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Securities Code 6417

June 9, 2023

(Measures for electronic provision were made available on June 5, 2023)

To Those Shareholders with Voting Rights

Akihiko Ishihara
Representative Director, President & CEO
SANKYO CO., LTD.
3-29-14 Shibuya, Shibuya-ku, Tokyo, Japan

NOTICE OF THE 58th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to the 58th Ordinary General Meeting of Shareholders of the Company. The meeting will be held as stated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information in electronic format and has posted the items subject to the measures for providing information in electronic format as “Notice of the 58th Ordinary General Meeting of Shareholders” and “Other Electronic Provision Measures Matters of the 58th Ordinary General Meeting of Shareholders (Matters Not Included in Delivered Documents concerning Notice of Convocation)” on the website indicated below.

The Company’s website <https://www.sankyo-fever.co.jp/corporate/ir/meeting.html>

In addition to the above, the notice is also posted on the website indicated below

Tokyo Stock Exchange website <https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

Please access the website indicated above, enter and search for “SANKYO” in the “Issue name (company name)” field or enter and search for “6417” in the “Securities Code” field, select “Basic information” and “Documents for public inspection/PR information” in that order to see the relevant notice.

You are requested to take into consideration the state of the spread of COVID-19 when deciding whether you will attend the meeting. If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 6:00 p.m. on Wednesday, June 28, 2023.

1. **Date and Time:** Thursday, June 29, 2023 at 10:00 a.m.
2. **Place:** Star Room, The Westin Tokyo, B2F, 1-4-1 Mita, Meguro-ku, Tokyo (located within Yebisu Garden Place)
3. **Agenda of the Meeting:**
 - Matters to be reported:**
 1. Business Report, Consolidated Financial Statements for the 58th Fiscal Term (from April 1, 2022 to March 31, 2023) and results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 58th Fiscal Term (from April 1, 2022 to March 31, 2023)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Five Directors
- Proposal No. 3:** Election of Four Statutory Auditors
- Proposal No. 4:** Determination of the Amounts and Details of Performance-linked Stock Compensation, Etc. for Directors, Etc. of the Company and Its Subsidiaries

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of Surplus

The Company regards the return of profits to shareholders as one of the most important management priorities. The Company's dividend policy is to continue stable dividend payments, taking into consideration financial results, the financial position, the payout ratio, and other factors comprehensively.

The Company will effectively utilize retained earnings, such as for investment that contributes to the strengthening of product capabilities to ensure competitiveness is maintained in the persistently challenging pachinko and pachislot industry, with a view to enhancing corporate value.

For the 58th fiscal term, based on the above dividend policy, the Company proposes to pay a year-end dividend of ¥90 per share. Including the interim dividend of ¥60 per share, the amount of full-year dividends will be ¥150 per share.

Matters concerning the year-end dividends

(1) Type of dividend property

Dividends will be paid in cash.

(2) Appropriation of dividend property to shareholders and total amount

¥90 per share of the Company's common stock, for a total amount of ¥5,225,709,420

As a result, the annual dividend for this term, including interim dividend, would be ¥150 per share.

(3) Effective date of dividends from surplus

June 30, 2023

Proposal No. 2: Election of Five Directors

All five Directors of the Company will complete their terms of office at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of five Directors.

The candidates for Directors are as follows:

No.	Name	Gender	Current position and assignment at the Company	Attendance at meetings of the Board of Directors
1	Reappointment Hideyuki Busujima	Male	Director & Chairman	100% (15/15)
2	Reappointment Akihiko Ishihara	Male	Representative Director, President & CEO	100% (15/15)
3	Reappointment Ichiro Tomiyama	Male	Representative Director & Senior Executive Vice President & COO Supervising Sales & Marketing Division & Product Management Division	100% (15/15)
4	Reappointment Outside Director Independent Director Taro Kitani	Male	Outside Director	93% (14/15)
5	Reappointment Outside Director Independent Director Hiroyuki Yamasaki	Male	Outside Director	100% (15/15)

Note: The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The said insurance contract covers damages including compensation for damages and litigation expenses to be borne by the insured. If candidates for Director assume the office of Director, they will become the insured under the said insurance contract, which is scheduled for renewal during their terms of office.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
1	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Hideyuki Busujima (September 30, 1952)	June 1985 Executive Director of the Company January 1988 Senior Executive Director of the Company February 1992 Representative Senior Executive Director of the Company June 1992 Representative Director & Senior Executive Vice President of the Company June 1996 Representative Director, President & CEO of the Company April 2008 Representative Director, Chairman of the Board & CEO of the Company April 2022 Director & Chairman of the Company (to present)	3,876,400

Reasons for nomination as a candidate for Director

Ever since his appointment as Representative Director, President & CEO of the Company in 1996, Mr. Hideyuki Busujima has concentrated resources on the pachinko and pachislot machines businesses and contributed to the Company's development. As well as leading development, manufacturing, and sales of innovative models that set the pace in the industry, he launched the strategy to expand SANKYO as a group and established the foundation for the current three-brand structure. From 2008, as Representative Director, Chairman of the Board & CEO, he demonstrated his leadership for maintaining the Company's position as an industry leader and establishing a stable financial and management foundation despite the industry's challenging operating environment, and strove to enhance shareholder value. Having assumed the office of Director & Chairman in April 2022, he is supervising management based on a wealth of experience and knowledge of management.

The Company expects that his continuous performance of duties will contribute to sustainable enhancement of the Group's corporate value. Therefore, the Company has nominated Mr. Busujima as a candidate for Director.

Note: Marf Corporation where Mr. Hideyuki Busujima serves as Representative Director has a transactional relationship with the Company pertaining to real estate leasing. Yoshii Country Club Co., Ltd. where Mr. Hideyuki Busujima serves as Representative Director has a transactional relationship with the Company pertaining to a tie-up for usage of shareholder benefit coupons.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held	
2	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Akihiko Ishihara (September 9, 1962)	April 2008	Operating Officer & General Manager of Sales Planning Department of the Company	17,700
		April 2010	Executive Operating Officer, Head of Administration Division & General Manager of General Affairs Department of the Company	
		April 2011	Senior Executive Operating Officer, Head of Administration Division & General Manager of General Affairs Department of the Company	
		June 2012	Director & Senior Executive Operating Officer, Head of Administration Division & General Manager of General Affairs Department of the Company	
		April 2015	Representative Director, President of Sankyo Excel Co., Ltd.	
		April 2020	Senior Executive Vice President, General Manager of Corporate Planning Division of the Company	
		June 2020	Director & Senior Executive Vice President, General Manager of Corporate Planning Division of the Company (Supervising Manufacturing Division & Administration Division)	
		April 2021	Representative Director & Senior Executive Vice President, General Manager of Corporate Planning Division of the Company(Supervising Manufacturing Division & Administration Division)	
		June 2021	Representative Director, President & COO of the Company	
April 2022	Representative Director, President & CEO of the Company (to present)			

Reasons for nomination as a candidate for Director

Since he joined the Company, Mr. Akihiko Ishihara has cultivated a wealth of business experience through his engagement in sales planning, administration, and corporate planning. He has been involved in wide-ranging aspects of the Group's management, including his service as Representative Director of SANKYO EXCEL CO., LTD., a consolidated subsidiary of the Company that plays a role in manufacturing, for five years from 2015, and has been striving to enhance corporate value. He assumed the office of Representative Director, President & Chief Operating Officer (COO) in June 2021. Having assumed the office of Representative Director, President & Chief Executive Officer (CEO) in April 2022, he is leading management, including implementation of a business strategy to increase market share and promotion of organizational reform.

The Company expects that his continuous performance of duties will contribute to sustainable enhancement of the Group's corporate value. Therefore, the Company has nominated Mr. Ishihara as a candidate for Director.

Note: No conflict of interest exists between the Company and Mr. Ishihara.

No.	Name (Date of birth)	Career summary, position, assignment and significant concurrent positions	Number of shares of the Company held
3	<p data-bbox="247 1086 438 1120"><u>Reappointment</u></p> <p data-bbox="239 1131 446 1198">Ichiro Tomiyama (March 13, 1958)</p>	<p data-bbox="478 257 1252 392">April 2008 Operating Officer & Deputy Head of Sales & Marketing Division & Regional General Manager for the Kinki & Shikoku Region & General Manager of Osaka Branch of the Company</p> <p data-bbox="478 414 1252 548">April 2009 Operating Officer & Deputy Head of Sales & Marketing Division & Regional General Manager for the Kinki Region & General Manager of Osaka Branch of the Company</p> <p data-bbox="478 571 1252 627">April 2010 Operating Officer & Deputy Head of Sales & Marketing Division of the Company</p> <p data-bbox="478 649 1252 750">April 2011 Operating Officer & Regional General Manager for the Kinki Region & General Manager of Osaka Branch of the Company</p> <p data-bbox="478 772 1252 907">April 2012 Executive Operating Officer, Head of Sales & Marketing Division & General Manager of Sales Strategy Department & Senior General Manager of Head Office Sales Department of the Company</p> <p data-bbox="478 929 1252 1019">April 2014 Executive Operating Officer, Head of Sales & Marketing Division & General Manager of Sales Strategy Department of the Company</p> <p data-bbox="478 1041 1252 1131">June 2014 Director & Executive Operating Officer, Head of Sales & Marketing Division & General Manager of Sales Strategy Department of the Company</p> <p data-bbox="478 1153 1252 1288">April 2015 Director & Senior Executive Operating Officer, Head of Sales & Marketing Division & General Manager of Sales Strategy Department of the Company</p> <p data-bbox="478 1310 1252 1478">February 2016 Director & Senior Executive Operating Officer, Head of Sales & Marketing Division & Senior General Manager of Parlor Business Division & General Manager of Sales Strategy Department of the Company</p> <p data-bbox="478 1500 1252 1635">April 2016 Director & Senior Executive Operating Officer, Head of Sales & Marketing Division & Senior General Manager of Parlor Business Division of the Company</p> <p data-bbox="478 1657 1252 1747">April 2018 Director & Senior Executive Vice President, Head of Sales & Marketing Division & Head of Product Management Division of the Company</p> <p data-bbox="478 1769 1252 1904">April 2022 Representative Director, Senior Executive Vice President & COO of the Company Supervising Sales & Marketing Division & Product Management Division (to present)</p> <p data-bbox="478 1960 1037 2027">(Significant concurrent positions) Representative Director, President of JB Co., Ltd.</p>	14,300

Reasons for nomination as a candidate for Director

Mr. Ichiro Tomiyama has gained a wealth of experience and a track record of achievements in the course of his career at the frontline of sales for many years. Since his appointment as Director & Senior Executive Operating Officer, he played a leading role in the continuous improvement of market share by strengthening marketing and promoting enhancement of the brand value of the Group in order to establish a position as a leading enterprise. He assumed the office of Director & Senior Executive Vice President in April 2018. Having assumed the office of Representative Director, Senior Executive Vice President & Chief Operating Officer (COO) in April 2022, he is supervising sales & marketing, product planning, and R&D divisions and promoting the sales strategy and strengthening of product capabilities.

The Company expects that his continuous performance of duties will contribute to sustainable enhancement of the Group's corporate value. Therefore, the Company has nominated Mr. Tomiyama as a candidate for Director.

Note: No conflict of interest exists between the Company and Mr. Tomiyama.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
4	<u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u> Taro Kitani (May 4, 1976)	October 2004 Registered as attorney at law. Joined KOHWA SOHGOH LAW OFFICES (to present) June 2015 Director of the Company (to present)	-

Reasons for nomination as a candidate for Outside Director and expected role

Mr. Taro Kitani is well versed in corporate legal affairs as an attorney at law and has sufficient insight into corporate governance. He has been stating objective and fair opinions at meetings of the Board of Directors from a third-party perspective, considering the achievement of both economic performance and social performance. He is overseeing the Company's management appropriately and is contributing to strengthening of the Company's corporate governance.

Although Mr. Kitani has never been directly involved in corporate management, for the reasons stated above, the Company believes that he will continue to be able to adequately perform decision-making on important matters of the Company's management and oversight of business execution. He also meets the standards for Independent Directors defined by Tokyo Stock Exchange, Inc. and is unlikely to cause conflict of interest with general shareholders. Therefore, the Company has nominated Mr. Kitani as a candidate for Outside Director. The Company expects him to continue to fulfill the role stated above following his election.

Note:1. No conflict of interest exists between the Company and Mr. Kitani.

Note:2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into a liability limitation agreement with Mr. Kitani. The limit of his liability for damages in accordance with the said liability limitation agreement is the amount stipulated by laws and regulations. If his reelection is approved, the Company intends to continue the said liability limitation agreement with him.

Note:3. Mr. Kitani is a candidate for Outside Director. He is an Independent Director as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. If his election is approved, the Company intends to appoint him as Independent Director.

Note:4. Mr. Kitani has never been the Company's legal advisor.

Note:5. Mr. Kitani will have served as an Outside Director of the Company for eight years at the closing of this General Meeting of Shareholders.

No.	Name (Date of birth)	Career summary, position, assignment and significant concurrent positions	Number of shares of the Company held
5	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Director</div> Hiroyuki Yamasaki (September 5, 1954)	October 1982 Joined Chuo Audit Corporation September 1994 Partner, Chuo Audit Corporation August 2000 Representative Partner, ChuoAoyama Audit Corporation October 2005 Executive Officer, ChuoAoyama Audit Corporation May 2006 Acting Chief Executive Officer, ChuoAoyama Audit Corporation November 2007 Senior Partner, Shin Nihon & Co. (current Ernst & Young ShinNihon LLC) August 2008 Managing Director, Ernst & Young ShinNihon LLC July 2013 Auditor, Japan Venture Capital Association July 2017 President, CPA Hiroyuki Yamasaki Office (to present) June 2018 Director of the Company (to present) December 2020 Director & Vice President of LAND BUSINESS CO., LTD. (Significant concurrent positions) Outside Auditor of UACJ Corporation	-

Reasons for nomination as a candidate for Outside Director and expected role

Mr. Hiroyuki Yamasaki has a wealth of professional knowledge on finance and accounting cultivated through his career as a certified public accountant. He also has many years of experience in conducting accounting audits of companies at audit firms. He is providing advice and suggestions on overall management from an independent, objective standpoint based on his expertise, including experience as a manager of a listed company, and is contributing to strengthening the effectiveness of the decision-making function and the oversight function of the Company's Board of Directors.

For the reasons stated above, the Company believes that he will continue to be able to adequately perform decision-making on important matters of the Company's management and oversight of business execution as an Outside Director. He also meets the standards for Independent Directors defined by Tokyo Stock Exchange, Inc. and is unlikely to cause conflict of interest with general shareholders. Therefore, the Company has nominated Mr. Hiroyuki Yamasaki as a candidate for Outside Director. The Company expects him to continue to fulfill the role stated above following his election.

Note:1. No conflict of interest exists between the Company and Mr. Yamasaki.

Note:2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into a liability limitation agreement with Mr. Yamasaki. The limit of his liability for damages in accordance with the said liability limitation agreement is the amount stipulated by laws and regulations. If his reelection is approved, the Company intends to continue the said liability limitation agreement with him.

Note:3. Mr. Yamasaki is a candidate for Outside Director. He is an Independent Director as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. If his election is approved, the Company intends to appoint him as Independent Director.

Note:4. Mr. Yamasaki will have served as an Outside Director of the Company for five years at the closing of this General Meeting of Shareholders.

Proposal No. 3: Election of Four Statutory Auditors

All four Statutory Auditors of the Company will complete their term of office at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of four Statutory Auditors. The Board of Statutory Auditors has previously given its approval.

The candidates for Statutory Auditors are as follows:

No.	Name	Gender	Current position at the Company	Attendance at meetings of the Board of Directors	Attendance at meetings of the Board of Statutory Auditors
1	New Candidate Yoko Igarashi	Female	Advisor	-	-
2	Reappointment Toshiaki Ishiyama	Male	Statutory Auditor	100% (15/15)	100% (5/5)
3	Reappointment Outside Auditor Independent Auditor Yoshiro Sanada	Male	Outside Statutory Auditor	100% (15/15)	100% (5/5)
4	Reappointment Outside Auditor Independent Auditor Fumiyoshi Noda	Male	Outside Statutory Auditor	100% (15/15)	100% (5/5)

- Notes: 1. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into liability limitation agreements with Mr. Toshiaki Ishiyama, Mr. Yoshiro Sanada, and Mr. Fumiyoshi Noda. The limit of their liability for damages in accordance with the said liability limitation agreements is the amount stipulated by laws and regulations. If this proposal is approved, the Company intends to continue the said liability limitation agreements with them and enter into a similar agreement with Ms. Yoko Igarashi.
2. The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The said insurance contract covers damages including compensation for damages and litigation expenses to be borne by the insured. If candidates for Statutory Auditor assume the office of Statutory Auditor, they will become the insured under the said insurance contract, which is scheduled for renewal during their terms of office.

No.	Name (Date of birth)	Career summary and position		Number of shares of the Company held
1	<u>New candidate</u> Yoko Igarashi (September 3, 1956)	April 2010	General Manager of Accounting & Finance Department of the Company	17,000
		April 2012	Operating Officer, General Manager of Accounting & Finance Department of the Company	
		April 2015	Executive Operating Officer, Head of Administration Division	
		April 2018	Executive Operating Officer, Head of Administration Division & Supervising Business Planning Department	
		April 2021	Executive Operating Officer, Head of Administration Division & Supervising Business Planning Department & General Manager of General Affairs Department of the Company	
		June 2021	Senior Executive Operating Officer, Head of Administration Division & Supervising Manufacturing Division & Business Planning Department & General Manager of General Affairs Department of the Company	
		April 2022	Senior Executive Operating Officer, Supervising Manufacturing Division & Administration Division & Business Planning Department of the Company	
		April 2023	Advisor of the Company (to present)	

Reasons for nomination as a candidate for Statutory Auditor

Having served as the head of the Company's administrative division and as an Operating Officer, Ms. Yoko Igarashi is well versed in the Group's organizations and operations and has profound insight. The Company believes that by utilizing her expertise, she can appropriately perform her duties as a Statutory Auditor. Therefore, the Company has nominated Ms. Igarashi as a candidate for Statutory Auditor.

Note: No conflict of interest exists between the Company and Ms. Igarashi.

No.	Name (Date of birth)	Career summary and position		Number of shares of the Company held
2	<u>Reappointment</u> Toshiaki Ishiyama (September 17, 1956)	June 1994	Statutory Auditor of the Company (to present)	5,000
		January 2012	Joined Noda Fumiyoshi Tax Accounting Office(to present)	
		September 2015	Registered as Certified Tax Accountant	

Reasons for nomination as a candidate for Statutory Auditor

Mr. Toshiaki Ishiyama has a wealth of practical experience as a Certified Tax Accountant and specialized knowledge of tax affairs and accounting. The Company believes that he can fulfill his role as a Statutory Auditor from a professional standpoint. Therefore, the Company has nominated Mr. Ishiyama as a candidate for Statutory Auditor.

Note: No conflict of interest exists between the Company and Mr. Ishiyama.

No.	Name (Date of birth)	Career summary and position	Number of shares of the Company held
3	<u>Reappointment</u> <u>Outside Auditor</u> <u>Independent Auditor</u> Yoshiro Sanada (May 8, 1957)	April 1982 Joined Kubota Judicial Scrivener Office December 1992 Registered as Judicial Scrivener Head of Sanada Judicial Scrivener Office (to present) June 2003 Statutory Auditor of the Company (to present)	1,000

Reasons for nomination as a candidate for Outside Statutory Auditor

Mr. Yoshiro Sanada has many years of experience as a Judicial Scrivener and has a wealth of knowledge of corporate legal affairs. Although Mr. Sanada has never been directly involved in corporate management other than serving as an Outside Statutory Auditor of the Company, the Company believes that by utilizing his experience and knowledge described above, he can appropriately perform his duties as an Outside Statutory Auditor. Therefore, the Company has nominated Mr. Sanada as a candidate for Outside Statutory Auditor.

- Notes:
1. No conflict of interest exists between the Company and Mr. Sanada.
 2. Mr. Sanada is candidates for Outside Statutory Auditor. He is Independent Auditors as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
 3. Mr. Sanada will have served as an Outside Statutory Auditor of the Company for twenty years at the closing of this General Meeting of Shareholders.

No.	Name (Date of birth)	Career summary and position	Number of shares of the Company held
4	<u>Reappointment</u> <u>Outside Auditor</u> <u>Independent Auditor</u> Fumiyoshi Noda (January 26, 1959)	August 1983 Joined Noda Susumu Tax Accountant & Real Estate Appraisal Office March 1984 Registered as Certified Tax Accountant August 1986 Head of Noda Fumiyoshi Tax Accounting Office (to present) June 2007 Statutory Auditor of the Company (to present)	1,000

Reasons for nomination as a candidate for Outside Statutory Auditor

Mr. Fumiyoshi Noda has many years of experience as a Certified Tax Accountant and is well versed in tax affairs and accounting and has a high level of expertise. Although Mr. Noda has never been directly involved in corporate management other than serving as an Outside Statutory Auditor of the Company, the Company believes that by utilizing his experience and knowledge described above, he can appropriately perform his duties as an Outside Statutory Auditor. Therefore, the Company has nominated Mr. Noda as a candidate for Outside Statutory Auditor.

- Notes:
1. No conflict of interest exists between the Company and Mr. Noda.
 2. Mr. Noda is candidates for Outside Statutory Auditor. He is Independent Auditors as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
 3. Mr. Noda has never been a tax advisor to the Company.
 4. Mr. Noda will have served as an Outside Statutory Auditor of the Company for sixteen years at the closing of this General Meeting of Shareholders.

(Reference) Directors' and Statutory Auditors' Skills Matrix

The Company's Board of Directors consists of a small number of Directors in order to be able to swiftly respond to change in the laws and regulations to which the Company's pachinko and pachislot machines businesses are subject, change in the environment of the industry, and so forth.

Regarding candidates for Director, the Company considers the important requirements for candidates for internal Director are that, in addition to their management judgment and executive ability, the persons have made contributions to the Company and have a track record of achievements and have experience and knowledge in the pachinko and pachislot machines businesses. As for candidates for Outside Director, in order to ensure diversity, the Company selects persons who have a high level of expertise in accounting, law, etc. and who can be expected to provide management advice, supervision, etc. from a neutral standpoint and from a broad perspective.

If Proposal No. 2 and No. 3 are approved and passed as originally proposed, the composition of the Board of Directors and the Board of Statutory Auditors will be as follows.

	Name	Position	Corporate Management	Insight into the Industry	Administration/ Corporate Planning/ Finance	Development	Manufacturing	Sales & Marketing	Legal Affairs / Compliance
Director	Hideyuki Busujima	Director & Chairman	●	●	●				●
	Akihiko Ishihara	Representative Director, President & CEO	●	●	●		●		
	Ichiro Tomiyama	Representative Director, Senior Executive Vice President & COO Supervising Sales & Marketing Division & Product Management Division	●	●		●		●	
	Taro Kitani	Outside Director		●					●
	Hiroyuki Yamasaki	Outside Director	●		●				●
Statutory Auditor	Yoko Igarashi	Standing Statutory Auditor		●	●		●		●
	Toshiaki Ishiyama	Statutory Auditor			●				
	Yoshiro Sanada	Outside Statutory Auditor							●
	Fumiyoshi Noda	Outside Statutory Auditor			●				

Note:1. Based on the expertise and experience of each person, up to four areas are marked for which the Company has particular expectations.

Note:2. The above list does not represent all the skills, etc. possessed by each person.

Proposal No. 4: Determination of the Amounts and Details of Performance-linked Stock Compensation, Etc. for Directors, Etc. of the Company and Its Subsidiaries

1. Reason for the Proposal and Reason for Considering Such Compensation, etc. is Appropriate

This proposal is to request your approval of the introduction of a new performance-linked stock compensation plan (hereinafter referred to as the “Plan”) for Directors (excluding Outside Directors and non-residents of Japan) and Operating Officers (excluding non-residents of Japan) of the Company, and for Directors (excluding Outside Directors and non-residents of Japan) of the Company’s subsidiaries (hereinafter referred to as “Subsidiaries”) (hereinafter collectively referred to as “Directors, etc. of the Company and Subsidiaries”). The Company requests that the details of the Plan be left to the discretion of the Board of Directors of the Company within the framework described in 2. below.

The introduction of the Plan is for the purpose of clarifying the linkage between compensation of Directors, etc. of the Company and Subsidiaries and the Company’s performance and stock value, and inspiring and motivating Directors, etc. of the Company and Subsidiaries to contribute to medium- to long-term improvement of the Company’s performance and corporate value by having them share with the Company’s shareholders not only the benefits of the increase of the Company’s share price but also the risk of its decrease. Given such purpose, the Company considers the introduction of the Plan to be appropriate.

The Company proposes provision of stock compensation to Directors, etc. of the Company and Subsidiaries, separately from the amount of compensation, etc. for Directors (an amount not exceeding 800 million yen a year) for which the Company secured approval at the 41st Ordinary General Meeting of Shareholders held on June 29, 2006.

With regard to the compensation limit of the stock-compensation-type stock options for the Company’s Directors (in an amount not exceeding ¥200 million per year), which was approved at the 49th Ordinary General Meeting of Shareholders held on June 27, 2014, the Company shall abolish such compensation limit subject to the approval of this proposal, and shall not make any allotment of share acquisition rights in the future. However, such share acquisition rights already granted to the Company’s Directors shall survive unless they have been exercised.

The Company will have three Directors eligible for the Plan, if Proposal No. 2 “Election of Five Directors” is approved as proposed.

2. Amounts and Details of Compensation, Etc. Under the Plan

(1) Overview of the Plan

The Plan is a stock compensation plan under which a trust to be established through monetary contribution by the Company (hereinafter referred to as the “Trust” and the trust agreement to be concluded with Resona Bank, Limited for the establishment of the Trust is hereinafter referred to as the “Trust Agreement”) acquires the Company’s shares, and, in accordance with the share benefit regulations (hereinafter referred to as the “Share Benefit Regulations”) established by the Board of Directors of the Company and of Subsidiaries, the Company’s shares and money equivalent to their market value, corresponding to the number of points to be granted to Directors, etc. of the Company and Subsidiaries (hereinafter referred to as the “Company’s Shares, etc.”) shall be delivered to Directors, etc. of the Company and Subsidiaries as compensation through the Trust.

The Directors, etc. of the Company and Subsidiaries shall receive the Company’s Shares, etc. upon their retirement in principle (for details, please refer to (8) below).

(2) Persons eligible for the Plan

Directors, etc. of the Company and Subsidiaries

(3) Applicable period of the Plan

Three fiscal years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026 (hereinafter referred to as the “Initial Applicable Period”) and each of the three fiscal years beginning after the Initial Applicable Period, or, if the Board of Directors passed a resolution for a period exceeding three fiscal years, such period (hereinafter, each such period, together with the Initial Applicable Period shall be referred to as the “Applicable Period”).

(4) Trust period

From August 2023 (scheduled) until the termination of the Trust (no specific termination date shall be set, and the Trust shall continue as long as the Plan continues).

The Plan shall be terminated in the event of delisting of the Company’s shares, abolition of the Share Benefit Regulations, etc.

(5) Maximum amount of trust money to be contributed to the Trust as funds for acquiring shares

Subject to the approval of the introduction of the Plan at the General Meeting of Shareholders, the Company will contribute up to the amount calculated by multiplying ¥800 million per fiscal year (including ¥400 million for the Company's Directors) by the number of fiscal years included in the Applicable Period (¥2,400 million (including ¥1,200 million for the Company's Directors) for the three fiscal years in the Initial Applicable Period) as funds for acquiring the Company's shares in order to deliver the Company's Shares, etc. to the Directors, etc. of the Company and Subsidiaries under the Plan for the Initial Applicable Plan (Note). During the Initial Applicable Period, the Company may entrust additional funds for acquiring shares to the extent that the total amount of contribution, including the amount initially contributed, is within the amount stipulated above.

Moreover, even after the Initial Applicable Period, the Company shall make additional contributions to the Trust up to the amount stipulated above for each Applicable Period until the termination of the Plan. However, in making such additional contributions, if the Company's shares (the Company's shares corresponding to the number of points granted to Directors, etc. of the Company and Subsidiaries during each Applicable Period (including the Initial Applicable Period) preceding the said Applicable Period, and the shares undelivered to the Directors, etc. of the Company and Subsidiaries are excluded) or money (hereinafter collectively referred to as the "Remaining Shares, etc.") remain in the trust assets at the end of the Applicable Period immediately preceding the Applicable Period for which such additional contribution is to be made, the total amount of such Remaining Shares, etc. and the trust money to be additionally contributed shall be within the amount stipulated above.

(Note) The amount of money actually entrusted by the Company to the Trust shall be the sum of the above-mentioned funds for acquiring the Company's shares and the estimated amount of necessary expenses, such as the trust fee and the fee for the trust administrator.

(6) Calculation method and the maximum number of the Company's shares to be granted to Directors, etc. of the Company and Subsidiaries

During each Applicable Period, the Company shall grant Directors, etc. of the Company and Subsidiaries points calculated based on their respective position and performance achievement rate in accordance with the Share Benefit Regulations. The maximum total number of points to be granted for the Initial Applicable Period shall be the number of points calculated by multiplying 200,000 points per fiscal year (including 100,000 points for the Company's Directors) by the number of fiscal years in the Applicable Period (600,000 points for the three fiscal years in the Initial Applicable Period (including 300,000 points for the Company's Directors)).

Moreover, the above-mentioned number of points shall be maximum also for each Applicable Period after the Initial Applicable Period.

Each of the granted points shall be converted into one share of the Company when delivering the Company's shares to Directors, etc. of the Company and Subsidiaries (any fraction less than one point shall be rounded down). However, in the event of split, gratis allotment, or consolidation of the Company's shares after the approval of the Plan at the General Meeting of Shareholders, the Company shall make reasonable adjustments to the conversion ratio from point to the Company's share based on the ratio of such split, etc.

(7) Method of acquisition of the Company's shares by the Trust and the maximum number of shares to be acquired

Acquisition of the Company's shares by the Trust shall be conducted on the stock market or by underwriting the disposal of the Company's treasury shares, up to the maximum amount of money to be contributed to the Trust stipulated in (5) above and the maximum number of shares (points) to be granted to Directors, etc. of the Company and Subsidiaries stipulated in (6) above. Details of the acquisition method shall be determined and disclosed by the Company after the General Meeting of Shareholders.

For the Initial Applicable Period, up to 600,000 shares (including 300,000 shares for the Company's Directors) shall be acquired without delay after the establishment of the Trust.

Moreover, the above-mentioned number of points shall also be maximum also for each Applicable Period after the Initial Applicable Period.

(8) Delivery of the Company's Shares, etc. to Directors, etc. of the Company and Subsidiaries

In principle, when any of Directors, etc. of the Company and Subsidiaries retires from office, etc. and satisfies the requirements for beneficiaries stipulated in the Share Benefit Regulations, the Company's shares shall be delivered to him or her based on the number of points granted up to that time subject to the procedures for determining beneficiaries stipulated in the Share Benefit Regulations.

However, with respect to a certain percentage of the points, money equivalent to the market value of the Company's shares shall be delivered in lieu of delivery of the Company's shares with the object of securing funds for tax payments. In the event that any of Directors, etc. of the Company and Subsidiaries dies or it is determined that he or she becomes a non-resident of Japan due to overseas assignment, etc., money equivalent to the market

value of the Company's shares shall be delivered in lieu of delivery of the Company's shares for all the granted points. The Trust may sell the Company's shares in order for money to be delivered.

(9) Exercise of voting rights with respect to the Company's shares in the Trust

Voting rights with respect to the Company's shares in the Trust (or the Company's shares before they are delivered to Directors, etc. of the Company and Subsidiaries in accordance with (8) above) shall not be exercised without exception throughout the trust period in order to ensure the management neutrality.

(10) Handling of dividends with respect to the Company's shares in the Trust

Dividends on the Company's shares in the Trust shall be received by the Trust and shall be used as funds for acquiring the Company's shares, and for payment of the trust fee for the Trust.

(11) Treatment upon termination of the trust period

With regard to the residual assets of the Trust upon termination of the Trust, all of the Company's shares shall be acquired by the Company without consideration and then cancelled by a resolution of the Board of Directors. With regard to the residual assets of the Trust upon termination of the Trust, money shall be distributed to the Directors, etc. of the Company and Subsidiaries in office at that time based on each accumulated number of points, or shall be donated to a public interest corporation that has no relationship of interest with Directors, etc. of the Company and Subsidiaries.

(12) Other details of the Plan

Other details with respect to the Plan shall be determined by the Board of Directors upon the establishment of the Trust, an amendment to the Trust Agreement, or an additional contribution to the Trust.