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(Stock Exchange Code 7105)
June 8, 2023

To Shareholders with Voting Rights:

Yuichi Mano
Director and President
Mitsubishi Logisnext Co., Ltd.
2-1-1, Higashi-kotari,
Nagaokakyo City, Kyoto

**NOTICE OF
THE 122ND ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We are pleased to notify you that the 122nd Annual General Meeting of Shareholders of Mitsubishi Logisnext Co., Ltd. (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision of information contained in the Reference Documents for the General Meeting of Shareholders, etc. (matters to be provided electronically). The information is posted on the Company’s website on the internet. Please access the following website to find the information.

The Company’s website: <https://www.logisnext.com/en/>

(Please access the above website and select “Investors” to find the information.)

In addition to the Company’s website, matters to be provided electronically are also posted on the Tokyo Stock Exchange (TSE) website. Please find them below.

Tokyo Stock Exchange website (Listed Company Search service):

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

(Please access the TSE website above, enter “Issue name (company name)” or “Code,” search, select “Basic information” and then Documents for public inspection/PR information,” and find the information under “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” in “Filed information available for public inspection.”)

If you are unable to attend the meeting, please review the attached “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights by electromagnetic means (via the internet, etc.) or in writing (by postal mail) in advance. When exercising voting rights in advance, please refer to the attached “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights by 4:50 p.m. on Tuesday, June 27, 2023, Japan time.

- 1. Date and Time:** Wednesday, June 28, 2023 at 10:00 a.m. Japan time
(Reception opens at 9:00 a.m.)
- 2. Place:** Main hall at the Corporate Headquarters located at
2-1-1, Higashi-kotari, Nagaokakyo City, Kyoto, Japan
- 3. Agenda:**
 - Matters to be reported:** 1. The Business Report, Consolidated Financial Statements for the Company’s 122nd Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit and Supervisory Board of the Consolidated Financial Statements

2. Non-consolidated Financial Statements for the Company's 122nd Fiscal Year
(April 1, 2022 - March 31, 2023)

Proposals to be resolved:

- Proposal 1:** Dividend of Surplus
Proposal 2: Election of Seven (7) Directors
Proposal 3: Election of Two (2) Audit and Supervisory Board Members
Proposal 4: Election of One (1) Substitute Audit and Supervisory Board Member
Proposal 5: Introduction of a Restricted Stock Compensation System
Proposal 6: Revision of the Amount of Remuneration for External Directors and Audit and Supervisory Board Members

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- If you exercise your voting rights in writing (by postal mail) and do not indicate your vote for or against a proposal on the Voting Rights Exercise Form, we will deem that you have voted for the proposal.
- Should the matters to be provided electronically require revisions, the revised versions will be posted on the Company's website (<https://www.logisnext.com/>).
- Of the matters to be provided electronically, "Systems to Ensure Proper Business Operations and Implementation Status of Such Systems" of the Business Report, "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements, and "Notes to the Non-consolidated Financial Statements" of the Non-consolidated Financial Statements are not included in the paper copy to be sent to shareholders who have requested it, in accordance with provisions of laws and regulations as well as the Company's Articles of Incorporation. The paper copy to be sent to shareholders who have requested it is therefore part of the documents that were audited by the Audit and Supervisory Board Members and the Accounting Auditor in preparing the audit report.
- If you wish to make a diverse exercise of your voting rights, please notify the Company of your intention and the reason therefor not later than three (3) days before the Annual General Meeting of Shareholders.

Guide to Exercising Voting Rights

Voting rights at the General Meeting of Shareholders are important rights of shareholders.

Please refer to the attached “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights.

You can exercise your voting rights by one of the following three methods.

- Exercise voting rights via the internet, etc.
Please follow the instructions on the next page to indicate your vote for or against the proposals.
Deadline: Tuesday, June 27, 2023 at 4:50 p.m., Japan time
(Your votes must be entered by the deadline above.)

- Exercise voting rights in writing (by postal mail)
Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it by post without attaching a postage stamp.
Deadline: Tuesday, June 27, 2023 at 4:50 p.m., Japan time
(Your mail must arrive by the deadline above.)

- Attend the General Meeting of Shareholders
Please submit the enclosed Voting Rights Exercise Form at the reception desk.
Wednesday, June 28, 2023 at 10 a.m.
(Reception opens at 9 a.m.)

Institutional investors may use the electronic voting platform for institutional investors, operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Dividend of Surplus

The basic policy of the Company's dividend policy, etc. is to maintain stable profit returns, while securing internal reserves appropriately in preparation for future growth.

For the fiscal year ended March 31, 2023, it is proposed that year-end dividends be distributed as follows, in light of the performance for the fiscal year and business development going forward.

1. Type of Dividends

Cash

2. Allotment of dividend assets to shareholders and total amount of dividends

Common stock of the Company: 9 yen per share

Total amount: 960,298,173 yen


3. Date that the dividend of surplus becomes effective

June 29, 2023

Proposal 2: Election of Seven (7) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of seven (7) Directors is proposed.
The candidates are as follows:

No.	Name	Positions and responsibilities	Significant concurrent positions
1	<u>Reappointment</u> Takashi Mikogami	Representative Director and Chairman	
2	<u>Reappointment</u> Yuichi Mano	Representative Director and President	
3	<u>Reappointment</u> Takatoshi Uno	Director Executive Officer CFO, Division Head, General Manager, Corporate Strategy and Planning Office In charge of Corporate Finance and Accounting Headquarters	
4	<u>Reappointment</u> Masayuki Suematsu	Director	Executive Vice President and CSO, Mitsubishi Heavy Industries, Ltd.
5	<u>Reappointment</u> Osamu Ando <u>External Director</u> <u>Independent Director</u>	Director	President, Shimadzu Access Corporation
6	<u>Reappointment</u> Kyoko Kobayashi <u>External Director</u> <u>Independent Director</u>	Director	Lawyer, Partner at Irokawa Legal Professional Corporation External Audit and Supervisory Board Member, Kawakami Paint Manufacturing Co., Ltd. External Director, Nippon Pillar Packing Co., Ltd.
7	<u>Reappointment</u> Fumio Kobayashi <u>External Director</u> <u>Independent Director</u>	Director	Adviser, Japan Material Flow Institute

No.	Name (Date of birth)	Brief career summary and important concurrent duties	Number of shares owned (Common stock)	Special interests with the Company
1	<p>Takashi Mikogami (March 19, 1956)</p> <p>[Reappointment]</p> 	<p>Apr. 1981 Joined Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2007 General Manager of Turbocharger Engineering Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2010 Deputy Head of General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2011 General Manager of Turbocharger Business Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2012 Deputy Head of General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2013 Director, the Company Senior Vice President, Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2014 Senior General Manager of Quality Control Division, Deputy Head of the Machinery, Equipment & Infrastructure Domain, Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2015 Head of Sagamihara Machinery Works, Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2016 Executive Vice President, Mitsubishi Heavy Industries, Ltd.</p> <p>Jun. 2016 Senior Executive Vice President, Mitsubishi Heavy Industries Forklift, Engine & Turbocharger Holdings, Ltd.</p> <p>Jan. 2017 Director, UniCarriers Corporation</p> <p>Jun. 2017 Representative Director, Senior Executive Vice President, Assistant to the President, the Company</p> <p>Oct. 2017 President and CEO, the Company Director, Mitsubishi Heavy Industries Forklift, Engine & Turbocharger Holdings, Ltd.</p> <p>Apr. 2020 Executive Vice President, President and CEO, Logistics, Thermal & Drive Systems, Mitsubishi Heavy Industries, Ltd.</p> <p>Jun. 2021 Representative Director and Chairman, the Company (to present)</p>	13,600	None
<ul style="list-style-type: none"> • Years of service as Director: 8 • Attendance at Board of Directors meetings in fiscal year under review: 15 out of 15 meetings (100%) 				
<p>[Reason for nomination as Director and summary of expected roles]</p> <p>Mr. Takashi Mikogami has chaired meetings of the Board of Directors as Representative Director and Chairman, appropriately managing the Board of Directors while appropriately conducting decision making on important matters and management supervision. As Chair of the Nominating and Compensation Committee, he has also been striving to strengthen corporate governance by enhancing the transparency and fairness of officer nomination and compensation. In addition, he has been offering appropriate advice and supervising the management from a broad perspective, based on his abundant experience and excellent insight as a corporate manager and while contributing to the development of the entire industry in his capacity as Deputy Chairman of Japan Industrial Vehicles Association.</p> <p>Based on the above, he is expected to contribute to achieving sustainable growth of the Company and enhancing corporate value. Therefore, we have nominated him again as a candidate for Director.</p>				

(Notes)

1. Mr. Takashi Mikogami has in the past been an executive of Mitsubishi Heavy Industries, Ltd., which is the parent of the Company. Positions and responsibilities which Mr. Takashi Mikogami has held in the past 10 years at Mitsubishi Heavy Industries, Ltd. are stated in the above “Brief career summary and important concurrent duties.”
2. The Company has taken out the MHI Global Insurance, for which Mitsubishi Heavy Industries, Ltd., its parent, acts as the party to the insurance contract. The insurance policy includes a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act, with all Directors and Audit and Supervisory Board Members named as the insured persons. The contract covers potential damages and expense payments to be borne by the insured persons arising from shareholder derivative actions, corporate lawsuits or third party litigation. However, the contract includes certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations


that were committed with full knowledge of their illegality. All insurance premiums are borne by the Company. If the reappointment of the candidate is approved, the Company will continue to include the candidate as an insured person under the insurance contract. The Company plans to renew the insurance contract with the above details the next time it comes up for renewal.

No.	Name (Date of birth)	Brief career summary and important concurrent duties	Number of shares owned (Common stock)	Special interests with the Company
2	<p>Yuichi Mano (June 25, 1963)</p> <p>[Reappointment]</p> 	<p>Apr. 1986 Joined Mitsubishi Heavy Industries, Ltd.</p> <p>Jul. 1996 Assistant to General Manager of Product Support, Mitsubishi Caterpillar Forklift America Inc.</p> <p>Apr. 2003 Chief of Planning & Accounting Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2004 Chief of Business Strategy Group, Material Handling Equipment Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2009 Deputy General Manager of Material Handling Equipment Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.</p> <p>Oct. 2011 General Manager of Forklift Sales Department, Forklift Business Division, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2013 Director, Senior Executive Officer, Head of Corporate Planning Office, the Company</p> <p>Jul. 2014 Representative Director and President, Mitsubishi Caterpillar Forklift Europe B.V.</p> <p>Jun. 2018 Senior Executive Officer, Deputy General Manager, Strategic Planning Office, the Company</p> <p>Apr. 2019 Senior Executive Officer, General Manager, Strategic Planning Office, the Company</p> <p>Apr. 2020 Senior Executive Officer, Head of Overseas Sales and Marketing Headquarters, The Company</p> <p>Jul. 2020 Senior Executive Officer, Head of Overseas Business Headquarters, the Company</p> <p>Apr. 2022 Senior Executive Officer, Division Head, General Manager, Corporate Strategy and Planning Office, the Company</p> <p>Jun. 2022 Representative Director and President, General Manager, Corporate Strategy and Planning Office, the Company</p> <p>Apr. 2023 Representative Director and President, the Company (to present)</p>	4,300	None
<p>• Years of service as Director: 5</p> <p>• Attendance at Board of Directors meetings in fiscal year under review: 12 out of 12 meetings (100%)</p>				
<p>[Reason for nomination as Director and summary of expected roles]</p> <p>Mr. Yuichi Mano has supervised the overall business operation of the Group and ensured accountability for the Board of Directors as Representative Director and President, based on his excellent management skills and abundant business knowledge, while appropriately conducting decision making on important matters and management supervision. As he has fully demonstrated his leadership with a global management perspective toward realizing the corporate philosophy and achieving the management plan, the business results for the fiscal year under review are expected to exceed the initial plan. In addition, he has actively promoted initiatives from not only a short-term but also a medium- to long-term perspective.</p> <p>Based on the above, he is expected to keep contributing to the Company in such ways. Therefore, we have nominated him again as a candidate for Director.</p>				

(Notes)

1. The figures for Mr. Yuichi Mano's attendance at meetings of the Board of Directors are stated for meetings held in the fiscal year under review after his assumption of office as Director of the Company on June 24, 2022.
2. The Company has taken out the MHI Global Insurance, for which Mitsubishi Heavy Industries, Ltd., its parent, acts as the party to the insurance contract. The insurance policy includes a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act, with all Directors and Audit and Supervisory Board Members named as the insured persons. The contract covers potential damages and expense payments to be borne by the insured persons arising from shareholder derivative actions, corporate lawsuits or third party litigation. However, the contract includes certain

exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were committed with full knowledge of their illegality. All insurance premiums are borne by the Company. If the reappointment of the candidate is approved, the Company will include the candidate as an insured person under the insurance contract. The Company plans to renew the insurance contract with the above details the next time it comes up for renewal.

No.	Name (Date of birth)	Brief career summary and important concurrent duties	Number of shares owned (Common stock)	Special interests with the Company
3	<p>Takatoshi Uno (November 18, 1965)</p> <p>[Reappointment]</p> 	<p>Jul. 2006 Joined the Company</p> <p>Jul. 2009 Vice President, Shanghai Nichiyu Forklift Manufacturing Co., Ltd.</p> <p>Oct. 2012 Executive Vice President, Nichiyu Forklift (Thailand) Co., Ltd.</p> <p>Feb. 2015 Division Head, General Manager, Corporate Finance and Accounting Division, Administration Headquarters, the Company</p> <p>Jun. 2018 Assistant to Head of Administration Headquarters, the Company</p> <p>May 2019 Member of the Executive Team, Head of Corporate Finance and Accounting Headquarters, the Company</p> <p>Apr. 2021 Executive Officer, CFO, Head of Corporate Finance and Accounting Headquarters, Division Head, General Manager, Corporate Finance Planning Division, the Company</p> <p>Apr. 2022 Executive Officer, CFO, Head of Corporate Finance and Accounting Headquarters, the Company</p> <p>Jun. 2022 Director, the Company (to present)</p> <p>Apr. 2023 Executive Officer, CFO, Division Head, General Manager, Corporate Strategy and Planning Office, in charge of Corporate Finance and Accounting Headquarters, the Company (to present)</p>	1,400	None
<ul style="list-style-type: none"> • Years of service as Director: 1 • Attendance at Board of Directors meetings in fiscal year under review: 12 out of 12 meetings (100%) 				
<p>[Reason for nomination as Director and summary of expected roles]</p> <p>Mr. Takatoshi Uno possesses excellent management skills and abundant business knowledge in the finance and accounting field, and serves as the Company's Executive Officer, CFO, and Division Head, General Manager, Corporate Strategy and Planning Office. He has worked on strengthening fiscal basis as a top-priority issue as CFO. He has steadily promoted various important projects from the financial and company-wide viewpoints while managing financial planning accurately and making appropriate proposals based on various indicators.</p> <p>Based on the above, he is expected to contribute to achieving sustainable growth of the Company and enhancing corporate value. Therefore, we have nominated him again as a candidate for Director.</p>				

(Notes)


1. The figures for Mr. Takatoshi Uno's attendance at meetings of the Board of Directors are stated for meetings held in the fiscal year under review after his assumption of office as Director of the Company on June 24, 2022.
2. The Company has taken out the MHI Global Insurance, for which Mitsubishi Heavy Industries, Ltd., its parent, acts as the party to the insurance contract. The insurance policy includes a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act, with all Directors and Audit and Supervisory Board Members named as the insured persons. The contract covers potential damages and expense payments to be borne by the insured persons arising from shareholder derivative actions, corporate lawsuits or third party litigation. However, the contract includes certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were committed with full knowledge of their illegality. All insurance premiums are borne by the Company. If the reappointment of the candidate is approved, the Company will include the candidate as an insured person under the insurance contract. The Company plans to renew the insurance contract with the above details the next time it comes up for renewal.

No.	Name (Date of birth)	Brief career summary and important concurrent duties	Number of shares owned (Common stock)	Special interests with the Company
4	<p>Masayuki Suematsu (August 25, 1963)</p> <p>[Reappointment]</p> 	<p>Apr. 1986 Joined Mitsubishi Heavy Industries, Ltd.</p> <p>May 2001 Controller, Mitsubishi Caterpillar Forklift Europe B.V.</p> <p>May 2006 Chief of Planning & Accounting Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.</p> <p>Jan. 2009 Deputy General Manager of Planning & Accounting Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2011 Deputy General Manager of Planning & Administration Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.</p> <p>Jan. 2012 Managing Director, Mitsubishi Agricultural Machinery Co., Ltd.</p> <p>Apr. 2014 Deputy General Manager of Planning & Administration Department, Business Strategy Division, the Machinery, Equipment & Infrastructure Domain, Mitsubishi Heavy Industries, Ltd.</p> <p>Jan. 2016 CEO, President, Mitsubishi Mahindra Agricultural Machinery Co., Ltd.</p> <p>Apr. 2019 Senior Vice President, Head of Business Strategy Office and Senior General Manager of Corporate Planning Department, Mitsubishi Heavy Industries, Ltd.</p> <p>Jun. 2019 Director, the Company (to present)</p> <p>Apr. 2021 Head of Business Strategy Office, Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2022 Vice President, Logistics, Thermal & Drive Systems, Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2023 Executive Vice President and CSO, Mitsubishi Heavy Industries, Ltd. (to present)</p> <p>[Significant concurrent positions] Executive Vice President and CSO, Mitsubishi Heavy Industries, Ltd.</p>	0	See Note 1 below.
<ul style="list-style-type: none"> • Years of service as Director: 4 • Attendance at Board of Directors meetings in fiscal year under review: 15 out of 15 meetings (100%) 				
<p>[Reason for nomination as Director and summary of expected roles]</p> <p>After having held the position as CEO, President of Mitsubishi Mahindra Agricultural Machinery Co., Ltd., Mr. Masayuki Suematsu currently serves as Executive Vice President of Mitsubishi Heavy Industries, Ltd., and possesses abundant experience of business management and excellent insight. Based on his experience and insight, he has provided constructive opinions and suggestions on general management and conducted management supervision appropriately.</p> <p>Based on the above, he is expected to contribute to achieving sustainable growth of the Company and enhancing corporate value. Therefore, we have nominated him again as a candidate for Director.</p>				

(Notes)


1. Mr. Masayuki Suematsu serves as Executive Vice President and CSO of Mitsubishi Heavy Industries, Ltd. Mitsubishi Heavy Industries, Ltd. owns 68,888,181 shares (or 64.56% of all shares) of the Company. A comprehensive capital and business partnership relationship exists between the Company and Mitsubishi Heavy Industries, Ltd. in which the Company commissions the production of finished products, parts for finished products and other components to Mitsubishi Heavy Industries, Ltd., and the Company procures them from Mitsubishi Heavy Industries, Ltd.
2. Mr. Masayuki Suematsu is currently and has in the past 10 years been an executive of Mitsubishi Heavy Industries, Ltd., which is the parent of the Company. Positions and responsibilities which Mr. Masayuki Suematsu holds currently and has held in the past 10 years at Mitsubishi Heavy Industries, Ltd. are stated in the above “Brief career summary and important concurrent duties.”
3. The Company has entered into an agreement with Mr. Masayuki Suematsu to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liabilities under the agreement is the amount stipulated by laws and regulations. If he is re-elected, the Company plans to renew the same agreement with him.
4. The Company has taken out the MHI Global Insurance, for which Mitsubishi Heavy Industries, Ltd., its parent, acts as the party to the insurance contract. The insurance policy includes a directors and officers liability insurance agreement provided

for in Article 430-3, Paragraph 1 of the Companies Act, with all Directors and Audit and Supervisory Board Members named as the insured persons. The contract covers potential damages and expense payments to be borne by the insured persons arising from shareholder derivative actions, corporate lawsuits or third party litigation. However, the contract includes certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were committed with full knowledge of their illegality. All insurance premiums are borne by the Company. If the reappointment of the candidate is approved, the Company will continue to include the candidate as an insured person under the insurance contract. The Company plans to renew the insurance contract with the above details the next time it comes up for renewal.

No.	Name (Date of birth)	Brief career summary and important concurrent duties	Number of shares owned (Common stock)	Special interests with the Company
5	Osamu Ando (January 3, 1957) [Reappointment] [External Director] [Independent Director] 	Apr. 1979 Joined Shimadzu Corporation Apr. 1999 Technical Manager, Analytical Instrument Division, Shimadzu Corporation Apr. 2000 President, Shimadzu Scientific Instruments, Inc. Jun. 2007 Director, General Manager, Analysis and Measurement Division, Shimadzu Corporation Jun. 2011 Managing Director, in charge of Production, CS, and Information Systems, Shimadzu Corporation Apr. 2013 In charge of Production and CS; General Manager, Aircraft Equipment Division, Shimadzu Corporation Jun. 2013 Senior Managing Executive Officer, Shimadzu Corporation Jun. 2017 President, Shimadzu Access Corporation (to present) Jun. 2020 Director, the Company (to present) [Significant concurrent positions] President, Shimadzu Access Corporation	0	None
<ul style="list-style-type: none"> • Years of service as External Director: 3 • Attendance at Board of Directors meetings in fiscal year under review: 15 out of 15 meetings (100%) 				
<p>[Reason for nomination as External Director and summary of expected roles]</p> <p>Mr. Osamu Ando possesses experience of global business management in measuring and medical instrument manufacturers and excellent insight. Using his track record and insight, he has provided constructive opinions and suggestions and conducted management supervision appropriately from an objective and neutral standpoint as Independent Director.</p> <p>Based on the above, he is expected to contribute to achieving sustainable growth of the Company and enhancing corporate value. Therefore, we have nominated him again as a candidate for External Director.</p>				


(Notes)

1. Mr. Osamu Ando is a candidate for External Director.
2. The Company has entered into an agreement with Mr. Osamu Ando to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liabilities under the agreement is the amount stipulated by laws and regulations. If he is re-elected, the Company plans to renew the same agreement with him.
3. The Company has taken out the MHI Global Insurance, for which Mitsubishi Heavy Industries, Ltd., its parent, acts as the party to the insurance contract. The insurance policy includes a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act, with all Directors and Audit and Supervisory Board Members named as the insured persons. The contract covers potential damages and expense payments to be borne by the insured persons arising from shareholder derivative actions, corporate lawsuits or third party litigation. However, the contract includes certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were committed with full knowledge of their illegality. All insurance premiums are borne by the Company. If the reappointment of the candidate is approved, the Company will continue to include the candidate as an insured person under the insurance contract. The Company plans to renew the insurance contract with the above details the next time it comes up for renewal.
4. Upon his election as Director on June 25, 2020, the Company registered Mr. Osamu Ando as an Independent Director with Tokyo Stock Exchange, Inc.

No.	Name (Date of birth)	Brief career summary and important concurrent duties	Number of shares owned (Common stock)	Special interests with the Company
6	<p>Kyoko Kobayashi (July 22, 1972)</p> <p>[Reappointment] [External Director] [Independent Director]</p> 	<p>Apr. 1999 Registered as Attorney Joined Irokawa Law Office (currently Irokawa Legal Professional Corporation)</p> <p>Sep. 2009 Seconded to Legal Affairs Office, Sharp Corporation</p> <p>Sep. 2014 Returned to Irokawa Law Office</p> <p>Jan. 2018 Partner, Irokawa Law Office</p> <p>Feb. 2018 External Audit and Supervisory Board Member, Kawakami Paint Manufacturing Co., Ltd. (to present)</p> <p>Jan. 2020 Partner, Irokawa Legal Professional Corporation (to present)</p> <p>Jun. 2020 Director, the Company (to present)</p> <p>Jun. 2021 External Director, Nippon Pillar Packing Co., Ltd. (to present)</p> <p>[Significant concurrent positions] Lawyer, Partner, Irokawa Legal Professional Corporation External Audit and Supervisory Board Member, Kawakami Paint Manufacturing Co., Ltd. External Director, Nippon Pillar Packing Co., Ltd.</p>	0	None
<ul style="list-style-type: none"> • Years of service as External Director: 3 • Attendance at Board of Directors meetings in fiscal year under review: 14 out of 15 meetings (94%) 				
<p>[Reason for nomination as External Director and summary of expected roles]</p> <p>Ms. Kyoko Kobayashi possesses abundant track record and insight mainly related to corporate legal affairs as an attorney. She also has worked for a listed company and served as Independent Director at another listed company. Using her track record and insight, she has provided constructive opinions and suggestions and conducted management supervision appropriately from an objective and neutral standpoint as Independent Director.</p> <p>Based on the above, she is expected to contribute to achieving sustainable growth of the Company and enhancing corporate value. Therefore, we have nominated her again as a candidate for Director.</p> <p>Although she has not been engaged in corporate management other than serving as Outside Officer, the Company has determined that she can appropriately fulfill her duties as an External Director for the reasons above.</p>				

(Notes)

- Ms. Kyoko Kobayashi is a candidate for External Director.
- No special interests exist between Ms. Kyoko Kobayashi and the Company. She is a partner at Irokawa Legal Professional Corporation, with which the Company has entered into a legal advisory contract.
- The Company has entered into an agreement with Ms. Kyoko Kobayashi to limit her liability for damages under Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liabilities under the agreement is the amount stipulated by laws and regulations. If she is re-elected, the Company plans to renew the same agreement with her.
- The Company has taken out the MHI Global Insurance, for which Mitsubishi Heavy Industries, Ltd., its parent, acts as the party to the insurance contract. The insurance policy includes a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act, with all Directors and Audit and Supervisory Board Members named as the insured persons. The contract covers potential damages and expense payments to be borne by the insured persons arising from shareholder derivative actions, corporate lawsuits or third party litigation. However, the contract includes certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were committed with full knowledge of their illegality. All insurance premiums are borne by the Company. If the reappointment of the candidate is approved, the Company will continue to include the candidate as an insured person under the insurance contract. The Company plans to renew the insurance contract with the above details the next time it comes up for renewal.
- Upon her election as External Director on June 25, 2020, the Company registered Ms. Kyoko Kobayashi as Independent Director with Tokyo Stock Exchange, Inc.

No.	Name (Date of birth)	Brief career summary and important concurrent duties	Number of shares owned (Common stock)	Special interests with the Company
7	<p>Fumio Kobayashi (August 17, 1947)</p> <p>[Reappointment] [External Director] [Independent Director]</p> 	<p>Apr. 1970 Joined Daifuku Co., Ltd.</p> <p>Apr. 1997 General Manager, Metropolitan Area Sales Division, Daifuku Co., Ltd.</p> <p>Jun. 1998 Director, General Manager, Regional Business Division, Daifuku Co., Ltd.</p> <p>Apr. 2003 Managing Director, Chief Operating Officer (COO), Sales and Marketing Operations, Daifuku Co., Ltd. Deputy General Manager, FA&DA operations General Manager, Sales Division, FA&DA Operations, Daifuku Co., Ltd.</p> <p>Apr. 2004 Representative Director, Senior Managing Officer, Sales and Marketing Operations, General Manager, FA&DA Operations, Daifuku Co., Ltd.</p> <p>Apr. 2005 Representative Director, Senior Managing Officer, Sales and Marketing Operations, COO, FA&DA, DTS Operations, General Manager, FA&DA Operations, Daifuku Co., Ltd.</p> <p>Representative Director and President, Daifuku Logistic Technology Co., Ltd.</p> <p>Apr. 2006 Executive Vice President, COO, Sales and Marketing Operations, COO, FA&DA, DTS Operations, Daifuku Co., Ltd.</p> <p>Apr. 2007 Executive Vice President, COO, Sales and Marketing Operations, COO, FA&DA Operations, Daifuku Co., Ltd.</p> <p>Jun. 2011 Executive Vice President, COO, Sales and Marketing Operations, COO, FA&DA Operations, Daifuku Co., Ltd.</p> <p>Apr. 2012 Executive Vice President, COO, Sales and Marketing Operations, Daifuku Co., Ltd.</p> <p>Apr. 2013 Executive Vice President, Daifuku Co., Ltd.</p> <p>Apr. 2014 Executive Vice President, Supervisor of Companies in Europe, Daifuku Co., Ltd.</p> <p>Apr. 2015 Director, Adviser, Daifuku Co., Ltd.</p> <p>Jun. 2015 Adviser, Daifuku Co., Ltd.</p> <p>Nov. 2016 Managing Director, Japan Material Flow Institute</p> <p>Jun. 2017 Resigned from Daifuku Co., Ltd.</p> <p>Oct. 2017 Senior Managing Director, Japan Material Flow Institute</p> <p>Jun. 2022 Director, the Company (to present)</p> <p>Aug. 2022 Adviser, Japan Material Flow Institute (to present)</p> <p>[Significant concurrent positions] Adviser, Japan Material Flow Institute</p>	0	None
<ul style="list-style-type: none"> • Years of service as External Director: 1 • Attendance at Board of Directors meetings in fiscal year under review: 12 out of 12 meetings (100%) 				
<p>[Reason for nomination as External Director and summary of expected roles]</p> <p>Mr. Fumio Kobayashi currently serves as Adviser, Japan Material Flow Institute after having held the position as Executive Vice President, Daifuku Co., Ltd., and possesses abundant experience of business management and excellent insight for the material handling equipment industry. Using his track record and insight, he has provided constructive opinions and suggestions and conducted management supervision appropriately from an objective and neutral standpoint as Independent Director.</p> <p>Based on the above, he is expected to contribute to achieving sustainable growth of the Company and enhancing corporate value. Therefore, we have nominated him again as a candidate for External Director.</p>				

(Notes)

1. The figures for Mr. Fumio Kobayashi's attendance at meetings of the Board of Directors are stated for meetings held in the fiscal year under review after his assumption of office as Director of the Company on June 24, 2022.
2. Mr. Fumio Kobayashi is a candidate for External Director.
3. The Company has entered into an agreement with Mr. Fumio Kobayashi to limit his liability for damages under Article 423,

Paragraph 1 of the Companies Act, and the maximum amount of liabilities under the agreement is the amount stipulated by laws and regulations. If he is reappointed, the Company plans to renew the same agreement with him.


4. The Company has taken out the MHI Global Insurance, for which Mitsubishi Heavy Industries, Ltd., its parent, acts as the party to the insurance contract. The insurance policy includes a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act, with all Directors and Audit and Supervisory Board Members named as the insured persons. The contract covers potential damages and expense payments to be borne by the insured persons arising from shareholder derivative actions, corporate lawsuits or third party litigation. However, the contract includes certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were committed with full knowledge of their illegality. All insurance premiums are borne by the Company. If the reappointment of the candidate is approved, the Company will include the candidate as an insured person under the insurance contract. The Company plans to renew the insurance contract with the above details the next time it comes up for renewal.
5. Upon his election as External Director on June 24, 2022, the Company registered Mr. Fumio Kobayashi as Independent Director with Tokyo Stock Exchange, Inc.

Proposal 3: Election of Two (2) Audit and Supervisory Board Members

The terms of office of Audit and Supervisory Board Members Mr. Koji Baba, Mr. Masahide Kuragaki, and Mr. Yasuyuki Fukuoka will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of two (2) Audit and Supervisory Board Members is proposed. The Audit and Supervisory Board has given its consent to the proposal.

The candidates are as follows:

No.	Name	Positions and responsibilities	Significant concurrent positions
1	<u>Newly appointed</u> Katsutoshi Yuasa	Member of the Executive Team Assistant to President	
2	<u>Newly appointed</u> Kazuhiro Fukuoka	<u>External Audit and Supervisory Board Member</u>	Director, GS Yuasa Corporation Director, General Manager, Human Resources Division, GS Yuasa International Ltd.

No.	Name (Date of birth)	Brief career summary and important concurrent duties	Number of shares owned (Common stock)	Special interests with the Company
1	<p>Katsutoshi Yuasa (August 11, 1962)</p> <p>[Newly appointed]</p> 	<p>Apr. 1986 Joined Nissan Motor Co., Ltd.</p> <p>Apr. 2013 Manager, Business Development Department, UniCarriers Corporation</p> <p>Apr. 2016 Manager, Mitsubishi Heavy Industries Forklift, Engine & Turbocharger Holdings, Ltd.</p> <p>Mar. 2017 Joined the Company</p> <p>Oct. 2017 Chief, PMI Promotion Office, the Company</p> <p>Jul. 2020 Fellow, Deputy General Manager, Corporate Strategy and Planning Office, the Company</p> <p>Apr. 2021 Member of the Executive Team, Division Head, General Manager, Corporate Strategy and Planning Office, the Company</p> <p>Apr. 2022 Member of the Executive Team, Division Head, General Manager, Product Planning Office, the Company</p> <p>Apr. 2023 Member of the Executive Team, Assistant to President, the Company (to present)</p>	400	None
<p>[Reason for nomination as Audit and Supervisory Board Member]</p> <p>Mr. Katsutoshi Yuasa has long engaged in the forklift business. At the Company, he not only promoted PMI but served as Division Head, General Manager, Corporate Strategy and Planning Office and Product Planning Office. His accomplishments include the establishment of sustainability promotion structure, promotion of digital transformation, planning of brand strategy, reform of management review, FY2022 priority issues, SolutionsNextPJ, clarification of the Product Planning Office's roles, analysis of competitors, and mid-year revision of the medium-term product development plan.</p> <p>The Company expects him to take advantage of his business management experience and excellent insight and carry out audits from an expert's point of view. Based on the above, we have nominated him as a candidate for Audit and Supervisory Board Member.</p>				

(Notes)

1. If the election of Mr. Katsutoshi Yuasa is approved, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liabilities under the agreement will be the amount stipulated by laws and regulations.
2. The Company has taken out the MHI Global Insurance, for which Mitsubishi Heavy Industries, Ltd., its parent, acts as the party to the insurance contract. The insurance policy includes a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act, with all Directors and Audit and Supervisory Board Members named as the insured persons. The contract covers potential damages and expense payments to be borne by the insured persons arising from shareholder derivative actions, corporate lawsuits or third party litigation. However, the contract includes certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were committed with full knowledge of their illegality. All insurance premiums are borne by the Company. If the appointment of the candidate is approved, the Company will include the candidate as an insured person under the insurance contract. The Company plans to renew the insurance contract with the above details the next time it comes up for renewal.

No.	Name (Date of birth)	Brief career summary and important concurrent duties	Number of shares owned (Common stock)	Special interests with the Company
2	<p>Kazuhiro Fukuoka (July 18, 1959)</p> <p>[Newly appointed] [External Audit and Supervisory Board Member]</p> 	<p>Apr. 1982 Joined Japan Storage Battery Co., Ltd. (currently GS Yuasa International Ltd.)</p> <p>Apr. 2004 General Manager, Corporate Strategic Planning Office (Information Systems), GS Yuasa Corporation</p> <p>Apr. 2008 General Manager, Corporate Strategic Planning Office (Strategic Planning), GS Yuasa Corporation</p> <p>Aug. 2008 Executive Vice President, Siam GS Battery Co., Ltd.</p> <p>Jul. 2011 Associate General Manager, Human Resources Division, GS Yuasa International Ltd.</p> <p>Jun. 2015 Officer, GS Yuasa International Ltd.</p> <p>Jun. 2017 General Manager, Human Resources Division, GS Yuasa International Ltd. (to present)</p> <p>Jun. 2019 Senior Officer, GS Yuasa International Ltd.</p> <p>Apr. 2020 Director, GS Yuasa International Ltd. (to present)</p> <p>Jun. 2020 Director, GS Yuasa Corporation (to present)</p> <p>[Significant concurrent positions] Director, GS Yuasa Corporation Director, General Manager, Human Resources Division, GS Yuasa International Ltd.</p>	0	None
<p>[Reason for nomination as External Audit and Supervisory Board Member]</p> <p>Mr. Kazuhiro Fukuoka has held various positions, including General Manager of Corporate Strategic Planning Office, at GS Yuasa International Ltd. He also has experience serving as a senior executive of an overseas subsidiary. He currently serves as Director and General Manager of Human Resources Division of GS Yuasa International Ltd. and Director of GS Yuasa Corporation.</p> <p>The Company expects him to take advantage of his abundant experience and excellent insight and properly provide opinions and suggestions and carry out audits from an objective perspective as External Audit and Supervisory Board Member. We have therefore nominated him as a candidate for External Audit and Supervisory Board Member.</p>				

(Notes)

- Mr. Kazuhiro Fukuoka is a candidate for External Audit and Supervisory Board Member.
- If the election of Mr. Kazuhiro Fukuoka is approved, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liabilities under the agreement will be the amount stipulated by laws and regulations.
- The Company has taken out the MHI Global Insurance, for which Mitsubishi Heavy Industries, Ltd., its parent, acts as the party to the insurance contract. The insurance policy includes a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act, with all Directors and Audit and Supervisory Board Members named as the insured persons. The contract covers potential damages and expense payments to be borne by the insured persons arising from shareholder derivative actions, corporate lawsuits or third party litigation. However, the contract includes certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were committed with full knowledge of their illegality. All insurance premiums are borne by the Company. If the appointment of the candidate is approved, the Company will include the candidate as an insured person under the insurance contract. The Company plans to renew the insurance contract with the above details the next time it comes up for renewal.
- If the election of Mr. Kazuhiro Fukuoka is approved, the Company plans to register him as an Independent Auditor with Tokyo Stock Exchange, Inc.

Proposal 4: Election of One (1) Substitute Audit and Supervisory Board Member

To prepare for the case where the number of Audit and Supervisory Board Members falls below the number required by laws and regulations, the Company proposes the election of one (1) Substitute Audit and Supervisory Board Member. The Audit and Supervisory Board has given its consent to the proposal.

The candidate is as follows:

No.	Name (Date of birth)	Brief career summary and important concurrent duties	Number of shares owned (Common stock)	Special interests with the Company
1	Hideki Sugiura (February 2, 1966) [Newly appointed]	Apr. 1981 Joined The Mitsubishi Trust and Banking Corporation (currently Mitsubishi UFJ Trust and Banking Corporation) Feb. 2012 Deputy General Manager, Corporate Advisory Service Division, Mitsubishi UFJ Trust and Banking Corporation Oct. 2013 Deputy General Manager, Credit Supervisory Division, Mitsubishi UFJ Trust and Banking Corporation Aug. 2014 General Manager, Real Estate Finance Credit Division, Mitsubishi UFJ Trust and Banking Corporation Apr. 2017 Deputy General Manager, Real Estate Trust Division, Mitsubishi UFJ Trust and Banking Corporation Apr. 2018 Deputy General Manager, Group Real Estate Business Division, Mitsubishi UFJ Trust and Banking Corporation Apr. 2021 Seconded to MU Trust Apple Planning Company, Ltd. Jun. 2021 Full-time Corporate Auditor, Dai Nippon Toryo Co., Ltd. (to present) [Significant concurrent positions] Full-time Corporate Auditor, Dai Nippon Toryo Co., Ltd.	0	None
<p>[Reason for nomination as Substitute External Audit and Supervisory Board Member]</p> <p>Mr. Hideki Sugiura has held executive positions at various divisions of Mitsubishi UFJ Trust and Banking Corporation. He currently serves as Full-time Corporate Auditor of Dai Nippon Toryo Co., Ltd.</p> <p>The Company expects him to take advantage of his abundant experience and excellent insight and properly provide opinions and suggestions and carry out audits from an objective perspective as External Audit and Supervisory Board Member. We have therefore nominated him as a candidate for Substitute External Audit and Supervisory Board Member.</p>				

(Notes)

- Mr. Hideki Sugiura is a candidate for Substitute External Audit and Supervisory Board Member and meets the criteria for Independent Directors/Auditors set by Tokyo Stock Exchange, Inc. If he assumes office as an External Audit and Supervisory Board Member, the Company plans to register him as an Independent Auditor with Tokyo Stock Exchange, Inc.
- If Mr. Hideki Sugiura assumes office as an External Audit and Supervisory Board Member, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liabilities under the agreement will be the amount stipulated by laws and regulations.
- The Company has taken out the MHI Global Insurance, for which Mitsubishi Heavy Industries, Ltd., its parent, acts as the party to the insurance contract. The insurance policy includes a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act, with all Directors and Audit and Supervisory Board Members named as the insured persons. The contract covers potential damages and expense payments to be borne by the insured persons arising from shareholder derivative actions, corporate lawsuits or third party litigation. However, the contract includes certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were committed with full knowledge of their illegality. All insurance premiums are borne by the Company. If Mr. Hideki Sugiura assumes office as an External Audit and Supervisory Board Member, the Company will include the candidate as an insured person under the insurance contract.
- Business relations, including the provision of transfer agent and consulting services, exist between the Company and Mitsubishi UFJ Trust and Banking Corporation, where Mr. Hideki Sugiura has in the past been an executive. Meanwhile, the amount of transaction based on such relations accounts for an insignificant proportion (below 0.01%) of consolidated net sales of Mitsubishi UFJ Trust and Banking Corporation as of the end of the most recent business year. The Company therefore believes that Mr. Hideki Sugiura's independence is secured.

Proposal 5: Introduction of a Restricted Stock Compensation System

To give the Company's Directors (excluding External Directors; hereinafter referred to as "Eligible Directors") an incentive to sustainably enhance corporate value, as well as to facilitate further value sharing between Eligible Directors and shareholders, the Company proposes to introduce a compensation system where the Company's common stock with a certain period during which its transfer is restricted and set of provisions including acquisition by the Company without contribution (hereinafter referred to as "Restricted Stock") is allotted (hereinafter referred to as the "System"). The details are described below.

The maximum amount of remuneration for Directors, which is not more than 350 million yen per annum for nine (9) Directors (including bonuses and not more than 30 million yen per annum for two (2) External Directors), was approved at the 114th Annual General Meeting of Shareholders held on June 26, 2015. Separately from the above amount, the maximum amount of remuneration as stock compensation type stock options for Directors (excluding External Directors), which is not more than 30 million yen per annum, was approved at the 111th Annual General Meeting of Shareholders held on June 28, 2012.

At this General Meeting of Shareholders, the Company asks for an approval to reform the current stock compensation system, replacing the stock compensation type stock option system with the System and setting the total amount of monetary compensation claims paid as remuneration concerning restricted stock for Eligible Directors, which will be not more than 100 million yen per annum separately from the existing maximum amount of remuneration for Directors. With regard to when the monetary compensations claims are paid and how they are distributed among each Eligible Director, the Company asks for an approval to allow the Nominating and Compensation Committee to deliberate on and approve the matter and the Board of Directors to make the decision while respecting what has been approved by the Nominating and Compensation Committee.

Following the introduction of the System, the aforementioned stock compensation type stock option system will be abolished, except for those already granted. Going forward, the Company will not issue new stock acquisition rights as stock compensation type stock options for Directors (excluding External Directors).

The Company currently has eight (8) Directors (of which three (3) are External Directors). If Proposal 2 is approved as proposed, the Company will have seven (7) Directors (of which three (3) are External Directors).

1. Allotment of Restricted Stock and Payment

In the System, the Company provides monetary compensation claims to Eligible Directors as remuneration concerning Restricted Stock, within the scope of the annual limit described above. Eligible Directors pay all the monetary compensation claims in the form of property contributed in kind and are allotted Restricted Stock.

The amount to be paid in per share of the Company's common stock issued or disposed on in the System will be based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution of the Board of Directors on the allotment of Restricted Stock (if no transaction was made on that day, the closing price on the most recent transaction day), and will be decided by the Board of Directors within a range that does not offer a particularly advantageous amount to the Eligible Directors receiving the Restricted Stock. The monetary compensation claims will be provided on the condition that Eligible Directors have agreed to the above contribution in kind and entered into a restricted stock allotment agreement that contains the terms described in 3. below.

2. Total Number of Shares of Restricted Stock

The maximum number of shares of Restricted Stock allotted to Eligible Directors will be 200 thousand per year. If a situation arises after the day of the adoption of this proposal in which the total number of shares of Restricted Stock needs to be adjusted due to a share split, an allotment of stock without contribution, or a share consolidation of the Company's common stock, the Company may reasonably adjust the said total number of shares of Restricted Stock.

3. Details of Restricted Stock Allotment Agreement

The restricted stock allotment agreement between the Company and the Eligible Directors subject to the allotment of Restricted Shares shall contain the following terms.

(1) Details of Transfer Restriction

During the period from the date of allotment of Restricted Stock to the retirement from the position of Director or Executive Officer (including position equivalent to Executive Officer) (hereinafter referred to as the "Restricted Period"), Eligible Directors may not transfer to a third party, create a pledge or mortgage, provide as an inter vivos gift, bequeath, or otherwise dispose of the common stock of the Company allotted under the restricted stock allotment agreement (hereinafter referred to as the "Allotted Stock").

(2) Lifting of Transfer Restriction

On the condition that Eligible Directors who received the Allotted Stock have remained in the positions

specified in (1) above throughout the period specified by the Board of Directors (hereinafter referred to as the “Service Period”), the Company will lift the transfer restriction on all shares of the Allotted Stock upon the expiration of the Restricted Period. However, if the date on which the transfer restriction should be lifted is within three (3) months from the last day of the fiscal year in which the Allotted Stock was granted, the Company will lift the transfer restriction after three (3) months have passed from the last day of the said fiscal year. If an Eligible Director retires from the position specified in (1) above before the expiration of the Service Period for a reason deemed justifiable by the Board of Directors, the Company will, as necessary, reasonably adjust the timing of, as well as the number of shares of the Allotted Stock subject to, the lifting of the transfer restriction.

(3) Acquisition of Restricted Stock Without Consideration

The Company will automatically acquire the Allotted Stock without consideration at the expiration of the Restricted Period specified in (1) above, unless the transfer restriction is lifted based on the provisions on the grounds for lifting the transfer restriction specified in (2) above. If an Eligible Director retires from the position of Director or Executive Officer (including position equivalent to Executive Officer) without a justifiable reason by the time the transfer restriction is lifted, or certain other grounds arise, the Company will promptly acquire all shares of the Allotted Stock without consideration.

(4) Treatment in the Event of Reorganization, etc.

If, during the Transfer Restriction Period, the General Meeting of Shareholders (the Board of Directors if the matter does not require the General Meeting of Shareholders’ approval) approves 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 matters concerning reorganization, etc., the Company will, by resolution of the Board of Directors, lift the transfer restriction on a reasonable number of shares of the Allotted Stock prior to the effective date of the said reorganization, etc., in light of the length of the period from the start date of the Service Period to the date of approval of the said reorganization, etc. If there are any shares of the Allotted Stock still under the transfer restriction immediately after the lifting, the Company will automatically acquire them without consideration.

Notwithstanding the above, if the effective date of the reorganization, etc. is within three (3) months from the end of the fiscal year in which shares of the Allotted Stock was granted, the Company will not lift the transfer restriction on such shares and will automatically acquire all such shares without consideration.

(5) Other Matters

The Board of Directors will set forth other matters concerning the restricted stock allotment agreement.

4. Reasons for Which Allotment of Restricted Stock is Appropriate

Restricted Stock will be allotted to Eligible Directors to give them an incentive to sustainably enhance corporate value, as well as to facilitate further value sharing between Directors and shareholders.

At the Board of Directors meeting held on June 24, 2022, the Company established the policy for deciding the details of remuneration, etc. for each Director, an overview of which is found on page 41 of the Business Report (available in Japanese only). If this proposal is approved, the Company will align the policy with the approved contents and add provisions on the details, calculation method, timing of payment, and other matters concerning the stock compensation. The Company has judged that the allotment of Restricted Stock is appropriate because the amount calculated based on the market value as of the date of resolution by the Board of Directors on the allotment of Restricted Stock will be within the maximum amount per annum approved by the General Meeting of Shareholders, and the Restricted Stock will account for 0.19% of the shares issued (if the Company issues the maximum number of shares of the Restricted Stock every year for 10 years, 1.87% of the shares issued), which indicates that the dilution effect will be minor.

(Reference)

If this proposal is approved at this General Meeting of Shareholders, the Company plans to allot Restricted Stock to Executive Officers (including those equivalent to Executive Officers) as well, under the same scheme as the System.

Proposal 6: Revision of the Amount of Remuneration for External Directors and Audit and Supervisory Board Members

The amount (maximum amount) of remuneration for Directors, which is not more than 350,000 thousand yen per annum (including not more than 30,000 thousand yen per annum for External Directors), was approved at the 114th Annual General Meeting of Shareholders held on June 26, 2015 and has remained so to date. The amount of remuneration for Audit and Supervisory Board Members, which is not more than 65,000 thousand yen per annum, was approved at the 111th Annual General Meeting of Shareholders held on June 28, 2012 and has remained so to date.

In today's corporate governance, External Directors and Audit and Supervisory Board Members play increasingly important roles. In light of trends in officer compensation, changes in the economic climate, and other factors, the Company intends to secure talented human resources and prepare for future changes in the composition of officers. Accordingly, the Company proposes to revise the amount of remuneration for Directors to not more than 350,000 thousand yen per annum (including not more than 50,000 thousand yen per annum for External Directors) and the amount of remuneration for Audit and Supervisory Board Members to not more than 80,000 thousand yen per annum.

The overview of the policy for deciding remuneration for External Directors is found on page 41 and onward of the Business Report (available in Japanese only) and it is considered appropriate as a policy for deciding remuneration even after this proposal is approved. Therefore, the Company does not plan to change the policy.

The Company currently has eight (8) Directors (of which three (3) are External Directors). If Proposal 2 is approved as proposed, the Company will have seven (7) Directors (of which three (3) are External Directors). In addition, the Company currently has five (5) Audit and Supervisory Board Members (of which two (2) are External Audit and Supervisory Board Members). If Proposal 3 is approved as proposed, the Company will have four (4) Audit and Supervisory Board Members (of which two (2) are External Audit and Supervisory Board Members).