

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Stock Exchange Code: 5985

June 5, 2023

To Shareholders,

Tadao Ohtani

Representative Director and CEO

SUNCALL CORPORATION

14, Umezunishiura-cho, Ukyo-ku, Kyoto, Japan

NOTICE OF THE 106TH ANNUAL SHAREHOLDERS' MEETING

We are pleased to announce the 106th Annual Shareholders' Meeting of SUNCALL CORPORATION (the "Company"). The meeting will be held for the purposes as described below.

On convening this shareholders' meeting, the Company has taken the measures available under Japanese law to provide the reference material for this meeting in an electronic format. (Information made available electronically is referred to as "matters for which measures for providing information in electronic format have been taken.") The Notice of the 106th Annual Shareholders' Meeting is available online at the following website address.

<https://www.suncall.co.jp/ir/meeting/>

<https://d.sokai.jp/5985/teiji/> (in Japanese only)

The above electronically provided information (the "matters for which measures for providing information in electronic format have been taken") is available not only on this website, but also on the website of the Tokyo Stock Exchange. Information can be accessed by visiting the website below, inserting and searching for Suncall as the Issue name (company name) or 5985 as the Code, and then selecting "Basic information," "Documents for public inspection/PR information."

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese only)

If you are unable to attend the Annual Shareholders' Meeting in person, then you may exercise your voting rights using either of the methods below. We ask that, after reviewing the reference material for the meeting, you exercise your voting rights in accordance with the Instructions on Exercising Your Voting Rights on page 3 [of the Japanese original text] of this Notice.

When exercising your voting rights online

Access our company's designated website for online voting (<https://www.web54.net>) and follow the on-screen instructions to vote for or against each proposal prior to 4:45 p.m. on Thursday, June 22, 2023.

Before exercising your voting rights, please confirm the section entitled "how to exercise your voting rights online" on page 4 [of the Japanese original text] of this Notice.

When exercising your voting rights in writing

Indicate your agreement with or opposition to each proposal on the enclosed voting form and send the form such that it arrives prior to 4:45 p.m. on Thursday, June 22, 2023.

1. Date and Time: Friday, June 23, 2023, at 10:00 a.m. (JST)

2. Venue: Suncall conference room
14, Umezunishiura-cho, Ukyo-ku, Kyoto, Japan

3. Matters before the meeting:

Matters to be reported

1. The Business Report, Consolidated Financial Statements, and results of audits by the Independent Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements for the Company's 106th Fiscal Year (April 1, 2022 - March 31, 2023)
2. Non-consolidated Financial Statements for the Company's 106th Fiscal Year (April 1, 2022 - March 31, 2023)

Matters to be resolved

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Seven Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 3:** Election of One Substitute Director who is an Audit and Supervisory Committee Member
- Proposal 4:** Renewal of Policies against a Large-Scale Purchase of the Company’s Shares, etc. (Takeover Defense Measures)

- For those attending the meeting on the day, please submit the enclosed voting form at the reception desk.
- Of the information made available online (the “matters for which measures for providing information in electronic format have been taken”), the following information, in accordance with laws, regulations and stipulations of Article 15 Paragraph 2 of the Company’s Articles of Incorporation, is not included in the written documents provided to shareholders who requested written information.
 - (1) “Company Systems and Policies” in the Business Report
 - (2) “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements
 - (3) “Non-consolidated Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements

Note that these matters are included in the “matters relating to the notification of convocation of the 106th Annual Shareholders’ Meeting for which measures for providing information in electronic format have been taken but which, in accordance with laws, regulations and the Articles of Incorporation, are not included in the written material provided in response to requests for written material.” Accordingly, the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements included in the documents issued to shareholders in response to requests for written information represent only part of the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Independent Auditor or the Audit and Supervisory Committee in preparing the Financial Audit Report or Audit Report.

- If there are any changes to the information made available online (the “matters for which measures for providing information in electronic format have been taken”), then the relevant information, as before the change and as after the change, will be made available on the websites referred to above.
- We ask please that shareholders refrain from attending the meeting if they are not in good health, due for example to symptoms of a cold, including fever, cough, sneezing, or other symptoms.
- Please note that no social reception for shareholders will be held after the shareholders’ meeting.

Reference Documents for the Shareholders' Meeting

Proposals and Reference Information

Proposal 1: Appropriation of Surplus

In order to increase value for shareholders in accordance with the Global Growth Plan 2024 (GGP24), our Medium-term Management Plan for the period FY 2022-2024, we will implement business management that focuses on return on capital and balance sheet management. Our policy for shareholder returns and the Medium-term Management Plan (GGP24) is that we shall maintain a dividend ratio of 75% until ROE exceeds 9.0% (the minimum dividend of ¥20).

The Company proposes to pay a year-end dividend for the fiscal year under review as follows:

Year-end dividend

- (1) Type of dividend asset
Cash
- (2) Allotment of dividend assets to shareholders and their aggregate amount
¥9 per common share of the Company
Total amount: ¥273,661,182
Including the interim dividend of ¥11 per share, the dividends for the fiscal year under review will be ¥20 per share.
- (3) Effective date of dividend of surplus
June 26, 2023

Proposal 2: Election of Seven Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all seven Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, the same applies in this proposal) will expire at the conclusion of this Meeting.

Therefore, the Company proposes the election of seven Directors.

This proposal was decided based on a report from the Nomination and Remuneration Advisory Committee, which is chaired by an Independent Outside Director.

The candidates for Directors are as follows:

Candidate No.	Name		Current position in the Company
1	Tadao Ohtani	Incumbent	Representative Director and CEO
2	Tadashi Nara	Incumbent	Representative Director and Executive Vice President Chief Operating Officer of Research & Development Group, and General Manager of Product Strategy Dept.
3	Masatoshi Kanada	Incumbent	Director and Managing Executive Officer General Manager of Corporate Planning and Management Division
4	Kazutoshi Sugimura	Incumbent	Director and Managing Executive Officer General Manager of Suspension Products Division
5	Yoshihiro Miyake	New candidate Outside	—
6	Fumiko Kagiya	Incumbent Outside Independent	Director
7	Hiroko Ozawa	New candidate Outside Independent	—

(Note) The Company insures all Directors through a directors and officers liability insurance (D&O Insurance) policy, as stipulated in Article 430-3, Paragraph (1) of the Companies Act. If this proposal is approved as proposed, and if the candidates are appointed as Directors, they will be insured under the D&O Insurance policy. The policy covers damages that may arise from the insured person's assumption of liability incurred in the course of the performance of duties as a Director or Officer, or from receipt of claims pertaining to the pursuit of such liability. However, there are certain exclusions to coverage; for example, the policy does not cover damages caused by acts committed by a person with knowledge that said acts are in violation of laws and regulations. (The Company pays for all premiums (including the rider) and the insured person essentially pays for no premiums. The policy has a deductible and does not cover damages up to the amount of the deductible.) The Company plans to renew said insurance policy with similar terms during the term of office.

Opinion of the Audit and Supervisory Committee

In regard to the election of Directors of the Company, two Independent Outside Directors who are Audit and Supervisory Committee Members attended the Nomination and Remuneration Advisory Committee and expressed their opinions, while the Audit and Supervisory Committee shared and discussed the policy and procedures for the election of candidate Directors.

As a result of said discussion, the Audit and Supervisory Committee concluded that the details of the election of Directors are appropriate and that there are no special matters to be stated at the Shareholders' Meeting in accordance with the provisions of the Companies Act.

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Tadao Ohtani September 27, 1960	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2004 General Manager of Suspension and Sub Micron Products Section, Digitronics Products Division II</p> <p>Apr. 2011 Executive Officer, and Deputy General Manager of Suspension Products Division</p> <p>June 2011 Executive Officer, and Division Manager of Suspension Products Division</p> <p>Apr. 2014 Managing Executive Officer, and Division Manager of Information Technology and High Precision Products Division</p> <p>June 2015 Director, Managing Executive Officer, and General Manager of Information Technology and High Precision Products Division</p> <p>Nov. 2015 Director, Managing Executive Officer, and Deputy Director of Production and Administration Group</p> <p>Apr. 2017 Director, Managing Executive Officer, and Chief Operating Officer of Production and Administration Group</p> <p>June 2017 Representative Director, Senior Managing Director, Managing Executive Officer, and Chief Operating Officer of Production and Administration Group</p> <p>June 2018 Representative Director and President and CEO</p> <p>June 2020 Representative Director and President and Executive Officer (current position)</p> <p>[Significant concurrent positions outside the Company] Not applicable</p>	53,471 shares
<p>Reasons for nomination as candidate for Director: He has demonstrated excellent skills in various business fields, including the Company's Digitronics Products Division, Suspension Products Division, and Information Technology and High Precision Products Division, and has demonstrated outstanding management skills since his appointment as a Director of the Company in June 2015 and as Representative Director and President and CEO in June 2018. The Company has therefore judged him to be an appropriate candidate to achieve sustainable enhancement of its corporate value.</p>			

- (Notes)
1. There is no special interest between Tadao Ohtani and the Company.
 2. The number of shares held as listed above includes the number of shares actually held in the name of the Suncall Officers Stock Ownership Association.

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Tadashi Nara August 31, 1960	<p>Apr. 1985 Joined Toyota Motor Corporation</p> <p>Jan. 2007 Seconded to Engine Engineering Division No. 2, Daihatsu Motor Co., Ltd., Engine Engineering Project Manager</p> <p>Jan. 2009 Unit Project General Manager of Engine Design Center 22, Engine Engineering Division 2 of Toyota Motor Corporation</p> <p>Jan. 2012 Seconded to Toyota Motor Asia Pacific Engineering & Manufacturing Co., Ltd. (Bangkok), Vice President</p> <p>Jan. 2016 Project General Manager of Powertrain Planning Field, Unit Management Division of Toyota Motor Corporation</p> <p>Aug. 2016 Project General Manager of Engine Development Management Department, Engine Design & Engineering Division</p> <p>Jan. 2017 Nominated Assistant to High Precision Product Division I of the Company</p> <p>Apr. 2017 Executive Officer, and General Manager of High Precision Product Division I</p> <p>Apr. 2019 Managing Executive Officer, and General Manager of High Precision Product Division I</p> <p>June 2019 Director, Managing Executive Officer, and General Manager of High Precision Product Division I</p> <p>June 2020 Representative Director, Senior Managing Executive Officer, and General Manager of Product Strategy Dept.</p> <p>Aug. 2021 Representative Director, Senior Managing Executive Officer, Chief Operating Officer of Research & Development Group, and General Manager of Product Strategy Dept.</p> <p>June 2022 Representative Director and Executive Vice President Chief Operating Officer of Research & Development Group, and General Manager of Product Strategy Dept. (current position)</p> <p>[Significant concurrent positions outside the Company] Not applicable</p>	9,186 shares
<p>Reasons for nomination as candidate for Director:</p> <p>In addition to his many years of experience as head of engineering departments at Toyota Motor Corporation and other companies, he has demonstrated excellent management skills at all divisions under his charge by utilizing said experience since being appointed as an Executive Officer of the Company in April 2017. He has also demonstrated outstanding management skills since his appointment as a Director of the Company in June 2019 and as Representative Director in June 2020. The Company has therefore judged him to be an appropriate candidate to achieve sustainable enhancement of its corporate value.</p>			

- (Notes)
1. There is no special interest between Tadashi Nara and the Company.
 2. The number of shares held as listed above includes the number of shares actually held in the name of the Suncall Officers Stock Ownership Association.

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Masatoshi Kanada April 21, 1961	<p>Apr. 1986 Joined ITOCHU Corporation</p> <p>July 2002 Seconded to ITOCHU Automobile America Inc., Vice President (stationed in Detroit)</p> <p>Apr. 2007 Manager of Parts Business Section, Automobile Business Promotion Department of ITOCHU Corporation</p> <p>June 2012 Seconded to of ITOCHU Automobile Corporation as Planning & Administration Section Manager</p> <p>Apr. 2017 Member of the Board, and Manager of Planning & Administration Section</p> <p>June 2017 Director of the Company (concurrent with the above position)</p> <p>Apr. 2019 Seconded to the Company as a Managing Executive Officer, and Assistant to General Manager of Planning and Business Management Division</p> <p>June 2020 Managing Executive Officer, and General Manager of Corporate Planning and Management Division</p> <p>June 2022 Director, and Managing Executive Officer, General Manager of Corporate Planning and Management Division (current position)</p> <p>[Significant concurrent positions outside the Company] Director of SUNCALL AMERICA INC</p>	8,433 shares
<p>Reasons for nomination as candidate for Director:</p> <p>He has a proven track record in various fields at companies conducting business on a global scale and has fulfilled an important role in the management of the Company with his outstanding management skills since his appointment to the Company's Director in June 2022. The Company has therefore judged him to be an appropriate candidate to achieve sustainable enhancement of its corporate value.</p>			

- (Notes)
1. There is no special interest between Masatoshi Kanada and the Company.
 2. The number of shares held as listed above includes the number of shares actually held in the name of the Suncall Officers Stock Ownership Association.

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	Kazutoshi Sugimura May 14, 1963	<p>Apr. 1986 Joined the Company</p> <p>Mar. 2004 Director and President of Suncall Co., (H.K.) Ltd. (stationed in Hong Kong)</p> <p>Apr. 2009 Manager of Finance and Accounting and Corporate Management Department of Planning and Business Management Division of the Company</p> <p>Apr. 2013 General Manager of Planning and Business Management Division</p> <p>Apr. 2014 Executive Officer, and General Manager of Planning and Business Management Division</p> <p>Apr. 2017 Managing Executive Officer, and General Manager of Planning and Business Management Division</p> <p>June 2020 Director, Managing Executive Officer, and General Manager of Suspension Products Division (current position)</p> <p>[Significant concurrent positions outside the Company] Director of Suncall High Precision (Thailand) Ltd.</p>	17,645 shares
<p>Reasons for nomination as candidate for Director: He has demonstrated excellent skills in the Planning and Business Management Division of the Company and has also fulfilled an important role in the management of the Company with his outstanding management skills since his appointment to the Company's Director in June 2020. The Company has therefore judged him to be an appropriate candidate to achieve sustainable enhancement of its corporate value.</p>			

- (Notes)
1. There is no special interest between Kazutoshi Sugimura and the Company.
 2. The number of shares held as listed above includes the number of shares actually held in the name of the Suncall Officers Stock Ownership Association.

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Yoshihiro Miyake March 12, 1968 (New candidate)	<p>Apr. 1992 Joined Kobe Steel, Ltd.</p> <p>Apr. 2014 General Manager of Thin Steel Plate Department, Kakogawa Works in the Iron & Steel Business</p> <p>Apr. 2017 General Manager of Thin Steel Plate Product Technology Department, Iron & Steel Business</p> <p>Apr. 2020 General Manager of Automotive Steel Plate Product Technology Department, Steel & Aluminum Business</p> <p>Apr. 2021 Vice Plant Director, Kakogawa Works, Steel & Aluminum Business</p> <p>Apr. 2022 Company Director, Vice Plant Director, Kakogawa Works, Steel & Aluminum Business</p> <p>Apr. 2023 Executive Officer (current position)</p> <p>[Significant concurrent positions outside the Company] Executive Officer of Kobe Steel, Ltd.</p>	0 shares
<p>Reasons for nomination as candidate for Outside Director and summary of expected roles</p> <p>The Company expected that his many years of experience in charge of manufacturing at Kobe Steel, Ltd., and his specialized knowledge (including technical expertise) would enable him to fulfill supervisory and check functions for the Company's management. For the reasons stated above, the Company has therefore judged him as capable of appropriately fulfilling duties as an Outside Director.</p>			

- (Notes)
1. There is no special interest between Yoshihiro Miyake and the Company.
 2. Mr. Miyake is a candidate for Outside Director.
Mr. Miyake holds a concurrent position at Kobe Steel, Ltd., which is a major shareholder and material supplier to the Company. He has no other special relationship with the Company.
 3. If his election is approved, pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, the Company intends to enter into an agreement with Mr. Miyake to limit his liability for damages as defined in Article 423, Paragraph (1) of said Act to the minimum liability amount provided for by Article 425, Paragraph (1) of said Act.

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	Fumiko Kagiya January 10, 1983	<p>Jan. 2009 Joined Nakamoto & Partners</p> <p>Apr. 2014 Partner of Nakamoto & Partners (current position)</p> <p>Apr. 2020 Associate Professor of Clinical Legal Education of Graduate School of Law/Faculty of Law, Kobe University</p> <p>Apr. 2021 Professor of Clinical Legal Education (current position)</p> <p>June 2022 Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] Partner of Nakamoto & Partners Professor of Clinical Legal Education of Graduate School of Law/Faculty of Law, Kobe University Member of Ethics Committee at National Hospital Organization Osaka National Hospital</p>	0 shares
<p>Reasons for nomination as candidate for Outside Director and summary of expected roles</p> <p>She possesses extensive experience and deep insight as a lawyer in fields such as corporate legal affairs. The Company expects her to provide recommendations and to supervise the Company's overall corporate activities from an independent position. Although she has no experience in managing a company, for the reasons stated above, the Company has judged her as capable of appropriately fulfilling duties as an Outside Director.</p>			

- (Notes)
1. There is no special interest between Fumiko Kagiya and the Company.
 2. Ms. Kagiya is currently Outside Director of the Company. Her term of office as Outside Director is the one-year period from her appointment at the 105th Annual Shareholders' Meeting held on June 24, 2022, up to the conclusion of this Meeting.
 3. Ms. Kagiya is an independent director under the regulations of the Tokyo Stock Exchange, and if the re-election of Ms. Kagiya is approved, the Company intends for her to continue to serve as an independent officer.
 4. Pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, the Company has entered into an agreement with Ms. Kagiya to limit her liability for damages as defined in Article 423, Paragraph (1) of said Act to the minimum liability amount provided for by Article 425, Paragraph (1) of said Act. If her reelection is approved, the Company intends to renew these agreements with Ms. Kagiya.

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Hiroko Ozawa December 15, 1961 (New candidate)	<p>Apr. 1985 Joined Sony Corporation (currently Sony Group Corporation)</p> <p>Aug. 1991 Seconded to Sony Deutschland GmbH as Personal Audio Product Manager</p> <p>Dec. 1997 International Marketing Division, Sony Corporation (currently Sony Group Corporation)</p> <p>Aug. 1999 Event and Entertainment Promotion Department</p> <p>July 2001 Seconded to Sony Pictures Entertainment (Japan) Inc.</p> <p>Sept. 2007 Seconded to AXN Japan Inc. as Director, Executive Vice President and General Manager</p> <p>Oct. 2008 Seconded to Mystery Channel, Inc. as Director, Executive Vice President and General Manager (concurrent with the above position)</p> <p>June 2015 Seconded to Animax Broadcast Japan as Outside Director (concurrent with the above position)</p> <p>Oct. 2015 Seconded to Star Channel Inc. as Representative Director and Executive Vice President</p> <p>Nov. 2018 Vice President of Sony Pictures Entertainment (Japan) Inc.</p> <p>June 2021 Outside Director of Nojima Corporation</p> <p>May 2022 Outside director of PR Times Inc. (current position)</p> <p>June 2022 External Director of Cecile Co., Ltd. (current position)</p> <p>Mar. 2023 External Director of OUTSOURCING Inc. (current position)</p> <p>[Significant concurrent positions outside the Company] Outside director of PR Times Inc. External Director of Cecile Co., Ltd. External Director of OUTSOURCING Inc.</p>	0 shares
<p>Reasons for nomination as candidate for Outside Director and summary of expected roles</p> <p>As she has a wealth of experience and insight as a manager and business leader within Sony Group, both inside and outside Japan, she is expected to fulfill supervisory and check functions for the Company's management.</p> <p>For the reasons stated above, the Company has therefore judged her as capable of appropriately fulfilling duties as an Outside Director.</p>			

- (Notes)
1. There is no special interest between Hiroko Ozawa and the Company.
 2. Ms. Ozawa is a candidate for Outside Director.
 3. If the election of Ms. Ozawa is approved, the Company intends to designate her as an Independent Officer in accordance with the regulations of the Tokyo Stock Exchange.
 4. If her election is approved, pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, the Company intends to enter into an agreement with Ms. Ozawa to limit her liability for damages as defined in Article 423, Paragraph (1) of said Act to the minimum liability amount provided for by Article 425, Paragraph (1) of said Act.

Proposal 3: Election of One Substitute Director who is an Audit and Supervisory Committee Member

In preparation for a case in which the number of Directors who are Audit and Supervisory Committee Members fails to satisfy the statutory number, the Company proposes the advance election of one substitute Director who is an Audit and Supervisory Committee Member.

The consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidate for the role of substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of Birth)	Career summary and significant concurrent positions outside the Company	Number of the Company's shares owned
Hitoshi Tanaka May 7, 1952	Apr. 1979 Registered with Osaka Bar Association, and joined Yodoyabashi Legal Professional Corporation (Currently Yodoyabashi & Yamagami LPC) Jan. 1986 Partner (current position) [Significant concurrent positions outside the Company] Partner of Yodoyabashi & Yamagami LPC	0 shares
Reason for nomination as candidate for substitute Outside Director and summary of expected roles The Company expects Mr. Tanaka to fulfill supervisory and check functions for the Company's management from a third party's position. Based on his many years of experience and insight as a lawyer, the Company has judged Mr. Tanaka as capable of appropriately fulfilling duties as an Outside Director who is an Audit and Supervisory Committee Member.		

- (Notes)
1. There is no special interest between Hitoshi Tanaka and the Company.
 2. Mr. Tanaka is a candidate for substitute Outside Director.
The Company has an advisory agreement with Yodoyabashi & Yamagami LPC, a law firm where Mr. Tanaka holds a concurrent position. However, the amount of compensation paid to said law firm is insignificant and there are no other special relationships with the Company.
 3. If he is appointed to the position of Outside Director who is an Audit and Supervisory Committee Member, pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, the Company intends to enter into an agreement with Mr. Tanaka to limit his liability for damages as defined in Article 423, Paragraph (1) of said Act to the minimum liability amount provided for by Article 425, Paragraph (1) of said Act.
 4. The Company insures all Directors through a directors and officers liability insurance (D&O Insurance) policy, as stipulated in Article 430-3, Paragraph (1) of the Companies Act. If this proposal is approved as proposed, and if the candidate is appointed as an Outside Director who is an Audit and Supervisory Committee Member due to the number of Directors who are Audit and Supervisory Committee Members failing to satisfy the statutory number, the candidate will be insured under the D&O Insurance policy. The policy covers damages that may arise from the insured person's assumption of liability incurred in the course of the performance of duties as a Director or Officer, or from receipt of claims pertaining to the pursuit of such liability. However, there are certain exclusions to coverage; for example, the policy does not cover damages caused by acts committed by a person with knowledge that said acts are in violation of laws and regulations. (The Company pays for all premiums (including the rider) and the insured person essentially pays for no premiums. The policy has a deductible and does not cover damages up to the amount of the deductible.) The Company plans to renew said insurance policy with similar terms during his term of office.

Proposal No. 4: Renewal of Policies against a Large-Scale Purchase of the Company’s Shares, etc. (Takeover Defense Measures)

The Company’s Board of Directors, at the 91st Annual Shareholders’ Meeting held on June 23, 2008, adopted policies (hereinafter “the previous Plan”) for responding to Large-Scale Purchases of the Company’s shares, etc., and subsequently, at the 94th Annual Shareholders’ Meeting held on June 24, 2011, at the 97th Annual Shareholders’ Meeting held on June 25, 2014, at the 100th Annual Shareholders’ Meeting held on June 23, 2017, and at the 103rd Annual Shareholders’ Meeting held on June 24, 2020, renewal of the previous Plan was approved by shareholders, with the effective period of the renewed previous Plan ending at the current Annual Shareholders’ Meeting.

In response to changes in social and economic conditions following the renewal of the previous Plan, to movements surrounding takeover defense measures, and to progress made in discussions, the Company has undertaken an examination of aligning the previous Plan even more closely with the corporate value of the Company and with the common interests of shareholders.

As a result, at a meeting of the Board of Directors held on May 12, 2023, the Company resolved to renew the previous Plan, subject to the approval of shareholders at this Annual Shareholders’ Meeting. (Measures following said revision are hereinafter referred to as “the Plan.”)

This proposal seeks the approval of shareholders for renewal of the Plan.

Details of the Plan are described below, and no substantial changes have been made to the content of the previous plan.

At the Board of Directors meeting that resolved to renew the Plan, all four of the Directors who are Audit and Supervisory Committee Members, (including three outside Directors), were present, and none of the Audit and Supervisory Committee Members voiced any objection to the renewal of the Plan.

In the event that the Companies Act, the Financial Instruments and Exchange Act, and related regulations, government ordinances, Cabinet Office ordinances, and ministerial ordinances (hereinafter collectively referred to as “laws, etc.”) are subjected to the implementation of revisions (including changes to the names of laws, etc., and the enactment of new laws, etc. that succeed previous laws, etc.), the provisions of laws, etc. cited in the Plan will be understood to be the respective provisions of laws, etc. that substantially inherit the provisions of the revised laws, etc., except where otherwise specified by the Board of Directors of the Company.

Details

I Basic Policy concerning parties who control decision-making concerning financial and business policies of the Company

1. Details of the Basic Policy

To the extent that the Board of Directors of the Company recognizes free trading of the Company’s shares as a public company, the Company believes that a decision on whether to engage in trading of the Company’s shares in response to a Large-Scale Purchase of shares by a specific party should ultimately be entrusted to the judgment of the holders of the Company’s shares.

However, among Large-Scale Purchase proposals that are made unilaterally without obtaining the approval of the target company’s management, many are proposals that, in light of their objectives, would clearly cause harm to corporate value and to the common interests of shareholders, proposals that would effectively force shareholders to sell their shares, proposals that fail to provide sufficient time or information allowing the target company’s Board of Directors and shareholders to consider the details of the Large-Scale Purchase proposal or for the target company’s Board of Directors to propose alternate plans, and proposals that do not contribute to the corporate value of the target company and to the common interests of shareholders.

Corporate management conducted from a medium- to long-term perspective is vital in enhancing the corporate value of our Group. Toward this end, it is necessary to maintain favorable relationships with customers, business partners, employees, local communities, and other stakeholders, and to operate our business on the basis of a deep understanding of the Group, including the utilization of the varied specialized and technical know-how that the Company has built up since its founding in 1943.

Accordingly, the Company believes that a party who controls decision-making concerning the Company’s financial and business policies must be a party that fully understands the Company’s corporate philosophy, the varied sources of its corporate value, and the Company’s relationships of trust with its supporting

stakeholders, and further must be a party that will secure and enhance the corporate value of the Company and the common interests of shareholders over the medium to long term. Accordingly, the Company considers any party that makes inappropriate Large-Scale Purchase proposals or that engages in similar actions that could cause harm to the corporate value of the Company and to the common interests of its shareholders to be unsuited as a party that controls decision-making concerning the Company's financial and business policies.

2. Initiatives that contribute to achieving the Basic Policy

In order to achieve the Basic Policy in 1. above, the Company and the Group are engaged in initiatives as follows.

(1) Fundamental concepts

- a) We will respect the rights of shareholders and ensure fairness.
- b) We will appropriately work with stakeholders, taking into consideration our mutual interests.
- c) We will appropriately disclose and ensure the transparency of corporate information.
- d) The Board of Directors will clearly present the Company's business themes and strategies, will objectively establish a risk management system and supervise the execution of business from broad perspectives, and will demonstrate leadership.
- e) We will listen to the voices of our shareholders, provide opportunities to gain shareholders' understanding concerning management policies, and work to develop a structure that reflects shareholders' voices in management through constructive dialogue.

(2) Structure of governance, etc.

a) Corporate governance structure

Through the appointment of Directors who are Audit and Supervisory Committee Members, including multiple Outside Directors, the Company will work to strengthen the supervisory functions of the Board of Directors and to enhance corporate governance. The Company will further separate supervision from business execution and will transition to a company with an Audit and Supervisory Committee in order to facilitate prompt decision-making, and, in order to further enhance soundness and transparency in management, will strive to strengthen its corporate governance structure.

b) Internal control systems

The Company has prepared and operates systems throughout the Group to ensure that the execution of duties is in compliance with laws, regulations, and the Articles of Incorporation; systems to manage the risk of loss; and systems to ensure that work duties are executed efficiently. The Company recognizes that the enhancement of internal control systems will yield benefits through efficiency and optimization in work, while also enhancing trust in the securities market both inside and outside the Company and yielding significant benefits to all of the Company's stakeholders. The Company is making efforts toward the clarification of responsibilities and authority through standardization and documentation of work rules, through visualization of business, and through the further improvement of systems that leverage IT to prevent fraud and error.

(3) Overview of businesses

a) Materials-related business

The materials-related business is the division responsible for materials processes within integrated production processes spanning precision functional materials to products, areas that are among the greatest strengths of Suncall. Based on its core processing technology for stretching and bending plastic, the business produces wire material used in high-precision springs used primarily in automobile parts, applying rolling technology, heat treatment technologies, and die development to pultrusion.

In order to achieve the high stress and high durability demanded of springs, together with steelmakers the business is undertaking composition design of steel materials that feature outstanding resistance to fatigue and permanent strain. Through this, the business procures optimal, inclusion-controlled materials. It shaves off the surface layer of all delivered wires over their entire circumference and length to eliminate flaws and decarburized layers that are harmful to the product. In consideration of the environment, the business also performs patenting using a lead-free fluidized bath heat treatment line, which it adopted ahead of the rest of the industry. The business uses automated cleaning equipment to clean the surface skin and achieve greater performance in wire for springs.

To ensure quality, the materials-related business performs non-destructive testing inline using eddy current flaw detectors. Quality assurance over the full length is performed through inline flaw detection using two types of inspection: rotating probe inspection to detect continuous flaws and penetrating coil inspection to detect localized discontinuous flaws.

To engage in smooth supply through local production for local consumption and to enable business continuity in the event of disaster or other occurrence in the materials-related business, the business has developed a three-pole system grounded in Japan, China, and Mexico, allowing the quick delivery of Suncall's domestic high quality and flexible response even overseas.

b) Automotive-related business

The automotive-related business in particular demands strict safety. For the engine, transmission, and safety component parts at the core of automobiles, the business leverages its strengths in integrated production that spans functional materials to processing to engage in materials and product development that contributes to safety as well as to environmental compatibility and the improvement and enhancement of fuel efficiency. The business strives constantly for ever higher precision and quality in manufacturing under strict quality assurance systems so that it can offer ideas that lead to greater durability, compactness, and light weight for customers.

In recent years, the automotive-related business has also advanced technology development in response to the rapidly accelerating shift to eco-friendly vehicles (HEV, EV, FCV, etc.). As an example, to enable space savings by utilizing core technology to reduce loss and increase the space factor, the business combines forming work on deformed copper and aluminum materials with simultaneous presswork to yield more optimal process design. It further offers products that contribute to enhanced degree of freedom in customers' designs through the use of composite technologies such as the application of insulation to finished products in after-processing or the combination of shunt resistance. It meets customers' requests with battery-related parts and motor-related parts, particularly reactor-related parts, bus bars, and shunt on bus bars, as leading examples of its products.

The globalization of manufacturing is advancing rapidly. The automotive-related business has established a supply structure with bases in North America, China, and the ASEAN region, centered on main shaft valve springs, ring gears/drive plates, and seat belt-related products. It is also advancing business continuity planning (BCP) to enable the continuation of business even in the event of a disaster and is working to build a structure that will ensure prompt supply from overseas bases.

c) Hard disk drive suspension business

The amount of digital data generated in our lives increases day by day, requiring safe and capacious spaces for storage. The products of the hard disk drive suspension business are the leaf springs used in hard disk drives, devices that offer optimal safety and cost performance as spaces for storing data. A leaf spring is a small but highly precise functional component that performs positioning at the scale of tens of nanometers while supporting the magnetic head that reads and writes data. The hard disk drive suspension business performs all phases from the design to manufacture of suspensions, drawing on materials technologies and precision processing technologies built up over many years along with production technologies driven by automated control.

The functions required of hard disk drive suspensions are undergoing a change from passive components that merely transmit motion to self-driven active components that require the utmost level of precision as industrial products. The hard disk drive suspension business performs in-house design of the dies and jigs that are the key to manufacturing, and produces these using proprietary microfabrication technology. The business achieves world-class productivity in the manufacture of products in Japan and overseas through the use of original equipment, and develops automated equipment that makes decisions on its own to produce only non-defective products. By doing so, the business provides products that combine high precision with high reliability.

Hard disk drive suspensions are increasingly a market in which significant growth cannot be expected. In response, the business intends to leverage its unique technology in this area to expand its business through by providing functions at the nano level and focusing on fields that are expected to expand.

d) Printer-related business

Since developing ceramic-coated printer rollers in 1995, our printer-related business has become a pioneer of ceramic rollers for inkjet printers while boasting the world's top sales record. The advent of this roller has enabled more vivid photo printing and has provided a major impetus to the evolution of inkjet printers, which have become able to meet broad demands in sizes from A6 to A0. Our printer-related business is the only manufacturer that is able to supply three types of ceramic-coated rollers: solid wood shafts for office equipment, TUBE shafts, and resin-coated TUBE shafts, the latter an original development of the business. TUBE shafts and resin-coated TUBE shafts feature a hollow structure that cuts weight to about 1/3 that of solid rollers, reducing load in drop tests of finished products and allowing more compact and less expensive shaft support parts. This enables reduction of the size of packaging cushioning material, which in turn contributes to reduced transport costs for customers.

The technology for creating these long, lightweight, highly precise shafts finds use not only in rollers but also in carriage guide shafts, motor shafts, and umbrella main shafts and shade winding shafts that take advantage of the colorful potential of resin coatings. Headrest shafts are among the applications related to automobiles. The business's supply structure includes manufacturing bases in Thailand, China, and Vietnam and is fully equipped with measures for responding to unforeseen situations. With full-time developers stationed in development bases in Japan, the business's structure is able to quickly respond to requests for roller development for new applications.

e) Communications-related business

The Internet continues to develop without pause. The accompanying construction and expansion of the world's information and communications networks has required replacement of the existing copper cables that connect communications networks to optical fiber cables. At the ends of optical fiber cables, optical connectors and optical adapters are necessary for connecting to information and communications equipment. Optical connectors require precision that precludes minute misalignment even at the micron level. Here, our precision processing technology, which shuts out competitors, finds use.

Since acquiring an SC connector license in 1995, our communications-related business has engaged in integrated in-house development, manufacture, and supply of optical connectors for information and communications, and provides high-quality, competitive products for markets in Japan, North America, Asia, and Europe. In 1998, the business acquired a license for LC connectors. In 2000, it opened the subsidiary SUNCALL AMERICA INC. as a sales base for the North American and European markets. In 2002, its Hong Kong subsidiary SUNCALL CO., (H.K.) LTD. launched sales to customers in Asian markets. In 2006, the business transferred manufacturing to our Suncall Technologies (SZ) Co., Ltd. factory in Shenzhen, China to boost free-market price competitiveness. In 2017, the business opened a U.S. sales office in the city of Dallas.

The reach of the Internet has today expanded to applications including social media, shopping, remote medicine, and remote education, with smartphones, tablets, and other mobile devices in use by a great number of people worldwide. Optical fiber is now seeing use in transportation, industrial robots, broadcasting, medical care, the energy industry, and other fields. Amid the never-ending shift to high-speed broadband, our communications-related business will contribute to the development, manufacture, and supply of new products that meet customers' needs, further energizing markets.

II Initiatives in light of the Basic Policy to prevent decision-making concerning the Company's financial and business policies from being controlled by inappropriate parties (measures to counter Large-Scale Purchase of the Company's shares, etc.)

As an initiative in light of the Basic Policy to prevent decision-making concerning the Company's financial and business policies from being controlled by inappropriate parties, the Company will amend its measures (the Plan) to counter acts of Large-Scale Purchase of the Company's shares, etc. Specifically, the Company will establish rational rules with content as specified below (hereinafter "Large-Scale Purchase Rules").

1. Procedures pertaining to invocation of the Plan

(1) Targeted Large-Scale Purchases

Purchases of the Company's shares corresponding to ① or ② below or similar acts (hereinafter "Large-Scale Purchases," excluding acts approved by the Board of Directors of the Company) are

applicable targets of the Plan. A Party that engages in or proposes a Large-Scale Purchase (hereinafter “Large-Scale Purchaser”) must follow the procedures prescribed in advance in the Plan.

- ① Purchase of shares, etc. issued by the Company¹ by which the ownership ratio⁴ of shares, etc. of the holder² and its joint holders³ will become not less than 20%
 - ② Tender offer for shares, etc. issued by the Company⁵ by which the total of the ownership ratio of shares, etc.⁷ involved in the tender offer⁶ and the ownership ratio of shares, etc. of specially related parties⁸ will become not less than 20%
- (2) Requests to Large-Scale Purchasers for provision of information

Unless otherwise stipulated by the Board of Directors of the Company, prior to the execution of a Large-Scale Purchase, the Large-Scale Purchaser is required to submit to the Board of Directors of the Company the information stipulated in the following items (hereinafter the “Necessary Information”) and a document containing, among other items, a written pledge to the effect that the Purchaser will comply with the procedures prescribed in the Plan in conjunction with the Large-Scale Purchase (hereinafter “Purchase Statement”) in a format prescribed by the Company. The language used for communication with the Company for opinions, responses to questions, etc. from the Large-Scale Purchaser, including the Purchase Statement, will be restricted to Japanese.

When the Board of Directors, upon the counsel of the Independent Committee described later, has determined that the content contained in the Purchase Statement is insufficient as Necessary Information, the Board of Directors, after setting an appropriate response deadline (in principle limited to no more than 60 days from the receipt of the Purchase Statement by the Board of Directors) may request that the Large-Scale Purchaser provide additional information. In this case, the Large-Scale Purchaser is required to provide such additional information.

- ① Details (including specific name, capital structure, business description, description of financial conditions, names and career summaries of officers, and status of holdings and trading of shares, etc.) of the Large-Scale Purchaser and its group (including joint holders, specially related parties, and, in the case of a fund, partners and other members)
- ② The class of shares, etc. subject to the Large-Scale Purchase and the purpose, method, and details of the Large-Scale Purchase (including whether there is intent to participate in management of the Company, the types and amounts of consideration for the Large-Scale Purchase, the number of shares, etc. planned for purchase and the ownership ratio of shares, etc. following execution of the Large-Scale Purchase, the timing of the Large-Scale Purchase, the structure of related transactions, and the legal compliance of the method of the Large-Scale Purchase, with the requirement of submission of a written statement of opinion from an attorney regarding said compliance)
- ③ Presence or absence of communication of intent with a third party in conjunction with the Large-Scale Purchase, and specific state and details of any such communication and an overview of said party
- ④ The basis for calculation of consideration for the Large-Scale Purchase (including assumptions in the calculation, the method of calculation, background details of the calculation, numerical information used in the calculation, details of synergies expected to arise from the series of transactions related to the Large-Scale Purchase, and, of these, details of synergies to be distributed to minority shareholders)
- ⑤ The source of funding for the Large-Scale Purchase (including the specific name of the provider of funding (including substantial providers of funding), means of funding, and the details of any related transactions)
- ⑥ The management policy, business plan, capital policy, and dividend policy measures of the Company and the Group following the Large-Scale Purchase
- ⑦ Policies concerning the treatment, etc. of the employees, labor union, business partners, customers, local communities, and other stakeholders of the Company following the Large-Scale Purchase
- ⑧ Specific measures to avoid conflicts of interest with other shareholders of the Company
- ⑨ Presence of any relationships (whether direct or indirect) with antisocial influences or terrorism-related organizations, and policies for dealing with these

- ⑩ Other information that the Board of Directors of the Company or the Independent Committee deems to be reasonably necessary
- (3) Review of the details of the Large-Scale Purchase, negotiations with the Large-Scale Purchaser, and consideration of alternate proposals

- ① Review work by the Board of Directors of the Company

When the Board of Directors of the Company has recognized that the Large-Scale Purchaser has provided sufficient information and materials (including requested additional items), the Board of Directors will set and promptly disclose a review period (hereinafter the “Board of Directors Review Period”) not to exceed 60 days (excluding the first day) in principle in the case of the purchase of all shares of the Company through a tender offer for which consideration consists entirely of yen-denominated cash, or not to exceed 90 days (excluding the first day) in principle in the case of other Large-Scale Purchases.

However, in the event of unavoidable circumstances by which the Board of Directors of the Company does not reach a resolution on invocation or non-invocation of countermeasures or on other actions during the Board of Directors Review Period due to reasons such as the Independent Committee failing to issue a recommendation of invocation or non-invocation of countermeasures during said period, the Board of Directors of the Company, through a resolution and to the necessary extent, may extend the Board of Directors Review Period by up to 30 days. When the Board of Directors of the Company has resolved to extend the Board of Directors Review Period, it will disclose to shareholders the specific period that was decided by resolution and the reasons necessitating said specific period, in a timely and appropriate manner and in accordance with applicable laws, regulations, rules of financial instruments exchanges, etc.

The Board of Directors of the Company, based on the information, materials, etc. provided by the Large-Scale Purchaser during the Board of Directors Review Period and with the counsel of external experts, etc. (financial advisors, certified public accountants, attorneys, consultants, and other experts) as necessary, will review the details of the Large-Scale Purchase by the Large-Scale Purchaser, will review alternate proposals by the Board of Directors, and will collect and perform comparative review of information on the business plans, etc. of the Large-Scale Purchaser and of the Board of Directors of the Company, from the perspective of securing and enhancing the Company’s corporate value and the common interests of shareholders. During the Board of Directors Review Period, the Large-Scale Purchaser must promptly respond to any requests from the Board of Directors of the Company regarding consultations, negotiations, the provision of review materials and other information, etc.

- ② Disclosure of information to shareholders and stakeholders

During the Board of Directors Review Period, the Board of Directors of the Company will promptly disclose information concerning the fact of the proposal of the Large-Scale Purchase by the Large-Scale Purchaser, an overview of the matter, an overview of the Necessary Information, other circumstances, and the opinions of the Board of Directors of the Company. As necessary, the Board of Directors may also negotiate with the Large-Scale Purchaser and present alternate proposals to shareholders.

2. Policy for responding in the event of a Large-Scale Purchase

- (1) Case of a Large-Scale Purchase in which the Large-Scale Purchaser does not comply with the provision of information and the securing of the Board of Directors Review Period stipulated in (2) of 1. “Procedures pertaining to Invocation of the Plan” above, and other Large-Scale Purchase Rules stipulated in the Plan

When the Board of Directors of the Company has recognized that the Large-Scale Purchaser has initiated a Large-Scale Purchase without following the Large-Scale Purchase Rules, then except when special circumstances exist by which discussions and negotiations, with requests for provision of the Purchase Statement and the Necessary Information, should be continued with the Large-Scale Purchaser, the gratis allotment of share acquisition rights summarized in 5. “Overview of Gratis Allotment of Share Acquisition Rights” below (hereinafter the “Share Acquisition Rights”) and other countermeasures recognized as appropriate by the Board of Directors of the Company (hereinafter the “Gratis Allotment of Share Acquisition Rights, etc.”) will in principle be invoked, without going through a general meeting to confirm shareholders’ intentions.

In invoking the countermeasures, the Board of Directors of the Company will respect the recommendations of the Independent Committee to the fullest extent possible and will follow said recommendations except when doing so would violate the duty of due care of a director.

- (2) Case in which the Large-Scale Purchaser complies with the Large-Scale Purchase Rules
- When the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, shareholders' intentions concerning approval or disapproval of the invoking of countermeasures will in principle be confirmed, as described in 3. "Procedures for confirmation of shareholders' intentions" below. However, this will not apply in cases that fall under (i) or (ii) below.
- (i) Case in which the Large-Scale Purchase Rules are complied with and the Board of Directors of the Company has determined that the purchase proposal will contribute to maximization of the corporate value of the Company and the common interests of shareholders
- Even if the Board of Directors of the Company were to oppose the Large-Scale Purchase, it would not reject the possibility for expression of opposing opinions, presentation of alternate proposals, persuasion of shareholders, etc., but in principle would not invoke countermeasures such as the Gratis Allotment of Share Acquisition Rights, etc. Whether to accept the Large-Scale Purchase would be determined by shareholders based on details of the proposal for the Large-Scale Purchase, the opinion of the Board of Directors, and alternate proposals.
- In determining whether to invoke countermeasures, the Board of Directors of the Company will respect the recommendations of the Independent Committee to the fullest extent possible and will follow said recommendations except when doing so would violate the duty of due care of a director.
- (ii) Case in which the Large-Scale Purchase Rules are complied with but it is determined that the Large-Scale Purchase is contrary to the securing and enhancement of the corporate value of the Company and the common interests of shareholders
- When the Board of Directors of the Company recognizes that the Large-Scale Purchase falls under any of the categories ① to ⑧ below, it will in principle consider the Large-Scale Purchase to correspond to a case that is recognized to be contrary to the securing and enhancement of the corporate value of the Company and the common interests of shareholders, and, in order to prevent damage to the corporate value of the Company and to the common interests of shareholders, will implement the Gratis Allotment of Share Acquisition Rights, etc. without going through a general meeting of shareholders to confirm shareholders' intentions.
- ① When it has been determined that the purchase of the Company's shares is being conducted solely for the purpose of driving the share price higher and selling the shares to the Company or to a party related to the Company at a high price, without intent to participate in corporate management (so-called greenmail)
- ② When it has been determined that the purchase of the Company's shares is being conducted for the purpose of temporarily gaining control over the Company's management and transferring intellectual property rights, know-how, corporate secrets, major business partners, customers, etc. necessary for the business operation of the Company to the Large-scale Purchaser, its group companies, etc.
- ③ When it has been determined that the purchase of the Company's shares is being conducted with the intent of diverting the company's resources to use as collateral or a source of funds for repayment of debts of the Large-Scale Purchaser, its group companies, etc. after gaining control of the Company's management, and would cause harm to the Company from which recovery would be difficult
- ④ When it has been determined that the purchase of the Company's shares is being conducted for the purpose of gaining temporary control of the Company's management and selling or otherwise disposing of real estate, securities, and other high-value assets that are not currently related to the business of the Company, and temporarily converting the proceeds into high dividends or seeking opportunity to sell off shares after a spike in share price created through temporary distribution of dividends, thereby causing harm to the Company from which recovery would be difficult
- ⑤ When it has been determined that the fact itself of the acquisition of a controlling interest by the Large-Scale Purchaser would destroy ongoing business relationships with customers,

including key customers who are the source of the Company's corporate value, and would cause damage to the Company from which recovery would be difficult

- ⑥ When it has been determined that the management team or major shareholders of the Large-Scale Purchaser include parties connected to organized crime groups, members of organized crime groups, or other anti-social forces as stipulated in Article 2 of the Act on Prevention of Unjust Acts by Organized Crime Group Members, or it has been otherwise determined on objective and rational grounds that the Large-Scale Purchaser is inappropriate as a controlling shareholder of the Company from the standpoint of public order and morals
- ⑦ When it has been determined that the purchase method of the Company's shares proposed by the Large-Scale Purchaser is a coercive two-stage takeover (meaning a tender offer or other purchase of shares without solicitation of the purchase of all shares in the first purchase and with purchase conditions set more unfavorably for shareholders in the second stage than in the first stage, or with second-stage purchase conditions not made clear), or otherwise entails the risk of effectively coercing shareholders into the sale of shares
- ⑧ When, other than ① to ⑦ above, it has been determined that the Large-Scale Purchaser does not sincerely seek rational management and the acquisition of a controlling interest by the Large-Scale Purchaser would cause damage to the Company from which recovery would be difficult

In determining whether the Large-Scale Purchase would be contrary to the securing and enhancement of the corporate value of the Company and the common interests of shareholders, the Board of Directors of the Company will respect the recommendations of the Independent Committee to the fullest extent possible and will follow said recommendations except when doing so would violate the duty of due care of a director.

3. Procedures for confirmation of shareholders' intentions

As described in 2. "Policy for responding in the event of a Large-Scale Purchase" above, the Board of Directors of the Company will make necessary resolutions on the invocation, non-invocation, suspension, etc. of countermeasures, respecting the recommendations of the Independent Committee to the fullest extent possible.

However, when the Independent Committee issues recommendations regarding the invocation of countermeasures, in cases in which the Independent Committee has expressed reserve to the effect that procedures for confirmation of shareholders' intentions concerning invocation of countermeasures should be carried out beforehand, or, regardless of the content of the recommendations of the Independent Committee, when the Board of Directors of the Company has determined on its own that procedures for confirmation of shareholders' intentions should be carried out, the Board of Directors of the Company may select either a shareholder vote at a general meeting to confirm shareholders' intentions or a written ballot as the procedure for confirmation of the shareholders' intentions regarding the approval or disapproval of invocation of countermeasures such as the Gratis Allotment of Share Acquisition Rights, etc. A general meeting to confirm shareholders' intentions may be held in conjunction with an Annual Shareholders' Meeting or an Extraordinary Shareholders' Meeting.

When confirming the intentions of shareholders, the Board of Directors of the Company will promptly set a date of record for determining the shareholders who are able to exercise voting rights (hereinafter "voting date of record") and will give public notice at least two weeks prior to the voting date of record. Shareholders who are eligible to exercise voting rights in the procedures for confirmation of shareholders' intentions will be those shareholders recorded in the final shareholder registry on the voting date of record, with each voting right entitled to one vote.

Before the voting date of record is fixed, the Board of Directors of the Company will decide ① the details of countermeasures to be taken and ② whether to confirm shareholders' intentions through a general meeting to confirm shareholders' intentions or through a written ballot. In the case of a vote at a general meeting to confirm shareholders' intentions, a resolution will be made through a majority of the voting rights at a meeting attended by shareholders holding no less than one-third of the voting rights of all shareholders. In the case of a written ballot, a resolution will be made through a majority of the voting rights exercised by shareholders holding no less than one-third of the voting rights of all shareholders. If the prescribed number of approvals of the invocation of countermeasures is obtained in the procedures for

confirmation of shareholders' intentions, consent to the invocation of countermeasures will be deemed to have been given by shareholders.

Even in cases in which the Large-Scale Purchaser complies with the Large-Scale Purchase Rules and procedures for confirmation of shareholders' intentions have been initiated, if the Large-Scale Purchase has been found to be contrary to the securing and enhancement of the corporate value of the Company and the common interests of shareholders before the completion of confirmation of shareholders' intentions, the Board of Directors of the Company may suspend the procedures for confirmation of shareholders' intentions at any time and may oppose the Large-Scale Purchase.

Moreover, even after the Board of Directors of the Company has invoked or has resolved to invoke countermeasures in accordance with the above procedures, in the case that ① the Large-Scale Purchaser has suspended the Large-Scale Purchase or ② changes have arisen in the facts, etc. that formed the premises for the decision on whether to invoke countermeasures and the invoking of countermeasures has come to be considered inappropriate from the standpoint of the securing and enhancement of the corporate value of the Company and the common interests of shareholders, or in similar cases, the Company's Board of Directors will resolve to suspend the countermeasures or terminate the invoking thereof and will promptly disclose information including an overview of said resolution.

4. Initiation of a Large-Scale Purchase

Under the Plan, a Large-Scale Purchaser may initiate a Large-Scale Purchase in the case of either (1) or (2) below.

(1) Case in which the Board of Directors of the Company has decided to not invoke countermeasures

As described in (2) (i) "Case in which the Large-Scale Purchase Rules are complied with and the Board of Directors of the Company has determined that the purchase proposal will contribute to maximization of the corporate value of the Company and the common interests of shareholders" in 2. "Policy for responding in the event of a Large-Scale Purchase" above, when the Board of Directors of the Company has decided to not invoke countermeasures, the Large-Scale Purchaser may initiate the Large-Scale Purchase from the business day following the date of said decision.

(2) Case in which a proposal seeking approval of the invoking of countermeasures has been rejected at a general meeting to confirm shareholders' intentions or by written ballot

When a proposal seeking approval of the invoking of countermeasures has been rejected at a general meeting to confirm shareholders' intentions or by written ballot as described in 3. "Procedures for confirmation of shareholders' intentions" above, the Large-Scale Purchaser may initiate the Large-Scale Purchase from the business day following the date of the general meeting to confirm shareholders' intentions or the date of the written ballot.

If the Large-Scale Purchaser has initiated the Large-Scale Purchase in violation of the above, the Board of Directors of the Company may invoke countermeasures based on that fact alone.

5. Overview of Gratis Allotment of Share Acquisition Rights

In the case that a Gratis Allotment of Share Acquisition Rights is implemented as a countermeasure invoked under the Plan, the outline thereof will be as follows. In principle, the Company will not acquire share acquisition rights allotted to a Large-Scale Purchaser for consideration that differs from that of other shareholders.

(1) Number of Share Acquisition Rights

The number of Share Acquisition Rights will be a number separately specified by the Board of Directors of the Company in a Board of Directors resolution on the Gratis Allotment of Share Acquisition Rights (hereinafter the "Resolution on the Gratis Allotment of Share Acquisition Rights"), limited to the final total number of issued shares of the Company as of an allotment date separately specified by the Board of Directors of the Company (hereinafter "Allotment Date") in the Resolution on the Gratis Allotment of Share Acquisition Rights (but excluding the number of treasury shares held by the Company as of said date).

(2) Shareholders entitled to allotment

The Share Acquisition Rights will be allotted gratis to shareholders of the Company whose names are recorded in the final shareholder registry as of the Allotment Date, at a rate separately specified by the Board of Directors of the Company in the Resolution on the Gratis Allotment of Share Acquisition Rights, up to a limit of one (1) Share Acquisition Right per common share of the Company held by said shareholders.

- (3) **Effective date of the Gratis Allotment of Share Acquisition Rights**
This will be a date separately specified by the Board of Directors of the Company in the Resolution on the Gratis Allotment of Share Acquisition Rights.
- (4) **Class and number of shares subject to Share Acquisition Rights**
The class of shares that subject to Share Acquisition Rights will be common shares of the Company, and the number of shares subject to one (1) Share Acquisition Right (hereinafter “Number of Subject Shares”) will be one (1), unless adjusted otherwise.
- (5) **Price of assets to be contributed upon the exercise of Share Acquisition Rights**
The object of the assets contributed upon the exercise of Share Acquisition Rights will be money, and the price per share of the Company of the assets contributed upon the exercise of Share Acquisition Rights will be an amount separately specified by the Board of Directors of the Company in the Resolution on the Gratis Allotment of Share Acquisition Rights, within the range of a lower limit of one (1) yen and an upper limit of 50% of the market price of one share of the Company.
- (6) **Exercise period of Share Acquisition Rights**
This will be a period separately specified by the Board of Directors of the Company in the Resolution on the Gratis Allotment of Share Acquisition Rights, within a period of between one (1) to two (2) months, with the effective date of the Gratis Allotment of Share Acquisition Rights or a date separately specified by the Board of Directors of the Company in the Resolution on the Gratis Allotment of Share Acquisition Rights as the starting date thereof. However, in the event that acquisition of Share Acquisition Rights is carried out by the Company in accordance with (9) (ii) below, the exercise period for Share Acquisition Rights related to said acquisition will be until the business day preceding said acquisition date. If the final day of the exercise period falls on a non-business day for the location handling the payments of money to be paid upon exercise, the following business day of said location will be set as the final day.
- (7) **Conditions for the exercise of Share Acquisition Rights**
The parties listed below may not, in principle, exercise Share Acquisition Rights. Moreover, parties that are required to follow prescribed procedures when exercising Share Acquisition Rights under applicable laws and regulations of foreign countries may not, in principle, exercise Share Acquisition Rights. (However, certain parties among these, such as those able to use exemption provisions under applicable laws and regulations of the relevant foreign countries may exercise Share Acquisition Rights, which will be subject to acquisition by the Company in exchange for Company shares as described in (9) below. Details will be as separately specified by the Board of Directors of the Company.)
- ① Specified large volume holder⁹
 - ② Joint holder of a specified large volume holder
 - ③ Specified large volume purchaser¹⁰
 - ④ Specially related party of a specified large volume purchaser
 - ⑤ Party that has received or succeeded Share Acquisition Rights from any of the parties listed in ① through ④ above without obtaining the approval of the Board of Directors of the Company
 - ⑥ Related party¹¹ of any party falling under ① through ⑤ above (with parties falling under ① to ⑥ hereinafter collectively referred to as “Specified Purchasers, etc.”)
- (8) **Transfer of Share Acquisition Rights**
The acquisition of Share Acquisition Rights via transfer will require approval by the Board of Directors of the Company.
- (9) **Acquisition of Share Acquisition Rights by the Company**
- (i) When the Board of Directors of the Company has determined that maintaining the invocation of countermeasures following the initiation of procedures to invoke countermeasures would be inappropriate, the Company may suspend the invocation of the countermeasures. Specifically, up to the effective date of the Share Acquisition Rights, the Company may suspend the Gratis Allotment of Share Acquisition Rights, and, following the effective date of the Share Acquisition Rights and during the period up to the day before the first day of the exercise period, may acquire all Share Acquisition Rights on a gratis basis, on a date separately specified by the Board of Directors of the Company.
 - (ii) On a date separately specified by the Board of Directors of the Company, of the Share Acquisition Rights held by parties other than Specified Purchasers, etc., the Company may

acquire all Share Acquisition Rights that are unexercised up to the business day prior to said day specified by the Board of Directors of the Company, in exchange for which the Company will grant the applicable number of shares per Share Acquisition Right. The Company may carry out this acquisition of Share Acquisition Rights multiple times.

6. Effective period, discontinuation, and amendment of the Plan

On the condition that the proposal for approval of the renewal of the Plan is approved at the Company's 106th Annual Meeting of Shareholders to be held on June 23, 2023, the effective period of the Plan will enter into effect on the day of said approval, with effective period extending to the conclusion of the Annual Meeting of Shareholders to be held in June 2026.

However, if a resolution to amend or discontinue the Plan is passed at a general meeting of the Company's shareholders before the expiration of the effective period, the Plan will be amended or discontinued as of that point in time, in accordance with said resolution. In the event that a resolution to discontinue the Plan has been made by a Board of Directors that consists of Directors elected at a general meeting of shareholders of the Company, the Plan will be discontinued as of that point in time.

The Board of Directors of the Company may revise or amend the Plan to an extent recognized as rational and necessary due to changes in laws, regulations, etc. or to changes in the interpretation and application of these; changes in the rules of financial instrument exchanges or changes in the interpretation and application of these; or changes in the taxation system, court precedents, etc.

In the event that the Plan has been amended or discontinued, the Company will promptly disclose information concerning the fact of said discontinuation or amendment, the content of any amendments, and other matters deemed appropriate by the Board of Directors or Independent Committee of the Company.

7. Establishment of the Independent Committee

(1) Overview of the Independent Committee

From the standpoint of preventing the Board of Directors of the Company from making arbitrary decisions concerning the invoking of countermeasures in the event of a Large-Scale Purchase, the Board of Directors of the Company will establish an Independent Committee as an organization independent from the Board of Directors of the Company, based on the Independent Committee Regulations (see attachment for an overview).

The Independent Committee will not be a standing organization but instead will be established by the Board of Directors of the Company in the event of a Large-Scale Purchase.

(2) Composition of the members of the Independent Committee

The Independent Committee will consist of no less than three (3) members who will be appointed by the Board of Directors of the Company from among the Outside Directors of the Company.

However, in the event that the Board of Directors of the Company has determined that appointing three (3) or more members to the Independent Committee from among Outside Directors would be inappropriate due to reasons such as the Outside Directors of the Company having a special interest in the Large-Scale Purchase or the Large-Scale Purchaser, in order to ensure fair and neutral decisions by the Independent Committee, the Board of Directors of the Company will newly appoint members to the Independent Committee from among attorneys, certified public accountants, parties with academic experience, outside parties who have experience as directors or auditors of other companies, etc.

(3) Role of the Independent Committee

When the Board of Directors of the Company makes a determination on whether to invoke countermeasures, the following procedures will be followed in order to ensure the fairness of the determination.

Ahead of the invoking of countermeasures, the Board of Directors of the Company will consult the Independent Committee regarding the pros and cons of invoking countermeasures. The Independent Committee, based on this consultation and with the advice of external experts, etc., will make recommendations to the Board of Directors of the Company regarding the pros and cons of invoking countermeasures. In the recommendations, whether the Large-Scale Purchaser is in compliance with the Large-Scale Purchase Rules or whether any of the grounds listed in ① through ⑧ in (2) (ii) of 2. "Policy for responding in the event of a Large-Scale Purchase" will be determined.

Resolutions regarding these recommendations will, in principle, be made based on resolutions of the Independent Committee.

In determining whether to invoke countermeasures, the Board of Directors of the Company will respect the recommendations of the Independent Committee to the fullest extent possible and will follow said recommendations except when doing so would violate the duty of due care of a director.

III Rationality of the Plan

1. The Plan satisfies the requirements of the guidelines concerning takeover defense measures

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

2. The Plan has been renewed for the purpose of securing and enhancing the common interests of shareholders

The Plan ensures the information and time required for shareholders to determine whether to accept any Large-Scale Purchase of the Company's Shares and secures opportunities for the presentation of alternate proposals from the Board of Directors of the Company. It has been adopted for the purpose of securing and enhancing the corporate value of the Company and the common interests of shareholders.

3. The Plan respects shareholders' intentions

As described in II 6. "Effective period, discontinuation, and amendment of the Plan" above, the Plan will be renewed subject to a resolution of approval at the 106th Annual Meeting of Shareholders to be held on June 23, 2023. If a resolution to amend or discontinue the Plan is passed at a general meeting of the Company's shareholders before the expiration of the effective period of the Plan, the Plan will be amended or discontinued in accordance with said resolution.

Furthermore, when the Independent Committee, in its recommendations regarding the invocation of countermeasures, has expressed reserve to the effect that procedures for confirmation of shareholders' intentions concerning invocation of countermeasures should be carried out beforehand, or, regardless of the content of the recommendations of the Independent Committee, the Board of Directors of the Company has determined on its own that procedures for confirmation of shareholders' intentions should be carried out, confirmation of shareholders' intentions regarding the approval or disapproval of invocation of countermeasures will be carried out and determination will be made by shareholders.

4. Reasonable and objective requirements for invocation are set

As described in II 1. "Procedures pertaining to invocation of the Plan" and II 2. "Policy for responding in the event of a Large-Scale Purchase" above, the Plan is structured in such manner that it will not be invoked unless pre-determined reasonable and objective requirements for invocation are satisfied, and has in place mechanisms to prevent arbitrary invocation by the Board of Directors of the Company.

5. The Plan respects the judgment of highly independent third parties

In the event of a Large-Scale Purchase under the Plan, the Company will exclude the invocation of arbitrary countermeasures by the Board of Directors of the Company and will establish an Independent Committee as an advisory body to make objective decisions on behalf of shareholders. To ensure fair and neutral decisions, the Independent Committee will in principle consist of three (3) or more Outside Directors.

In the event of a large-scale purchase, the Independent Committee will determine matters including whether the Large-Scale Purchase would significantly harm the corporate value of the Company and the common interests of shareholders. In determining whether to invoke countermeasures, the Board of Directors of the Company will respect the recommendations of the Independent Committee to the fullest extent possible and will follow said recommendations except when doing so would violate the duty of due care of a director.

In this manner, by respecting the recommendations of a highly independent committee, the Plan excludes arbitrary judgments by the Board of Directors of the Company and secures a framework within which this response policy is enacted in line with the aim of securing the corporate value of the Company and the common interests of shareholders.

6. The Plan is not a dead-hand or slow-hand takeover defense measure

As described in II 6. "Effective period, discontinuation, and amendment of the Plan" above, as the Plan may be discontinued by a Board of Directors that consists of Directors appointed at a general meeting of shareholders of the Company, parties that have purchased shares of the Company on a large scale may

appoint Directors at a general meeting of shareholders of the Company and, through a Board of Directors consisting of said Directors, may discontinue the Plan. Accordingly, the Plan is not a dead-hand takeover defense measure (i.e., a takeover defense measure for which invocation cannot be blocked even after replacing a majority of the members of the Board of Directors).

In addition, because the Company has not adopted a staggered term structure, the Plan is not a slow-hand takeover defense measure (i.e., a takeover defense measure that requires time to block invocation as replacement of the members of the Board of Directors cannot be performed all at once).

IV Impacts on Shareholders

1. Impact of renewal of the Plan on shareholders

The aim of the Plan is to provide information that is required by shareholders to judge whether to accept a Large-Scale Purchase and to offer the opinions of the Board of Directors that currently shoulders management of the Company, as well as to ensure opportunities for shareholders to receive alternate proposals, etc. This allows shareholders to obtain sufficient information and to render appropriate judgment on whether to agree to the Large-Scale Purchase, which can be expected to protect the common interests of shareholders. Accordingly, the Company believes that the establishment of the Plan is a prerequisite for appropriate investment decisions by shareholders and investors and contributes to the common interests of shareholders and investors.

As stated in II 2. “Policy for responding in the event of a Large-Scale Purchase above,” as the Company’s policy of response toward a Large-Scale Purchase differs according to whether or not said purchase complies with the Plan, shareholders and investors are requested to pay attention to the movements of Large-Scale Purchasers.

2. Impact of Gratis Allotment of Share Acquisition Rights on shareholders

When a meeting of the Board of Directors of the Company or a general meeting to confirm shareholders’ intentions has resolved to implement a Gratis Allotment of Share Acquisition Rights, the Share Acquisition Rights will be allotted on a gratis basis to shareholders as of the separately specified Allotment Date, at a rate separately specified by the Board of Directors of the Company in the Resolution on the Gratis Allotment of Share Acquisition Rights, with a limit of up to one (1) Share Acquisition Right per share of the Company held. If, during the period of exercise of rights, shareholders do not complete payment of the prescribed exercise price or other moneys, or do not complete procedures concerning the execution of the Share Acquisition Rights described in (2) of 3. “Procedures required of shareholders associated with the Gratis Allotment of Share Acquisition Rights” below, shares of the Company held by said shareholders will be diluted by the exercise of Share Acquisition Rights by other shareholders. However, in accordance with the procedures described in (3) of 3. “Procedures required of shareholders associated with the Gratis Allotment of Share Acquisition Rights” below, the Company may acquire Share Acquisition Rights from shareholders other than Specified Purchasers, etc. and grant shares of the Company in exchange. In the event that the Company has enacted such acquisition procedures, shareholders other than Specified Purchasers, etc. will receive shares of the Company without the exercise of Share Acquisition Rights and without payment of money equivalent to the prescribed exercise price, and thus dilution of held shares of the Company will not occur.

As described in (9) of II 5. “Overview of Gratis Allotment of Share Acquisition Rights” above, up to the effective date of the Share Acquisition Rights, the Company may cancel the Gratis Allotment of Share Acquisition Rights and, following the effective date of the Gratis Allotment of Share Acquisition Rights and up to the day before the first day of the exercise period of the Share Acquisition Rights, may acquire on a gratis basis the Share Acquisition Rights that were allotted on a gratis basis. In these cases, as no dilution of value per share occurs, investors who have engaged in trading on the assumption that dilution would occur in the value per share may suffer considerable losses due to fluctuation in the stock price.

3. Procedures required of shareholders associated with the Gratis Allotment of Share Acquisition Rights

(1) Recording in the shareholder registry

When the Board of Directors of the Company has resolved to implement the Gratis Allotment of Share Acquisition Rights, the Company will publicly announce the Allotment Date of the Gratis Allotment of Share Acquisition Rights. As shareholders who are recorded in the final shareholder registry as of the Allotment Date will be allotted share acquisition rights on a gratis basis, shareholders must be recorded in the final shareholder registry as of the Allotment Date.

As shareholders who are recorded in the final shareholder registry on the Allotment Date will naturally become holders of Share Acquisition Rights on the effective date of the Gratis Allotment of Share Acquisition Rights, application procedures are not required.

(2) Procedures for the exercise of Share Acquisition Rights

In principle, the Company will send a Request for the Exercise of Share Acquisition Rights (in a format prescribed by the Company and including the number and details of the Share Acquisition Rights to be exercised, necessary matters such as the date on which the Share Acquisition Rights will be exercised, and representations and warranties concerning the fulfillment of the conditions for the exercise of Share Acquisition Rights by shareholders, and indemnity clauses and other pledges) and other documents necessary for the exercise of Share Acquisition Rights to shareholders recorded in the final shareholder registry as of the Allotment Date. Following the Gratis Allotment of Share Acquisition Rights and during the exercise period for the Share Acquisition Rights, after shareholders have submitted these required documents, in principle, one (1) share of the Company will be issued per Share Acquisition Right through payment at the place of payment of an amount separately specified by the Board of Directors of the Company in the Resolution on the Gratis Allotment of Share Acquisition Rights, within the range of a lower limit of one (1) yen and an upper limit of 50% of the market price of one share of the Company.

(3) Procedures for the acquisition of Share Acquisition Rights

When the Board of Directors of the Company has made a decision to acquire Share Acquisition Rights, the Company may acquire the Share Acquisition Rights on a date separately specified by the Board of Directors following statutory procedures and may grant shares of the Company to shareholders in exchange. In this case, the shareholders concerned may be requested to separately submit a form prescribed by the Company that includes representations and warranties, indemnification clauses, and other pledges regarding the shareholders' fulfillment of conditions for the exercise of Share Acquisition Rights.

In addition to the above, for details on means of exercising rights and on means of acquisition by the Company, shareholders are asked to read the content of public announcements or notifications to shareholders following any resolution by the Board of Directors of the Company regarding the Gratis Allotment of Share Acquisition Rights.

- 1 This term is defined in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act; the same applies hereinafter unless specified otherwise.
- 2 This term means a "holder" as defined in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act and includes parties who are included in the category of holders pursuant to the provisions of paragraph 3 of said Article (and including parties who are recognized as corresponding to such by the Board of Directors of the Company); the same applies hereinafter.
- 3 This term refers to a "joint holder" as defined in Article 27-23, paragraph 5 of the Financial Instruments and Exchange Act and includes parties who are deemed to be joint holders pursuant to the provisions of paragraph 6 of the same Article (and including parties who are recognized as corresponding to such by the Board of Directors of the Company); the same applies hereinafter.
- 4 This term is defined in Article 27-23, paragraph 4 of the Financial Instruments and Exchange Act; the same applies hereinafter.
- 5 This term is defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act; the same applies in ② below.
- 6 This term is defined in Article 27-2, paragraph 6 of the Financial Instruments and Exchange Act; the same applies hereinafter.
- 7 This term is defined in Article 27-2, paragraph 8 of the Financial Instruments and Exchange Act; the same applies hereinafter.
- 8 This term refers to a "specially related party" defined in Article 27-2, paragraph 7 of the Financial Instruments and Exchange Act (including parties who are recognized as corresponding to such by the Board of Directors of the Company). However, for parties listed in item (i) of said paragraph, it excludes parties specified in Article 3, paragraph 2 of the Cabinet

Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other Than Issuer; the same applies hereinafter.

- 9 This term refers to a holder of shares, etc. issued by the Company, for which the Board of Directors of the Company has recognized that the shareholding ratio of said shares, etc. will become not less than 20%. However, parties for which the Board of Directors of the Company has recognized that the acquisition and holding of the Company's shares, etc. is not contrary to the corporate value of the Company or the common interests of shareholders, and prescribed parties separately specified by the Board of Directors of the Company in the Resolution on the Gratis Allotment of Share Acquisition Rights, will not fall under the category of specified large volume holders.
- 10 This term refers to a party who has given a public notice to the effect that it will carry out a purchase, etc. (meaning "purchase, etc." as defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act; the same applies hereinafter in this note) of shares, etc. (meaning "Share Certificates, etc." prescribed in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act; the same applies hereinafter in this note) issued by the Company through a tender offer, and whose ownership ratio of shares, etc. following said purchase, etc. (including those prescribed by Article 7, paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act to be equivalent thereto) combined with the ownership ratio of shares, etc. of its specially related parties has been recognized by the Board of Directors of the Company to become not less than 20%. However, parties for which the Board of Directors of the Company has recognized that the acquisition and holding of the Company's shares, etc. is not contrary to the corporate value of the Company or the common interests of shareholders, and prescribed parties separately specified by the Board of Directors of the Company in the Resolution on the Gratis Allotment of Share Acquisition Rights, will not fall under the category of specified large volume purchasers.
- 11 A "related party" of a certain party refers to a party recognized by the Board of Directors of the Company as a party who substantially controls, is controlled by, or is under joint control together with said certain party. "Control" refers to "cases in which a party controls decisions on financial and business policies" of other companies, etc. (as defined in Article 3, paragraph 3 of the Regulations for Enforcement of the Companies Act).

Appendix

Independent Committee Regulations (Overview)

1 Establishment

In the event of a Large-Scale Purchase, an Independent Committee will be established by resolution of the Board of Directors.

2 Composition

(1) The Independent Committee will consist of not less than three (3) members.

(2) The Independent Committee members will be appointed from among Outside Directors who are independent of the management team that engages in the execution of the business of the Company.

However, in the event that the Board of Directors has determined that appointing three (3) or more members to the Independent Committee from among Outside Directors would be inappropriate due to reasons such as the Outside Directors of the Company having a special interest in the Large-Scale Purchase or the Large-Scale Purchaser, the Board of Directors will newly appoint members to the Independent Committee from among attorneys, certified public accountants, parties with academic experience, outside parties who have experience as directors or auditors of other companies, etc.

(3) The appointment and dismissal of Independent Committee members will be conducted by resolution of the Board of Directors. However, a resolution for dismissal will be carried out by approval of two-thirds or more of the Directors in attendance.

3 Term of office of committee members

The term of office of an Independent Committee member will be the period from the day on which the individual is appointed as an Independent Committee member by the Board of Directors to a date separately specified by the Board of Directors (in principle, the date on which the Board of Directors of the Company determines that the role of the Independent Committee has ended due to the completion of the Large-Scale Purchase, completion of the response of the Board of Directors to the Large-Scale Purchaser, etc.). However, this will not apply where otherwise specified by resolution of the Board of Directors.

4 Role of the Independent Committee

The Independent Committee will issue recommendations to the Board of Directors concerning whether a Large-Scale Purchase is contrary to the securing and enhancement of the corporate value of the Company and the common interests of shareholders, and whether the Invocation of measures against the Large-Scale Purchase is appropriate. In making such recommendations, the Independent Committee must make judgments from a standpoint of whether the matters in question will contribute to the corporate value of the Company and the common interests of shareholders, and must not pursue its own personal interests or those of Directors of the Company.

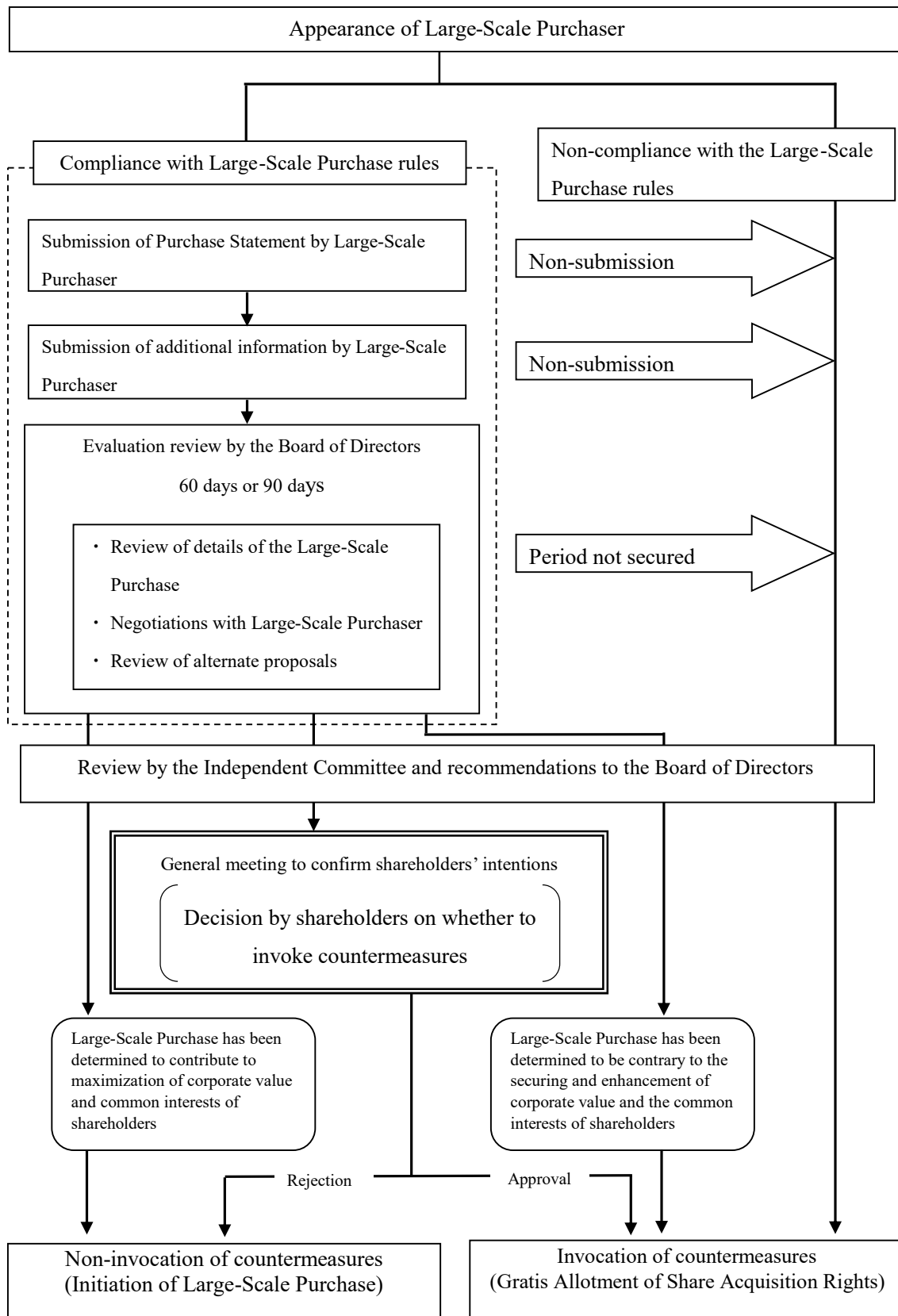
5 Requirements for resolutions

In principle, resolutions of the Independent Committee will be passed by a majority of members at a meeting in which all members are present. However, in the event that accident or other special circumstance befalls an Independent Committee member, resolutions will be passed by a majority of members present at a meeting in which members except for said member are present.

6 Third-party counsel

The Independent Committee may, as necessary, obtain counsel from independent third parties (including external experts such as financial advisors, certified public accountants, attorneys, and consultants) at the expense of the Company.

(Reference material)



The flow diagram above is presented to explain the outline of the Plan. Please refer to the main text for details of the Plan.

(Reference)

Composition of the Board of Directors and Selection Policy/Procedures for Candidates for Directors

(i) Composition of the Board of Directors

1. The number of Directors should be appropriate for substantive discussion.
2. We will strive to appoint Independent Outside Directors to at least one-third of positions in the Board of Directors.
3. We believe that the Company's Directors must possess a variety of management experience and diverse expertise in all fields, including management and academic experience at other companies, as well as knowledge of manufacturing, research and development, and industry at an appropriate level for Directors of a manufacturing company. In order to balance these goals and to ensure the best possible composition of Directors, the Company will utilize a skill matrix that lists and evaluates the knowledge, experience, abilities, etc. of each Director from an objective perspective.

(ii) Policies and procedures for selection of Representative Directors and Executive Directors by the Board of Directors and nomination of candidates for Directors

- (a) Candidates for the Company's Directors shall be persons of outstanding character, insight, ability, and extensive experience, as well as high ethical standards. When nominating candidates, the Company will consider gender, age, nationality, skills, and other diversity factors in the composition of the Board of Directors. The Company will work to ensure that at least one of the candidates for the posts of Directors who are Audit and Supervisory Committee Members is a someone who has acquired knowledge of finance and accounting through direct or indirect work experience related to finance and accounting. Representative Directors will prepare the draft proposals for candidates for the position of Directors. Directors who are Audit and Supervisory Committee Members may also propose candidates for Directors who are Audit and Supervisory Committee Members.
- (b) The election and dismissal of Representative Directors and the Executive Directors will be decided by the Board of Directors based on reports from the Nomination and Remuneration Advisory Committee after confirming that no opinions have been expressed by the Audit and Supervisory Committee.
- (c) Candidates for Directors who are not Audit and Supervisory Committee Members will be determined by the Board of Directors based on reports from the Nomination and Remuneration Advisory Committee and based on opinions expressed by the Audit and Supervisory Committee.
- (d) Candidates for Directors who are Audit and Supervisory Committee Members will be determined by the Board of Directors based on reports from the Nomination and Remuneration Advisory Committee and based on opinions expressed by the Audit and Supervisory Committee.

(iii) Reasons for selection of skill matrix items

Expertise item	Reasons for selection
Corporate management	As dramatic changes occur in the automotive industry, electronic information industry, and other industries in which the Company does business, the Company requires Directors with management experience and management records in order to achieve the growth strategies set forth in our Medium-term Management Plan GGP24.
Finance and accounting	The Company requires Directors with skills, knowledge, and experience in the areas of finance and accounting in order to ensure reliability through proper financial accounting and financial reporting, as well as to sustainably increase corporate value and formulate financial strategies.
Business strategy and marketing	As dramatic changes occur in the market environment and the Company reforms its business portfolio, the Company requires Directors with experience in satisfying existing customers and cultivating new customers. It is also essential to launch new businesses that will become the next pillars of the Company's operations. The Company therefore requires Directors with skills and experience in business strategy and marketing.
Manufacturing, engineering, and development	Under our corporate philosophy of "Technology Taking Flight to Create Change," the Company must develop new technologies and evolve existing technologies while always being receptive to the needs of society and customers. The Company requires Directors with skills in manufacturing, engineering, and development in order to fulfill the Medium-term Management Plan GGP24 goal of accelerating the growth of next-generation businesses, such as businesses related to the growing adoption of electric vehicles, and telecommunication businesses.
Overseas business	The Company requires Directors with extensive experience and knowledge of overseas operations and management in order to chart global growth strategies and supervise management.
Legal, governance and risk management	The Company requires Directors with skills, knowledge, and experience in law, governance, and risk management in order to ensure appropriate compliance and risk-taking through the development of internal controls and proactive company-wide risk management systems.

(iv) Skill matrix

If all the candidates listed in this Notice are elected as proposed, the Directors skill matrix will be as follows:

Name	Attribute				Expertise					
	Inside/ Outside	Gender	Age	Position	Corporate management	Finance and accounting	Business strategy and marketing	Manufacturing, engineering, and development	Overseas business	Legal affairs Governance Risk management
Tadao Ohtani	Inside	Male	62	Representative Director and CEO	●	●	●	●		
Tadashi Nara	Inside	Male	62	Representative Director and Executive Vice President Chief Operating Officer of Research & Development Group	●		●	●	●	
Masatoshi Kanada	Inside	Male	62	Executive Director, Senior Managing Executive Officer, Chief Operating Officer of Management Group	●	●	●		●	
Kazutoshi Sugimura	Inside	Male	60	Executive Director, Managing Executive Officer, General Manager of Suspension Products Division	●	●			●	●
Yoshihiro Miyake	Outside	Male	55	Director	●		●	●		
Fumiko Kagiya	Outside	Female	40	Director		●				●
Hiroko Ozawa	Outside	Female	61	Director	●		●		●	
Shojiro Wakabayashi	Inside	Male	63	Director, Audit and Supervisory Committee Member	●			●		●
Hideki Yamamoto	Outside	Male	64	Director, Audit and Supervisory Committee Member	●				●	●
Atsushi Tanaka	Outside	Male	62	Director, Audit and Supervisory Committee Member			●			●
Hiroimi Hirayama	Outside	Female	72	Director, Audit and Supervisory Committee Member						●

(Notes)

1 Ages refer to age at the conclusion of the 106th Annual Shareholders' Meeting to be held on June 23, 2023.

- 2 The table above shows areas in which each Director can demonstrate particular expertise based on factors such as experience. It does not show all of the experience and skills possessed by each Director.