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(Securities Code: 6490)

May 30, 2023

(Start date for electronic provision of documents: May 25, 2023)

**To Shareholders with Voting Rights:**

Yoshinobu Iwanami  
President  
NIPPON PILLAR PACKING CO., LTD.  
1-7-1 Shinmachi, Nishi-ku, Osaka City

**NOTICE OF  
THE 75TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

Please be informed that the 75th Ordinary General Meeting of Shareholders of Nippon Pillar Packing Co., Ltd. (the “Company”) will be held for the purposes as described below.

Measures for electronic provision have been taken for the convocation of this General Meeting of Shareholders, and matters to be provided electronically are posted on the following internet website.

The Company’s website: <https://www.pillar.co.jp/en/ir/shareholder/meeting/>

In addition to the above website, matters to be provided electronically will also be posted on the Tokyo Stock Exchange, Inc (TSE) website. Please access the TSE website (TSE Listed Company Search) below, enter and search for “NIPPON PILLAR PACKING” in the “Issue name (company name)” search box or the Company’s securities code “6490” in the “Code” search box, then select “Basic information” and “Documents for public inspection/PR information” in order before checking “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” listed under “Filed information available for public inspection.”

TSE website (TSE Listed Company Search):

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

**If you are unable to attend the Meeting, you may exercise your voting rights via the Internet, etc. or in writing (by mail). Please refer to the “Guidance on How to Exercise your Voting Rights” below, and exercise your voting rights so that they arrive by 5:00 p.m. on Wednesday, June 21, 2023, Japan time after reviewing the Reference Documents for the General Meeting of Shareholders.**

- 1. Date and Time:** Thursday, June 22, 2023 at 10:00 a.m. Japan time  
(Reception opens at 9:00 a.m.)
- 2. Place:** Conference room on the 4th floor at the Company's head office located at  
1-7-1 Shinmachi, Nishi-ku, Osaka City
- 3. Agenda:**
  - Matters to be reported:**
    1. Business Report and report on Consolidated Financial Statements and Non-consolidated Financial Statements for the 75th Fiscal Year (from April 1, 2022 to March 31, 2023)
    2. Report on results of audits of the Consolidated Financial Statements for

the 75th Fiscal Year by the Accounting Auditor and the Audit and Supervisory Committee

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 3:** Election of Three (3) Directors who are Audit and Supervisory Committee Members
- Proposal 4:** Continuation of Countermeasures to Large-scale Acquisitions of the Company's Shares, etc. (Takeover Defense Measures)

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**\* When attending the Meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.**

**\* Please be advised that if any of the matters to be provided electronically need to be revised, the revised versions will be posted on each internet website.**

**Information on the Exercise of Voting Rights**

(1) Matters partially omitted from the documents to be delivered

The following matters are not stated in the documents delivered to shareholders who have requested delivery of documents based on the provisions of laws and regulations and Article 15 of the Company's Articles of Incorporation.

For this General Meeting of Shareholders, the same documents will be uniformly sent to all shareholders regardless of whether or not a request for delivery of the documents was made.

- 1) Overview of the System to Ensure the Appropriateness of Business and the Operational Status of the System
- 2) "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements"
- 3) "Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements"

The matters above are part of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing the audit report.

(2) Treatment if there is no indication of approval or disapproval on the Voting Rights Exercise Form

If there is no indication of approval or disapproval for each proposal, it will be treated as an indication of approval.

(3) Treatment of voting rights exercised more than once via the Internet and in writing

In the event that voting rights are exercised both via the Internet and in writing, the exercise via the Internet will be considered the valid exercise of voting rights.

(4) Treatment of voting rights exercised more than once via the Internet

In the event that voting rights are exercised more than once via the Internet, the last exercise of voting rights will be considered the valid exercise of voting rights.

## Precautions when Exercising Voting Rights via Internet

If shareholders wish to exercise voting rights via the Internet, please read the following information carefully and exercise your voting rights no later than 5:00 p.m. on Wednesday, June 21, 2023, Japan time. Please be advised that shareholders who attend the Meeting on the day do not need to send the Voting Rights Exercise Form by postal mail or exercise your voting rights via the Internet.

### 1. Voting Rights Exercise Website

(1) Exercise of voting rights via the Internet is available only through the Voting Rights Exercise Website (<https://evote.tr.mufg.jp/>) designated by the Company which can be accessed via personal computer, smartphone or cellular phone.

(Please note that the website is not accessible from 2 a.m. to 5 a.m. every day.)

(2) The Voting Rights Exercise Website may not be available via personal computer, smartphone or cellular phone, depending on the Internet user environment, services subscribed to or type of equipment used. Please contact the following Help Desk for details.

### 2. Method to exercise voting rights via the Internet

(1) Please enter the “Login ID” and “Temporary Password” stated in the Voting Rights Exercise Form at the Voting Rights Exercise Website (<https://evote.tr.mufg.jp/>) and register your vote for or against the proposals in accordance with the guidance displayed therein.

(2) Shareholders who exercise voting rights via the Internet will be requested to change the “Temporary Password” at the Voting Rights Exercise Website for the prevention of unauthorized access, etc., by third parties other than shareholders. We appreciate your kind understanding.

### 3. Expenses incurred upon accessing Voting Rights Exercise Website

Any expenses incurred upon accessing the Voting Rights Exercise Website, such as Internet connection service fees and communication charges, shall be borne by shareholders.

### 4. Treatment of voting rights exercised more than once

(1) In the event that voting rights are exercised both by postal mail and via the Internet, the exercise via the Internet will be considered the valid exercise of voting rights.

(2) In the event that voting rights are exercised more than once via the Internet, the last exercise of voting rights will be considered the valid exercise of voting rights.

For inquiries about the systems or relevant matters, please contact:

Stock Transfer Agency Department (Help Desk), Mitsubishi UFJ Trust and Banking Corporation

Telephone: 0120-173-027 (Operating hours: 9:00 a.m. to 9:00 p.m./Toll free)

<To institutional investors>

Institutional investors may use the Electronic Voting Rights Exercise Platform operated by ICJ, Inc. upon the exercise of voting rights if subscription for the use of the platform is made in advance.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company considers that returning profits to its shareholders is one of its major management priorities, and its basic policy is to endeavor to pay stable dividends on an ongoing basis and improve the level of dividends.

Based on the aforementioned policy, it is proposed that the year-end dividend for the 75th Fiscal Year be 79 yen per share, in consideration of the Company's operating results in the 75th Fiscal Year.

#### **Matters concerning year-end dividend**

- (1) Type of dividend property  
Cash
- (2) Matters concerning allocation of dividend property to shareholders and total amount thereof  
79 yen per share of the Company's common stock  
Total amount: 1,840,561,197 yen  
As an interim dividend of 54 yen per share has been paid, the annual dividend for the 75th Fiscal Year will be 133 yen per share.
- (3) Effective date of payment of dividend  
June 23, 2023

**Proposal 2: Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)**

The terms of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes electing six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members).

The Audit and Supervisory Committee has given its opinion on this Proposal to the effect that all candidates are competent.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

No.	Name	Positions and responsibilities at the Company	Board of Directors Meeting attendance (FY2022)
1	Kiyohisa Iwanami <input type="checkbox"/> Reappointment	Chairman & CEO	100% 9/9
2	Yoshinobu Iwanami <input type="checkbox"/> Reappointment	President	100% 9/9
3	Ikuo Hoshikawa <input type="checkbox"/> Reappointment	Director, Senior Executive Officer In charge of Engineering/Production Division General Manager of Sanda Factory	100% 9/9
4	Katsuhiko Shukunami <input type="checkbox"/> Reappointment	Director, Senior Executive Officer General Manager of Administration Headquarters General Manager of Corporate Planning Dept.	100% 9/9
5	Yoshinori Suzuki <input type="checkbox"/> Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Outside Director	100% 9/9
6	Junichi Komamura <input type="checkbox"/> Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Outside Director	100% 9/9

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Kiyohisa Iwanami (December 14, 1948)  <u>Reappointment</u>	August 1978    Joined the Company Director of the Company February 1985    Managing Director of the Company August 1987    Executive Vice President of the Company June 1989        President of the Company June 2007        President and Executive Officer of the Company June 2020        Chairman & CEO of the Company (to present)	742,329
[Reason for nomination as a candidate for Director] Mr. Kiyohisa Iwanami, who has been in charge of the management of the Group as a Representative Director of the Company for many years, is renominated as a candidate for Director in consideration of his accomplishments in serving as the driving force of the Group as a whole by demonstrating his leadership, as well as his significant insight, achievements, capabilities and wealth of experience concerning management.			
2	Yoshinobu Iwanami (September 5, 1979)  <u>Reappointment</u>	June 2010        Joined the Company Executive Officer of the Company June 2012        Director of the Company June 2014        Managing Executive Officer of the Company June 2018        Senior Executive Officer of the Company General Manager of Sales Headquarters of the Company June 2020        President of the Company (to present) President and Executive Officer (to present)	82,929
[Reason for nomination as a candidate for Director] Mr. Yoshinobu Iwanami, who has been in charge of the management of the Company and demonstrated strong leadership as President of the Company, is renominated as a candidate for Director in consideration of his wealth of experience and broad insight in the Sales Division in Japan and abroad and his expertise in corporate management in general, among other factors.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Ikuro Hoshikawa (June 9, 1957) <u>Reappointment</u>	June 2010 Executive Officer of the Company	26,906
		June 2014 Managing Executive Officer of the Company	
		March 2016 General Manager of Sanda Factory of the Company (to present)	
		June 2016 Director of the Company (to present)	
		In charge of Engineering/Production Division of the Company (to present)	
		April 2018 General Manager of Production Headquarters of the Company	
		June 2018 Senior Executive Officer of the Company (to present)	
		(Significant concurrent positions)	
		Representative Director of Nippon Pillar Corporation of Mexico	
		President of PILLAR TECHNOLOGY (CHUZHOU) CO., LTD.	
[Reason for nomination as a candidate for Director] Mr. Ikuro Hoshikawa is renominated as a candidate for Director in consideration of his significant accomplishments in establishing an enhanced production framework in recent years by being in charge of Engineering/Production Division, in addition to improving productivity.			
4	Katsuhiko Shukunami (May 27, 1959) <u>Reappointment</u>	May 2014 Joined the Company	19,006
		General Manager of Corporate Planning Dept. of the Company (to present)	
		June 2014 Director of the Company (to present)	
		Executive Officer of the Company	
		June 2016 Managing Executive Officer of the Company	
		March 2017 General Manager of Security Export Control Dept. of the Company	
		General Manager of System Dept. of the Company	
		June 2018 General Manager of Administration Headquarters of the Company (to present)	
		June 2020 Senior Executive Officer of the Company (to present)	
[Reason for nomination as a candidate for Director] Mr. Katsuhiko Shukunami has demonstrated leadership in areas such as corporate planning, accounting & finance, general affairs and personnel as General Manager of Administration Headquarters. He is renominated as a candidate for Director in consideration of his substantial accomplishments and his wealth of knowledge based on past experience.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Yoshinori Suzuki (April 27, 1952)  Reappointment Outside Independent	<p>April 1975    Joined Tateisi Electronics Co. (current OMRON Corporation)</p> <p>June 2003    Executive Officer of OMRON Corporation</p> <p>June 2006    Managing Executive Officer of OMRON Corporation</p> <p>April 2013    Senior Managing Executive Officer of OMRON Corporation</p> <p>June 2013    Senior Managing Director and CFO of OMRON Corporation</p> <p>April 2014    Visiting Professor of Doshisha Business School, Doshisha University</p> <p>June 2014    Representative Director, Vice President and CFO of OMRON Corporation</p> <p>June 2019    Outside Director of the Company (to present)</p>	3,000
<p>[Attendance at FY2022 Board of Directors Meeting: 100%]  [Reason for nomination as a candidate for Outside Director and the summary of expected roles]  Mr. Yoshinori Suzuki has a wealth of knowledge and experience and broad insight as a management executive of business corporations which he has gained throughout his career. Mr. Suzuki is renominated as a candidate for Outside Director because the Company considers that, by leveraging such knowledge, experience and insight, he will be able to duly oversee the management of the Company as an independent director while also providing objective and useful advice and proposals.  He will have served as Outside Director for four (4) years at the conclusion of this General Meeting of Shareholders.</p>			
6	Junichi Komamura (May 3, 1950)  Reappointment Outside Independent	<p>April 1973    Joined Mitsubishi Corporation</p> <p>April 1996    Director, portfolio companies of Mitsubishi Corporation in Italy and the U.K.</p> <p>August 2003    Executive Officer of Morishita Jintan Co., Ltd.</p> <p>June 2004    Director, Managing Executive Officer and Head of Corporate Planning of Morishita Jintan Co., Ltd.</p> <p>April 2005    Senior Managing Director and Senior Managing Executive Officer of Morishita Jintan Co., Ltd.</p> <p>November 2005    Representative Director and Managing Executive Officer of Morishita Jintan Co., Ltd.</p> <p>October 2006    Representative Director and President of Morishita Jintan Co., Ltd.</p> <p>March 2012    Member of the Board (Outside Director) of AnGes, Inc. (to present)</p> <p>May 2020    Outside Director of TOKAI BUSSAN CO., LTD. (to present)</p> <p>June 2020    Outside Director of the Company (to present)</p> <p>December 2022    Outside Director of Ai-BrainScience Inc. (to present)</p> <p>(Significant concurrent positions)  Member of the Board (Outside Director) of AnGes, Inc.  Outside Director of TOKAI BUSSAN CO., LTD.  Outside Director of Ai-BrainScience Inc.</p>	—
<p>[Attendance at FY2022 Board of Directors Meeting: 100%]  [Reason for nomination as a candidate for Outside Director and the summary of expected roles]  Mr. Junichi Komamura has a wealth of knowledge and experience and broad insight as a management executive of business corporations which he has gained throughout his career. Mr. Komamura is renominated as a candidate for Outside Director because the Company considers that, by leveraging such knowledge, experience and insight, he will be able to duly oversee the management of the Company as an independent director while also providing objective and useful advice and proposals.  He will have served as Outside Director for three (3) years at the conclusion of this General Meeting of Shareholders.</p>			

(Notes)

1. There is no special interest between any candidate for Director and the Company.
2. Mr. Yoshinori Suzuki and Mr. Junichi Komamura are candidates for Outside Director.
3. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has concluded an agreement with Mr. Yoshinori Suzuki and Mr. Junichi Komamura to limit their liability for damages under Article 423, paragraph 1 of the same act. The amount of liability for damages under said agreement is limited to the amount prescribed by laws and regulations. The Company plans to continue said agreement if their election in this Proposal is approved.
4. The Company has concluded a Directors and Officers Liability Insurance (D&O Insurance) contract that insures all the Directors, and plans to renew the contract in August 2023. In summary, the contract covers any damage that may result from the Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such



liability. Each of the candidates are insured under the insurance contract, and will remain so after elected.

5. The Company has designated Mr. Yoshinori Suzuki and Mr. Junichi Komamura as independent directors pursuant to the provisions of the Tokyo Stock Exchange, Inc. (TSE) and has notified TSE to that effect.

**Proposal 3: Election of Three (3) Directors who are Audit and Supervisory Committee Members**

The terms of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes electing three (3) Directors who are Audit and Supervisory Committee Members.

The approval of the Audit and Supervisory Committee has been obtained for this Proposal.

In addition, the Directors who are Audit and Supervisory Committee Members were considered, but no opinion has been expressed.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name	Positions and responsibilities at the Company	Board of Directors Meeting attendance (FY2022)	Audit and Supervisory Committee Meeting attendance (FY2022)
1	Kazuhiro Maruoka <span style="border: 1px solid black; padding: 2px;">Reappointment</span>	Director and Full-time Audit and Supervisory Committee Member	100% 9/9	100% 11/11
2	Kazumitsu Takaya <span style="border: 1px solid black; padding: 2px;">Reappointment</span> <span style="border: 1px solid black; padding: 2px;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent</span>	Director and Audit and Supervisory Committee Member	100% 9/9	100% 11/11
3	Kyoko Kobayashi <span style="border: 1px solid black; padding: 2px;">Reappointment</span> <span style="border: 1px solid black; padding: 2px;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent</span>	Director and Audit and Supervisory Committee Member	100% 9/9	100% 11/11

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Kazuhiro Maruoka (January 12, 1958)  [Reappointment]	July 2009    Joined the Company	2,500
		March 2011    General Manager, Accounting & Financial Dept. of the Company	
		June 2018    Director (Full-time Audit and Supervisory Committee Member) of the Company (to present)	
[Reason for nomination as a candidate for Director who is an Audit and Supervisory Committee Member] Mr. Kazuhiro Maruoka is renominated as a candidate for Director who is an Audit and Supervisory Committee Member in consideration of his wealth of knowledge and experience in accounting in general, his strengths in financial aspects, and his ability to properly fulfill duties as Director who is an Audit and Supervisory Committee Member.			
2	Kazumitsu Takaya (December 1, 1958)  [Reappointment] [Outside] [Independent]	March 1989    Registered as certified public accountant	—
		August 1992    Registered as certified public tax accountant	
		March 2004    Opened Takaya CPA Office	
		December 2004 Representative Partner of Nexus Audit Corporation (to present)	
		June 2016    External Director (Audit and Supervisory Committee Member) of HIRANO TECSEED Co., Ltd. (to present)	
		June 2019    Outside Director (Audit and Supervisory Committee Member) of the Company (to present)	
(Significant concurrent positions) Certified public accountant, certified public tax accountant, Representative Partner of Nexus Audit Corporation External Director (Audit and Supervisory Committee Member) of HIRANO TECSEED Co., Ltd.			
[Attendance at FY2022 Board of Directors Meeting: 100%] [Attendance at FY2022 Audit and Supervisory Committee Meeting: 100%] [Reason for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles] Mr. Kazumitsu Takaya has a high level of expertise and broad experience in finance and accounting as a certified public accountant. Mr. Takaya is renominated as a candidate for Outside Director who is an Audit and Supervisory Committee Member because the Company considers that he will be able to duly audit the execution of the management of the Company from his professional standpoint while also providing objective and useful advice and proposals. He will have served as Outside Director who is an Audit and Supervisory Committee Member for four (4) years at the conclusion of this General Meeting of Shareholders.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Kyoko Kobayashi (July 22, 1972)  <u>Reappointment</u> <u>Outside</u> <u>Independent</u>	<p>April 1999 Registered as attorney at law Joined Irokawa Law Office (currently Irokawa Legal Professional Corporation)</p> <p>September 2009 Seconded to Legal Affairs Office, Sharp Corporation</p> <p>September 2014 Returned to Irokawa Law Office</p> <p>January 2018 Partner of Irokawa Law Office</p> <p>February 2018 Outside Auditor of KAWAKAMI PAINT MANUFACTURING CO., LTD. (to present)</p> <p>January 2020 Partner of Irokawa Legal Professional Corporation (to present)</p> <p>June 2020 External Director of Mitsubishi Logisnext Co., Ltd. (to present)</p> <p>June 2021 Outside Director (Audit and Supervisory Committee Member) of the Company (to present)</p> <p>(Significant concurrent positions) Attorney at law, Partner of Irokawa Legal Professional Corporation Outside Auditor of KAWAKAMI PAINT MANUFACTURING CO., LTD. External Director of Mitsubishi Logisnext Co., Ltd.</p>	—
<p>[Attendance at FY2022 Board of Directors Meeting: 100%] [Attendance at FY2022 Audit and Supervisory Committee Meeting: 100%] [Reason for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles] Ms. Kyoko Kobayashi has a wealth of achievements and insight primarily in corporate law as a lawyer, as well as experience of working at a listed company. Ms. Kobayashi is renominated as a candidate for Outside Director who is an Audit and Supervisory Committee Member because the Company considers that she will be able to duly audit the execution of the management of the Company from her professional standpoint while also providing objective and useful advice and proposals. She will have served as Outside Director who is an Audit and Supervisory Committee Member for two (2) years at the conclusion of this General Meeting of Shareholders.</p>			

(Notes)

1. There is no special interest between any candidate for Director and the Company.
2. Mr. Kazumitsu Takaya and Ms. Kyoko Kobayashi are candidates for Outside Director who is an Audit and Supervisory Committee Member.
3. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has concluded an agreement with Mr. Kazumitsu Takaya and Ms. Kyoko Kobayashi to limit their liability for damages under Article 423, paragraph 1 of the same act. The amount of liability for damages under said agreement is limited to the amount prescribed by laws and regulations. The Company plans to continue said agreement if their election in this Proposal is approved.
4. The Company has concluded a Directors and Officers Liability Insurance (D&O Insurance) contract that insures all the Directors, and plans to renew the contract in August 2023. In summary, the contract covers any damage that may result from the Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. Each of the candidates are insured under the insurance contract, and will remain so after elected.
5. The Company has designated Mr. Kazumitsu Takaya and Ms. Kyoko Kobayashi as independent directors pursuant to the provisions of the Tokyo Stock Exchange, Inc. (TSE) and has notified TSE to that effect.

[Reference] If Proposal 2 and Proposal 3 are approved as proposed, the composition of the Board of Directors of the Company will be as described below after the conclusion of this Ordinary General Meeting of Shareholders.

The following matrix is not intended to be an exhaustive list of each Director's entire expertise.

Name	Outside	Corporate management	Production, technology development	Sales and marketing	Finance and accounting	Legal affairs and compliance	Environment and sustainability
*1 Kiyohisa Iwanami		●	●	●		●	●
Yoshinobu Iwanami		●	●	●		●	●
Ikuo Hoshikawa		●	●				●
Katsuhiko Shukunami		●			●	●	●
Yoshinori Suzuki	●	●		●	●		●
Junichi Komamura	●	●	●	●		●	
*2 Kazuhiro Maruoka					●	●	
Kazumitsu Takaya	●				●		
Kyoko Kobayashi	●					●	

\*1 Directors    \*2 Directors who are Audit and Supervisory Committee Members

<Reference> “Independence Standards for Independent Outside Directors” of the Company

In keeping with the Corporate Governance Code (Principle 4-9) and the independence criteria provided by financial instruments exchanges, the Company formulated the “Independence Standards for Independent Outside Directors” upon approval by the Board of Directors with the consent of the Audit & Supervisory Committee in order to clarify the standards for securing the independence of independent Outside Directors.

The Company determines that its Outside Directors or candidates for Outside Directors have sufficient independence if they are deemed to satisfy all the requirements in the items below upon the Company’s investigation within a reasonable and feasible extent.

1. The entity is currently not an executive of the Company or its affiliates (collectively, the “Group”) nor has ever been in the past
2. As for Outside Directors who are Audit & Supervisory Committee Members, the entity has never been a non-executive director or an accounting advisor (in case the accounting advisor is a corporation, a partner executing its duties) of the Group
3. The entity does not fall under any of the following items during the past three years
  - (1) The entity is not a relative within the second degree of kinship with accounting advisors, corporate officers, executive officers or managers, or any other significant employees (collectively, the “Director, etc.”) of the Group
  - (2) The entity is not a major shareholder of the Company (a shareholder with 10% or more direct or indirect holding of voting rights), the Director, etc. thereof, or the Director, etc. of a company of which the Group is a major shareholder
  - (3) The entity is not the Director, etc. of the Group’s major trading partner (a company with which payments made or received for transactions with the Group substantially account for 2% or more of consolidated net sales of the Group or the trading partner’s group)
  - (4) The entity has not received donations of 10 million yen or more from the Group in the relevant fiscal year
  - (5) The entity is not an attorney at law, certified public accountant or provider of specialized services such as consulting, etc. that received 10 million yen or more in compensation from the Group, other than compensation as a Director/Auditor in the relevant fiscal year
  - (6) There are no interlocking Outside Directorship between the Group and the company where the entity serves as Director, etc.

#### **Proposal 4: Continuation of Countermeasures to Large-Scale Acquisitions of the Company's Shares, etc. (Takeover Defense Measures)**

Having obtained the approval of the shareholders at the Ordinary General Meeting of Shareholders held on June 27, 2008, the Company introduced the "Countermeasures to Large-Scale Acquisitions of the Company's Shares and Other Securities (Takeover Defense Measures)." This plan still continues based on a resolution of the Ordinary General Meeting of Shareholders held on June 25, 2020 (the current Takeover Defense Measures shall be hereinafter referred to as the "Current Plan"), however the Current Plan will expire at the close of this Ordinary General Meeting of Shareholders.

The Company has continuously considered what form the Current Plan should take, including whether to continue the Current Plan, from the perspective of the protection and enhancement of corporate value and shareholders' common interests. As a result, based on changes in circumstances and trends of institutional investors, etc., the Board of Directors of the Company has decided to continue the "Countermeasures to Large-Scale Acquisitions of the Company's Shares, etc. (Takeover Defense Measures)" subject to the shareholders' approval at this Ordinary General Meeting of Shareholders (the "Countermeasures to Large-Scale Acquisitions of the Company's Shares, etc. (Takeover Defense Measures)" to be continued shall be hereinafter referred to as the "Plan").

The Plan will expire at the close of the Company's Ordinary General Meeting of Shareholders to be held in June 2026.

Upon the continuation of the Plan, some revisions to the wording, etc., have been made, but no changes have been made to the contents of the Plan.

Accordingly, we request that the shareholders approve the continuation of the Plan in order to further reflect the shareholders' will, considering the importance of the Plan.

#### **I. Basic Policies Concerning the Person Who Controls Decisions on the Company's Financial and Business Policies**

The Company believes that the person who controls decisions on the Company's financial and business policies should protect and enhance the Company's corporate value and shareholders' common interests in a continuous and sustainable manner. If a purchase of the Company's shares intending a Large-Scale Acquisition is attempted, it should be left to the shareholders' decision whether to accept such acquisition. We believe, however, it is management's responsibility to protect corporate value and shareholders' common interests if such acquisition is attempted for undue purposes. Accordingly, it is of great importance for the shareholders to be provided with sufficient information. Any impact such purchase or acquisition proposal may have on corporate value and shareholders' common interests should be carefully considered based on business details, future business plan and past investment activities, etc., of the person intending such Large-Scale Acquisition.

#### **II. Specific Initiatives to Contribute to Achieving Basic Policies**

Since its foundation in 1924, the Company has responded to technological requirements arising from various needs of industries by developing new products and new technologies based on its "fluid leak sealing technology," and offered high-performance products trusted by customers including mechanical seals, gland packing and gaskets. These products are used in a wide variety of areas covering electrics, marine industry, automobiles and electronics, and the Company, by leveraging its technologies relevant to such materials, designs and processing fostered through its experience, has developed and offered fluorine resin products, highly recognized both in Japan and abroad, for industries relevant to semiconductor/liquid crystal manufacturing equipment.

The corporate philosophy that has sustained such business development is found in the Company's credos, which have been consistently inherited ever since the foundation. The mottoes of "quality first," which is the basis of long-term trust with customers, "through cooperation and harmony," which indicates the importance of bringing all the abilities of employees together by eliminating organizational walls, and "the continuation of research," by which we stay ahead of competitors, as pillars of technology, exist in our corporate activities continuing to date and were essential for past development, as well as for further advances going forward.

We believe that major sources of the Company's corporate value generated by having maintained these credos can be found in (1) technological development capabilities aiming at new value creation, (2) production systems pursuing efficiency, (3) quality assurance system providing customer satisfaction and (4) human resource development that generates the aforementioned sources.

- 1) First of all, with respect to technological development capabilities, the Company is committed to the development of unique products in which the Company is engaged from the development stage of materials (source material) and highly regarded by customers for its offering of high-performance products targeting

growth areas driven by changes in industrial structure. Furthermore, the Company aims to attain a higher state to meet customer needs with its focus on the trend of cutting-edge technologies.

- 2) Next, in terms of production systems, the Company's products such as semiconductors and liquid crystals are used as important functional components in various industries including electrics, petroleum, chemicals, maritime, automotive, civil engineering, and food. Due to different specifications by use, the Company is required to optimize the design and production of its products for each use. The Company has achieved efficient and high-quality production systems in order to offer sophisticated responses to customer demands.
- 3) Furthermore, with respect to the quality assurance system, the Company has established a proprietary quality assurance system in various stages ranging from product development and design to production and sales services, and continuously offered high-quality products to all customers, as demonstrated by the fact that the Company is the first Japanese seal manufacturer which has obtained ISO 9001 certification (international standard).
- 4) Finally, it is human power that generates new technologies and high-performance products, and even the future of a corporation. It is of great importance to foster human resources who can lead the reformation with the concept of total optimization. The Company is committed to the development of human resources who can play active roles both domestically and abroad with expertise and a broad vision.

The continuous accumulation of such initiatives since our foundation represents the source of our current corporate value. Accordingly, we believe the enhancement of the social significance of the Company through the continuation and development of our corporate culture will contribute to the maximization of corporate value and shareholders' common interests.

Based on the aforementioned policy, the Company has launched from this April the new medium-term management plan "One2025" covering three business years until March, 2026 in order to contribute to the protection and enhancement of corporate value and shareholders' common interests while meeting serious social requirements with respect to compliance and quality.

The Company positions the "evolution of core businesses," "enhancement of global competitiveness," "creation of new business foundations," "development of sustainable management," and "financial strategies to support growth" as the basic strategies of One2025 and aims at further growth and enhancement of corporate value by achieving solid trust from customers by pursuing such strategies.

Important KPIs are as follows.

KPI	One2025 Plan
Consolidated net sales	66.0
Consolidated operating income	17.0
ROE (%)	10% or more
Growth investment	25.0
Consolidated dividend payout ratio	30% or more

(Billions of yen)

As specific initiatives for the "evolution of core businesses," the Company will respond to market demand by smoothly launching the Fukuchiyama Plant No. 2 in response to the semiconductor market, which is expected to continue to thrive. In addition, we will accelerate new challenges in core business areas, such as quickly realizing synergy effects with TANKEN SEAL SEIKO CO., LTD., which joined the Group in April 2023. We aim to further improve technological competitiveness and will undertake new product development and service deployment in response to the "specialization" and "diversification" of customer needs by leveraging the advantages of an integrated seal manufacturer in the fluid control-related equipment market. We think it is human power that drives continuous corporate development. It is of importance to foster human resources who can lead the reformation with the concept of total optimization. The Company will work on the development of human resources who will respond flexibly to changes in the business environment and serve as the engine for sustainable growth, including by building an organizational system for the transmission of core technology and skills, and fostering data scientists through industry-academia collaboration.

Next, for the "enhancement of global competitiveness," the Company had captured demand in the rapidly-growing Chinese semiconductor market, such as by expanding the production volume of fluorine resin products at PILLAR TECHNOLOGY (CHUZHOU) and establishing a representative office in Beijing. Moreover, the Company aims to expand its global market share by improving our response to mechanical seal repairs, mainly in Southeast Asia, and by taking detailed measures according to the characteristics of each area and strengthening our global supply chain. Furthermore, we will steadily proceed with market volume research and customer development in Africa and Central and South America where market growth and new demand are expected going forward. Along with such initiatives, the Company will also undertake the "establishment of an overseas network" and "the development of global human resources" to formulate an organizational structure in line with the rapidly-changing global environment.

Next, for the "creation of new business foundations," the Company will create new business foundations by



leveraging the strength of “fluid control technology” that has been cultivated since the Company’s founding to expand into emerging markets such as hydrogen and ammonia, as well as by using IT digital as a starting point to enter growing markets such as automotive and telecommunications, and striving to create products that meet the needs of the current times by integrating manufacturing, sales and technology.

Next, for the “development of sustainable management,” the Company will create unique value with “CLEAN,” “SAFETY,” and “FRONTIER” as the pillars of our business activities, and strive to realize our purpose of “creating a future that supports society.” In addition to conventional ESG/SDGs measures, we will actively invest to maximize the value of DX (digital transformation) and human resources. In terms of governance, we will continue to ensure diversity, independence, and transparency by appointing Independent Outside Directors and female Directors. We will build a better management foundation with sustainable development.

[Governance summary]

	Number of members	(Of that, those who are Independent Outside Directors)	(Of that, those who are female Directors)
Board of Directors	9	4 (44.4%)	1 (11.1%)
Nomination Advisory Committee	3	2 (66.6%)	1 (33.3%)
Remuneration Advisory Committee	3	2 (66.6%)	–

\*As of May 2023

[Sustainable]

Item	Content	One2025 targets
Environment (E)	CDP evaluation (climate change)	Obtain and maintain a B or higher
	Scope 1, 2 GHG emissions	25% reduction compared to FY2013
Society (S)	Percentage of women in managerial positions	5% or more
	Percentage of male employees taking childcare leave	75% or more
	Amount invested in human resource development per person	20% improvement
Governance (G)	Improvement of the effectiveness of the Board of Directors	Utilize third-party organizations for evaluation in order to further improve objectivity and transparency

Finally, in our “financial strategies to support growth,” the Company will strive to provide stable and continuous dividends and improve the level of dividends for shareholder returns, while enhancing our ability to generate cash flows and investing for further growth. We will set a target of 25.0 billion yen for growth investment, including M&A, and a dividend payout ratio of 30% or more for shareholder returns. We will consider the acquisition of treasury stock with a view to maintaining a balance between investments to achieve sustainable growth and the return of profits to shareholders.

The Company will be able to contribute to the enhancement of the corporate value of the Company and the Group and shareholders’ common interests by maintaining and developing good relationships with various stakeholders through the steady implementation of said initiatives, as well as the effective utilization of the corporate resources of the Company.

### III. Measures to Prevent Control over Decisions on the Company’s Financial and Business Policies by Persons Deemed Inappropriate under the Basic Policy

#### 1. Overview and purpose of the Plan

The Board of Directors of the Company has decided the continuation of the Plan to clarify the rules to be complied with by the party intending a Large-Scale Acquisition of the Company’s shares and to ensure necessary and sufficient information and time for an appropriate decision by the shareholders and opportunities to negotiate

with the party intending such Large-Scale Acquisition.

The Plan is intended to establish the rules to be complied with by a party intending a Large-Scale Acquisition of the Company's shares, clarify the possibility of losses a party intending a Large-Scale Acquisition may incur due to countermeasures to be taken by the Company in certain cases, and by disclosing those matters appropriately, give a warning to a party intending a Large-Scale Acquisition of the Company's shares who will not contribute to the Company's corporate value and shareholders' common interests.

Under the Plan, the Company will establish the independent committee (hereinafter referred to as the "Independent Committee") pursuant to the Independent Committee Regulations (please see Appendix 1 for the overview thereof), which consists of Outside Directors of the Company or external experts (i.e., corporate executives with demonstrated track records, former government officials, lawyers, certified public accountants or academic experts or those equivalent thereto) who are independent from the management responsible for the execution of the Company's business, in order to eliminate arbitrary decisions by the Board of Directors of the Company upon the initiation of countermeasures, etc.

The Board of Directors of the Company is supposed to respect the recommendation of the Independent Committee to the maximum extent possible, resolve the opinion thereof and ensure transparency by disclosing relevant information in a timely manner to the shareholders and investors. The four persons listed in Appendix 2 will be appointed as the members of the Independent Committee upon the continuation of the Plan.

In addition, the status of major shareholders of the Company as of March 31, 2023, is presented in Appendix 3 "Status of shareholding by major shareholders of the Company." It should be noted that the Company has not received any proposal or approach with respect to a Large-Scale Acquisition of the Company's shares at this point in time.

## 2. Details of the Plan

### (1) Procedures relevant to the Plan

#### 1) Large-scale acquisition subject to the Plan

The Plan is applied to the acquisition of the Company's shares, or any similar acts thereto falling within the following (i) or (ii) (provided, however, that the acts approved by the Board of Directors of the Company shall be excluded; such acts shall be collectively hereinafter referred to as a "Large-Scale Acquisition"). Any party who makes, or attempts to make, a Large-Scale Acquisition (hereinafter referred to as the "Acquirer") shall follow the procedures prescribed in the Plan. Furthermore, any provision of information by an Acquirer shall be made in Japanese language.

- (i) Acquisition that would result in the ownership ratio<sup>1</sup> of the holder<sup>2</sup> totaling 20% or more of the shares, etc.<sup>3</sup> of which the Company is the issuer
- (ii) Tender offer<sup>4</sup> that would result in the ownership ratio<sup>5</sup> of the party conducting such tender offer, together with that of a specially-related party<sup>6</sup> of such party, totaling 20% or more of the shares<sup>7</sup> of which the Company is the issuer

#### 2) Prior submission of a "Letter of Intent" to the Company

Prior to executing a Large-Scale Acquisition, the Acquirer shall submit to the Board of Directors of the Company a letter including the declaration that the Acquirer will comply with the procedures prescribed in the Plan upon the Large-Scale Acquisition (hereinafter referred to as the "Letter of Intent") in the format prescribed by the Company.

More specifically, the following shall be stated in the "Letter of Intent."

- (i) Overview of Acquirer
  - (a) Name and address
  - (b) Title and name of representative person

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<sup>1</sup> It shall mean the "ownership ratio of shares and other securities" as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply hereinafter. In the event that any laws and regulations referred to in the Plan are amended (including a change of names of laws and regulations and the enactment of new laws and regulations which succeed the former laws and regulations), the provisions of such laws and regulations referred to in the Plan shall be replaced with the provisions of the laws and regulations which effectively succeed the provisions of such laws and regulations after such amendment, unless otherwise determined by the Board of Directors of the Company.

<sup>2</sup> It shall mean the "holder" as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act and shall include the persons included in the holder pursuant to Paragraph 3 of said Article.

<sup>3</sup> It shall mean the "shares and other securities" as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply hereinafter unless otherwise stated.

<sup>4</sup> As defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act; the same shall apply hereinafter.

<sup>5</sup> It shall mean the "ownership ratio of shares and other securities" as defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act; the same shall apply hereinafter.

<sup>6</sup> It shall mean the "specially-related party" as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act. However, the person described Item 1 of said Paragraph who is defined in Article 3, Paragraph 2 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Shares and Other Securities by Persons Other than the Issuer shall be excluded; the same shall apply hereinafter.

<sup>7</sup> It shall mean the "shares and other securities" as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply to (ii) below.

- (c) Purpose of company, etc., and details of business
- (d) Overview of major shareholders or large investors (top 10 persons in terms of shareholding or investment ratio)
- (e) Contact details in Japan
- (f) Governing law of incorporation
- (ii) Number of the Company's shares currently held by the Acquirer and status of transactions of the Company's shares executed by the Acquirer during the period of 60 days prior to the submission of the Letter of Intent
- (iii) Overview of the Large-Scale Acquisition proposed by the Acquirer (including the type and number of the Company's shares the Acquirer intends to acquire through the Large-Scale Acquisition and the purpose of the Large-Scale Acquisition (if there is any purpose such as the acquisition of control or management participation, pure investment or strategic investment, transfer, etc., of the Company's shares to any third party after the completion of the Large-Scale Acquisition, or material proposal<sup>8</sup>, the facts and details of such purpose shall be described; if there are multiple purposes, all such purposes shall be listed)).

### 3) Provision of "Necessary Information"

When the Acquirer submits the "Letter of Intent" as described in 2) above, the Acquirer shall submit to the Company the information necessary and sufficient for the shareholders and investors to judge, and for the Board of Directors of the Company to perform assessment and consideration, etc., on the Large-Scale Acquisition (hereinafter referred to as the "Necessary Information") pursuant to the following procedures.

The Company will send to the address in Japan as stated in 2) (i) (e) above the information list (hereinafter referred to as the "Initial Information List") that describes the information to be initially submitted to the Company within 10 business days<sup>9</sup> after the submission of the "Letter of Intent" (not including the first day). Then, the Acquirer shall submit sufficient information to the Company pursuant to the "Initial Information List."

Furthermore, in the event that the Board of Directors of the Company reasonably judges that the information provided by the Acquirer pursuant to the "Initial Information List" is not sufficient for judgment by the shareholders and investors and assessment and consideration, etc., by the Board of Directors of the Company in light of the substance and aspects, etc., of the Large-Scale Acquisition, the Acquirer shall submit additional information to be requested separately by the Board of Directors of the Company.

In addition, the Board of Directors of the Company may establish a deadline for the response from the Acquirer as necessary in order to facilitate appropriate and prompt operation of the Plan.

Furthermore, the Board of Directors of the Company shall set the period of 60 days starting from the day following the "Initial Information List" is dispatched as the maximum length of the period in which the Board of the Directors of the Company requests the submission of information to the Acquirer and the Acquirer responds to it (hereinafter referred to as the "Information Submission Period"). Accordingly, if the Information Submission Period reaches its ceiling, the Board of Directors of the Company shall discontinue interaction with the Acquirer regarding information submission at the point in time and undertake the assessment and consideration (as stated in 4) below) based on the information submitted by that time even if the sufficient Necessary Information has not been submitted.

It should be noted that the information with respect to the following items shall constitute a part of the "Initial Information List" in principle irrespective of the substance and aspects, etc., of the Large-Scale Acquisition.

- (i) The details of the Acquirer and its group (including joint holders<sup>10</sup>, specially-related parties, and in the case of a fund, partners and other constituent members); such information shall include the history, full name, capital structure, business details, financial details, names and curriculum vitae of officers, experience of running a company or business in the industry to which the Company belongs, financial and segment information of any company or business the Acquirer runs in the industry to which the Company belongs, experience of any Large-Scale Acquisition, and management status, etc., of such company or business after such acquisition.
- (ii) Purpose (the details of the purpose disclosed in the "Letter of Intent"), method and the details of the Large-Scale Acquisition (including whether management participation is intended, the type and amount of consideration for the Large-Scale Acquisition, timeline of the Large-Scale Acquisition, structure of relevant transactions, number of shares intended to be acquired and expected ownership ratio of the shares after such acquisition, and legitimacy of the method of the Large-Scale Acquisition)
- (iii) Basis of calculation of the consideration for the Large-Scale Acquisition (including the assumptions of

<sup>8</sup> It shall mean the "material proposal" as defined in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act, Article 14-8-2, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act and Article 16 of the Cabinet Office Ordinance on Disclosure of the Status of Large-Volume Holdings in shares and other securities; the same shall apply hereinafter unless otherwise stated.

<sup>9</sup> A business day shall mean a day other than those defined in each item of Article 1, Paragraph 1 of the Act on Holidays of Administrative Organs; the same shall apply hereinafter.

<sup>10</sup> It shall mean the "joint holder" as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act and shall include the person deemed by the Board of Directors of the Company as the joint holder pursuant to Paragraph 6 of said Article; the same shall apply hereinafter.

calculation, method of calculation, numerical data used in calculation, the details of synergies expected to arise from a series of transactions relevant to the Large-Scale Acquisition, name of any third party from which an opinion is obtained upon such calculation, overview of such opinion, and background of deciding the consideration based on such opinion)

- (iv) Source of funds for the Large-Scale Acquisition (including the full name of fund providers (including fund providers in effect), method of fund raising and the details of relevant transactions)
- (v) Whether there is any communication of intent with a third party upon the Large-Scale Acquisition, and if any, the details of such communication and overview of such third party
- (vi) Detailed information on any loan agreement, collateral agreement, sell-back agreement, purchase option agreement or any other material agreement or arrangement (hereinafter referred to as “Collateral Agreement, etc.”) with respect to the Company’s shares already in the possession of the Acquirer, including the type and counterparty of such agreement and the number of shares subject to such agreement
- (vii) Detailed information on any plan to conclude a Collateral Agreement, etc., or any other agreement with a third party with respect to the Company’s shares which the Acquirer intends to acquire through the Large-Scale Acquisition, including the type and counterparty of such agreement and the number of shares subject to such agreement
- (viii) Corporate management policies, business plan, capital policies and dividend policies of the Company and the Group after the completion of the Large-Scale Acquisition
- (ix) Policies on treatment and other relevant matters with respect to employees, labor unions, business partners, customers, regional communities and other stakeholders of the Company after the completion of the Large-Scale Acquisition
- (x) Specific measures to avoid a conflict of interest with other shareholders of the Company

The Board of Directors of the Company shall disclose the fact of the Large-Scale Acquisition proposed by the Acquirer promptly and also disclose all or part of any information deemed necessary for the judgment by the shareholders and investors among the information included in the overview of such proposal, the overview of the Necessary Information or any other information at the time deemed appropriate.

Furthermore, the Board of Directors of the Company, if it judges the Necessary Information submitted by the Acquirer is sufficient, shall give a notice of such judgment to the Acquirer (hereinafter referred to as the “Notice of Completion of Information Submission”) and disclose such fact promptly.

The Information Submission Period shall expire on the day the Board of Directors of the Company dispatches the Notice of Completion of Information Submission or the day the Information Submission Period reaches its ceiling, whichever is earlier.

#### 4) Setup of assessment period of the Board of Directors, etc.

The Board of Directors of the Company shall set up, and promptly disclose, the period of (i) or (ii) below starting from the day following the Information Submission Period expires, depending on the level of difficulty to assess the Large-Scale Acquisition, as the period for the Board of Directors of the Company to assess, consider, negotiate, form its opinion and develop an alternative proposal (hereinafter referred to as the “Assessment Period of the Board of Directors”);

- (i) A maximum of 60 days in the case of a cash-only tender offer in JPY targeting all of the Company’s shares; or
- (ii) A maximum of 90 days in the case of other form of Large-Scale Acquisition.

Notwithstanding the above, the Board of Directors of the Company, when it deems necessary, may extend the Assessment Period of the Board of Directors in either case of (i) or (ii) above; if so acting, the Board of Directors of the Company shall give a notice to the Acquirer stating the specified extension period and the reason for the necessity of such extension period and disclose such fact to the shareholders and investors. The extension period shall not exceed a maximum of 30 days.

The Board of Directors of the Company shall fully assess and examine the Necessary Information submitted by the Acquirer while obtaining advice from external experts as necessary during the Assessment Period of the Board of Directors, and duly consider the details of the Large-Scale Acquisition by the Acquirer from the perspective of the protection and enhancement of the Company’s corporate value and shareholders’ common interests. The Board of Directors of the Company shall carefully form its opinion on the Large-Scale Acquisition through such consideration, which shall be notified to the Acquirer and disclosed in a timely and appropriate manner to the shareholders and investors.

The Board of Directors of the Company may also negotiate the conditions and methods of the Large-Scale Acquisition with the Acquirer as necessary, and furthermore, submit an alternative proposal to the shareholders and investors.

#### 5) Recommendation of the Independent Committee on the initiation of countermeasures

Along with the assessment, consideration, negotiation, formation of an opinion and the submission of an alternative proposal performed by the Board of Directors of the Company as described in 4) above, the

Independent Committee shall make recommendations to the Board of Directors of the Company on whether to initiate countermeasures in accordance with the following procedures during the Assessment Period of the Board of Directors. In performing its duties, the Independent Committee, at the Company's expense, may obtain advice from third parties independent from the management responsible for the execution of the Company's business (including investment banks, securities firms, financial advisors, certified public accountants, lawyers, consultants and other professionals) in order to ensure that the judgment of the Independent Committee is made for the purpose of contributing to the protection and enhancement of the Company's corporate value and shareholders' common interests.

If the Independent Committee makes the recommendation stated in (i) or (ii) below to the Board of Directors of the Company, the Board of Directors of the Company shall promptly disclose the fact of such recommendation, the overview thereof and other matters deemed appropriate by the Board of Directors of the Company.

- (i) If the Acquirer does not comply with the procedures prescribed in the Plan

The Independent Committee will recommend the initiation of countermeasures to the Board of Directors of the Company in principle if the Acquirer does not comply with the procedures prescribed in 2) to 4) above.

- (ii) If the Acquirer complies with the procedures prescribed in the Plan

The Independent Committee will recommend the non-initiation of countermeasures to the Board of Directors of the Company if the Acquirer complies with the procedures prescribed in the Plan.

However, even if the Acquirer complies with the procedures prescribed in the Plan, the initiation of countermeasures may be recommended as an exceptional measure in the event that the act listed in Appendix 4 is intended, such Large-Scale Acquisition is deemed significantly detrimental to the Company's corporate value and shareholders' common interests, and the initiation of countermeasure is judged to be appropriate. In addition, the Independent Committee may recommend the initiation of countermeasures subject to prior confirmation of the shareholders' will.

- 6) Resolution of the Board of Directors and confirmation of shareholders' will

The Board of Directors of the Company shall respect the recommendation of the Independent Committee described in 5) above to the maximum extent possible, and after receiving such recommendation, promptly resolve whether to initiate countermeasures based on such recommendation from the perspective of the protection and enhancement of the Company's corporate value and shareholders' common interests.

In the event that the Independent Committee recommends the initiation of countermeasures subject to prior confirmation of the shareholders' will, the Board of Directors of the Company shall convene the General Meeting of Shareholders to confirm the shareholders' will (hereinafter referred to as "the General Meeting of Shareholders for Confirmation of Shareholders' Will") as soon as practicably possible to propose the initiation of countermeasures thereto, unless it is extremely difficult to hold such meeting in practice. The General Meeting of Shareholders for Confirmation of Shareholders' Will may be held jointly with the Ordinary General Meeting of Shareholders or the Extraordinary General Meeting of Shareholders. In the event that the Board of Directors of the Company decides to hold the General Meeting of Shareholders for Confirmation of Shareholders' Will, the Assessment Period of the Board of Directors shall expire at the point in time. If the proposal on the initiation of countermeasures is approved at the General Meeting of Shareholders for Confirmation of Shareholders' Will, the Board of Directors of the Company shall resolve the initiation of countermeasures and take necessary procedures in accordance with the decision made at the General Meeting of Shareholders for Confirmation of Shareholders' Will. On the other hand, the Board of Directors of the Company shall resolve the non-initiation of countermeasures if the proposal on the initiation of countermeasures is rejected at the General Meeting of Shareholders for Confirmation of Shareholders' Will.

The Board of Directors of the Company, if it makes the aforementioned resolution, shall promptly disclose the overview of such resolution and other matters deemed appropriate by the Board of Directors of the Company and the Independent Committee, irrespective of whether the resolution is for or against the initiation of countermeasures.

- 7) Cancellation of countermeasures or revocation of initiation thereof

Even after the Board of Directors of the Company resolved the initiation of, or initiated, the countermeasures in accordance with the procedures described in 6) above, the Board of Directors of the Company shall cancel the countermeasures or revoke the initiation thereof in the event that (i) the Acquirer cancels the Large-Scale Acquisition or (ii) changes have occurred in the facts which are preconditions to decide whether to initiate the countermeasures and led to the situation where it is deemed inappropriate to maintain the initiated countermeasures from the perspective of the protection and enhancement of the Company's corporate value and shareholders' common interests.

The Board of Directors of the Company, if it makes the aforementioned resolution, shall promptly disclose the overview of such resolution and other matters it deems appropriate.

### 8) Commencement of the Large-Scale Acquisition

The Acquirer shall comply with the procedures prescribed in 1) to 6) above and may not commence the Large-Scale Acquisition until the non-initiation of the countermeasures is resolved by the Board of Directors.

#### (2) Specific details of countermeasures prescribed in the Plan

The Board of Directors of the Company shall undertake gratis allotment of subscription rights to shares (hereinafter referred to as the “Subscription Rights to Shares”) as the countermeasure to be initiated based on the resolution described in (1), 6) above.

The overview of the gratis allotment of the Subscription Rights to Shares is described in Appendix 5 “Overview of gratis allotment of subscription rights to shares.”

The Board of Directors of the Company may resolve to cancel the countermeasure or revoke the initiation thereof even after the Board of Directors of the Company resolved the initiation of, or initiated, the countermeasure as described in (1), 7) above. As an example, in the event that the Board of Directors of the Company resolved the gratis allotment of the Subscription Rights to Shares and that the Board of Directors of the Company made the resolution described in (1), 7) above thereafter upon the cancellation of the Large-Scale Acquisition by the Acquirer, the Board of Directors of the Company may cancel the gratis allotment of the Subscription Rights to Shares until the day before the ex-rights date relevant to the record date established for the gratis allotment of the Subscription Rights to Shares, or revoke the initiation of the countermeasure by such method as the Company acquiring the Subscription Rights to Shares free of charge until the day before the commencement date of the exercise period of the Subscription Rights to Shares from the effective date of the gratis allotment of the Subscription Rights to Shares.

#### (3) Effective period, abolition and changes of the Plan

The Plan shall be effective for three years until the close of the Ordinary General Meeting of Shareholders to be held in June 2026 subject to the approval to be obtained at the General Meeting of Shareholders held on June 22, 2023.

Notwithstanding the above, if the abolition or a change of the Plan is resolved at the General Meeting of Shareholders of the Company, the Plan shall be changed or abolished at that point in time in accordance with such resolution even before the expiration of the aforementioned effective period. Furthermore, if the abolition of the Plan is resolved by the Board of Directors consisting of the Directors elected at the General Meeting of Shareholders of the Company, the Plan shall be abolished at that point in time accordingly.

It should be noted that the Board of Directors of the Company may revise or change the Plan, subject to the approval of the Independent Committee, to the extent deemed reasonably necessary in accordance with changes in the Companies Act, the Financial Instruments and Exchange Act, any other laws or regulations, or financial instruments exchange rules, changes in the interpretation or implementation thereof, or changes in the taxation system or judicial precedents.

In the event that the Plan is abolished or changed, the Company shall promptly disclose the fact of such abolition or change, the details of the change (in the case of a change) and any other matters deemed appropriate by the Board of Directors of the Company.

### 3. Reasonableness of the Plan

#### (1) Satisfying all the requirements of the guidelines regarding takeover defense measures

The Plan fully satisfies the three principles (the principle of protecting and enhancing corporate value and shareholders’ common interests, the principle of prior disclosure and shareholders’ will, and the principle of ensuring the necessity and reasonableness of defensive measures) prescribed in the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests” published on May 27, 2005, jointly by the Ministry of Economy, Trade and Industry and Ministry of Justice, and is also based on the “Takeover Defense Measures in Light of Recent Environmental Changes” published on June 30, 2008, by the Corporate Value Study Group.

#### (2) Continuing the Plan for the purpose of the protection and enhancement of the Company’s corporate value and shareholders’ common interests

The Plan is to be continued, as stated in 1. above, for the purpose of protecting and enhancing the Company’s corporate value and shareholders’ common interests, since the Plan, upon a Large-Scale Acquisition targeting the Company’s shares, ensures the information and period of time necessary for the shareholders to judge whether to accept such Large-Scale Acquisition or for the Board of Directors of the Company to submit an alternative proposal, and enables the Board of Directors of the Company to negotiate with the Acquirer for the benefit of shareholders, etc.

#### (3) Respecting the shareholders’ will

The Plan is to be continued subject to the approval of the shareholders at this Ordinary General Meeting of

Shareholders, and if the change or abolition of the Plan is resolved at the General Meeting of Shareholders of the Company thereafter, it will be changed or abolished in accordance with such resolution even after the approval of the shareholders is obtained at this Ordinary General Meeting of Shareholders, as stated in 2. (3) above. Therefore, the Plan is designed to sufficiently reflect the Shareholders' will on the continuation, change and abolition thereof.

(4) Emphasizing judgment of highly independent outside parties and ensuring disclosure

Under the Plan, the Company shall establish the Independent Committee as an advisory body to the Board of Directors, and the Independent Committee shall make resolutions and recommendations objectively with respect to the operation of the Plan including the initiation of countermeasures in order to eliminate arbitrary decisions by the Board of Directors of the Company.

The Independent Committee consists of three members or more appointed from Outside Directors of the Company or external experts (i.e., corporate executives with demonstrated track records, former government officials, lawyers, certified public accountants or academic experts) who are independent from the management responsible for the execution of the Company's business.

Furthermore, the Company is supposed to disclose the overview of decisions made by the Independent Committee to the shareholders and investors as necessary and thereby ensures a framework for the transparent implementation of the Plan to contribute to the Company's corporate value and shareholders' common interests.

(5) Establishing reasonable and objective conditions for the initiation of countermeasures

As stated in 2. (1) above, the Plan is designed not to initiate countermeasures unless certain reasonable and objective conditions for initiation are fully satisfied and thereby ensures a framework to prevent the arbitrary initiation of countermeasures by the Board of Directors of the Company.

(6) Not falling within dead-hand or slow-hand takeover defense measure

As stated in 2. (3) above, the Plan can be abolished at any time by the Board of Directors consisting of the Directors appointed at the General Meeting of Shareholders of the Company. Accordingly, the Plan does not constitute a dead-hand takeover defense measure (under which, the initiation of countermeasures cannot be prevented even after a majority of constituent members of the Board of Directors are replaced).

Furthermore, since the term of office of the Directors of the Company is one year and a staggered term is not adopted, the Plan does not constitute a slow-hand takeover defense measure (under which, it requires a great deal of time to prevent the initiation of countermeasures because all of the members of the Board of Directors cannot be replaced at once).

#### 4. Impact on Shareholders and Investors

(1) Impact on shareholders and investors upon the continuation of the Plan

The issuance of the Subscription Rights to Shares will not occur upon the continuation of the Plan. Upon the continuation of the Plan, accordingly, the Plan has no direct, tangible impact on the legal rights and economic interests that the shareholders hold with respect to the Company's shares.

Since the countermeasures to be taken by the Company against a Large-Scale Acquisition will differ depending on whether the Acquirer complies with the Plan as stated in 2. (1) above, the shareholders and investors are advised to be mindful of actions to be taken by such Acquirers.

(2) Impact on shareholders and investors upon gratis allotment of the Subscription Rights to Shares

If the Board of Directors of the Company decides to initiate countermeasures and undertakes the gratis allotment of Subscription Rights to Shares, the Subscription Rights to Shares will be allotted free of charge to the shareholders registered in the shareholder registry as of the date separately determined at a ratio of up to one Subscription Rights to Shares per share held thereby. Since the gratis allotment of the Subscription Rights to Shares, while resulting in the dilution of the value of each share held by the shareholders, causes no dilution of the value of total shares of the Company due to the aforementioned framework, the Plan is assumed to have no direct, tangible impact on the legal rights and economic interests that the shareholders hold with respect to the Company's shares.

Notwithstanding the above, the initiation of countermeasures may result in some impact on the legal rights or economic interests of the Acquirer.

Even after the Board of Directors of the Company resolves the gratis allotment of the Subscription Rights to Shares, the price of the Company's shares may fluctuate to some extent if the Board of Directors of the Company decides to cancel the countermeasures initiated thereby or revoke the initiation according to the procedure described in 2. (1) 7) above. It should be noted that for example, the shareholders and investors who trade the Company's shares on the assumption that the economic value per share of the Company will be diluted may incur a loss due to share price fluctuation since the economic value of each share of the Company held by the shareholders will not be diluted if the Company revokes the initiation of countermeasures and does not deliver

new shares by acquiring the Subscription Rights to Shares free of charge after the shareholders qualified to receive the gratis allotment of the Subscription Rights to Shares are fixed.

It is expected that, if disadvantageous conditions are imposed on the exercise or acquisition of the Subscription Rights to Shares by the Acquirer, the legal rights or economic interests of the Acquirer will be affected upon such exercise or acquisition; provided, however, that the Plan, even in such case, is assumed to have no direct, tangible impact on the legal rights and economic interests that the shareholders (other than the Acquirer) hold with respect to the Company's shares.

(3) Procedures for shareholders upon gratis allotment of the Subscription Rights to Shares

No procedure to subscribe for the Subscription Rights to Shares is required for the shareholders registered in the final shareholder registry on the date of the gratis allotment of the Subscription Rights to Shares, who will become the holders of the subscription rights to shares by necessity on the effective date of the gratis allotment of the subscription rights to shares.

On the other hand, the shareholders may be required to exercise the Subscription Rights to Shares within a specified period of time to acquire new shares (a certain amount of money will be payable at that time).

In addition to the above, the Company will disclose the details of procedures regarding the method of allotment, method of exercise, method of acquisition by the Company and other relevant matters based on the applicable laws and regulations and the financial instruments exchange rules in a timely and appropriate manner after the Board of Directors of the Company resolves the gratis allotment of the Subscription Rights to Shares. Accordingly, the shareholders and investors are advised to check such disclosure to be made by the Company.

End



### **Overview of Independent Committee Regulations**

1. The Independent Committee shall be established as an advisory body to the Board of Director based on the resolution thereof for the purpose of eliminating arbitrary decisions by the Board of Directors with respect to the initiation of countermeasures against a Large-Scale Acquisition, and thereby ensuring the objectivity and reasonableness of the Board of Directors' judgments and actions.
2. The Independent Committee shall consist of three members or more who are appointed based on the resolution of the Board of Directors of the Company from among the persons who fall within any of (1) Outside Directors, or (2) external experts (i.e., corporate executives with demonstrated track records, former government officials, lawyers, certified public accountants or academic experts or those equivalent thereto) and are independent from the management responsible for the execution of the Company's business. In addition, the Company shall enter into an agreement which includes provisions on the duty of due care of a prudent manager and confidentiality with the Independent Committee members.
3. The term of office of the Independent Committee members shall expire at the date of close of the General Meeting of Shareholders concerning the last business year ending within three (3) years from the date of appointment or at the date otherwise agreed between the Independent Committee members and the Company; provided, however, that this shall not apply where the Board of Directors of the Company otherwise resolves.
4. The Independent Committee shall be convened by the Representative Director of the Company or by each of the Independent Committee members.
5. The chairperson of the Independent Committee shall be appointed by mutual election of the Independent Committee members.
6. The resolutions of the Independent Committee shall be made with the attendance of all Independent Committee members by a majority vote thereby in principle; provided, however, that in the event that any of the Independent Committee members is unable to so act or there is any other special reason, the resolutions of the Independent Committee shall be made with the attendance of a majority of the Independent Committee members by a majority vote thereby.
7. The Independent Committee shall deliberate on and resolve the matters listed in each item below and recommend such resolution to the Board of Directors of the Company with the reasons thereof.
  - (1) Whether to initiate countermeasures relevant to the Plan (including whether to confirm the shareholders' will in advance with respect to such initiation)
  - (2) The cancellation of countermeasures or revocation of initiation thereof relevant to the Plan
  - (3) The abolition or a change of the Plan
  - (4) Other matters the Board of Directors of the Company may consult on at its discretion with the Independent Committee relevant to the Plan

The respective Independent Committee members shall be required to deliberate on and resolve subject matters at the Independent Committee solely from the perspective of whether such matters contribute to the Company's corporate value and shareholders' common interests and may not intend to seek their own personal gain or that of the management of the Company.
8. The Independent Committee may, as necessary, summon the Directors or employees of the Company or any other person deemed necessary to ask opinions or explanations on the matters the Independent Committee requests.
9. The Independent Committee may, in performing its duties, obtain advice from external experts independent from the management responsible for the execution of the Company's business (including investment banks, securities firms, financial advisors, certified public accountants, lawyers, consultants and other professionals) at the Company's expense.

End

**Career Summaries of Candidates for Independent Committee Members (Japanese Syllabary Order)**

Yoshinori Suzuki

Date of birth: April 27, 1952

April 1975      Joined Tateisi Electronics Co. (current OMRON Corporation)  
 June 2003      Executive Officer of OMRON Corporation  
 June 2006      Managing Executive Officer of OMRON Corporation  
 April 2013      Senior Managing Executive Officer of OMRON Corporation  
 June 2013      Senior Managing Director and CFO of OMRON Corporation  
 April 2014      Visiting Professor of Doshisha Business School, Doshisha University  
 June 2014      Representative Director, Vice President and CFO of OMRON Corporation  
 June 2019      Outside Director of the Company (to present)

\* The Company has notified Mr. Yoshinori Suzuki as an independent auditor to the Tokyo Stock Exchange, Inc. pursuant to the provisions thereof.

Junichi Komamura

Date of birth: May 3, 1950

April 1973      Joined Mitsubishi Corporation  
 April 1996      Director, portfolio companies of Mitsubishi Corporation in Italy and the U.K.  
 August 2003     Executive Officer of Morishita Jintan Co., Ltd.  
 June 2004      Director, Managing Executive Officer and Head of Corporate Planning of Morishita Jintan Co., Ltd.  
 April 2005      Senior Managing Director and Senior Managing Executive Officer of Morishita Jintan Co., Ltd.  
 November 2005   Representative Director and Managing Executive Officer of Morishita Jintan Co., Ltd.  
 October 2006   Representative Director and President of Morishita Jintan Co., Ltd.  
 March 2012     Member of the Board (Outside Director) of AnGes, Inc. (to present)  
 May 2020      Outside Director of TOKAI BUSSAN CO., LTD. (to present)  
 June 2020      Outside Director of the Company (to present)  
 December 2022   Outside Director of Ai-BrainScience Inc. (to present)

\* The Company has notified Mr. Junichiro Komamura as an independent director to the Tokyo Stock Exchange, Inc. pursuant to the provisions thereof.

Kazumitsu Takaya

Date of birth: December 1, 1958

March 1989      Registered as certified public accountant  
 August 1992     Registered as certified public tax accountant  
 March 2004      Opened Takaya CPA Office  
 December 2004   Representative Partner of Nexus Audit Corporation (to present)  
 June 2016      External Director (Audit & Supervisory Committee Member) of HIRANO TECSEED Co., Ltd. (to present)  
 June 2019      Outside Director (Audit and Supervisory Committee Member) of the Company (to present)

\* The Company has notified Mr. Kazumitsu Takaya as an independent auditor to the Tokyo Stock Exchange, Inc. pursuant to the provisions thereof.

Kyoko Kobayashi

Date of birth: July 22, 1972

April 1999      Registered as attorney at law  
                       Joined Irokawa Law Office (currently Irokawa Legal Professional Corporation)  
 September 2009   Seconded to Legal Affairs Office, Sharp Corporation  
 September 2014   Returned to Irokawa Law Office  
 January 2018      Partner of Irokawa Law Office  
 February 2018     Outside Auditor of KAWAKAMI PAINT MANUFACTURING CO., LTD. (to present)  
 January 2020      Partner of Irokawa Legal Professional Corporation (to present)  
 June 2020      External Director of Mitsubishi Logisnext Co., Ltd. (to present)  
 June 2021      Outside Director (Audit and Supervisory Committee Member) of the Company (to present)

\* The Company has notified Ms. Kyoko Kobayashi as an independent auditor to the Tokyo Stock Exchange,

Inc. pursuant to the provisions thereof.  
There is no special interest between any of the four persons above and the Company.

End

**Status of Shareholding by Major Shareholders of the Company**

(as of March 31, 2023)

1. Total number of authorized shares	80,000,000
2. Total number of shares issued	25,042,406
3. Number of shareholders	17,044
4. Major shareholders	

Shareholder name	Number of shares held (thousand shares)	Ownership ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	2,776	11.92
Custody Bank of Japan, Ltd. (trust account)	1,318	5.66
Nippon Pillar Packing Co., Ltd. client stock holding group	1,241	5.33
Rockwave, Limited Company	1,020	4.38
Kiyohisa Iwanami	742	3.19
Meiji Yasuda Life Insurance Company (standing proxy: Custody Bank of Japan, Ltd.)	700	3.00
Sumitomo Mitsui Banking Corporation	692	2.97
Mizuho Bank, Ltd. (standing proxy: Custody Bank of Japan, Ltd.)	592	2.54
RE FUND 107-CLIENT AC (standing proxy: Citibank, N.A., Tokyo Branch)	561	2.41
HSBC BANK PLC A/C M AND G (ACS) (standing proxy: Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	281	1.21

(Note)

1. The Company, while holding 1,744,163 shares of treasury stock, is excluded from the major shareholders above.
2. Ownership ratio is calculated after deducting treasury stock.
3. Number of shares held less than one thousand is rounded down.

End

**Type of Acts Deemed Significantly Detrimental to the Company's Corporate Value and Shareholders' Common Interests**

1. The Acquirer is judged to be a person who, despite having no interest in participating in the corporate management of the Company, is acquiring, or attempting to acquire, the Company's shares, etc., solely with the aim of bidding up the share price and causing the Company or a related person of the Company to purchase the shares, etc., at a high price (also known as a greenmailer).
2. The Acquirer is judged to be acquiring the Company's shares, etc., for the purpose of temporarily controlling the corporate management of the Company in order to transfer the assets of the Company or its corporate group, including intellectual property, expertise, business secrets, key business partners or customers vital to the business operations of the Company or its corporate group, to the Acquirer or its corporate group, etc.
3. The Acquirer is judged to be acquiring the Company's shares, etc., for the purpose of diverting the assets of the Company or its corporate group as collateral for, or funds for the settlement of, an obligation of the Acquirer or its corporate group, etc., after taking control of the Company's corporate management.
4. The Acquirer is judged to be acquiring the Company's shares, etc., for the purpose of temporarily controlling the corporate management of the Company in order to force the disposal of highly-valuable assets, such as real estate and securities, which are not currently involved in the business of the Company or its corporate group, and to force a temporary large amount of dividends using the income from such disposal or sale of the Company's shares, etc., at a high price, seeking the opportunity of a share price surge to be triggered by such temporary large amount of dividends.
5. It is judged that the method of the acquisition of the Company's shares, etc., proposed by the Acquirer may restrict the shareholders' opportunity and freedom to judge the proposal and force the shareholders to sell the Company's shares, etc., in effect, such as a so-called coercive two-tier purchase (meaning the purchase of the shares including a tender offer, in which the purchase of all the shares, etc., of the Company is not induced in the first stage of the purchase, and the purchasing conditions in the second stage of the purchase are set unfavorably, stated clearly).

End

### **Overview of Gratis Allotment of Subscription Rights to Shares**

1. Total number of Subscription Rights to Shares to be allotted

The total number of Subscription Rights to Shares to be allotted shall be the number separately determined by the Board of Directors of the Company in the resolution on the gratis allotment of the Subscription Rights to Shares (hereinafter referred to as the “Resolution on Allotment”), which shall not exceed the same number as the final number of issued shares on a certain date separately determined by the Board of Directors of the Company in the Resolution on Allotment (hereinafter referred to as the “Allotment Date”) (excluding the number of treasury shares held by the Company as of that date).

2. Shareholders to whom the Subscription Rights to Shares are to be allotted

The Subscription Rights to Shares shall be allotted free of charge to the shareholders registered in the final shareholder registry on the Allotment Date at the ratio separately determined by the Board of Directors of the Company in the Resolution on Allotment, which shall not exceed the ratio of one Subscription Rights to Shares per common share held by said shareholders (excluding the treasury shares held by the Company as of that date).

3. Effective date of gratis allotment of the Subscription Rights to Shares

The effective date of the gratis allotment of the Subscription Rights to Shares shall be separately determined by the Board of Directors of the Company in the Resolution on Allotment.

4. Type and number of shares to which the Subscription Rights to Shares are to be allotted

The type of shares to which the Subscription Rights to Shares are to be allotted are the Company’s common shares. The number of common shares to be granted per Subscription Right to Shares (hereinafter referred to as the “Number of Granted Shares”) shall be separately determined by the Board of Directors of the Company in the Resolution on Allotment, but shall not exceed one common share per Subscription Right to Shares; provided, however, that in the event the Company undertakes a split or merger of the Company’s shares or any other similar act thereto, the Company shall make the appropriate adjustments.

5. Details and price of assets to be contributed upon exercise of the Subscription Rights to Shares

The subject of the contribution upon the exercise of the Subscription Rights to Shares shall be money. The per share amount of the assets to be contributed upon the exercise of the Subscription Rights to Shares shall be the amount separately determined by the Board of Directors of the Company in the Resolution on Allotment, but at least one yen per common share of the Company.

6. Restrictions on transfer of the Subscription Rights to Shares

The transfer of the Subscription Rights to Shares shall require the approval of the Board of Directors of the Company.

#### 7. Conditions for exercising the Subscription Rights to Shares

The following persons shall be prohibited from exercising the Subscription Rights to Shares: (1) special large-volume holders<sup>11</sup>; (2) joint holders of special large-volume holders; (3) special large-volume Acquirers<sup>12</sup>; (4) specially-related parties of special large-volume Acquirers; (5) persons who received or succeeded the Subscription Rights to Shares from the person listed in (1) to (4) above without the approval of the Board of Directors of the Company; or (6) related persons<sup>13</sup> of those falling within (1) to (5) above (collectively hereinafter referred to as “ineligible persons”). The details of the conditions for exercising the Subscription Rights to Shares shall be separately determined in the Resolution on Allotment.

#### 8. Acquisition of the Subscription Rights to Shares by the Company

On a date separately determined by the Board of Directors of the Company, the Company may acquire the Subscription Rights to Shares held by the persons other than ineligible persons and deliver to those persons the number of common shares of the Company equivalent to the Number of Granted Shares per Subscription Right to Shares. In the event that the Company acquires Subscription Rights to Shares held by ineligible persons, no money, etc. shall be delivered as consideration for the Subscription Rights to Shares.

The details of the conditions for the acquisition of the Subscription Rights to Shares shall be separately determined in the Resolution on Allotment.

#### 9. Gratis acquisition upon the revocation of the initiation of countermeasures, etc.

In the event that the Board of Directors of the Company decides to revoke the initiation of countermeasures or in other circumstances separately determined by the Board of Directors of the Company in the Resolution on Allotment, the Company may acquire all of the Subscription Rights to Shares free of charge.

#### 10. Exercise period of the Subscription Rights to Shares, etc.

The exercise period of the Subscription Rights to Shares and other necessary matters shall be separately determined by the Board of Directors of the Company in the Resolution on Allotment.

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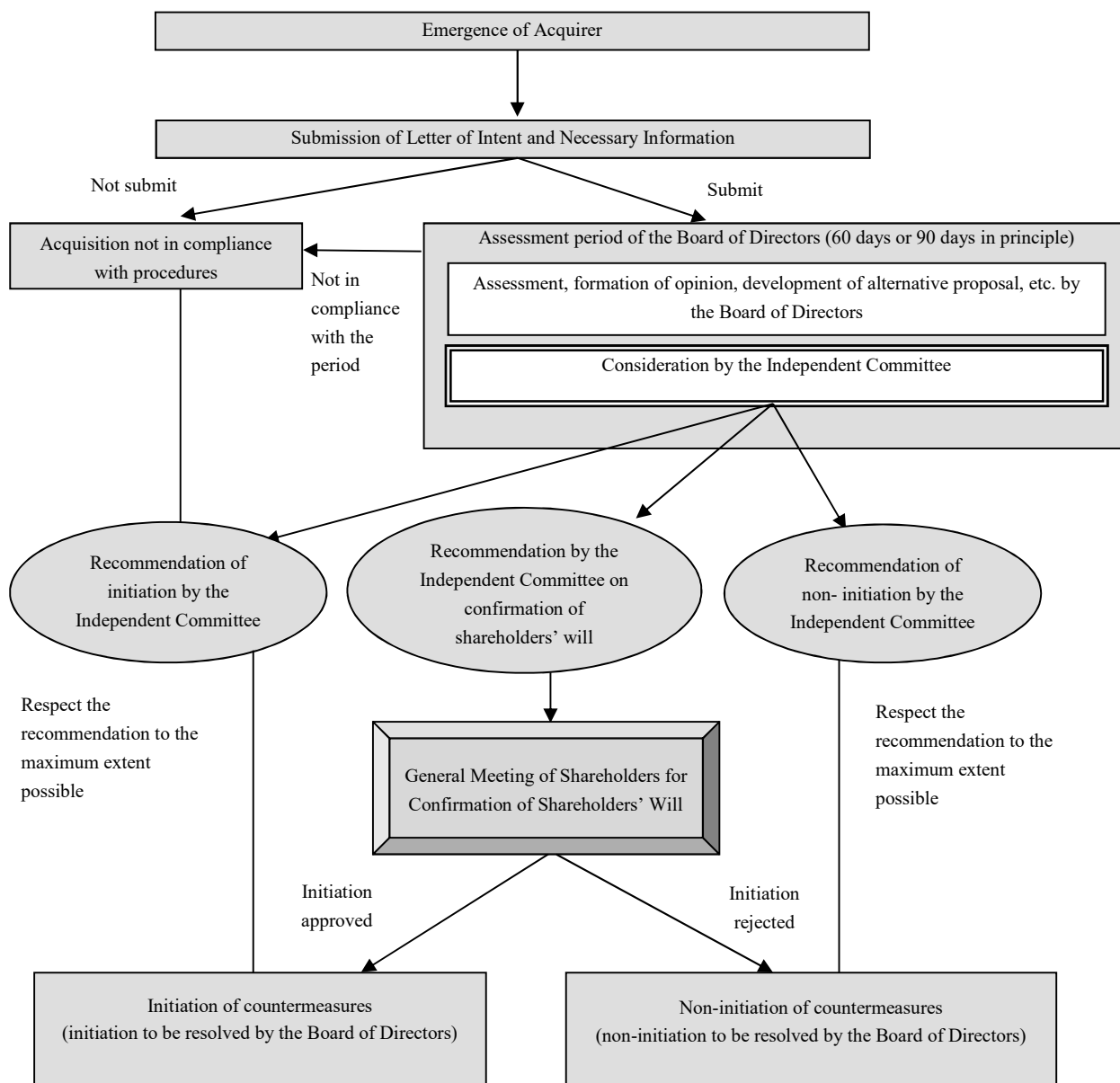
<sup>11</sup> It shall mean the person who is a holder of the shares of which the Company is the issuer and whose ownership ratio of said shares is at least 20%, or the person deemed by the Board of Directors of the Company to fall within the same; provided, however, that this shall not apply to the person whose acquisition or holding of the company's shares is deemed by the Board of Directors of the Company not to be detrimental to the Company's corporate value or shareholders' common interests or any other person separately determined by the Board of Directors of the Company in the resolution on allotment.

<sup>12</sup> It shall mean the person who has given an official notice of the purchase (meaning the “purchase” as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply in this note hereinafter) by means of the tender offer of the shares of which the Company is the issuer (meaning the “share certificates, etc.” as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply in this note hereinafter) and whose holdings (including the acts equivalent thereto as defined in Article 7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act) of the shares after such purchase, together with the shares held by said persons' specially-related persons, result in at least 20% of ownership ratio in total; or the person deemed by the Board of Directors to fall under the same; provided, however, that this shall not apply to the person whose acquisition or holding of the company's shares is deemed by the Board of Directors of the Company not to be detrimental to the Company's corporate value or shareholders' common interests or any other person separately determined by the Board of Directors of the Company in the resolution on allotment.

<sup>13</sup> A “related person” of a certain person shall mean the person who effectively controls, is controlled by, or is under common control with said person (including the person deemed by the Board of Directors of the Company to fall under the same); or the person deemed by the Board of Directors of the Company to act in concert with said person. The word “control” shall mean the situation where a person “controls decisions on the financial and business policies” (as defined in Article 3 (3) of the Ordinance for Enforcement of the Companies Act) of other companies, etc.

End

Flow Chart regarding Procedures of the Plan



\* The above flow chart is intended to illustrate the overview of the Plan for ease of understanding. Please see the main texts for specific details of the Plan.

[End of Document]