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Securities code: 6941

Date of sending by postal mail: June 13, 2023

Start date of measures for electronic provision: June 7, 2023

To our shareholders:

Junichi Kameya  
President  
**YAMAICHI ELECTRONICS CO., LTD.**  
2-16-2, Minamikamata, Ota-ku, Tokyo, JAPAN

## NOTICE OF THE 68TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to inform you of the 68th Ordinary General Meeting of Shareholders of YAMAICHI ELECTRONICS CO., LTD. (the “Company”), which will be held as described below.

When convening the Meeting, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on each of the following websites. Please access either of the websites by using the Internet address shown below to review the information.

The Company’s website:

<https://www.yamaichi.co.jp/ir/meeting/> (in Japanese)

(Please visit the website above and select “2023 Ordinary General Meeting of Shareholders” to review the information.)

TSE website (Listed Company Search):

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

(Access the TSE website by using the internet address shown above, enter “YAMAICHI ELECTRONICS” in “Issue name (company name)” or the Company’s securities code “6941” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the meeting, you can exercise your voting rights by mail or via the Internet. We request that you follow the instructions laid out below and exercise your voting rights on or before 5:15 p.m. on Tuesday, June 27, 2023 (JST) after considering the following Reference Documents for the General Meeting of Shareholders.

- 1. Date and Time:** Wednesday, June 28, 2023 at 10:00 a.m. (JST)
- 2. Venue:** Fourth floor, Convention Hall, Ota City Industrial Plaza (PiO)  
1-20-20, Minamikamata, Ota-ku, Tokyo, JAPAN  
(Please refer to the venue map attached to this document.)

### 3. Purposes:

#### Items to be reported:

1. Business Report and Consolidated Financial Statements for the 68th Term (from April 1, 2022 to March 31, 2023), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 68th Term (from April 1, 2022 to March 31, 2023)

#### Items to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Election of eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members)

**Proposal 3:** Election of one (1) substitute Director who is an Audit and Supervisory Committee Member

**Proposal 4:** Change of the transfer restriction period for the shares with transfer restrictions granted to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

#### **4. Instructions on Exercising Voting Rights**

Please refer to “Information on Exercise the Voting Rights” on page 3 (in Japanese only).

#### **5. Matters decided upon convocation**

- (1) If no indication of approval or disapproval is made for each proposal on the returned voting form, it will be treated as an indication of approval.
- (2) If you exercise your voting rights both in writing (by mail) and via the Internet, the exercise of voting rights via the Internet will be treated as a valid exercise of voting rights.
- (3) If you exercise your voting rights more than once via the Internet, the last vote will be treated as a valid exercise of voting rights.

- If attending the meeting in person, please present the voting form at the reception desk.
- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on each of the aforementioned websites.
- In accordance with a revision of the Companies Act, in principle you are to check items subject to measures for electronic provision by accessing either of the websites mentioned above, and we have decided to deliver paper-based documents stating the items only to shareholders who request the delivery of paper-based documents by the record date. However, for this general meeting of shareholders, we have delivered paper-based documents stating the items subject to measures for electronic provision to all shareholders, regardless of whether or not they have requested them.

Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents delivered to shareholders.

1. Notes to Consolidated Financial Statements
2. Notes to Non-Consolidated Financial Statements

Therefore, Consolidated Financial Statements and Non-Consolidated Financial Statements are only some of the documents that have been audited by the Accounting Auditor when papering the accounting audit report and by the Audit and Supervisory Committee when papering the audit report.

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of surplus

The Company's basic policy for profit distribution is to raise corporate value in the medium to long term and to maintain stable dividends and return profits appropriately to shareholders while also strengthening our financial structure and business foundation.

In light of a comprehensive assessment of earnings in this fiscal year, future business trends and the financial foundation, we propose to pay a year-end dividend for this year of 69 yen per share as follows.

Including the interim dividend of 35 yen per share, the annual dividend per share will be 104 yen per share.

Type of dividend property

Cash

Allocation of dividend property and total amount thereof

69 yen per common share of the Company

Total amount of dividends: 1,430,808,288 yen

Effective date of distribution of dividends of surplus

June 29, 2023

**Proposal 2:** Election of eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members)

Since the terms of office of all eight Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal) expire at the conclusion of this General Meeting of Shareholders, we propose the election of eight Directors including three Outside Directors.

Regarding this proposal, the Audit and Supervisory Committee did not find any matters requiring special mention.

The candidates for Directors are as follows.

| No. | Name               | Position in the Company                 |                                      |
|-----|--------------------|---|--------------------------------------|
| 1   | Yoshitaka Ota      | Chairman                                | Reelection                           |
| 2   | Junichi Kameya     | President                               | Reelection                           |
| 3   | Takeshi Tsuchiya   | Director and Managing Executive Officer | Reelection                           |
| 4   | Kazuhiro Matsuda   | Director and Senior Executive Officer   | Reelection                           |
| 5   | Nobuhiro Kishimura | Director and Senior Executive Officer   | Reelection                           |
| 6   | Tomohiro Murata    | Director                                | Reelection<br>Outside<br>Independent |
| 7   | Yoichiro Sakuma    | Director                                | Reelection<br>Outside<br>Independent |
| 8   | Toshihisa Yoda     | Director                                | Reelection<br>Outside<br>Independent |

Reelection: Candidate for Director to be reelected

Outside: Candidate for Outside Director

Independent: Independent officer as defined by the securities exchange

- Notes:
1. There is no special interest between each candidate and the Company.
  2. Tomohiro Murata, Yoichiro Sakuma and Toshihisa Yoda are candidates for Outside Directors.
  3. The Company has registered Tomohiro Murata, Yoichiro Sakuma and Toshihisa Yoda as Independent Officers as stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. If they are elected and appointed as Directors, the Company will continue to register them as Independent Officers.
  4. Based on the provisions in Article 427, Paragraph (1) of the Companies Act, the Company has concluded agreements with Tomohiro Murata, Yoichiro Sakuma and Toshihisa Yoda that limit the liability for damages specified in Article 423, Paragraph (1) of the Companies Act to the minimum amount stipulated in Article 425, Paragraph (1) of that Act. If they are elected and appointed as Directors, the Company plans to continue these agreements.
  5. The Company has entered into an officer liability insurance policy with an insurance company in accordance with the provisions of Article 430-3, Paragraph (1) of the Companies Act. This insurance policy covers legal damages and litigation costs in the event of claim for damages caused by acts (or omissions) performed by the insured, including Directors, based on their position in the Company (except where the insured has illegally obtained a benefit or advantage, or has committed a criminal act, fraudulent act, deceitful act, or has acted knowingly in violation of any laws or regulations, including laws and regulations specific to Directors). In the event a candidate is elected and assumes office as a Director, the candidate shall then become an insured person under this insurance policy. The insurance policy is scheduled to be renewed with the same contents at the next renewal period.

| No.  | Name<br>(Date of birth)  | Career summary, position and responsibilities in the Company   | Number of the<br>Company's shares<br>owned |
|--|--|--|--|
| 1  | Yoshitaka Ota<br>(October 10, 1948)<br>Reelection<br><br>Tenure as Director<br>10 years<br>Attendance at Board of<br>Directors meetings<br>12/12 | <p>May 2002      Joined the Company</p> <p>Apr. 2004      Senior Executive Officer and Senior General<br/>Manager of Manufacturing Div.</p> <p>Oct. 2005      Manager of Sakura Factory</p> <p>Apr. 2007      General Manager of Corporate Planning Dept.</p> <p>June 2008      Director</p> <p>June 2009      Executive Vice-president, Pricon<br/>Microelectronics, Inc.</p> <p>June 2010      Audit &amp; Supervisory Board Member of the<br/>Company (full-time)</p> <p>June 2013      President</p> <p>June 2021      Chairman (of the Board of Directors) and<br/>Representative Director</p> <p>June 2022      Chairman (present position)<br/>In charge of Optical-related Business (present<br/>position)</p> | 135,600                                    |
| <p>Reasons for nomination as candidate for Director</p> <p>Yoshitaka Ota possesses wide-ranging knowledge and experience in the Company's overall operations from his experience in each division, and given his achievements as Chairman and as President, we have nominated him again as a candidate for Director.</p> |  |  |  |
| 2  | Junichi Kameya<br>(June 29, 1964)<br>Reelection<br><br>Tenure as Director<br>10 years<br>Attendance at Board of<br>Directors meetings<br>12/12   | <p>Apr. 1987      Joined the Company</p> <p>Oct. 2007      President, Yamaichi Electronics Shenzhen Co.,<br/>Ltd.</p> <p>Apr. 2012      Executive Officer and Senior General Manager<br/>of Manufacturing Div., General Manager of<br/>Manufacturing Control Dept. of the Company</p> <p>Apr. 2013      Senior General Manager of CS Business Div.</p> <p>June 2013      Director and Senior Executive Officer</p> <p>June 2019      Managing Executive Officer</p> <p>June 2021      President (present position)<br/>In charge of CS Business Div. (present<br/>position), Business Audit Dept. (present<br/>position) and Quality Assurance Dept. (present<br/>position)</p>  | 65,500                                     |
| <p>Reasons for nomination as candidate for Director</p> <p>Junichi Kameya possesses wide-ranging knowledge and experience in the Company's overall operations from his experience in each division, and given his achievements as President, we have nominated him again as a candidate for Director.</p>                |  |  |  |

| No. | Name<br>(Date of birth)   | Career summary, position and responsibilities in the Company   | Number of the<br>Company's shares<br>owned |
|-----|---|--|--|
| 3   | <p>Takeshi Tsuchiya<br/>(June 1, 1961)<br/>Reelection</p> <p>Tenure as Director<br/>10 years<br/>Attendance at Board of<br/>Directors meetings<br/>12/12</p>  | <p>Apr. 1984      Joined the Company</p> <p>Feb. 2004      Executive Officer of the Company</p> <p>Apr. 2006      President, Yamaichi Electronics Shenzhen Co., Ltd.</p> <p>Apr. 2008      Executive Officer and Senior General Manager of TS Business Div. of the Company</p> <p>June 2013      Director (present position) and Senior Executive Officer</p> <p>June 2016      In charge of Optical-related Business</p> <p>June 2018      Managing Executive Officer (present position)<br/>In charge of Engineering Administration Department</p> <p>June 2019      In charge of Manufacturing Division</p> <p>Apr. 2020      Senior General Manager of Manufacturing Div. (present position)</p> | 50,800                                     |
|     |   | <p>Reasons for nomination as candidate for Director</p> <p>Takeshi Tsuchiya possesses extensive knowledge and experience in the Company's operations, particularly in the sales division and the manufacturing division, and also has experience in corporate management at subsidiaries. Given his achievements as Director, we have nominated him again as a candidate for Director.</p>   |  |
| 4   | <p>Kazuhiro Matsuda<br/>(April 11, 1964)<br/>Reelection</p> <p>Tenure as Director<br/>6 years<br/>Attendance at Board of<br/>Directors meetings<br/>12/12</p> | <p>Dec. 1988      Joined the Company</p> <p>Apr. 2009      General Manager of Overseas Sales Dept., Sales Headquarters, Business Control Headquarters</p> <p>Apr. 2014      President, Yamaichi Electronics USA, Inc.</p> <p>Apr. 2015      Executive Officer of the Company</p> <p>June 2017      Director (present position) and Senior Executive Officer (present position) Senior General Manager of Administration Div. (present position)</p> <p>June 2021      General Manager of Corporate Administration Dept. (present position)</p> <p>Jan. 2022      General Manager of Information Systems Dept.</p>  | 29,200                                     |
|     |   | <p>Reasons for nomination as candidate for Director</p> <p>Kazuhiro Matsuda possesses extensive knowledge and experience in the Company's operations, particularly in the administration division and the overseas sales division, and also has experience in corporate management at subsidiaries. Given his achievements as Director, we have nominated him again as a candidate for Director.</p>   |  |

| No.   | Name<br>(Date of birth)  | Career summary, position and responsibilities in the Company  | Number of the<br>Company's shares<br>owned |
|---|--|---|--|
| 5   | Nobuhiro Kishimura<br>(September 24, 1964)<br>Reelection<br><br>Tenure as Director<br>5 years<br>Attendance at Board of<br>Directors meetings<br>12/12                           | Nov. 1988      Joined the Company<br>Feb. 2004      General Manager of Sales Dept. II<br>Apr. 2008      General Manager of West Japan Sales Dept.,<br>General Manager of TS Planning and Special<br>Items Dept.<br>Apr. 2011      General Manager of TS Business Promotion<br>Dept.<br>Apr. 2013      General Manager of TS Business Promotion Gr.<br>General Manager of TS Sales Dept.<br>June 2013      Acting Senior General Manager of TS Business<br>Div.<br>Apr. 2014      Executive Officer of the Company<br>June 2018      Director (present position) and Senior<br>Executive Officer (present position) In charge<br>of Optical-related Business, Manufacturing<br>Division<br>June 2019      Senior General Manager of TS Business Div.<br>(present position) In charge of Engineering<br>Administration Department (present position)<br>Apr. 2022      General Manager of TS Overseas Sales Dept. | 27,500                                     |
| Reasons for nomination as candidate for Director<br>Nobuhiro Kishimura possesses extensive knowledge and experience in the Company's operations, particularly in the sales division and manufacturing division, and also has experience in business operation as an executive officer. Given his achievements as Director, we have nominated him again as a candidate for Director. |  |   |  |
| 6   | Tomohiro Murata<br>(June 17, 1968)<br>Reelection<br>Outside<br>Independent<br><br>Tenure as Outside Director<br>8 years<br>Attendance at Board of<br>Directors meetings<br>12/12 | Apr. 1991      Joined Daiwa Securities Co. Ltd.<br>July 1994      Joined Daiwa Institute of Research Ltd.<br>Sept. 1996      Joined Morgan Stanley Japan Limited<br>Feb. 2009      Joined Frontier Management Inc. Managing<br>Director<br>June 2015      Outside Director of the Company (present<br>position)<br>June 2018      Managing Director, Frontier Management Inc.<br>(present position)<br>June 2021      External Director, Hakuto Co., Ltd. (present<br>position)<br>(Significant concurrent positions outside the Company)<br>Managing Director, Frontier Management Inc.<br>External Director, Hakuto Co., Ltd.   | —  |
| Reasons for nomination as candidate for Outside Director and overview of expected role<br>Tomohiro Murata has extensive experience as a management consultant and possesses wide-ranging knowledge. We expect him to provide objective and unbiased advice on management, and we have nominated him again as a candidate for Outside Director.                                      |  |   |  |

| No.   | Name<br>(Date of birth)  | Career summary, position and responsibilities in the Company  | Number of the<br>Company's shares<br>owned |
|---|--|---|--|
| 7   | Yoichiro Sakuma<br>(September 4, 1955)<br>Reelection<br>Outside<br>Independent<br><br>Tenure as Outside Director<br>5 years<br>Attendance at Board of<br>Directors meetings<br>11/12 | <p>Apr. 1980      Joined Nitto Electric Industrial Co., Ltd.<br/>(currently Nitto Denko Corporation)</p> <p>June 2006      Vice President, Nitto Denko Corporation</p> <p>June 2010      Director, Vice President, Nitto Denko<br/>Corporation</p> <p>June 2013      Director, Executive Vice President, Nitto Denko<br/>Corporation</p> <p>Jan. 2018      Advisor, Refine Holdings Co., Ltd. (present<br/>position)</p> <p>June 2018      Outside Director of the Company (present<br/>position)<br/>Outside Director, Nitta Gelatin Inc. (present<br/>position)</p> <p>Oct. 2018      Outside Director, Nitta Gelatin India Ltd.<br/>(present position)</p> <p>Feb. 2019      Director, Refine Americas Inc. (present<br/>position)</p> <p>(Significant concurrent positions outside the Company)<br/>Outside Director, Nitta Gelatin Inc.<br/>Outside Director, Nitta Gelatin India Ltd.<br/>Advisor, Refine Holdings Co., Ltd.<br/>Director, Refine Americas Inc.</p> | 1,000                                      |
| <p>Reasons for nomination as candidate for Outside Director and overview of expected role<br/>Yoichiro Sakuma has extensive experience over many years as a corporate executive and possesses wide-ranging knowledge. We expect him to provide objective and unbiased advice on management, and we have nominated him again as a candidate for Outside Director.</p>  |  |   |  |
| 8   | Toshihisa Yoda<br>(January 3, 1958)<br>Reelection<br>Outside<br>Independent<br><br>Tenure as Outside Director<br>3 years<br>Attendance at Board of<br>Directors meetings<br>12/12    | <p>Apr. 1982      Joined Shinko Electric Industries Co., Ltd.</p> <p>Apr. 2007      Corporate Officer, Shinko Electric Industries<br/>Co., Ltd.</p> <p>June 2011      Director and Senior Corporate Officer, Shinko<br/>Electric Industries Co., Ltd.</p> <p>June 2014      Director and Executive Managing Corporate<br/>Officer, Shinko Electric Industries Co., Ltd.</p> <p>June 2018      Advisor, Shinko Electric Industries Co., Ltd.</p> <p>June 2020      Outside Director of the Company (present<br/>position)</p>  | —  |
| <p>Reasons for nomination as candidate for Outside Director and overview of expected role<br/>Toshihisa Yoda has extensive experience over many years as a corporate executive and possesses wide-ranging knowledge of semiconductor-related business, which is a specialty of the Company's businesses. We expect him to provide objective and unbiased advice on management, and we have nominated him again as a candidate for Outside Director.</p> |  |   |  |

[Reference] Structure of the Board of Directors and Skills Matrix after Election

If Proposal 2 is approved and adopted as originally proposed, the composition, expertise and experience of the Board of Directors will be as follows.

| Name                | Corporate management | Global | Technology | Sales/marketing | Production | Finance/accounting | Legal | Sustainability |
|---------------------|----------------------|--------|------------|-----------------|------------|--------------------|-------|----------------|
| Yoshitaka Ota       | ○                    | ○      |            |                 | ○          | ○                  |       |                |
| Junichi Kameya      | ○                    | ○      | ○          | ○               | ○          |                    |       |                |
| Takeshi Tsuchiya    | ○                    | ○      | ○          | ○               | ○          |                    |       |                |
| Kazuhiro Matsuda    | ○                    | ○      |            | ○               |            | ○                  | ○     | ○              |
| Nobuhiro Kishimura  | ○                    | ○      | ○          | ○               | ○          |                    |       |                |
| Tomohiro Murata     | ○                    |        |            |                 |            |                    |       |                |
| Yoichiro Sakuma     | ○                    | ○      |            | ○               |            |                    |       |                |
| Toshihisa Yoda      | ○                    |        |            |                 |            |                    |       |                |
| Koichiro Yanagisawa |                      |        |            |                 |            | ○                  |       |                |
| Shinobu Okamoto     |                      |        |            |                 |            | ○                  |       |                |
| Takako Murase       |                      |        |            |                 |            |                    | ○     |                |

**Proposal 3:** Election of one (1) substitute Director who is an Audit and Supervisory Committee Member

To prepare for a contingency in which the Company does not have the number of Directors who are Audit and Supervisory Committee Members required by laws and regulations, we propose the election in advance of one substitute Director who is an Audit and Supervisory Committee Member.

The Audit and Supervisory Committee has already given its consent to this proposal.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows.

| Name<br>(Date of birth)                | Career summary and position in the Company   | Number of the<br>Company's shares<br>owned |
|--|--|--|
| Koryu Mukaigawa<br>(November 10, 1951) | Apr. 1974    Joined Toshiba Corporation<br>Apr. 1998    General Manager, Production Materials Department, Himeji Plant, Toshiba Corporation<br>Apr. 2002    General Manager, Procurement Department, Komukai Plant, Toshiba Corporation<br>Oct. 2005    General Manager, Procurement Department, Toshiba Carrier Air Conditioning System Corporation<br>June 2009    Director and General Manager, Supplies Sales Division, Toshiba Business & Life Service Corporation<br>June 2015    Full-time Audit & Supervisory Board Member, Tamagawa Holdings Co., Ltd.<br>July 2019    General Manager, Material Department, Tamagawa Electronics Co., Ltd. | —  |

Reasons for nomination as candidate for substitute Outside Director who is an Audit and Supervisory Committee Member and overview of expected role

Koryu Mukaigawa has extensive professional experience in a listed company and his experience as a full-time Audit & Supervisory Board Member. The Company has nominated him as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member at the Company because it looks forward to taking advantage of his knowledge and experience to further drive the enhancement of its auditing and supervisory capabilities.

- Notes:
1. There is no special interest between Koryu Mukaigawa and the Company.
  2. Koryu Mukaigawa is a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member.
  3. If Koryu Mukaigawa assumes the office of Outside Director who is an Audit and Supervisory Committee Member, the Company plans to register him as an Independent Officer as stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.
  4. If Koryu Mukaigawa assumes the office of Outside Director who is an Audit and Supervisory Committee Member, the Company plans to conclude an agreement with him that limits the liability for damages specified in Article 423, Paragraph (1) of the Companies Act to the minimum amount stipulated in Article 425, Paragraph (1) of that Act based on the provisions in Article 427, Paragraph (1) of that Act.
  5. The Company has entered into an officer liability insurance policy with an insurance company in accordance with the provisions of Article 430-3, Paragraph (1) of the Companies Act. This insurance policy covers legal damages and litigation costs in the event of claim for damages caused by acts (or omissions) performed by the insured, including Directors who are Audit and Supervisory Committee Members, based on their position in the Company (except where the insured has illegally obtained a benefit or advantage, or has committed a criminal act, fraudulent act, deceitful act, or has acted knowingly in violation of any laws or regulations, including laws and regulations specific to Directors who are Audit and Supervisory Committee Members). In the event Koryu Mukaigawa assumes office as an Outside Director who is an Audit and Supervisory Committee Member, the candidate shall be included as an insured person under a policy equivalent in content to this insurance policy. The insurance policy is scheduled to be renewed with the same contents at the next renewal period.

**Proposal 4:** Change of the transfer restriction period for the shares with transfer restrictions granted to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

This proposal is intended to request shareholder approval of the change of the transfer restriction period in the remuneration for the grant of shares with transfer restrictions, which was approved at the 67th Ordinary General Meeting of Shareholders held on June 28, 2022.

At the 67th Ordinary General Meeting of Shareholders, the Company received approval for the payment of remuneration for the grant of shares with transfer restrictions to the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors, hereinafter referred to as "Eligible Directors") for the purpose of providing an incentive for Directors to continuously increase the Company's medium- to long-term results and its corporate value and to enhance a management focus on shareholder interests through further promoting the sharing of values between Directors and shareholders. At that time, the Restricted Period was approved as a period of at least three years and no more than five years determined in advance by the Board of Directors of the Company from the date of allotment pursuant to the agreement on allotment of shares with transfer restrictions executed between the Company and the Eligible Director (hereinafter referred to as the "Allotment Agreement").

The Company now proposes to change the Restricted Period from "a period of at least three years and no more than five years determined in advance by the Board of Directors of the Company from the date of allotment pursuant to the Allotment Agreement" to "a period from the date of allotment pursuant to the Allotment Agreement until the time immediately following retirement from the position of officers of the Company or any of its subsidiaries as determined in advance by the Board of Directors of the Company" for the purpose of further motivating the Eligible Directors to contribute to the continuous enhancement of the Company's corporate value and to share values with shareholders for as long as possible by holding the restricted shares until their retirement. In conjunction with such change in the Restricted Period, necessary modifications will also be made to the Lifting of transfer restrictions and Treatment on retirement from office. There will be no change in the concept of the amount of remuneration for the grant of shares with transfer restrictions, the total number of common shares of the Company to be issued or disposed of by the Company, and the amount to be paid in per share upon the grant of restricted shares.

The above changes are applicable to the shares with transfer restrictions to be granted in the future, and do not change the Restricted Period for the restricted shares already granted.

The upper limit on the amount of remuneration, the total number of common shares of the Company to be issued or disposed of in this proposal, and other conditions for granting shares with transfer restrictions to Eligible Directors based on this proposal have been decided in consideration of the above purposes, our business conditions, the policy for determining the content of individual Remuneration, etc. for Directors (Please refer to page 28 of the Company's Business Report for the 68th Term for the details of this policy; in Japanese only) and various other circumstances, and we have considered that they are reasonable.

The current number of Directors (excluding Directors who are Audit and Supervisory Committee Members) is eight (including three Outside Directors), and if Proposal 2 "Election of eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members)" is approved and adopted as originally proposed, the number will remain the same.

Regarding this proposal, the Audit and Supervisory Committee did not find any matters requiring special mention.

#### 1. Summary of the system

The Eligible Directors shall pay all of the Monetary Claims to be provided pursuant to this proposal in the form of property contributed in kind in accordance with the resolution of the Board of Directors of the Company, and shall receive common shares of the Company that shall be issued or disposed of by the Company. The total amount of the Monetary Claims to be provided to the Eligible Directors shall be no more than 90 million yen per year and the total number of common shares of the Company to be issued or disposed of by the Company shall be no more than 70,000 shares annually. However, if a share split (including gratis allocation of the Company's common shares) or share consolidation of the Company's common shares is executed on or after the day of approval and adoption of this proposal or other grounds occur necessitating adjustment of the total number of the Company's common shares issued or disposed of as shares with transfer

restrictions, the total number of shares shall be adjusted to a reasonable extent. The above remuneration amounts do not include employee salaries of Directors who concurrently serve as employees.

The amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately before the date of each resolution of the Board of Directors (if there is no closing price on such date, the closing price of the closest preceding trading day) to the extent that the amount is not particularly beneficial to the Eligible Directors who will receive the common shares. When issuing or disposing of the common shares of the Company and paying the Monetary Claims in the form of property contributed in kind, the Allotment Agreement that includes the provisions summarized below shall be executed.

## 2. Summary of the Allotment Agreement

### (1) Restricted period

The Eligible Directors may not transfer, create security interests in, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (the "Allotted Shares") for a period from the date of allotment pursuant to the Allotment Agreement until the time immediately following retirement from the position of officers of the Company or any of its subsidiaries as determined in advance by the Board of Directors of the Company (the "Restricted Period"). The restrictions described in the preceding sentence will hereinafter be collectively referred to as the "transfer restrictions."

### (2) Treatment on retirement from office

If Eligible Directors retire from the position of officers of the Company or any of its subsidiaries as determined in advance by the Board of Directors of the Company before expiration of a period determined in advance by the Board of Directors of the Company (the "Service Period"), the Company shall automatically acquire such Allotted Shares without contribution, except in the case of expiration of term of office, death, or other justifiable grounds.

### (3) Lifting of transfer restrictions

The Company shall lift the transfer restrictions on all of the Allotted Shares upon expiration of the Restricted Period, on the condition that the Eligible Director has remained in the position of officers of the Company or any of its subsidiaries as determined in advance by the Board of Directors of the Company during the Service Period. However, if (1) an Eligible Director leaves the position of officers of the Company or any of its subsidiaries as determined in advance by the Board of Directors of the Company before the expiration of the Service Period due to justifiable grounds, or (2) an Eligible Director leaves the position of officers of the Company or any of its subsidiaries as determined in advance by the Board of Directors of the Company for reasons other than justifiable grounds after the expiration of the Service Period but before the expiration of the Restricted Period, the timing of lifting of transfer restrictions shall be reasonably adjusted as necessary. In accordance with the above provisions, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted.

### (4) Treatment during reorganization, etc.

Notwithstanding the provisions in (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the transfer restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the beginning of the Restriction Period to the date of approval of the reorganization, etc., prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company. In cases provided above, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted.

### (5) Other matters

Other matters concerning the Allotment Agreement shall be determined by the Board of Directors of the Company.