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(Stock Exchange Code 8059)

June 1, 2023

(Start date of measures for electronic provision: May 31, 2023)

To Shareholders with Voting Rights:

Ichiro Uno
Representative Director,
President & CEO
DAIICHI JITSUGYO CO., LTD.
4-6 Kandasurugadai, Chiyoda-ku, Tokyo

**NOTICE OF
THE 100th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

It is our pleasure to inform you of the 100th Annual General Meeting of Shareholders of DAIICHI JITSUGYO CO., LTD. (the “Company”). The meeting will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures to provide documents electronically. Matters subject to measures for electronic provision are posted on our website. Please access the following website, select “For Investors,” and browse information on the “100th Annual General Meeting of Shareholders”.

The Company’s website <https://www.djk.co.jp/en/>

In addition, the information is also posted on the Tokyo Stock Exchange website. Please access Listed Company Search on the Tokyo Stock Exchange website below, enter the issue name (company name) or code, search, select “Basic information” and then “Documents for public inspection/PR,” and browse information under “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting.”

Tokyo Stock Exchange website (Listed Company Search)

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

If you choose not to attend the meeting, you can exercise your voting rights in writing or via the internet. Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to electronic provision and exercise your voting rights.

- 1. Date and Time:** Thursday, June 22, 2023 at 10:00 a.m. Japan time
- 2. Place:** 4-6 Kandasurugadai, Chiyoda-ku, Tokyo (1F, Ochanomizu sola city)
Room C, sola city Conference Center
- 3. Meeting Agenda:**
 - (1) Matters to be reported:**
 1. The Business Report and Non-consolidated Financial Statements for the Company’s 100th Fiscal Year (April 1, 2022 - March 31, 2023)
 2. The Consolidated Financial Statements for the Company’s 100th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 - (2) Proposals to be resolved:**
 - Proposal 1:** Distribution of Surplus
 - Proposal 2:** Election of Nine (9) Directors
 - Proposal 3:** Revision of the Amount of Remuneration for Outside Directors

4. Matters decided in convening the Meeting:

- (1) If you do not indicate whether you vote for or against a proposal on the Voting Rights Exercise Form, we will deem that you have voted for the proposal.
- (2) If you exercise your voting rights both via the internet and in writing, your vote via the internet will be valid. If you exercise your voting rights via the internet more than once, your last vote will be valid.

Pursuant to the provisions of laws and regulations and Article 16 of the Company's Articles of Incorporation, the following matters are not included in the documents sent to our shareholders. The said documents are therefore part of the documents audited by Audit & Supervisory Board Members and the Accounting Auditor in preparing the Audit Report.

- Notes to Consolidated Financial Statements
- Notes-to Non-consolidated Financial Statements

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Distribution of Surplus

Matters concerning year-end dividends

The Company positions the return of profits to shareholders as one of its significant management policies and its basic principle is to implement appropriate dividends corresponding to business results.

Regarding year-end dividends for the current fiscal year, the Company proposes the following in comprehensive consideration of factors such as business results for the current fiscal year, future business development and continuance of stable dividend payment.

- (1) Type of dividend property
Cash
- (2) Matters concerning allocation of dividend property to shareholders and its total amount
114 yen per common share Total of 1,203,700,350 yen
Therefore, the annual dividend will be 178 yen per share, including the interim dividend of 64 yen per share.
- (3) Effective date of dividends of surplus
June 23, 2023

Proposal 2: Election of Nine (9) Directors

The terms of office of all current nine (9) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of nine (9) Directors, including three (3) Outside Directors. To ensure effective supervision of corporate management from an independent and objective standpoint, Outside Directors constitute one third (1/3) or more of the Board of Directors of the Company.

The candidates for Directors are as follows:

No.	Name	Current position	Attendance at Board of Directors meetings
1	<input type="checkbox"/> Reappointment Ichiro Uno	Representative Director, President & CEO	15 times / 15 times (100%)
2	<input type="checkbox"/> Reappointment Ryuichi Ninomiya	Representative Director, Senior Managing Executive Officer	15 times / 15 times (100%)
3	<input type="checkbox"/> Reappointment Masatoshi Ueno	Director, Managing Executive Officer & CDO	15 times / 15 times (100%)
4	<input type="checkbox"/> Reappointment Yasushi Marumoto	Director, Managing Executive Officer	15 times / 15 times (100%)
5	<input type="checkbox"/> Reappointment Osamu Fukawa	Director, Managing Executive Officer & CFO	15 times / 15 times (100%)
6	<input type="checkbox"/> New candidate Yuji Funawatari	Managing Executive Officer & CSuO	
7	<input type="checkbox"/> Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent Yoshikazu Sakamoto	Outside Director	15 times / 15 times (100%)
8	<input type="checkbox"/> Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent Namika Yamada	Outside Director	15 times / 15 times (100%)
9	<input type="checkbox"/> New candidate <input type="checkbox"/> Outside <input type="checkbox"/> Independent Kazuo Nakayama		

(Note) The number of the Board of Directors meetings do not include written resolutions.

<Reference>

Skill matrix of Directors after the conclusion of this General Meeting of Shareholders

If the candidates for Directors in this Notice are elected as proposed, the skills and diversity of Directors will be as follows:

No.	Name	Position to assume after this General Meeting of Shareholders (Scheduled)	Experience, Knowledge, etc.							Attribute		
			Corporate management and corporate strategy	Knowledge of the industry, sales, and marketing	International perspective	Finance and accounting	Legal affairs and risk management	Sustainability and ESG	Other	Gender	Independence	
1	Ichiro Uno	Representative Director, President & CEO	•	•	•				•		Male	
2	Ryuichi Ninomiya	Representative Director, Senior Managing Executive Officer	•	•	•				•		Male	
3	Masatoshi Ueno	Director, Managing Executive Officer & CDO		•	•				•	• *1	Male	
4	Yasushi Marumoto	Director, Managing Executive Officer	•	•	•						Male	
5	Osamu Fukawa	Director, Managing Executive Officer & CFO			•	•	•		•		Male	
6	Yuji Funawatari	Director, Managing Executive Officer & CSuO	•	•	•				•		Male	
7	Yoshikazu Sakamoto	Director					•				Male	•
8	Namika Yamada	Director						•			Female	•
9	Kazuo Nakayama	Director	•		•					• *2	Male	•

*1 Technology, IT, and DX

*2 Knowledge of other industries

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions
1	<p style="text-align: center;">Ichiro Uno (November 12, 1959) <u>Reappointment</u></p> <p>[Number of shares of the Company held] 11,700</p> <p>[Attendance at Board of Directors meetings] 15 times / 15 times (100%)</p> <p>[Term of office] 7 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>April 1982 Joined the Company</p> <p>October 2003 General Manager, Plant Engineering Dept., Osaka 1st Sales Div.</p> <p>April 2007 Deputy General Manager, Osaka Plant Machinery Business Div.</p> <p>April 2013 Executive Officer, General Manager, Osaka Business Div. and Osaka Branch Manager</p> <p>April 2014 Executive Officer, President of DAIICHI JITSUGYO (AMERICA), INC.</p> <p>June 2016 Managing Director</p> <p>April 2017 Representative Director, President & CEO</p> <p>April 2022 Representative Director, President & CEO (to present) (In charge of Internal Audit Div.)</p> <hr/> <p>[Reason for nomination as a candidate for Director and expected roles]</p> <p>Mr. Ichiro Uno has long years of domestic and overseas sales experience, mainly in the chemical plant industry. After serving as President of the Company's U.S. subsidiary, he assumed the position of President & CEO in 2017 and has engaged in important decision making and supervision of the execution of the Company's business ever since. He has a wealth of knowledge and insight as a corporate manager, and to further promote sustainability management, including global business management and strengthening of corporate governance, he launched the Sustainability Promotion Committee in April 2022 and has been serving as Chairperson of the Committee. He is thus expected to contribute to increasing corporate value. The Company therefore renominated him as a candidate for Director.</p>
2	<p style="text-align: center;">Ryuichi Ninomiya (October 10, 1961) <u>Reappointment</u></p> <p>[Number of shares of the Company held] 8,300</p> <p>[Attendance at Board of Directors meetings] 15 times / 15 times (100%)</p> <p>[Term of office] 4 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>April 1984 Joined the Company</p> <p>April 2005 General Manager, 1st Electronic & Precision Machinery Dept., Nagoya Sales Div.</p> <p>April 2009 Deputy General Manager, Nagoya Business Div.</p> <p>April 2011 Executive Officer, General Manager, Nagoya Business Div. and Nagoya Branch Manager</p> <p>April 2015 Executive Officer of the Company, President and Director of DAIICHI JITSUGYO ASIA PTE. LTD.</p> <p>April 2019 Executive Officer, Nagoya Branch Manager</p> <p>June 2019 Managing Director, Nagoya Branch Manager</p> <p>April 2022 Director, Managing Executive Officer, Nagoya Branch Manager</p> <p>April 2023 Representative Director, Senior Managing Executive Officer (to present) (In charge of Business Divisions and associated companies)</p> <hr/> <p>[Significant concurrent positions]</p> <p>Senior Managing Director, Daiichi Mecha-Tech Corporation</p> <hr/> <p>[Reason for nomination as a candidate for Director and expected roles]</p> <p>Mr. Ryuichi Ninomiya has long years of sales experience in the automotive-related industry, as well as experience as an expatriate in the United States and Asia, and has expanded domestic and overseas business activities. After assuming the position of Director in 2019, he has been serving as Representative Director since 2023 and has engaged in important decision making and supervision of the execution of the Company's business. He thus has a wealth of experience and insight as a corporate manager. The Company therefore renominated him as a candidate for Director.</p>

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions
3	<p>Masatoshi Ueno (September 23, 1962) <u>Reappointment</u></p> <p>[Number of shares of the Company held] 6,100</p> <p>[Attendance at Board of Directors meetings] 15 times / 15 times (100%)</p> <p>[Term of office] 4 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>April 1985 Joined the Company</p> <p>April 2003 General Manager, 1st Electronic Precision Fine Device Dept., Precision Machinery Sales Div.</p> <p>October 2008 Deputy General Manager, PFSC Business Operations Div.</p> <p>April 2013 Executive Officer, General Manager, Electronics Business Div.</p> <p>June 2019 Managing Director</p> <p>April 2022 Director, Managing Executive Officer</p> <p>April 2023 Director, Managing Executive Officer & CDO (to present) (Responsible for Corporate Strategy Div., and Digital Innovation Center)</p> <p>[Reason for nomination as a candidate for Director and expected roles] Mr. Masatoshi Ueno has long years of sales experience, mainly in the electronics-related industry. He also has experience as an expatriate in the United States and has expanded domestic and overseas business activities. After assuming the position of Director in 2019, he has engaged in important decision making and supervision of the execution of the Company's business. He has a wealth of experience and insight in cutting-edge fields, including electronics, and as Chief Digital Officer (CDO) of the Company, he is expected to contribute to promoting the Group's management strategies, including digital transformation. The Company therefore renominated him as a candidate for Director.</p>
4	<p>Yasushi Marumoto (August 1, 1963) <u>Reappointment</u></p> <p>[Number of shares of the Company held] 5,000</p> <p>[Attendance at Board of Directors meetings] 15 times / 15 times (100%)</p> <p>[Term of office] 2 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>April 1987 Joined New Japan Securities Co., Ltd. (current Mizuho Securities Co., Ltd.)</p> <p>April 1990 Joined the Company</p> <p>April 2007 General Manager, Plant Engineering Dept., Osaka Plant Machinery Business Div.</p> <p>October 2016 General Manager, PRO-Dept., PT. DJK INDONESIA</p> <p>October 2018 Deputy General Manager, Plant & Energy Business Div.</p> <p>April 2019 Executive Officer, General Manager, Plant & Energy Business Div.</p> <p>April 2021 Managing Executive Officer, Osaka Branch Manager and General Manager, Plant & Energy Business Div.</p> <p>June 2021 Managing Director, Managing Executive Officer, Osaka Branch Manager and General Manager, Plant & Energy Business Div.</p> <p>April 2022 Director, Managing Executive Officer, Osaka Branch Manager (to present) (Responsible for Plant & Energy Business, Healthcare Business, and Engineering Div.)</p> <p>[Reason for nomination as a candidate for Director and expected roles] Mr. Yasushi Marumoto has long years of domestic and overseas sales experience, mainly in the chemical plant industry, and has accelerated the development of business related to renewable energy, including the field of secondary battery manufacturing in high demand in recent years. He has a broad knowledge of the industry and is expected to contribute to the expansion and development of the newly established engineering business and plant & energy business. The Company therefore renominated him as a candidate for Director.</p>

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions
5	<p>Osamu Fukawa (May 28, 1968) <u>Reappointment</u></p> <p>[Number of shares of the Company held] 5,200</p> <p>[Attendance at Board of Directors meetings] 15 times / 15 times (100%)</p> <p>[Term of office] 2 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>April 1992 Joined the Company</p> <p>April 2006 Director, DAIICHI JITSUGYO ASIA PTE. LTD.</p> <p>April 2008 General Manager, DAIICHI JITSUGYO (AMERICA), INC.</p> <p>October 2010 Director (Secretary & Treasurer), DAIICHI JITSUGYO (AMERICA), INC.</p> <p>April 2013 General Manager, Finance Dept., Administration & Accounting Div.</p> <p>October 2015 Deputy General Manager, Accounting Div.</p> <p>April 2019 Executive Officer, General Manager, Administration & Accounting Div.</p> <p>April 2020 Executive Officer, General Manager, Accounting Div.</p> <p>April 2021 Managing Executive Officer, CFO, and General Manager, Accounting Div.</p> <p>June 2021 Managing Director, Managing Executive Officer, CFO, and General Manager, Accounting Div.</p> <p>April 2022 Director, Managing Executive Officer, CFO, and General Manager, Accounting Div. (to present) (Responsible for Accounting Div., Corporate Planning and Management Dept., and Corporate Communication Dept.)</p> <p>[Reason for nomination as a candidate for Director and expected roles] Mr. Osamu Fukawa has long engaged in the work of administration departments and has taken advantage of his experience as an expatriate in the United States and Asia. He has expertise based on practical experience in the fields of domestic and overseas finance, accounting, legal affairs, and risk management. His wealth of knowledge, as well as broad insight, enables him to formulate and implement finance strategies as CFO of the Company, and he is expected to contribute to increasing corporate value. The Company therefore renominated him as a candidate for Director.</p>
6	<p>Yuji Funawatari (December 7, 1963) <u>New candidate</u></p> <p>[Number of shares of the Company held] 3,900</p>	<p>April 1987 Joined the Company</p> <p>October 1997 London Branch Manager, Overseas Div.</p> <p>April 2006 General Manager, Fine Device System Dep., Osaka 2nd Sales Div.</p> <p>April 2011 Deputy General Manager, Osaka Business Div.</p> <p>July 2012 Managing Director, DJK EUROPE GMBH</p> <p>April 2017 Executive Officer, General Manager, Pharma Business Div.</p> <p>April 2019 Executive Officer of the Company, President and Director of DAIICHI JITSUGYO ASIA PTE. LTD.</p> <p>April 2021 Managing Executive Officer</p> <p>April 2023 Managing Executive Officer & CSuO (to present) (Responsible for Administration Div.)</p> <p>[Reason for nomination as a candidate for Director and expected roles] Mr. Yuji Funawatari has long years of domestic and overseas sales experience, mainly in the industrial machinery and electronics industries. He also has experience as an expatriate in Europe and Asia and has expanded domestic and overseas business activities. In addition, he serves as Managing Rep of the Sustainability Promotion Committee launched in April 2022, and is expected to contribute to increasing corporate value as Chief Sustainability Officer (CSuO) of the Company. The Company therefore nominated him as a candidate for Director.</p>

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions
7	<p>Yoshikazu Sakamoto (June 10, 1956) <u>Reappointment</u> <u>Outside</u> <u>Independent</u></p> <p>[Number of shares of the Company held] 0</p> <p>[Attendance at Board of Directors meetings] 15 times / 15 times (100%)</p> <p>[Term of office] 8 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>April 1975 Joined Tokyo Regional Taxation Bureau</p> <p>July 2010 Ishida Tax and Accounting Office</p> <p>September 2010 Registered as a tax accountant Yoshikazu Sakamoto Tax Accountant Office (current Sakamoto & Koyama Tax and Accounting Office) (to present)</p> <p>June 2015 Director of the Company (to present)</p>
	<p>[Reason for nomination as a candidate for Director and expected roles] Although Mr. Yoshikazu Sakamoto has not been involved in corporate management, he has acquired extensive knowledge of finance, tax affairs, etc., through many years of service at the Taxation Bureau. He serves as Chairperson of the Governance Committee, which was newly established in 2020, contributes to strengthening the overall governance structure of the Group, and properly provides advice and oversight to improve the quality of the management of the Company. Based on the above reasons, the Company has judged that he will be able to continue to execute his duties and renominated him as a candidate for Outside Director.</p>	
8	<p>Namika Yamada (May 19, 1989) <u>Reappointment</u> <u>Outside</u> <u>Independent</u></p> <p>[Number of shares of the Company held] 0</p> <p>[Attendance at Board of Directors meetings] 15 times / 15 times (100%)</p> <p>[Term of office] 3 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>December 2018 Registered as an attorney-at-law</p> <p>January 2019 Joined Kowa Law Office</p> <p>May 2019 Supporting Member, Compliance Team, Ministry of Education, Culture, Sports, Science and Technology (to present)</p> <p>June 2019 Compliance Hotline Contact Person, All Japan Judo Federation (to present)</p> <p>June 2020 Director of the Company (to present)</p> <p>January 2021 Joined Yamada Ozaki Law Office (to present)</p>
	<p>[Reason for nomination as a candidate for Director and expected roles] Although Ms. Namika Yamada has not been involved in corporate management, she has a broad knowledge of corporate legal affairs as an attorney-at-law. In light of the advance of global management and increasing importance of legal point of view, she provides flexible and appropriate advice and guidance on compliance and other matters, and her advice is expected to further strengthen the Company's corporate governance. The Company therefore renominated her as a candidate for Outside Director.</p>	

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions
9	Kazuo Nakayama (February 2, 1957) <u>New appointment</u> <u>Outside</u> <u>Independent</u> [Number of shares of the Company held] 0	April 1980 Joined MITSUI & CO., LTD. April 2006 General Manager, Planning & Administrative Division June 2008 C.A.O, Asia Pacific Business Unit and S.V.P, Mitsui & Co.(Asia Pacific) Pte. Ltd. (in Singapore) April 2012 Managing Officer, General Manager, Food Business Unit April 2014 Executive Managing Officer, General Manager, Food Business Unit June 2015 Representative Director, Executive Vice President, JA MITSUI LEASING, LTD. June 2020 Adviser March 2021 Outside Director, ISEKI & CO., LTD. (to present) <u>[Significant concurrent positions]</u> Outside Director, ISEKI & CO., LTD. <u>[Reason for nomination as a candidate for Director and expected roles]</u> In addition to having management experience at a general trading company, etc., Mr. Kazuo Nakayama is well-versed in overseas business and has a wealth of knowledge of a wide variety of domestic and overseas industries. From an objective perspective based on such management experience at other companies and knowledge of other industries, he is expected to provide useful advice and guidance to the Group's businesses. By participating in the Governance Committee, he is also expected to contribute to strengthening the overall governance structure of the Group and improving the quality of the Company. The Company therefore nominated him as a candidate for Outside Director.

Special matters regarding candidates for Directors:

1. There are no special interests between each candidate and the Company.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company. The insurance covers damages borne by insured persons due to derivative lawsuits, etc. The candidates will be insured persons under the insurance policy. The Company plans to renew the policy with the similar details at the time of next renewal.

Special matters regarding candidates for Outside Directors:

1. Mr. Yoshikazu Sakamoto, Ms. Namika Yamada, and Mr. Kazuo Nakayama are candidates for Outside Directors.
2. Mr. Yoshikazu Sakamoto and Ms. Namika Yamada currently serve as Outside Directors of the Company. The terms of office of Mr. Yoshikazu Sakamoto and Ms. Namika Yamada as Outside Directors will be eight years and three years respectively at the conclusion of this General Meeting of Shareholders.
3. The Company has entered into agreements with Mr. Yoshikazu Sakamoto and Ms. Namika Yamada to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under such agreement shall be the minimum liability amount provided for in laws and regulations.
4. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company plans to enter into a liability limitation agreement with Mr. Kazuo Nakayama after his election, within the scope of laws and regulations. An overview of the agreement is as follows:
 If Mr. Kazuo Nakayama's liability under Article 423, Paragraph 1 of the Companies Act falls under the criteria specified by laws and regulations, his liability shall be limited; provided, however, that the maximum amount of liability shall be the minimum liability amount provided for in laws and regulations.
5. Mr. Yoshikazu Sakamoto and Ms. Namika Yamada have been registered as Independent Directors as stipulated in the Tokyo Stock Exchange's listing rules. If they are elected as proposed, they will continue to be registered as Independent Directors.
6. Mr. Kazuo Nakayama meets the criteria for Independent Directors as stipulated in the Tokyo Stock Exchange's listing rules. If he is elected as proposed, he will be registered as an Independent Director.
7. Ms. Namika Yamada's name on the family register is Namika Hatakenaka.
8. Ms. Namika Yamada works at Yamada Ozaki Law Office, managed by the Company's legal adviser Mr. Hideo Yamada. The amount of legal fees the Company paid to the Law Office in the fiscal year ended March 31, 2023 did not exceed 10 million yen and constituted less than 1% of net sales of the Company or the Law Office.

Proposal 3: Revision of the Amount of Remuneration for Outside Directors

It was approved at the 99th Annual General Meeting of Shareholders held on June 23, 2022 that the amount of remuneration, etc. for Directors of the Company shall not exceed 450 million yen per year (of which the amount for Outside Directors shall not exceed 18 million yen per year). Meanwhile, The composition of the Board of Directors may be changed for the purpose of strengthening the corporate governance structure hereinafter. In addition, Outside Directors' responsibilities are expected to further increase in the future. Considering these matters and other factors, the Company therefore proposes to revise the maximum amount of remuneration for Outside Directors to 40 million yen per year,

This proposal intends to revise the amount of remuneration for Outside Directors only, with the maximum amount of remuneration for all Directors remaining at 450 million yen per year. The Company considers the content of the proposal reasonable as the Board of Directors determined it with consideration given to the Company's policy on the determination of the contents of individual Directors' remuneration, etc.

The remuneration for Outside Directors shall be only the basic remuneration as currently specified. The contents of the amount of remuneration for individual Directors (excluding Outside Directors) are as described in the "(Reference) Outline of the remuneration system" below.

If Proposal 2 is approved as proposed, the Company will have nine (9) Directors (of which three (3) are Outside Directors).

(Reference) Outline of the remuneration system

1. Outline of the remuneration system for officers

Remuneration for directors consists of (1) basic remuneration (fixed base remuneration in cash), (2) bonus linked to the Company's business results, etc. and (3) restricted stock-based compensation.

2. Outline of each remuneration

(1) Basic remuneration

A monthly fixed amount of remuneration commensurate with the clarified roles and responsibilities of each position is paid in cash.

(2) Bonuses

There are two kinds of bonuses to be paid: bonus linked to the Company's business results indicators (hereinafter, "bonus A") and bonus linked to indicators, etc. contributing to the achievement of the medium-term business plan (hereinafter, "bonus B"). Bonus A is paid in cash based on the degree of achievement of the consolidated performance targets, and bonus B is paid in cash according to the degree of achievement of the indicators, etc. contributing to the achievement of the medium-term business plan. The amounts vary within the range of 0% to 130% of the base amount.

(3) Stock-based compensation

The Company has adopted the restricted stock-based remuneration system, which is designed to pay a yearly fixed amount commensurate with the role of each Director and to lift the restriction at the time of his/her retirement from office.

3. Procedure and method for determining remuneration

The Governance Committee deliberates the remuneration for individual Directors (excluding Outside Directors) based on consultation by the Board of Directors, and the Governance Committee reports to the Board of Directors. The Board of Directors deliberates on the report from the Governance Committee and determines the remuneration.