendance of all members of the Independent Committee and the approval of a majority of the attendance.

Yoshitsugu Asai		Born in May 1954
	April 1977	Joined BROTHER INDUSTRIES, LTD.
	July 1989	Representative Director & President of BROTHER INDUSTRIES (AUST) PTY LTD
	October 2000	General Manager of General Planning Department of BROTHER INDUSTRIES, LTD.
	June 2004	Executive Officer; EVP* of I & D Company and General Manager of Corporate Planning Department of BROTHER INDUSTRIES, LTD.
	April 2006	Executive Officer, and General Manager of Human Resource Department of BROTHER INDUSTRIES, LTD.
	April 2011	Managing Executive Officer and General Manager of Legal & General Affairs Department responsible for Corporate Communication (Public Relations) Department of BROTHER INDUSTRIES, LTD.
	April 2016	Managing Executive Officer responsible for Finance & Accounting Department, Law, Environment & General Affairs Department and CSR & Corporate Communication of BROTHER INDUSTRIES, LTD.
	June 2017	Outside Director of FUJIMI INCORPORATED (current position)
	June 2020	Independent Director of the Company (current position)
		*EVP: Executive Vice President
Yuko Shirai		Born in February 1954
	April 1986	Registered as an attorney-at-law (member of Tokyo Bar Association)
	April 1991	Established Wing Law Office (Partner)
	April 2004	Director, Kanto Federation of Bar Associations
	April 2005	Expert Committee Member and Conciliation Committee Member, Tokyo District Court
	May 2009	Chair, Shinjuku Ward Board of Education
	April 2010	Auditor, Japan Federation of Bar Associations
	April 2011	Auditor, Japan Intellectual Property Arbitration Center
	April 2012	Vice-President, Tokyo Bar Association
	October 2013	Chair, Shinjuku Ward Board of Education
	June 2015	Outside Director, Seika Corporation (current position)
	April 2016	Audit Commissioner, Shinjuku Ward, Tokyo (current position)
	June 2021	Independent Director of the Company (current position)
Kyosuke Oshima		Born in January 1954
	August 1982	Joined SUNX Limited (currently Panasonic Industrial Devices SUNX Co., Ltd.)
	June 2000	Director, General Manager of Sensor Business Division of SUNX Limited
	June 2007	Managing Director, in charge of Corporate Planning, Human Affairs, Legal Affairs, Internal Control of SUNX Limited
	June 2011	Full-time Audit & Supervisory Board Member of SUNX Limited
	June 2015	Independent Director of the Company
	June 2016	Independent Director of the Company (Audit & Supervisory Committee Member) (current position)

Kazumichi Matsuki	Born in August 1951
April 1976	Joined Mitsubishi Corporation
June 1979	Gained Legum Magister (LLM) at the Harvard Law School
January 2003	General Manager, Legal Dept. of Mitsubishi Corporation
April 2007	Senior Vice President
May 2007	Chairman of the Association of Corporate Legal Departments
April 2009	Senior Vice President, Senior Assistant of Corporate Functional Officer and General Manager of Compliance of Mitsubishi Corporation
April 2010	Visiting Professor of the University of Tokyo Graduate Schools for Law and Politics
April 2011	Executive Officer of Hokuetsu Kishu Paper Co., Ltd. (currently Hokuetsu Corporation)
June 2011	Director of Hokuetsu Kishu Paper Co., Ltd. Member of Special Subcommittee on the Criminal Justice System in the New Era, Legislative Council of the Ministry of Justice
June 2013	Managing Director of Hokuetsu Kishu Paper Co., Ltd.
June 2016	Outside Director (Audit & Supervisory Committee Member) of Dream Incubator Inc. Outside Auditor of SANDEN HOLDINGS CORPORATION
June 2018	Independent Director of the Company
March 2019	Outside Director of the Board of Nissha Co., Ltd. (current position)
June 2020	Independent Director of the Company (Audit & Supervisory Committee Member) (current position)
Reiko Ohashi	Born in July 1962
October 1991	Joined Century Audit Corporation (currently ERNST & YOUNG SHINNIHON LLC)
March 1995	Registered as a certified public accountant
July 2009	Managing Director of Ohashi Certified Public Accountant Office (current position)
June 2014	Senior Partner of Audit Corporation Yakumo (current position)
October 2015	Auditor of JAPAN SPORT COUNCIL (current position)
September 2020	Auditor of the Tokyo University of Agriculture and Technology (current position)
June 2021	Independent Director of the Company
June 2022	Independent Director of the Company (Audit & Supervisory Committee Member) (current position)

Makoto Shimamoto	Born in August 1960
April 1983	Joined Yamaha Motor Co., Ltd.
January 2007	General Manager of Engine Designing Division, Product Development Section, MC ^{*1} Business Operations of Yamaha Motor Co., Ltd.
January 2010	Senior General Manager of Cost Innovation Section, Procurement Center of Yamaha Motor Co., Ltd.
January 2012	Director and President of Yamaha Motor Asian Center Co., Ltd.
January 2014	Senior General Manager of PF Model Development Section, PF ^{*2} Model Unit of Yamaha Motor Co., Ltd.
March 2014	Executive Officer of Yamaha Motor Co., Ltd.
January 2015	Chief General Manager of PF Model Unit and Senior General Manager of PF Model Development Section, PF ^{*2} Model Unit of Yamaha Motor Co., Ltd.
March 2015	Senior Executive Officer of Yamaha Motor Co., Ltd.
January 2017	Chief General Manager of Technology Center and Chief General Manager of PF Model Unit of Yamaha Motor Co., Ltd.
March 2017	Senior Executive Officer and Director of Yamaha Motor Co., Ltd.
January 2018	Chief General Manager of Mobility Technology Center of Yamaha Motor Co., Ltd.
January 2020	Chief General Manager of Mobility Technology Center, and Chief General Manager of Advanced Technology Center of Yamaha Motor Co., Ltd.
January 2021	Technical Advisor of Yamaha Motor Co., Ltd.
March 2022	Advisor of Yamaha Motor Co., Ltd. (current position)
June 2023	Independent Director of the Company (Audit & Supervisory Committee Member) (planned)
	*1 MC: Motorcycle
	*2 PF: Platform

The five (5) Independent Committee Members listed above (excluding Mr. Makoto Shimamoto) satisfy the requirements of Outside Directors prescribed in the Companies Act and the independency required by the Tokyo Stock Exchange. The Company has filed with the Exchange a notification to establish that they are Independent Officers.

The Company will file with the Exchange a notification to establish that Mr. Makoto Shimamoto is Independent Officer.