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Securities code: 5408

June 9, 2023

(Date of commencement of measures for electronic provision: June 6, 2023)

To Shareholders with Voting Rights:

Kazuaki Hakomori
Representative Director and President
NAKAYAMA STEEL WORKS, LTD.
1-1-66 Funamachi, Taisho-ku,
Osaka-shi, Osaka, Japan

**NOTICE OF
THE 129TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 129th Annual General Meeting of Shareholders of NAKAYAMA STEEL WORKS, LTD. (the “Company”) will be held as described below.

In convening this Annual General Meeting of Shareholders, the Company has taken measures for electronic provision of materials for the general meeting of shareholders and posted the matters to be provided electronically as the “Notice of the 129th Annual General Meeting of Shareholders” on the website on the internet indicated below.

[The Company’s website]

https://www.nakayama-steel.co.jp/menu/investment/shareholders_meeting.html (in Japanese)

The matters to be provided electronically are also posted on the website on the internet indicated below. Please access the Tokyo Stock Exchange website (TSE Listed Company Search) indicated below, enter “Nakayama Steel Works” in the “Issue name (company name)” field or the Company’s securities code “5408” in the “Code” field and click “Search,” select “Basic information,” then “Documents for public inspection/PR information,” and click “Click here for access” below [Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting] to review the materials.

[Tokyo Stock Exchange website (TSE Listed Company Search)]

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

If you are unable to attend the meeting, you may exercise your voting rights in writing (voting rights exercise form) or via electromagnetic means (the internet, etc.). Please review the Reference Materials for the General Meeting of Shareholders, and exercise your voting rights by no later than 5:00 p.m. Japan time on Tuesday, June 27, 2023, in accordance with the “Guide for exercising voting rights” on pages 3 and 4 (in Japanese only).

- 1. Date and Time:** Wednesday, June 28, 2023 at 10:00 a.m. Japan time
(Reception starts at 9:00 a.m.)
- 2. Place:** Headquarters of the Company
1-1-66 Funamachi, Taisho-ku, Osaka-shi, Osaka, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 129th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 129th Fiscal Year (April 1, 2022 - March 31, 2023)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Ten (10) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 3:** Election of One (1) Director who is a Substitute Audit and Supervisory Committee Member
- Proposal 4:** Determination of Remuneration for Granting Shares with Restrictions on Transfer to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)
- Proposal 5:** Continuation of the Appropriate Rules Concerning Large-Scale Purchases of the Company's Shares (Takeover Defense Measures)

End

Notice:

- ⊙ For this General Meeting of Shareholders, regardless of whether a shareholder requested a paper copy or not, the paper copy of the materials for the general meeting of shareholders has been sent to shareholders. However, "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements and "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements are posted on the Company's website (<https://www.nakayama-steel.co.jp/>)(in Japanese only) on the internet, in accordance with provisions of laws and regulations as well as Article 15 of the Articles of Incorporation of the Company, and therefore are not included in this Notice. Accordingly, the Consolidated Financial Statements and Non-consolidated Financial Statements included in this Notice are part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing the Auditor's Report and the Independent Auditor's Report, respectively.
- ⊙ Any revisions to the matters provided electronically will be posted on each website on which the matters to be provided electronically are posted(in Japanese only).

Reference Materials for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company's basic policy for appropriation of surplus is to realize stable dividends, while securing internal reserves necessary to enhance its management base and financial position as well as to prepare for future business development.

Accordingly, the Company proposes a year-end dividend for the fiscal year under review as follows.

Matters concerning year-end dividend

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property to shareholders and the total amount thereof
22 yen per share of common stock of the Company
Total amount: 1,190,999,018 yen
- (3) Effective date of distribution of surplus
June 29, 2023

Proposal 2: Election of Ten (10) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of ten (10) Directors (excluding Directors who are Audit and Supervisory Committee Members), including three (3) Outside Directors, is proposed, by increasing the number of Directors by three (3) in order to further strengthen the management structure.

In submitting this proposal, the candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) have been determined after deliberation by the Remuneration and Nomination Advisory Committee, an advisory body to the Board of Directors of the Company.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

No.	Name	Age	Gender	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings
1	Kazuaki Hakomori [Reappointment]	70	Male	Representative Director and President; Chairperson, the Board of Directors; Chairperson, the Remuneration and Nomination Advisory Committee	17/17 (100%)
2	Sachio Nakamura [Reappointment]	66	Male	Senior Managing Director; Supervising Corporate Management Division and General Affairs and Human Resources Department	17/17 (100%)
3	Nobuhiko Naito [Reappointment]	64	Male	Senior Managing Director; Supervising Sales, Product Development Division, Purchasing Department, and Tokyo Branch	17/17 (100%)
4	Masahiro Morikawa [Reappointment]	63	Male	Managing Director; Supervising General Production Administration, Steel Manufacturing, and Rolling Division	17/17 (100%)
5	Yasuharu Kadono [Reappointment]	63	Male	Managing Director; Senior General Manager, Building Materials Division; Supervising Engineering Division	13/13 (100%)
6	Mitsuaki Sakaguchi [New appointment]	54	Male	Managing Executive Officer; Senior General Manager, Corporate Management Division	—/—
7	Yoshinobu Shibahara [New appointment]	57	Male	Executive Officer; Senior General Manager, Sales Division; General Manager, Tokyo Sales Department; Deputy Senior General Manager, Product Development Division	—/—
8	Masahiro Nakatsukasa [Reappointment] [Outside] [Independent]	58	Male	Outside Director; Member, the Remuneration and Nomination Advisory Committee	17/17 (100%)
9	Noboru Kitazawa [Reappointment] [Outside] [Independent]	69	Male	Outside Director; Member, the Remuneration and Nomination Advisory Committee	16/17 (94%)
10	Sayuri Murakami [New appointment] [Outside] [Independent]	61	Female		—/—

Notes: 1. The age of each candidate is as of this Annual General Meeting of Shareholders.

2. The number of Board of Directors meetings indicated for Mr. Yasuharu Kadono is the number of Board of Directors meetings held after his assumption of office on June 28, 2022.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	<p>Kazuaki Hakomori (February 8, 1953) (Age 70)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 17/17 (100%)</p>	<p>Apr. 1980 Joined the Company</p> <p>Sep. 1999 General Manager, Rolling Department No. 2</p> <p>Jun. 2005 Director; General Manager, Production Technology Department; in charge of Business Strategy</p> <p>Apr. 2009 Director; in charge of Business Strategy, Quality Management, Product Development, and Steel Bars and Wire Rods</p> <p>Feb. 2011 Director; Senior General Manager, Sales Division; in charge of Product Development</p> <p>Nov. 2012 Director; in charge of Sales and Amorphous</p> <p>Jun. 2013 Senior Managing Director; supervising Sales, Purchasing, Manufacturing, Safety and Disaster Prevention Environment Department, and Engineering; General Manager, Management Support Office</p> <p>Jun. 2016 Senior Managing Director; supervising Sales, Purchasing, Manufacturing, and Engineering Division</p> <p>Jun. 2017 Representative Director and President (to the present)</p>	7,600
<p>[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p>After joining the Company, Mr. Kazuaki Hakomori was involved mainly in the rolling department, and is well versed in such area. Since his appointment as a Director of the Company, he has been responsible for major departments, such as manufacturing, sales, and purchasing. Therefore, we believe that he will be able to continue to reflect his wealth of knowledge and experience regarding the Company's business as a whole as well as his insight in corporate management in the Company's management.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Sachio Nakamura (February 22, 1957) (Age 66) [Reappointment] [Attendance at the Board of Directors meetings] 17/17 (100%)	<p>Apr. 1979 Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Apr. 2001 Branch Manager, Tanimachi Branch, MUFG Bank, Ltd.</p> <p>Mar. 2003 General Manager, Public Relations Division, UFJ Holdings (currently Mitsubishi UFJ Financial Group, Inc.); General Manager, Public Relations Division, UFJ Bank Limited (currently MUFG Bank, Ltd.)</p> <p>Oct. 2004 General Manager, Tokyo Corporate Banking Division No. 2, UFJ Bank Limited (currently MUFG Bank, Ltd.)</p> <p>Jan. 2006 General Manager, Corporate Banking Division No. 4, Corporate Banking Group No. 1, The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Feb. 2007 General Manager, Public Corporate Division, The Bank of Tokyo-Mitsubishi, Ltd.</p> <p>Jun. 2009 Representative Director and Vice President, Mitsubishi UFJ Staff Service Co., Ltd. (currently Mitsubishi UFJ Jinji Service Co., Ltd.)</p> <p>Jul. 2011 Representative Director and President, MUT Business Outsourcing Co., Ltd.</p> <p>Jun. 2013 Managing Director; supervising Administration Department, the Company</p> <p>Jun. 2016 Senior Managing Director; supervising General Affairs, Corporate Planning, and Accounting Division</p> <p>Apr. 2020 Senior Managing Director; supervising Safety and Disaster Prevention Environment Department, General Affairs and Human Resources Department, Systems Department, and Corporate Management Division</p> <p>Apr. 2021 Senior Managing Director; supervising Corporate Management Division, General Affairs and Human Resources Department, and Systems Department</p> <p>Apr. 2023 Senior Managing Director; supervising Corporate Management Division, General Affairs and Human Resources Department, and Systems Department (to the present)</p>	3,600
<p>[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p>Mr. Sachio Nakamura has a wide range of experience and deep insight accumulated over many years mainly at financial institutions. Since his appointment as a Director of the Company, he has been responsible for administration departments, including general affairs, corporate planning, and accounting. Therefore, we believe that he will be able to reflect his wealth of experience and deep insight in the Company's management.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Nobuhiko Naito (July 7, 1958) (Age 64) [Reappointment] [Attendance at the Board of Directors meetings] 17/17 (100%)	Apr. 1982 Joined the Company Dec. 2007 General Manager, Steel Bars and Wire Rods Sales Department, Sales Division Jun. 2013 Executive Officer; Senior General Manager, Purchasing Division; General Manager, Iron Source Procurement Department Jun. 2014 Executive Officer; Senior General Manager, Purchasing Division May 2015 Executive Officer; Senior General Manager, Sales Division Jun. 2017 Director; supervising Sales, Purchasing Division, and Tokyo Branch; Senior General Manager, Sales Division May 2018 Director; supervising Sales, Purchasing Division, and Tokyo Branch Apr. 2020 Director; supervising Sales Division, Purchasing Department, and Tokyo Branch Jun. 2020 Managing Director; supervising Sales Division, Purchasing Department, and Tokyo Branch Apr. 2022 Managing Director; supervising Sales, Product Development Division, Purchasing Department, and Tokyo Branch Jun. 2022 Senior Managing Director; supervising Sales, Product Development Division, Purchasing Department, and Tokyo Branch (to the present)	2,800
[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)] After joining the Company, Mr. Nobuhiko Naito was involved mainly in sales and purchasing departments, and is well versed in such areas. Since his appointment as a Director of the Company, he has been responsible for sales, purchasing, and product development departments. Therefore, we believe that he will be able to continue to reflect his wealth of experience and achievements in the Company's management.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	<p>Masahiro Morikawa (June 17, 1960) (Age 63)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 17/17 (100%)</p>	<p>Apr. 1983 Joined the Company</p> <p>Apr. 2007 General Manager, Steel Manufacturing Factory</p> <p>Jun. 2013 General Manager, Production Technology Department, General Production Administration Division</p> <p>May 2015 Senior General Manager, General Production Administration Division; General Manager, Production Technology Department</p> <p>Jun. 2016 Executive Officer; Senior General Manager, General Production Administration Division</p> <p>May 2018 Executive Officer; supervising General Production Administration, Manufacturing, and Engineering Division</p> <p>Jun. 2018 Director; supervising General Production Administration, Manufacturing, and Engineering Division</p> <p>Jun. 2021 Managing Director; supervising General Production Administration, Manufacturing, and Engineering Division</p> <p>Feb. 2022 Managing Director; supervising General Administration, Manufacturing, Engineering Division, and Steel Manufacturing Process Reform Review Group</p> <p>Apr. 2023 Managing Director; supervising General Production Administration, Steel Manufacturing, and Rolling Division (to the present)</p>	5,000
<p>[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p>After joining the Company, Mr. Masahiro Morikawa was involved mainly in steel manufacturing and production technology departments, and is well versed in such areas. Since his appointment as a Director of the Company, he has been responsible for the production technology, manufacturing, environmental energy, and engineering departments. Therefore, we believe that he will be able to continue to reflect his wealth of experience and achievements in the Company's management.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Yasuharu Kadono (February 9, 1960) (Age 63) [Reappointment] [Attendance at the Board of Directors meetings] 13/13 (100%)	<p>Apr. 1982 Joined the Company</p> <p>Oct. 2002 General Manager, Hot Rolling Factory</p> <p>Jun. 2005 General Manager, Galvanizing Plant and Steel Plates Factory</p> <p>Dec. 2006 General Manager, Hot Rolling Factory</p> <p>Jun. 2013 Executive Officer; Senior General Manager, Manufacturing Division</p> <p>Jun. 2017 Director; supervising Manufacturing and Engineering Division; Senior General Manager, Manufacturing Division</p> <p>Jun. 2018 Director, Senior General Manager, Manufacturing Division, NAKAYAMA MITSUBOSHI STEEL PRODUCTS. LTD. (currently NAKAYAMA STEEL WORKS, LTD.)</p> <p>Jun. 2020 Managing Director; Senior General Manager, Manufacturing Division, NAKAYAMA MITSUBOSHI STEEL PRODUCTS. LTD.</p> <p>Apr. 2022 Managing Executive Officer; Senior General Manager, Building Materials Division, NAKAYAMA STEEL WORKS, LTD.</p> <p>Jun. 2022 Managing Director; Senior General Manager, Building Materials Division, the Company</p> <p>Apr. 2023 Managing Director; Senior General Manager, Building Materials Division; supervising Engineering Division, the Company (to the present)</p>	2,200
<p>[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p>After joining the Company, Mr. Yasuharu Kadono was involved mainly in the rolling department, and is well versed in such area. Since his appointment as a Director of the Company, he has been responsible for the Building Materials Division as a chief of business execution of the manufacturing department in the secondary processing field. Therefore, we believe that he will be able to continue to reflect his wealth of experience and achievements in the Company's management.</p>			
6	Mitsuaki Sakaguchi (October 20, 1968) (Age 54) [New appointment]	<p>Apr. 1991 Joined the Company</p> <p>Nov. 2012 General Manager, Accounting Department</p> <p>Jun. 2013 Senior General Manager, Corporate Management Division</p> <p>Jun. 2016 Senior General Manager, Accounting Division</p> <p>Jun. 2018 Executive Officer; Senior General Manager, Accounting Division</p> <p>Apr. 2020 Executive Officer; Senior General Manager, Corporate Management Division</p> <p>Apr. 2022 Managing Executive Officer; Senior General Manager, Corporate Management Division (to the present)</p>	200
<p>[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p>After joining the Company, Mr. Mitsuaki Sakaguchi was involved mainly in planning, accounting, and general affairs departments, and is well versed in such areas. Since his appointment as an Executive Officer of the Company, he has been responsible for planning and accounting departments. Therefore, we believe that he will be able to continue to reflect his wealth of experience and achievements in the Company's management.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Yoshinobu Shibahara (December 20, 1965) (Age 57) [New appointment]	Apr. 1989 Joined the Company May 2015 General Manager, Sales Department May 2018 Senior General Manager, Sales Division; General Manager, Sales Department Apr. 2020 Executive Officer; Senior General Manager, Sales Division; General Manager, Sales Department Apr. 2022 Executive Officer; Senior General Manager, Sales Division; General Manager, Sales Planning Department; Deputy Senior General Manager, Product Development Division Apr. 2023 Executive Officer; Senior General Manager, Sales Division; General Manager, Tokyo Sales Department; Deputy Senior General Manager, Product Development Division	200
<p>[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p>After joining the Company, Mr. Yoshinobu Shibahara was involved mainly in the sales department, and is well versed in such area. Since his appointment as an Executive Officer of the Company, he has been responsible for sales and product development departments. Therefore, we believe that he will be able to continue to reflect his wealth of experience and achievements in the Company's management.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	<p>Masahiro Nakatsukasa (January 17, 1965) (Age 58)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Attendance at the Board of Directors meetings] 17/17 (100%)</p>	<p>Apr. 1994 Admitted to the Bar; Member of Osaka Bar Association; Joined Chuo Sogo Law Office (currently Chuo Sogo Law Office, P. C.)</p> <p>Aug. 2005 Served at Kirkland & Ellis LLP, U.S.A</p> <p>Apr. 2006 Admitted to the New York State Bar, U.S.A.</p> <p>Jun. 2006 Outside Audit & Supervisory Board Member, Asaka Industrial Co., Ltd.</p> <p>Jul. 2012 Representative Partner, Chuo Sogo Law Office, P. C. (to the present)</p> <p>Apr. 2015 Vice Chairman, Osaka Bar Association</p> <p>Jun. 2015 Outside Audit & Supervisory Board Member, ARAKAWA CHEMICAL INDUSTRIES, LTD.</p> <p>Jun. 2015 Outside Audit & Supervisory Board Member, NIPPON DENTSU Co., Ltd.</p> <p>Jun. 2016 Outside Director who is an Audit and Supervisory Committee Member, Asaka Industrial Co., Ltd. (to the present)</p> <p>Jun. 2016 Outside Director who is an Audit and Supervisory Committee Member, ARAKAWA CHEMICAL INDUSTRIES, LTD. (to the present)</p> <p>Jun. 2016 Outside Director, the Company (to the present)</p> <p>Jun. 2018 Outside Audit & Supervisory Board Member, JSH Co., Ltd. (to the present)</p> <p>Jun. 2022 Outside Director, Osaka Mazda Motor Corporation (to the present)</p> <p>[Significant concurrent positions] Representative Partner, Chuo Sogo Law Office, P. C. Outside Director who is an Audit and Supervisory Committee Member, Asaka Industrial Co., Ltd. Outside Director who is an Audit and Supervisory Committee Member, ARAKAWA CHEMICAL INDUSTRIES, LTD. Outside Audit & Supervisory Board Member, JSH Co., Ltd. Outside Director, Osaka Mazda Motor Corporation</p>	0
<p>[Reason for nomination as a candidate for Outside Director (excluding Director who is an Audit and Supervisory Committee Member) and overview of expected roles] Mr. Masahiro Nakatsukasa has a wide range of experience and insight as an attorney specializing in corporate legal affairs. Although he has never been involved in corporate management other than as an outside officer, he has served as an Outside Director of the Company for seven (7) years and has provided opinions on the nature of company-wide risk management by leveraging his wealth of experience and deep insight. In addition, he has provided advice and recommendations to the Company's management from an independent standpoint, such as by actively expressing his opinions as a member of the Company's voluntary Remuneration and Nomination Advisory Committee, thereby playing an appropriate role in enhancing the supervisory functions of the Board of Directors. Based on these achievements, in addition to executing his duties as an Outside Director, we believe that he will be able to ensure fair management that is in compliance with laws and regulations and social norms, and further enhance the Company's governance.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	Noboru Kitazawa (January 19, 1954) (Age 69) [Reappointment] [Outside] [Independent] [Attendance at the Board of Directors meetings] 16/17 (94%)	Apr. 1976 Joined Mitsui O.S.K. Lines, Ltd. Jun. 2003 General Manager, Liner Business Division; Group Leader, Strategy Planning Group, Liner Business Division, Mitsui O.S.K. Lines, Ltd. Jun. 2005 Executive Officer, Mitsui O.S.K. Lines, Ltd. Jun. 2008 Managing Executive Officer, Mitsui O.S.K. Lines, Ltd. Jun. 2010 Representative Director and President, Executive Officer, MOL Kosan Co., Ltd. Jun. 2014 Representative Director and President, Utoc Corporation Jun. 2018 Adviser, Utoc Corporation Jun. 2019 Outside Director, the Company (to the present) [Significant concurrent positions] Not applicable	0
<p>[Reason for nomination as a candidate for Outside Director (excluding Director who is an Audit and Supervisory Committee Member) and overview of expected roles]</p> <p>Mr. Noboru Kitazawa has a wealth of experience and deep insight in all aspects of management accumulated at Mitsui O.S.K. Lines, Ltd. and Utoc Corporation. He has served as an Outside Director of the Company for four (4) years and has provided opinions on important decisions of the Company's management by leveraging his experience and insight. In addition, he has provided advice and recommendations to the Company's management from an independent standpoint, such as by actively expressing his opinions as a member of the Company's voluntary Remuneration and Nomination Advisory Committee, thereby playing an appropriate role in enhancing the supervisory functions of the Board of Directors. Based on these achievements, we believe that he will be able to provide appropriate advice and recommendations on the Company's management and governance as an Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
10	Sayuri Murakami (August 2, 1961) (Age 61) [New appointment] [Outside] [Independent]	<p>Apr. 1984 Joined The Kobe Shimbun</p> <p>Mar. 2009 General Manager, Economics Department, Editorial Bureau, The Kobe Shimbun</p> <p>Mar. 2013 Deputy General Manager, Regional Research Institute, The Kobe Shimbun</p> <p>Mar. 2015 Vice Chairman, Editorial Board, The Kobe Shimbun</p> <p>Mar. 2017 General Manager, Tokyo Branch Office</p> <p>Mar. 2019 Executive Officer and Representative, Himeji Head Office, The Kobe Shimbun</p> <p>Mar. 2022 Advisor to the Editorial Bureau, The Kobe Shimbun</p> <p>Jun. 2022 Coordinator, Public Relations and Endowment Division, Strategic Planning Office; Regional Partnership Advisory Fellow (faculty member), Office for Promoting Regional Partnership, Kobe University (to the present)</p> <p>Apr. 2023 Member of the Management Council, University of Hyogo (to the present)</p> <p>[Significant concurrent positions] Coordinator, Public Relations and Endowment Division, Strategic Planning Office; Regional Partnership Advisory Fellow (faculty member), Office for Promoting Regional Partnership, Kobe University Member of the Management Council, University of Hyogo</p>	0
<p>[Reason for nomination as a candidate for Outside Director (excluding Director who is an Audit and Supervisory Committee Member) and overview of expected roles]</p> <p>Ms. Sayuri Murakami has a wealth of experience and insight in journalism accumulated at The Kobe Shimbun. She also has experience and insight in corporate management accumulated as an Executive Officer of The Kobe Shimbun. Based on these achievements, we believe that she will be able to provide appropriate advice and recommendations on the Company's management and governance from an independent standpoint as an Outside Director.</p>			

- Notes:
1. There are no special interests between each candidate and the Company.
 2. Messrs. Kazuaki Hakomori, Sachio Nakamura, Nobuhiko Naito, Masahiro Morikawa, Yasuharu Kadono, Mitsuaki Sakaguchi, and Yoshinobu Shibahara satisfy the criteria for selecting Directors (excluding Directors who are Audit and Supervisory Committee Members) established by the Company (see page 39 in Japanese version).
 3. Messrs. Masahiro Nakatsukasa and Noboru Kitazawa and Ms. Sayuri Murakami satisfy the criteria for selecting Outside Directors (excluding Audit and Supervisory Committee Members) established by the Company (see page 40 in Japanese version) and the criteria for independence of Outside Officers (see page 40 in Japanese version).
 4. Messrs. Masahiro Nakatsukasa and Noboru Kitazawa and Ms. Sayuri Murakami are candidates for Outside Directors. The Company has registered Messrs. Masahiro Nakatsukasa and Noboru Kitazawa as independent officers with the Tokyo Stock Exchange (TSE) and will continue to designate them as such if their reappointment is approved. If election of Ms. Sayuri Murakami is approved, the Company intends to designate her as an independent officer.
 5. The term of office of Mr. Masahiro Nakatsukasa as an Outside Director of the Company will be seven (7) years at the conclusion of this Annual General Meeting of Shareholders.
The term of office of Mr. Noboru Kitazawa as an Outside Director of the Company will be four (4) years at the conclusion of this Annual General Meeting of Shareholders.
 6. The Company has entered into an advisory agreement with Chuo Sogo Law Office, P. C. where Mr. Masahiro Nakatsukasa serves as a representative partner. However, the Company's payment of fees to

the said law office is negligible and the Company has no other special relationship with the said law office.

7. Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Messrs. Masahiro Nakatsukasa and Noboru Kitazawa to limit their liability for damage under Article 423, Paragraph 1 of the said Act to the amount stipulated by laws and regulations. If appointment of Messrs. Masahiro Nakatsukasa and Noboru Kitazawa and of Ms. Sayuri Murakami (reappointment in the case of Messrs. Masahiro Nakatsukasa and Noboru Kitazawa) is approved, the Company intends to continue the agreements with the same content as above with them.
8. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers damage that may arise when the insureds assume liability for the execution of their duties or receive a claim for the pursuit of such liability. Each candidate will be insured under the said insurance contract. The Company intends to renew the contract with the same content at the next renewal.
9. Regarding Ms. Sayuri Murakami, Sayuri Murakami is her professional name and her name in the family register is Sayuri Ozaki.

[Reference] Expertise and experience of the candidates for Directors

Name	Outside	Remuneration and Nomination Advisory Committee	Sustainability Committee	Expertise and Experience							
				Corporate Management	ESG Sustainability	Manufacturing Technology	Human Resources Labor	Legal Risk Management	Finance Accounting	Sales Marketing	Purchasing
Kazuaki Hakomori		●	●	●	●	●				●	
Sachio Nakamura			●	●	●		●	●	●		
Nobuhiko Naito			●	●	●					●	●
Masahiro Morikawa			●	●	●	●					
Yasuharu Kadono			●	●	●	●					
Mitsuaki Sakaguchi			●	●	●			●	●		
Yoshinobu Shibahara			●	●	●					●	
Masahiro Nakatsukasa	●	●		●	●			●			
Noboru Kitazawa	●	●		●	●						
Sayuri Murakami	●			●	●						

Proposal 3: Election of One (1) Director who is a Substitute Audit and Supervisory Committee Member

To prepare for cases where the number of Directors who are Audit and Supervisory Committee Members falls below the number stipulated by laws and regulations, the election of one (1) Director who is a substitute Audit and Supervisory Committee Member is proposed.

The consent of the Audit and Supervisory Committee has been obtained for the submission of this proposal, following deliberations by the Remuneration and Nomination Advisory Committee, an advisory body to the Board of Directors of the Company.

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

Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
<p>Kazuto Takahashi (October 8, 1963) (Age 59)</p> <p>[Outside] [Independent]</p>	<p>Apr. 1997 Registered as a certified public accountant Aug. 2016 Registered as a certified tax accountant Apr. 1987 Joined Hachioji Sogo Co., Ltd. Jul. 1988 Joined Hachioji City Hall Oct. 1993 Joined Chuo Audit Corporation Aug. 2007 Joined KPMG AZSA LLC Jul. 2016 Established Kazuto Takahashi CPA Office (to the present) Jun. 2017 Outside Audit & Supervisory Board Member, The Sumitomo Warehouse Co., Ltd. (to the present)</p> <p>[Significant concurrent positions] Representative, Kazuto Takahashi CPA Office Outside Audit & Supervisory Board Member, The Sumitomo Warehouse Co., Ltd.</p>	<p>0</p>
<p>[Reason for nomination as a candidate for Outside Director who is a substitute Audit and Supervisory Committee Member and overview of expected roles] Mr. Kazuto Takahashi has been engaged in corporate auditing services as a certified public accountant and tax accountant over many years, and has a wealth of experience and insight as an Outside Audit & Supervisory Board Member at audit corporations and companies. Based on the above, he is expected to provide us with useful opinions and guidance on the Company's management from an objective and professional perspective. Therefore, as an Outside Director who is an Audit and Supervisory Committee Member, we believe that he is an appropriate person to audit the business execution of the Company that aims to sustainably enhance its corporate value.</p>		

- Notes:
1. There are no special interests between the candidate and the Company.
 2. Mr. Kazuto Takahashi satisfies the criteria for selecting Outside Audit and Supervisory Committee Members established by the Company (see page 40 in Japanese version) and the criteria for independence of Outside Officers (see page 40 in Japanese version).
 3. If Mr. Kazuto Takahashi assumes office as an Outside Director who is an Audit and Supervisory Committee Member, the Company will designate him as an independent officer in accordance with the rules of the Tokyo Stock Exchange (TSE) and register him as such with the TSE.
 4. If Mr. Kazuto Takahashi assumes office as an Outside Director who is an Audit and Supervisory Committee Member, pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company will enter into an agreement with him to limit his liability for damage under Articles 423, Paragraph 1 of the said Act to the amount stipulated by laws and regulations.
 5. If Mr. Kazuto Takahashi assumes office as an Outside Director who is an Audit and Supervisory Committee Member, the Company will enter into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers damage that may arise when the insured assumes liability for the execution of his duties or receive a claim for the pursuit of such liability. The candidate will be insured under the said insurance contract.

Proposal 4: Determination of Remuneration for Granting Shares with Restrictions on Transfer to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

With regard to the amount of remuneration for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members), approval was secured at the 128th Annual General Meeting of Shareholders held on June 28, 2022 for the amount of remuneration to be no more than 300 million yen annually (no more than 50 million yen annually for Outside Directors; excluding employee salaries of Directors who also serve as employees).

As part of a review of its executive remuneration system, for the purpose of providing the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter "Eligible Directors") with incentives for achieving sustainable enhancement of the Company's corporate value, as well as promoting further sharing of the value with shareholders, the Company proposes to provide the Eligible Directors with remuneration for granting shares with restrictions on transfer, separately from the above-mentioned remuneration.

The remuneration to be provided to the Eligible Directors for granting shares with restrictions on transfer under this proposal shall be monetary claims, the total amount of which shall not exceed 45 million yen per year (excluding, however, the employee salaries of Directors who also serve as employees). The Board of Directors shall determine the specific timing and allocation of payments to each Eligible Director.

The current number of Directors (excluding Directors who are Audit and Supervisory Committee Members) is seven (7) (including two (2) Outside Directors). If Proposal 2: Election of Ten (10) Directors (excluding Directors who are Audit and Supervisory Committee Members), is approved as proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be ten (10) (including three (3) Outside Directors).

The Eligible Directors will pay in the whole amount of the monetary claims to be provided under this proposal, based on a resolution of the Company's Board of Directors, as property contributed in kind and receive shares of common stock of the Company to be issued or disposed of by the Company. The total number of shares of common stock of the Company issued or disposed of by the Company in this way will be up to 150,000 shares per year (provided, however, if shares of the common stock of the Company undergo share split (including gratis allotment of shares of common stock of the Company), share consolidation, or other cause necessitating adjustment to the total number of shares of common stock of the Company to be issued or disposed of as shares with restrictions on transfer, on or after the date of the approval and passing of this proposal, the total number shall be adjusted within a reasonable range).

The amount to be paid in per share will be determined by the Board of Directors, based on the closing price of the shares of common stock of the Company on the Tokyo Stock Exchange on the last business day before the date of the resolution of the Board of Directors (if there is no trading on that date, the closing price on the last trading day of the Company's shares preceding that date) within a range that is not particularly favorable to the Eligible Directors receiving such shares of common stock. Moreover, the issuance or disposal of shares of common stock of the Company and the provision of monetary claims as property contributed in kind through this transaction shall be subject to the execution of an agreement for allotment of shares with restrictions on transfer (hereinafter the "Allotment Agreement") between the Company and each Eligible Director, which shall include the following details. Furthermore, the maximum amount of remuneration, the total number of shares of common stock of the Company to be issued or disposed of, and other terms and conditions for the granting of shares with restrictions on transfer to Eligible Directors under this proposal shall be determined in accordance with the aforementioned purposes, the Company's business conditions, the Company's Policy for Determination of the Details of Individual Directors' Remuneration, etc. (if this proposal is approved, the Company plans to change the policy described on pages 56-57 (in Japanese version) to the contents described in [Reference] so that it will be consistent with the contents to be approved by the shareholders.), and various other circumstances and the Company believes that this proposal is therefore appropriate.

[Summary of the Allotment Agreement]

(1) Transfer restriction period

Eligible Directors shall not transfer, pledge, or otherwise dispose of (hereinafter “Transfer Restrictions”) shares of common stock of the Company allotted to them under the Allotment Agreement (hereinafter “Allotted Shares”) for the period from the date on which the shares were allotted to the date they resign or retire from the positions predetermined by the Company’s Board of Directors among the positions of officers and employees of the Company (hereinafter the “Transfer Restriction Period”).

(2) Treatment at the time of resignation or retirement

In the event that an Eligible Director resigns or retires from the positions predetermined by the Company’s Board of Directors among the positions of officers and employees of the Company prior to the expiration of the period predetermined by the Company’s Board of Directors (hereinafter the “Service Period”), the Company shall naturally acquire the Allotted Shares without consideration, unless there is a justifiable reason for such resignation or retirement, including but not limited to the expiration of his/her term of office and death.

(3) Lifting of the restrictions on transfer

The Company shall lift the restrictions on transfer of all of the Allotted Shares upon the expiration of the Restriction Period, provided that the Eligible Director has continuously held the positions predetermined by the Company’s Board of Directors among the positions of officers and employees of the Company during the Service Period. However, in the event that (i) an Eligible Director resigns or retires from the positions predetermined by the Company’s Board of Directors among the positions of officers and employees of the Company prior to the expiration of the Service Period for justifiable reasons, or (ii) an Eligible Director resigns or retires from the positions predetermined by the Company’s Board of Directors among the positions of officers and employees of the Company prior to the expiration of the Transfer Restriction Period for reasons other than justifiable reasons after the expiration of the Service Period, the number of the Allotted Shares for which the Transfer Restrictions shall be lifted and the timing of the lifting of the Transfer Restrictions shall be reasonably adjusted as necessary. Moreover, the Company shall naturally acquire the Allotted Shares for which the Transfer Restrictions have not yet been lifted without consideration immediately after the Transfer Restrictions are lifted in accordance with the above provisions.

(4) Treatment in the case of reorganization, etc.

Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, a merger agreement under which the Company is a disappearing company, a share exchange agreement or share transfer plan or any other matters related to reorganization, etc. under which the Company becomes a wholly owned subsidiary, is approved at a General Meeting of Shareholders of the Company (however, by the Board of Directors of the Company, if such reorganization, etc. does not require approval at a General Meeting of Shareholders of the Company), the Company shall, by a resolution of the Company’s Board of Directors, lift the Transfer Restrictions on the Allotted Shares for a number of such shares that is reasonably determined based on the period from the commencement date of the Restriction Period to the date of approval of such reorganization, etc., prior to the effective date of such reorganization, etc. Moreover, in the cases set forth above, the Company shall naturally acquire the Allotted Shares for which the Transfer Restrictions have not yet been lifted without consideration immediately after the Transfer Restrictions are lifted.

(5) Other matters

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

[Reference] Policy for Determination of the Details of Individual Directors' Remuneration, etc.

The Company's Policy for Determination of the Details of Individual Directors' Remuneration, etc., which is to replace the current policy if this proposal is approved, is as follows:

(1) Basic principles

In determining the Company's officer remuneration, the Company resolved the Policy for Determination of the Details of Individual Directors' Remuneration, etc. at the Board of Directors meeting held on March 31, 2017, with the following (i) through (iii) below as its basic principles.

- (i) Clarify the roles and responsibilities of each officer from a medium- to long-term perspective, and ensure that the level of remuneration is appropriate for the fulfilment of such roles and responsibilities.
- (ii) Maximize the earnings of the Group as a whole in consolidated management.
- (iii) Ensure objectivity and transparency through deliberations by the Remuneration and Nomination Advisory Committee, the majority of which are Outside Directors.

Remuneration for Directors (excluding Audit and Supervisory Committee Members and Outside Directors) consists of fixed remuneration and performance-linked variable remuneration.

(2) Policy for determination of the amount of monetary remuneration for individual Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors), the timing of provision, and the terms and conditions thereof

Remuneration for Directors (excluding Audit and Supervisory Committee Members and Outside Directors) consists of fixed remuneration and performance-linked variable remuneration.

Variable remuneration consists of remuneration linked to officer evaluations based on individual officer evaluations using management by objective sheets and Group performance-linked remuneration based on the degree of achievement of the consolidated management plan, with a composition ratio of 50% for each. The evaluation items for the officer evaluation-linked remuneration consist of common items for all Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) and individual items (special assignments + responsibilities) according to the responsibilities of individual Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors). The common items for Directors are the degree of achievement of consolidated ordinary profit against the annual plan, the degree of achievement against the financial targets of the medium-term management plan (consolidated ordinary profit, consolidated capital expenditures, consolidated net D/E ratio, consolidated ROE, and dividend payout ratio), and the level of stock price (in relation to TOPIX). Special assignments and responsibilities are determined at the beginning of each fiscal year by individual Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) in consultation with the President. For the special assignments, key measures for the medium-term management plan and from a medium- to long-term perspective are selected. The responsibilities are selected from among the key measures of the PDCA cycles of the divisions of which the Directors are in charge.

The selection of performance indicators is based on the degree of achievement of the medium-term and short-term management plans and key measures, and the selection of the special assignments and the responsibilities is for the purpose of linking remuneration with business performance.

The specific timing of provision to and the amount of monetary remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) are determined by resolution of the Board of Directors after deliberation by the Remuneration and Nomination Advisory Committee and reporting to the Board of Directors.

(3) Policy for determination of the details of non-monetary remuneration for individual Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors), the amount, and the method for calculating the number of such remuneration, the timing of provision of such remuneration, and the terms and conditions thereof

Of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members), non-monetary remuneration shall be shares with Transfer Restrictions. The total amount of monetary claims to be provided to Directors (excluding Directors who are Audit and Supervisory

Committee Members and Outside Directors) for granting shares with Transfer Restrictions shall not exceed 45 million yen annually (excluding employee salaries of Directors who are also employees) and the total number of shares of common stock to be newly issued or disposed of by the Company shall not exceed 150,000 shares annually (provided, however, if shares of common stock undergo share split (including gratis allotment) or share consolidation, or other cause necessitating adjustment to the total number of shares of common stock of the Company to be issued or disposed of as shares with Transfer Restrictions, the total number shall be adjusted within a reasonable range). The specific timing of granting to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) and allocation are determined by resolution of the Board of Directors after deliberation by the Remuneration and Nomination Advisory Committee and reporting to the Board of Directors.

(4) Policy for determination of the ratio of the amount of monetary remuneration or the amount of non-monetary remuneration to the amount of remuneration, etc. of individual Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

The ratios of monetary remuneration and non-monetary remuneration are determined by resolution of the Board of Directors after deliberation by the Remuneration and Nomination Advisory Committee and reporting to the Board of Directors.

(5) Method of determining the amount of remuneration for individual Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

The amount of remuneration for and the allocation of non-monetary remuneration to individual Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) are determined by resolution of the Board of Directors after deliberation by the Remuneration and Nomination Advisory Committee and reporting to the Board of Directors.

End

Proposal 5: Continuation of the Appropriate Rules Concerning Large-Scale Purchases of the Company’s Shares (Takeover Defense Measures)

At the Company’s 114th Annual General Meeting of Shareholders held on June 27, 2008, the Company secured approval of shareholders for the “Introduction of Appropriate Rules Concerning Large-Scale Purchases of the Company’s Shares (Takeover Defense Measures)” in accordance with provisions of Article 17 of the Company’s Articles of Incorporation by a majority vote, and decided to introduce such rules.

At the Company’s 117th Annual General Meeting of Shareholders held on June 29, 2011, the Company secured approval for the continuation of the rules with partial amendments but with substantially the same contents. Moreover, at the Company’s 120th Annual General Meeting of Shareholders held on June 26, 2014, the Company secured the continuation of the rules with the same contents.

Furthermore, at the 123rd Annual General Meeting of Shareholders held on June 27, 2017, the Company secured approval for the continuation of the rules with partial amendments, namely, (1) to add Outside Directors as members of the Independent Committee in addition to Outside Audit & Supervisory Board Members and outside experts, (2) to disclose the names of members of the Independent Committee, and (3) to introduce a mechanism to confirm shareholders’ intentions concerning whether to trigger the countermeasures.

Subsequently, at the 126th Annual General Meeting of Shareholders held on June 26, 2020, the Company secured approval for the continuation of the rules with substantially the same content, although the names of the members of the Independent Committee were changed (the rules currently applied are hereinafter referred to as the “Current Plan”).

The Company has been reviewing the Current Plan, including whether to continue it or not, from the perspective of enhancing corporate value and enhancing the common interests of shareholders, while also taking into account subsequent changes in circumstances.

As a result of such review, the Company’s Board of Directors, at a meeting held on May 25, 2023, resolved, with the unanimous approval of all Directors, to continue the Current Plan with partial amendments, subject to approval by a majority of the voting rights of the Company’s shareholders at this Annual General Meeting of Shareholders. (The applicable rules after the amendments are hereinafter referred to as the “Plan.”)

The main revisions are as follows:

- 1) Revision of the description of the Audit & Supervisory Board or Audit & Supervisory Board Members in the Current Plan due to the Company’s transition to a company with an Audit and Supervisory Committee in June 2022.
- 2) Change in the names of members of the Independent Committee

All three Directors who are Audit and Supervisory Committee Members attended the meeting of the Company’s Board of Directors at which the Plan was decided, and all of the Directors who are Audit and Supervisory Committee Members expressed their opinion in favor of the Plan, provided that the concrete operation of the Plan is properly carried out.

As the effective period of the Current Plan will expire at the conclusion of this Annual General Meeting of Shareholders, the Company requests the approval of its shareholders for the continuation of the Plan.

1. Necessity of the Plan

The Company’s Board of Directors recognizes that the final decision as to whether or not to accept a large-scale purchase (defined in 2. below) by a large-scale purchaser (defined in 2. below) should be made by the shareholders of the Company. Accordingly, it is necessary that a large-scale purchaser disclose sufficient information in advance regarding the details of its intended management policy and business plan, the impact of the large-scale purchase on shareholders and the management of the Group, and the impact of the large-scale purchase on many parties involved in the Group. In addition, in order to ensure that the Company’s Board of Directors has opportunities to ask questions to the large-scale purchaser, demand the large-scale purchaser to improve the terms and conditions of the acquisition, or present a reasonable alternative proposal that will benefit shareholders, a reasonable amount of time for

consideration and opportunities for negotiation must also be secured. The Company believes that these will allow its shareholders to receive appropriate and sufficient information from both the large-scale purchaser and the Company's Board of Directors, and to have sufficient time to consider the information provided, and to make an appropriate decision as to whether or not to accept the large-scale purchase.

Based on this approach, the Company has judged that the continuation of the Plan is necessary to enable the Company to take necessary and appropriate measures to ensure and enhance the Company's corporate value and the common interests of its shareholders.

The status of the Company's major shareholders as of March 31, 2023 is as shown in (Reference) "Status of Major Shareholders of the Company (as of March 31, 2023)," and the Company has not received any notice or proposal, etc. to conduct a large-scale purchase of the Company's shares, etc. from any specific third party, including shareholders of the Company at this point in time.

2. Requirements for application of the Plan

The Plan is intended to be applied to large-scale purchases of the Company's share certificates, etc. (Note 3) intended to increase the ratio of voting rights (Note 2) of a specific shareholder group (Note 1) to 20% or more, or large-scale purchases of the Company's share certificates, etc. resulting in the ratio of voting rights of a specific shareholder group to 20% or more (hereinafter a "Large-Scale Purchase," and a person conducting such a purchase is referred to as a "Large-Scale Purchaser").

Note 1: A specific shareholder group refers to (i) holders of share certificates, etc. (share certificates, etc. provided for in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act) of the Company (including those who are included in the holders pursuant to Article 27-23, Paragraph 3 of the Act) and their joint holders (joint holders provided for in Article 27-23, Paragraph 5 of the Act, including those deemed to be joint holders pursuant to Article 27-23, Paragraph 6 of the Act) or (ii) persons that conduct purchase, etc. (purchase, etc. provided for in Article 27-2, Paragraph 1 of the Act, including purchase, etc. conducted in a financial instruments exchange market) of share certificates, etc. (including share certificates, etc. provided for in Article 27-2, Paragraph 1 of the Act and their specially related parties (specially related parties provided for in Article 27-2, Paragraph 7 of the Act).

Note 2: The ratio of voting rights refers to the ratio of share certificates, etc. held by the relevant holder (the ownership ratio of share certificates, etc. provided for in Article 27-23, Paragraph 4 of the Act) if the specific shareholder group comes under (i) and the total of the ownership ratios of share certificates, etc. (the ownership ratio of share certificates, etc. provided for in Article 27-2, Paragraph 8 of the Act) held by the relevant purchaser and its relevant specially related parties .

The total number of voting rights used as the denominator in the calculation of the percentage of voting rights shall be the number of voting rights represented by the shares excluding the number of treasury shares held by the Company as stated in the most recently filed annual securities report, quarterly securities report or report on repurchases from the total number of issued shares at that point in time.

Note 3: Share certificates, etc. refers to either share certificates, etc. provided for in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act or share certificates, etc. provided for in Article 27-2, Paragraph 1 of the Act.

3. Outline of the Plan

The Plan requires Large-Scale Purchasers to comply with the rules set forth below (hereinafter the "Large-Scale Purchase Rules"). Specifically, the Plan requires the following: (i) a Large-Scale Purchaser shall provide the Company's Board of Directors with necessary and sufficient information in advance; (ii) a certain period time shall be set for review and assessment by the Company's Board of Directors; and upon expiration of such period, (iii) if a general meeting to confirm the intent of the shareholders (hereinafter the "Shareholders' Intent Confirmation Meeting") is convened as to whether the countermeasures should be triggered or not, the Large-Scale Purchase shall be commenced only after a resolution is passed at the General Meeting of Shareholders to confirm their intent regarding triggering of the countermeasures, etc. The outline is described below. For your reference, a flowchart in the event of the commencement of a Large-Scale Purchase is attached as Appendix 1.

(1) Submission of a letter of intent

In the event that a Large-Scale Purchaser intends to conduct a Large-Scale Purchase, the Large-Scale Purchaser shall first submit to the Company a letter of intent in Japanese stating that the Large-Scale Purchaser will comply with the Large-Scale Purchase Rules. In the letter of intention, the Large-Scale Purchaser's name, address, governing law of incorporation, name of representative, domestic contact information, and outline of the proposed Large-Scale Purchase shall be clearly indicated. In the event that a Large-Scale Purchase is proposed, the Company will disclose such information in accordance with laws and regulations and the rules of the financial instruments exchange concerning timely disclosure.

(2) Provision of information

A Large-Scale Purchaser shall provide the Company's Board of Directors with sufficient information in Japanese for the Company's shareholders to make judgment and for the Company's Board of Directors to form its opinion (hereinafter "Large-Scale Purchase Information"). Its general items are as follows.

- (i) Outline of the Large-Scale Purchaser and its group (including specific names, capital structure, etc.)
- (ii) Purpose, method and details of the Large-Scale Purchase (including the amount, details and basis of calculation of the purchase consideration, backing of purchase funds, timing and structure of the transaction, etc.)
- (iii) Outline of the parties financing the Large-Scale Purchaser (including specific name, capital structure, etc.)
- (iv) Management policy, business plan, financial plan, capital policy, dividend policy, asset utilization policy, etc. of the Group envisaged for the next three years after the Large-Scale Purchase
- (v) Basis for assuming that the management policy, etc. after the Large-Scale Purchase will enhance the corporate value of the Group
- (vi) Other information that the Board of Directors and the Independent Committee reasonably deem necessary to make appropriate judgments and opinions.

Within 10 business days after receipt of the letter of intent in (1) above, the Company will deliver to the Large-Scale Purchaser a list of the Large-Scale Purchase information to be initially provided, which the Large-Scale Purchaser is required to submit to the Company in Japanese within 60 days from the date of receipt.

If the information initially provided is reasonably considered insufficient as Large-Scale Purchase Information, the Large-Scale Purchaser may be requested to provide additional information until sufficient Large-Scale Purchase Information is available. The Company will disclose in a timely and appropriate manner the fact that a Large-Scale Purchaser has appeared and proposed a Large-Scale Purchase and all or part of the Large-Scale Purchase Information provided to the Company's Board of Directors.

If the Company's Board of Directors judges that the Large-Scale Purchaser has submitted sufficient Large-Scale Purchase Information necessary to assess and examine the Large-Scale Purchase, the Board of Directors will send a notice to that effect (hereinafter the "Notice of Completion of Provision of Information") to the Large-Scale Purchaser and disclose such fact.

(3) Examination of Large-Scale Purchase Information, negotiation with the Large-Scale Purchaser, and presentation of an alternative proposal

The Company believes that, after having issued a Notice of Completion of Provision of Information, the Company's Board of Directors should have a period for assessment, examination, negotiation, forming an opinion, and preparing an alternative proposal (hereinafter the "Board of Directors Assessment Period") of 60 days (in the case of the purchase of all the Company's shares by a tender offer with cash-only (yen) consideration) or 90 days (in the case of other Large-Scale Purchases), depending on the degree of difficulty of assessment, etc. of the Large-Scale Purchase. Accordingly, a Large-Scale Purchase shall be initiated only after the Board of Directors Assessment Period has elapsed. If the Board of Directors Assessment Period begins, this fact will be disclosed.

During the Board of Directors Assessment Period, the Company's Board of Directors shall fully assess and examine the provided Large-Scale Purchase Information, receiving advice from external experts, such as financial advisors, certified public accountants, and lawyers, as necessary, and hearing the opinions of the Independent Committee, and shall carefully formulate its opinion and disclose it. If necessary, the Company's Board of Directors may negotiate with the Large-Scale Purchaser to improve the terms and conditions of the Large-Scale Purchase and present an alternative proposal to the shareholders.

(4) Procedures for confirming the intent of shareholders

If the Independent Committee makes a recommendation for triggering of countermeasures and demands procedures to confirm the intent of shareholders regarding the resolution for triggering of countermeasures, the Company's Board of Directors shall respect such recommendation to the maximum extent possible and,

if deemed appropriate, implement the procedures for convening a Shareholders' Intent Confirmation Meeting or implement the procedures for a written ballot to confirm the intent of shareholders as to whether the countermeasures should be triggered or not.

4. Plan in the event of a Large-Scale Purchase

(1) If it is judged that the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules

If it is judged that the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules, the Company's Board of Directors will not, in principle, trigger specific countermeasures even if the Board of Directors is opposed to such Large-Scale Purchase.

However, the Company's Board of Directors may take action to persuade the Company's shareholders, such as expressing its opinion against such Large-Scale Purchase or by presenting an alternative proposal. Whether or not to accept the Large-Scale Purchaser's purchase proposal shall be determined by the Company's shareholders, taking into consideration the purchase proposal and the opinion, an alternative proposal, etc. presented by the Company in response to such purchase proposal.

However, even if it is judged that the Large-Scale Purchase Rules are complied with, if the Large-Scale Purchase is deemed to significantly damage the Company's corporate value and/or the common interests of the Company's shareholders (hereinafter an "Abusive Takeover"), the Company's Board of Directors may take measures deemed appropriate to protect the interests of the Company's shareholders. In order to ensure objectivity and reasonableness in the examination and judgment as to whether such Large-Scale Purchase constitutes an Abusive Takeover or not, the Company's Board of Directors shall, based on the necessary information provided by the Large-Scale Purchaser, including the management policy, etc. after the purchase, consider the specific details of the Large-Scale Purchaser and the Large-Scale Purchase (purpose, method, subject matter, type and amount of consideration for acquisition, etc.) and the impact of such Large-Scale Purchase on the common interests of the Company's shareholders while respecting the recommendation of the Independent Committee consisting of Outside Directors who are Audit and Supervisory Committee Members, independent outside experts, etc. to the maximum extent possible, and shall determine whether such Large-Scale Purchase constitutes an Abusive Takeover or not upon obtaining the approval of the Audit and Supervisory Committee.

Furthermore, if the Independent Committee makes a recommendation for triggering of countermeasures and demands procedures to confirm the intent of shareholders regarding the resolution for triggering of countermeasures, the Company's Board of Directors shall respect such recommendation to the maximum extent and, if deemed appropriate, implement the procedures for convening a Shareholders' Intent Confirmation Meeting or implement the procedures for a written ballot to confirm the intent of shareholders as to whether the countermeasures should be triggered or not.

(2) If it is judged that the Large-Scale Purchaser has not complied with the Large-Scale Purchase Rules

If it is judged that the Large-Scale Purchaser has not complied with the Large-Scale Purchase Rules, regardless of the specific purchase method, the Company's Board of Directors may implement countermeasures permitted under the Companies Act, other laws, and the Company's Articles of Incorporation, such as gratis allotment of share acquisition rights, for the purpose of protecting the common interests of the Company and its shareholders, to oppose the initiation of a Large-Scale Purchase. With respect to the specific countermeasures to be implemented, the Company's Board of Directors shall select those it deems most appropriate at that point in time, while respecting the recommendation of the Independent Committee to the maximum extent possible. Appendix 2 shows an outline of gratis allotment of share acquisition rights, as an example of a specific countermeasures. However, in the case of actual gratis allotment of share acquisition rights, the Company may set an exercise period and conditions, etc., taking into consideration the effect as a countermeasure, such as making it a condition for exercising share acquisition rights that a shareholder must not belong to a specific shareholder group that holds a certain percentage or more of the Company's share certificates, etc.

If the Company's Board of Directors decides to implement or not to implement countermeasures or to trigger a specific countermeasure, the Company's Board of Directors shall promptly disclose the details of such resolution.

5. Measures to ensure objectivity and reasonableness of judgment of the Company's Board of Directors

(1) Establishment of guidelines

In order to prevent arbitrary judgment and processing in the operation of the Plan and to ensure transparency of the procedures, the Company has established guidelines as internal standards incorporating objective requirements (hereinafter the “Guidelines”). The Company’s Board of Directors and the Independent Committee must proceed with the procedures prescribed in the Plan in accordance with the Guidelines. The establishment of the Guidelines has made transparent the criteria for identifying abusive acquirers and responding to their contemplated acquisitions, and has endowed the Plan with sufficient predictability.

In addition, in the Guidelines, an abusive acquirer is defined as follows:

- 1) A person is acquiring shares, without serious intention to participate in corporate management of the Company, for the purpose of inflating the share price and inducing the Company to repurchase the shares at a high price (so-called greenmailing).
- 2) The purpose of participation in corporate management of the Company is primarily to transfer confidential company information, important assets, major business partners and/or customers, etc. necessary for the Company’s business management to the Large-Scale Purchaser or its group companies, etc. (so-called scorched-earth management).
- 3) The Large-Scale Purchaser is acquiring the Company’s shares with the intention of appropriating the Company’s assets as collateral for or funds for repayment of debts of the Large-Scale Purchaser or its group companies, etc.
- 4) The purpose of participation in corporate management of the Company is mainly to gain temporary control over management of the Company and cause the Company to sell or otherwise dispose of high-value assets such as securities that have no current relevance to the Company’s business and pay temporarily high dividends based on the gain on such disposal or to sell shares at high prices, taking advantage of the opportunity afforded by the sudden rise in the share price created by the temporarily high dividends
- 5) The terms and conditions of the acquisition of the Company’s shares proposed by the Large-Scale Purchaser (including but not limited to the amount of the purchase consideration, details, timing, method, existence or non-existence of illegality, and feasibility) are insufficient or inappropriate in light of corporate value of the Company.
- 6) The method of acquisition proposed by the Large-Scale Purchaser is a structurally coercive acquisition that restricts the opportunity or freedom of shareholders to make decisions, such as by setting the first purchase terms favorable and the second purchase terms unfavorable (so-called two-step purchase).
- 7) In addition to the above, an acquisition that is clearly detrimental to the common interests of the Company’s shareholders and the Company’s corporate value, based on the content of the Large-Scale Purchase Information (see Appendix 3).

(2) Establishment of the Independent Committee and use of a Shareholders’ Intent Confirmation Meeting

In order to ensure transparency, objectivity, fairness, and reasonableness of judgment regarding (i) whether a Large-Scale Purchaser has complied with the Large-Scale Purchase Rules or not, and (ii) whether the Large-Scale Purchaser is an abusive acquirer if the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules, and to prevent arbitrary judgment by the Company’s Board of Directors, the Company shall establish the Independent Committee, which consists of Outside Directors (excluding Directors who are Audit and Supervisory Committee Members), Outside Directors who are Audit and Supervisory Committee Members, and external experts, etc., as an organization independent of the Board of Directors. An outline of the Independent Committee is provided in Appendix 4.

The Committee shall deliberate and decide on the matters described in Appendix 4, including recommendations to the Company’s Board of Directors on each matter consulted by the Company’s Board of Directors and on matters deemed necessary by the Independent Committee. In making decisions, the Company’s Board of Directors shall respect the recommendation of the Independent Committee to the maximum extent possible, and shall also go through the process of hearing the opinions of the Independent Committee, thereby ensuring the objectivity and reasonableness of its decisions. Moreover, each Audit and Supervisory Committee Member and each member of the Independent Committee, in addition to the

Company's Representative Director, has the authority to convene the Independent Committee, to ensure holding of meetings of the Independent Committee.

In addition, if the Independent Committee makes a recommendation for triggering of countermeasures and demands procedures to confirm the intent of shareholders regarding the resolution for triggering countermeasures, the Company's Board of Directors shall respect such recommendation to the maximum extent possible and, if deemed appropriate, implement the procedures for convening a Shareholders' Intent Confirmation Meeting or implement the procedures for a written ballot to confirm the intent of shareholders as to whether the countermeasures should be triggered or not as soon as practicable.

6. Impact, etc. on the Company's shareholders and investors

(1) Impact, etc. of the Plan on Shareholders and Investors

The purpose of the Plan is to provide the Company's shareholders with the information necessary for them to judge whether to accept the Large-Scale Purchase or not and the opinion of the Company's Board of Directors, which is currently responsible for management of the Company, and also to ensure that the Company's shareholders have an opportunity to be presented with an alternative proposal. The Company believes that this will enable the Company's shareholders to make an appropriate decision as to whether or not to accept the Large-Scale Purchase based on sufficient information, which will lead to the protection of the common interests of the Company's shareholders. Accordingly, the Company believes that the establishment of the Plan is in the best interest of the Company's shareholders and investors.

As stated in 4 above, the Company's plan for a Large-Scale Purchase will differ depending on whether it is judged that the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules or not. Therefore, shareholders and investors of the Company are requested to pay attention to the actions of the Large-Scale Purchaser.

(2) Impact, etc. on shareholders and investors at the time of triggering of countermeasures

In the event that a Large-Scale Purchaser fails to comply with the Large-Scale Purchase Rules, the Board of Directors may implement specific countermeasures permitted under the Companies Act and other laws and the Company's Articles of Incorporation for the purpose of protecting the common interests of the Company and the Company's shareholders. The Board of Directors does not anticipate any situation in which the shareholders of the Company other than the Large-Scale Purchaser who violated the Large-Scale Purchase Rules, would suffer any particular loss in terms of legal rights or economic benefits.

And if the Company's Board of Directors decides to implement specific countermeasures, the Company plans to take appropriate measures, such as making timely and appropriate disclosure, to avoid any unforeseen damage to the Company's shareholders, investors, and other related parties.

On the other hand, if it is decided to implement gratis allotment of share acquisition rights as a specific countermeasure, the Company's shareholders as of the allotment date will receive the allotment of share acquisition rights without applying for subscription, but subsequently, may be required to pay a certain amount of money within a prescribed period to exercise their share acquisition rights and acquire new shares. Details of such procedures will be separately announced in accordance with laws and regulations when gratis allotment of share acquisition rights is to be actually conducted. However, the Company's shareholders who are not recorded in the shareholders' register shall receive allotment of share acquisition rights only if they are recorded in the final shareholders' register as of the allotment date of share acquisition rights, which is separately determined and publicly announced by the Company's Board of Directors.

Even after the allotment date of share acquisition rights or the effective date of gratis allotment of share acquisition rights, the Company may cancel the gratis allotment of share acquisition rights by the day before the first day of the exercise period of share acquisition rights or the Company may acquire share acquisition rights without consideration without delivering the Company's shares to the holders of share acquisition rights owing to such reasons as the withdrawal of the Large-Scale Purchase by the Large-Scale Purchaser. In these cases, there will be no dilution of per share value. Therefore, investors who made sales, etc. based on the assumption that there will be dilution of per share value may suffer damage due to fluctuations in the share price.

7. Effective period of the Plan, amendments to or abolition of the Plan and disclosure thereof

(1) Effective period of the Plan

The effective period of the Plan shall be from the conclusion of this Annual General Meeting of Shareholders to the conclusion of the Company's 132nd Annual General Meeting of Shareholders to be held in June 2026, subject to the approval of the Company's shareholders at this Annual General Meeting of Shareholders. However, if the continuation of the Plan is approved at the 132nd Annual General Meeting of Shareholders, the Plan shall be extended until the conclusion of the Company's 135th Ordinary General Meeting of Shareholders to be held in June 2029.

(2) Abolition of the Plan

After the introduction of the Plan, even before the expiration of the effective period, the Plan shall be abolished at that point in time in the following cases:

- 1) In the event that the Company's Board of Directors resolves to abolish the Plan
- 2) If a proposal to abolish the Plan is approved at the Company's General Meeting of Shareholders

(3) Amendments to the Plan

Even during the effective period of the Plan, the Plan may be amended from time to time as necessary by a resolution of the Board of Directors from the perspective of securing and improving corporate value and the common interests of shareholders, in view of the development of relevant laws and regulations, resolutions of the General Meeting of Shareholders, opinions of the Independent Committee, and other factors.

(4) Disclosure of information on the abolition of or amendments to the Plan

If the Plan is abolished or amended, the Company will disclose such facts and other matters deemed necessary by the Company's Board of Directors to shareholders and investors in a timely and appropriate manner.

8. Reasonableness of the Plan

(1) Satisfaction of the Guidelines concerning Takeover Defense Measures

The Plan fully satisfies the three principles, namely, (i) Principle of protecting and enhancing corporate value and shareholders' common interests, (ii) Principle of prior disclosure and shareholders' will, and (iii) Principle of ensuring the necessity and reasonableness described in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" (hereinafter "Takeover Defense Guidelines") announced on May 27, 2005 by the Ministry of Economy, Trade and Industry and the Ministry of Justice, based on the "Corporate Value Report" and other reports released by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry on the same day.

The Plan also takes into account the contents of the "Takeover Defense Measures in Light of Recent Environmental Changes" announced on June 30, 2008 by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry.

(i) Principle of protecting and enhancing corporate value and shareholders' common interests

As mentioned above, the Plan provides the Company's shareholders with information necessary for them to judge whether to accept the Large-Scale Purchase or not and the opinion of the Company's Board of Directors, which is currently responsible for management of the Company, and ensures that the Company's shareholders have an opportunity to be presented with an alternative proposal, thereby enabling them to make an appropriate judgment as to whether or not to accept the Large-Scale Purchase based on sufficient information. The Plan will be introduced for the purpose of protecting and enhancing the Company's corporate value and the common interests of its shareholders.

(ii) Principle of prior disclosure and shareholders' will

Since the contents of the Plan are disclosed in advance, the foreseeability of the Plan to the Company's shareholders and investors is ensured, and the continuation of the Plan is subject to the approval of the Company's shareholders at this Annual General Meeting of Shareholders. Furthermore, the extension of the effective period of the Plan is also subject to the approval of the Company's shareholders, and

also a measure is adopted that allows the Plan to be abolished by a resolution of the Company's General Meeting of Shareholders. In this way, a system is in place that reflects the reasonable will of the Company's shareholders.

(iii) Principle of ensuring the necessity and reasonableness

The Plan ensures the objectivity and reasonableness of the judgment of the Company's Board of Directors as to whether to trigger specific countermeasures or not, for example, by respecting, to the maximum extent possible, the opinions of the Independent Committee, which consists of multiple members independent of the management team that executes the business of the Company. Moreover, the Company's shareholders may directly judge whether to continue the Plan or not every three years at an Annual General Meeting of Shareholders, and the Plan also provides for an objective clause for abolition of the Plan, which allows the Plan to be abolished if any takeover proposal that would enhance the common interests of shareholders is made.

(2) Elimination of arbitrary judgment by the Board of Directors

Under the Plan, the Independent Committee will be established as an organization independent from the Company's Board of Directors, and when the Board of Directors judges whether or not to trigger a countermeasure, the recommendation of the Independent Committee shall be respected to the maximum extent possible in order to ensure the transparency, objectivity, fairness, and reasonableness of the judgment and to eliminate arbitrary judgment by the Board of Directors.

If the Independent Committee makes a recommendation for triggering of countermeasures and demands procedures to confirm the intent of shareholders regarding the resolution for triggering of countermeasures, the Company's Board of Directors shall respect such recommendation to the maximum extent possible and, if deemed appropriate, implement the procedures for convening a Shareholders' Intent Confirmation Meeting or implement the procedures for a written ballot to confirm the intent of shareholders as to whether the countermeasures should be triggered or not.

(3) Establishment of reasonable objective requirements for triggering the Plan

The triggering of countermeasures under the Plan requires satisfaction of reasonable, objective requirements, and a mechanism is secured to prevent arbitrary triggering by the Company's Board of Directors.

(4) No dead-hand or slow-hand takeover defense measures

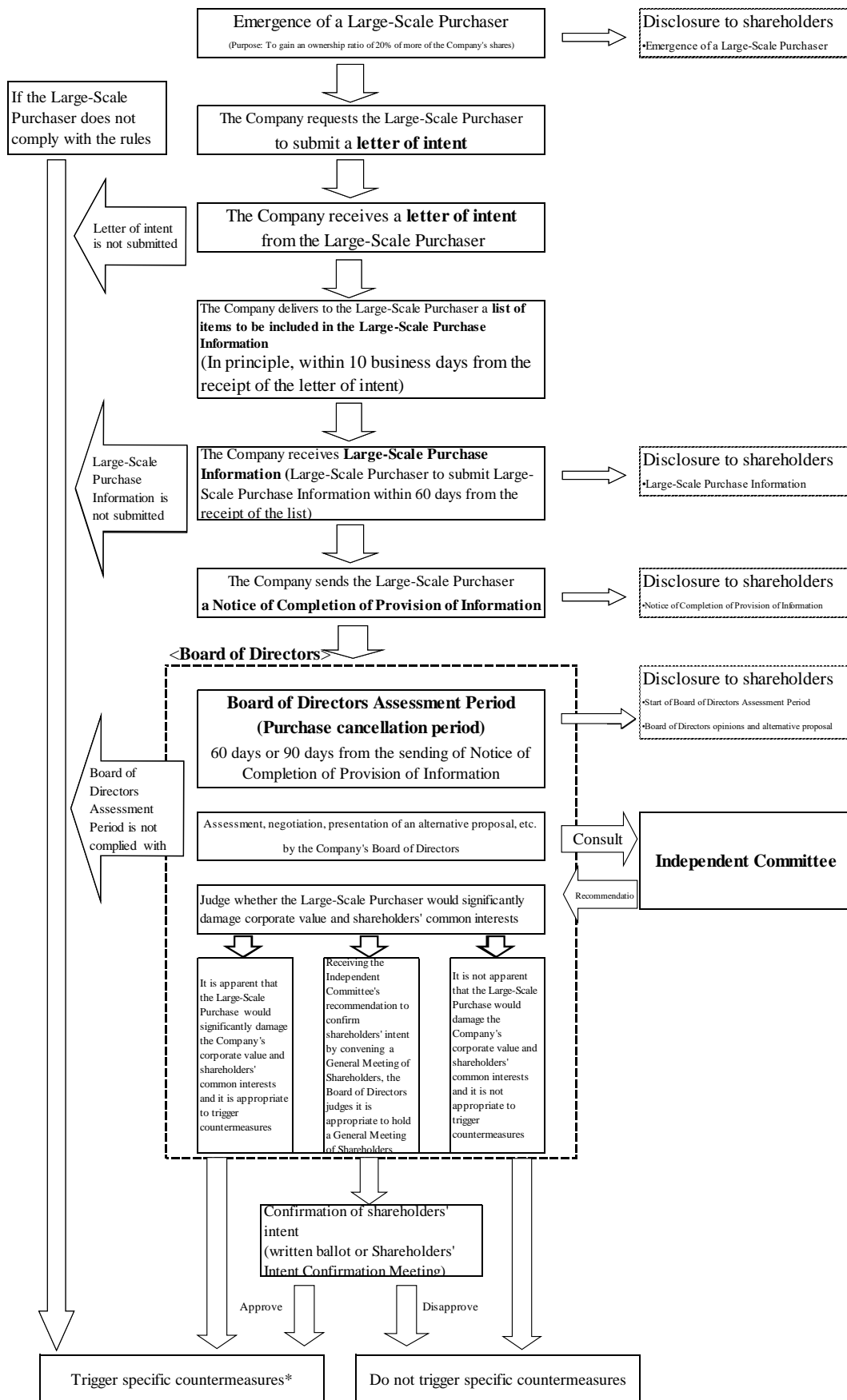
As described in "7. Effective period of the Plan, amendments to or abolition of the Plan and disclosure thereof" above, the Plan may be abolished at any time by a resolution of one General Meeting of Shareholders or by a resolution of the Board of Directors consisting of Directors elected by the Company's General Meeting of Shareholders. Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure whose triggering cannot be prevented even if a majority of the members of the Board of Directors are replaced).

Moreover, the Company is a company with an Audit and Supervisory Committee and the term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) is one year. Therefore, the Plan is not a slow-hand takeover defense measure (a takeover defense measure whose triggering takes time because it is made impossible to replace all members of the Board of Directors at once).

End

Appendix 1

Flowchart if a Large-Scale Purchase is Initiated



*Conduct gratis allotment of share acquisition rights (Class of shares: common stock; Ratio: 1 for each share held)

Outline of Share Acquisition Rights

1. Shareholders eligible for gratis allotment of share acquisition rights

The Company shall allot share acquisition rights at a ratio of one (1) share acquisition right per one (1) share held (excluding shares of the Company's common stock held by the Company) to the shareholders recorded in the final shareholders' register as of the allotment date determined by the Company's Board of Directors.

2. Class and number of shares to be issued upon exercise of share acquisition rights

The type of shares to be issued upon exercise of share acquisition rights shall be shares of the Company's common stock, and the number of shares to be issued upon exercise of each share acquisition right shall be one share. However, if the Company conducts a share split or a share consolidation, the necessary adjustments shall be made.

3. Total number of share acquisition rights to be allotted

The total number of share acquisition rights to be allotted shall be the number determined by the Company's Board of Directors and not exceed the total number of shares issued and outstanding as of the allotment date (excluding, however, shares of the Company's common stock held by the Company). The Company's Board of Directors may allot share acquisition rights more than once to the extent that the total number of share acquisition rights allotted does not exceed this limit.

4. Amount to be paid upon exercise of each share acquisition right

The amount to be paid upon exercise of each share acquisition right shall be an amount determined by the Company's Board of Directors, which shall be at least one yen per share.

5. Restrictions on transfer of share acquisition rights

Any transfer of share acquisition rights shall require the approval of the Company's Board of Directors.

6. Exercise period, etc. of share acquisition rights

The exercise period, exercise conditions, reasons for retirement, conditions for retirement and other necessary matters concerning share acquisition rights shall be separately determined by the Company's Board of Directors.

7. Terms and conditions for the exercise of share acquisition rights

A specific shareholder group that holds a certain percentage or more of the Company's share certificates, etc. or a person who has received share acquisition rights from a specific shareholder group without the approval of the Company's Board of Directors may not exercise his/her share acquisition rights.

End

Guidelines for the Triggering of Specific Countermeasures (Outline)

1. Purpose

The purpose of the Guidelines for Triggering Specific Countermeasures (hereinafter the “Guidelines”) is to establish specific criteria for triggering specific countermeasures in advance in preparation for the case where the Board of Directors and the Independent Committee judge whether or not to trigger specific countermeasures in order to maintain and enhance the interests of shareholders and the Company’s corporate value in the event that a Large-Scale Purchaser of the Company appears.

2. Cases in which specific countermeasures may be triggered

If the Company’s Board of Directors judges that the Large-Scale Purchase by the Large-Scale Purchaser falls under any of the cases set forth below, the Board of Directors may decide to trigger specific countermeasures.

In making such judgment, the Company’s Board of Directors must respect the recommendation of the Independent Committee, which is established as an organization independent from the Board of Directors, to the maximum extent possible in order to ensure the transparency, objectivity, fairness, and reasonableness of its judgment and to prevent arbitrary judgment by the Board of Directors.

(1) If the Large-Scale Purchase does not comply with the procedures set forth in the Plan

1) If the Large-Scale Purchaser does not provide information

The Large-Scale Purchaser does not provide all or part of the information necessary for the Board of Directors and the Independent Committee to make appropriate judgment and opinions, such as an outline of the Large-Scale Purchase, the purpose, method and details of the acquisition, an outline of the parties financing the Large-Scale Purchase, the management policy and business plan, financial plan, capital policy, dividend policy, asset utilization policy, etc. (hereinafter “post-acquisition management policy, etc.”) of the Company group envisaged for the next three years after the acquisition, and the basis on which the post-acquisition management policy, etc. will enhance the corporate value of the Company group.

2) If it is reasonable to consider that the information provided by the Large-Scale Purchaser is insufficient

Even if the Large-Scale Purchaser provides a certain amount of information regarding the Large-Scale Purchase, it is reasonable to consider that the information provided is insufficient and it becomes difficult for the shareholders to make an appropriate judgment as to whether the Large-Scale Purchase is justified or not.

3) If a tender offer is conducted prior to the expiration of a reasonable period of time (60 days in the case of the purchase of all the Company’s shares by a tender offer with cash-only (yen) consideration and 90 days in the case of other Large-Scale Purchases) for the Company’s Board of Directors to examine the Large-Scale Purchase Information and to present an alternative proposal from the perspective of the common interests of shareholders

(2) If the Large-Scale Purchase by the Large-Scale Purchaser is likely to cause obvious harm to the corporate value of the Company and the common interests of its shareholders (if it constitutes an abusive takeover)

1) A person is acquiring shares, without serious intention to participate in corporate management of the Company, for the purpose of inflating the share price and inducing the Company to repurchase the shares at a high price (so-called greenmailing).

2) The purpose of participation in corporate management of the Company is primarily to transfer confidential company information, important assets, major business partners and/or customers, etc. necessary for the Company’s business management to the Large-Scale Purchaser or its group companies, etc. (so-called scorched-earth management).

3) The Large-Scale Purchaser is acquiring the Company’s shares with the intention of appropriating the Company’s assets as collateral for or funds for repayment of debts of the Large-Scale Purchaser or its group companies, etc.

4) The purpose of participation in corporate management of the Company is mainly to gain temporary

control over management of the Company and cause the Company to sell or otherwise dispose of high-value assets such as securities that have no current relevance to the Company's business and pay temporarily high dividends based on the gain on such disposal or to sell shares at high prices, taking advantage of the opportunity afforded by the sudden rise in the share price created by the temporarily high dividends.

- 5) The terms and conditions of the acquisition of the Company's shares proposed by the Large-Scale Purchaser (including but not limited to the amount of the purchase consideration, details, timing, method, existence or non-existence of illegality, and feasibility) are insufficient or inappropriate in light of corporate value of the Company.
- 6) The method of acquisition proposed by the Large-Scale Purchaser is a structurally coercive acquisition that restricts the opportunity or freedom of shareholders to make decisions, such as by setting the first purchase terms favorable and the second purchase terms unfavorable (so-called two-step purchase).
- 7) In addition to the above, if the Large-Scale Purchase is clearly detrimental to the common interests of the Company's shareholders and the Company's corporate value based on the details of the Large-Scale Purchase Information.

End

Overview of the Independent Committee

1. Establishment

The Independent Committee shall be established by resolution of the Company's Board of Directors.

2. Composition

(1) The Independent Committee shall have at least three (3) members.

(2) Members of the Independent Committee shall be selected from Outside Directors (excluding Directors who are Audit and Supervisory Committee Members), Outside Directors who are Audit and Supervisory Committee Members, external experts (including, but not limited to, lawyers and other professionals and persons with corporate management experience in the private sector), and other persons.

In light of the role and expectations of the Independent Committee, the appointment shall be determined by comprehensively considering expertise, knowledge of corporate management, insight into corporate value, practical experience, and other factors.

(3) If a committee member is an external expert, the Company shall enter into a written agreement including a clause on the duty of care to the Company with such member.

3. Roles

(1) Being consulted by the Board of Directors, the Independent Committee shall, in principle, examine and deliberate on the matters set forth below in accordance with the Guidelines and make recommendations to the Board of Directors, together with the reasons and grounds for the recommendations. The Company's Board of Directors shall make the final decision, respecting the recommendation of the Independent Committee to the maximum extent possible.

(i) Examination of materials such as the purchase plan submitted by the Large-Scale Purchaser in prior negotiations with the Large-Scale Purchaser

(ii) Consideration of whether or not to implement specific countermeasures

(iii) Consideration of whether or not to cancel the countermeasures through ex-post negotiations with the Large-Scale Purchaser

(iv) Examination of whether it is necessary to convene a Shareholders' Intent Confirmation Meeting or not

(v) Other matters on which the Company's Board of Directors has consulted with the Independent Committee regarding matters on which the Company's Board of Directors should make a judgment.

(2) The Independent Committee may obtain professional advice from accountants, lawyers, and other external experts as necessary for its examination. The Company shall bear the cost of such expenses.

4. Convening

The Company's Representative Director, Audit and Supervisory Committee Members, and members of the Independent Committee shall have the authority to convene a meeting of the Independent Committee at any time.

5. Resolution

In principle, resolution of the Independent Committee shall be adopted at a meeting attended by all the members of the Independent Committee by a majority vote of the members. However, in the event of unavoidable circumstances, a resolution of the Independent Committee may be adopted at a meeting attended by a majority of the members of the Independent Committee by a majority vote of the members.

End

Appendix 5

Candidates for Independent Committee Member and their Career Summary

Committee Member Masahiro Nakatsukasa

(Career Summary)	Apr. 1994	Admitted to the Bar; Member of Osaka Bar Association; Joined Chuo Sogo Law Office (currently Chuo Sogo Law Office, P. C.)
	Aug. 2005	Served at Kirkland & Ellis LLP, U.S.A
	Apr. 2006	Admitted to the New York State Bar, U.S.A.
	Jun. 2006	Outside Audit & Supervisory Board Member, Asaka Industrial Co., Ltd.
	Jul. 2012	Representative Partner, Chuo Sogo Law Office, P.C. (to the present)
	Apr. 2015	Vice Chairman, Osaka Bar Association
	Jun. 2015	Outside Audit & Supervisory Board Member, ARAKAWA CHEMICAL INDUSTRIES, LTD.
	Jun. 2015	Outside Audit & Supervisory Board Member, NIPPON DENTSU Co., Ltd.
	Jun. 2016	Outside Director who is an Audit and Supervisory Committee Member, Asaka Industrial Co., Ltd. (to the present)
	Jun. 2016	Outside Director who is an Audit and Supervisory Committee Member, ARAKAWA CHEMICAL INDUSTRIES, LTD. (to the present)
	Jun. 2016	Outside Director, the Company (to the present)
	Jun. 2018	Outside Audit & Supervisory Board Member, JSH Co., Ltd. (to the present)
	Jun. 2022	Outside Director, Osaka Mazda Motor Corporation (to the present)

(Note) The Company has an advisory agreement with Chuo Sogo Law Office, a law firm of which Mr. Masahiro Nakatsukasa is a representative partner, but the payment of fees to the said law firm is minimal and there is no other special relationship.

Committee Member Noboru Kitazawa

(Career Summary)	Apr. 1976	Joined Mitsui O.S.K. Lines, Ltd.
	Jun. 2003	General Manager, Liner Business Division; Group Leader, Strategy Planning Group, Liner Business Division, Mitsui O.S.K. Lines, Ltd.
	Jun. 2005	Executive Officer, Mitsui O.S.K. Lines, Ltd.
	Jun. 2008	Managing Executive Officer, Mitsui O.S.K. Lines, Ltd.
	Jun. 2010	Representative Director and President, Executive Officer, MOL Kosan Co., Ltd.
	Jun. 2014	Representative Director and President, Utoc Corporation
	Jun. 2018	Adviser, Utoc Corporation
	Jun. 2019	Outside Director, the Company (to the present)

Committee Member Sayuri Murakami

(Career Summary)	Apr. 1984	Joined The Kobe Shimbun
	Mar. 2009	General Manager, Economics Department, Editorial Bureau, The Kobe Shimbun
	Mar. 2013	Deputy General Manager, Regional Research Institute, The Kobe Shimbun
	Mar. 2015	Vice Chairman, Editorial Board, The Kobe Shimbun
	Mar. 2017	General Manager, Tokyo Branch Office
	Mar. 2019	Executive Officer and Representative, Himeji Head Office, The Kobe Shimbun
	Mar. 2022	Advisor to the Editorial Bureau, The Kobe Shimbun
	Jun. 2022	Coordinator, Public Relations and Endowment Division, Strategic Planning Office; Regional Partnership Advisory Fellow (faculty member), Office for Promoting Regional Partnership, Kobe University (to the present)
	Apr. 2023	Member of the Management Council, University of Hyogo (to the present)

(Note) Ms. Sayuri Murakami will be a candidate for a member of the Independent Committee under this Proposal if she is elected as an Outside Director under Proposal 2.

Committee Member Masaya Kakuda

(Career Summary)	Apr. 1980	Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)
	Apr. 1998	Branch Manager, Higashi-Kobe Branch, The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)
	Oct. 2002	Chief Credit Officer, Credit Division No. 3, UFJ Bank Limited (currently MUFG Bank, Ltd.)
	Jan. 2006	Branch Manager, Himeji Branch, The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)
	Jun. 2009	Joined THE TAISHO BANK, LTD. (currently THE TOKUSHIMA TAISHO BANK, LTD.); General Manager, Headquarters Sales Division
	Jun. 2009	Executive Officer; General Manager, Headquarters Sales Department, THE TAISHO BANK, LTD.
	Jun. 2010	Director, General Manager, Headquarters Sales Division, THE TAISHO BANK, LTD.
	Jun. 2014	Managing Director, THE TAISHO BANK, LTD.
	Apr. 2016	General Manager, Risk Compliance Division, TOMONY Holdings, Inc.
	Jun. 2016	Managing Director; General Manager, Risk Compliance Division, TOMONY Holdings, Inc.
	Jun. 2020	Director, TOMONY Holdings, Inc.; Audit & Supervisory Board Member, TOMONY System Service, Inc.
	Jun. 2021	Outside Audit & Supervisory Board Member, the Company
	Jul. 2021	Director, J Resort Co., Ltd.
	Jun. 2022	Director who is an Audit and Supervisory Committee Member, the Company (to the present)

Kazuyoshi Tsuda, Committee Member

(Career Summary)

Aug. 1995	Registered as a certified public accountant
Aug. 2008	Registered as a certified tax accountant
Oct. 1990	Joined Ota Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)
Oct. 1998	Director, Inada Shokai Co., Ltd.
Oct. 2000	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
Aug. 2003	Director, MMT Co., Ltd.
Mar. 2008	Representative Director, Brain Trust Co., Ltd. (to the present)
Mar. 2008	Representative, Kazuyoshi Tsuda CPA and CTA Office (to the present)
Aug. 2008	Outside Audit & Supervisory Board Member, Hirose Tusho Inc.
Mar. 2015	Outside Audit & Supervisory Board Member, Silver Egg Technology Co., Ltd. (to the present)
Apr. 2016	Outside Director, JSH Co., Ltd. (to the present)
Jun. 2016	Director who is an Audit and Supervisory Committee Member, Hirose Tusho Inc. (to the present)
Jun. 2021	Outside Audit & Supervisory Board Member, the Company
Jun. 2022	Outside Director who is an Audit and Supervisory Committee Member, the Company (to the present)
Jun. 2022	Outside Director, Osaka Mazda Motor Corporation (to the present)

End

(Reference)

Major Shareholders of the Company (as of March 31, 2023)

Shareholder name	Number of shares held (thousand shares)	Shareholding ratio (%)
Hanwa Co., Ltd.	8,058	14.88
The Master Trust Bank of Japan, Ltd. (trust account)	4,866	8.98
AIR WATER INC.	4,729	8.73
Osaka Gas Co., Ltd.	1,923	3.55
Custody Bank of Japan, Ltd. (trust account)	1,489	2.75
Amagasaki Seikan Co., Ltd.	1,274	2.35
CREDIT SUISSE AG HONG KONG TRUST A/C CLIENT	1,094	2.02
NIPPON STEEL TRADING CORPORATION	815	1.50
Nakayama Shareholding Mutual Prosperity Association	744	1.37
DIMENSIONAL ETF TRUST-DIMENSIONAL INTERNATIONAL SMALL CAP VALUE ETF	597	1.10

(Note) Shareholding ratios are calculated excluding 8,942,937 shares of treasury stock and rounded down to two decimal places.

End

[Reference]

- I. Eligibility of Directors (excluding Directors who are Audit and Supervisory Committee Members (hereinafter “Audit and Supervisory Committee Members”)), Election Procedure, and Composition of the Board of Directors

(Selection Criteria)

Persons who meet all of the conditions set forth in the following items:

1. Possess excellent character and insight as well as superior business sense, and is familiar with various management issues;
2. Possess company-wide perspectives and outstanding ability to make objective analysis and judgments;
3. Have the ability to state one’s own opinion proactively from a company-wide perspective;
4. Does not fall under any of the reasons for ineligibility as Director listed in the items of Article 331, Paragraph 1 of the Companies Act;
5. Hold concurrent positions as officer of no more than three (3) listed companies, excluding one’s own company.

(Election Procedure)

1. The election of Directors (excluding Audit and Supervisory Committee Members) shall be determined by resolution of the general meeting of shareholders pursuant to the provisions of Article 21 of the Articles of Incorporation of the Company. Candidates for Directors (excluding Audit and Supervisory Committee Members) to be proposed to the general meeting of shareholders shall be selected by the President based on the above criteria and referred to the Remuneration and Nomination Advisory Committee.
2. The Board of Directors shall deliberate based on the recommendations of the Remuneration and Nomination Advisory Committee and determine the candidates for Directors (excluding Audit and Supervisory Committee Members).

(Stance on Composition of the Board of Directors)

1. The Board of Directors shall be composed of diverse Directors (excluding Audit and Supervisory Committee Members) and Audit and Supervisory Committee Members with different backgrounds, such as expert knowledge and experience.
2. The appropriate number of members to ensure that the Board of Directors is able to demonstrate its efficacy in the most effective and efficient way shall be no more than ten (10) Directors (excluding Audit and Supervisory Committee Members) and no more than five (5) Audit and Supervisory Committee Members, pursuant to the provisions of Article 20 of the Articles of Incorporation of the Company.
3. The Board of Directors shall be structured so that the Board of Directors as a whole can fulfill its fiduciary responsibility by complementing the functions of the Board of Directors as a whole with the diverse experience and insight of the Directors (excluding Audit and Supervisory Committee Members) and Audit and Supervisory Committee Members.

II. Eligibility of Audit and Supervisory Committee Members and Election Procedure

(Selection Criteria)

Persons who meet all of the conditions set forth in the following items:

1. Possess excellent character and insight as well as superior business sense, and is familiar with various management issues;
2. Possess company-wide perspectives and outstanding ability to make objective analysis and judgments;
3. Have the ability to state one’s own opinion proactively from a company-wide perspective;
4. Does not fall under any of the reasons for ineligibility as Audit and Supervisory Committee Member listed in the items of Article 331, Paragraph 1 and Paragraph 3 of the Companies Act.

(Election Procedure)

1. The election of Audit and Supervisory Committee Members shall be determined by resolution of the general meeting of shareholders pursuant to the provisions of Article 21 of the Articles of Incorporation of the Company. Candidates for Audit and Supervisory Committee Members to be proposed to the general meeting of shareholders shall be selected by the President based on the above criteria and, following deliberation at

the Remuneration and Nomination Advisory Committee, the consent of the Audit and Supervisory Committee shall be obtained before the candidates are proposed to the Board of Directors.

2. If Audit and Supervisory Committee Members request the submission to the general meeting of shareholders of a proposal for the election of candidates selected based on the above criteria, the Board of Directors shall deliberate and decide on the candidates for Audit and Supervisory Committee Members.

(Concept on Composition)

1. The Audit and Supervisory Committee shall be composed of a majority of Outside Audit and Supervisory Committee Members. The number of Audit and Supervisory Committee Members shall be no more than five (5), pursuant to the provisions of Article 20 of the Articles of Incorporation of the Company.
2. If a standing Audit and Supervisory Committee Member is to be appointed, he or she shall be selected from among persons in the Company with a wealth of knowledge and experience.
3. It is preferable that at least one (1) Audit and Supervisory Committee Member have considerable knowledge and insights concerning finance and accounting.

III. Eligibility of Outside Officers and Election Procedure

(Selection Criteria for Outside Directors (excluding Audit and Supervisory Committee Members))

Persons who meet all of the conditions set forth in the following items:

1. Be of sincere character with a high degree of insight and abilities, and, from the perspective of incorporating diverse perspectives into the Company's Board of Directors, possess extensive knowledge, experience, and achievements in one's own background field;
2. Does not fall under any of the reasons for ineligibility as Director listed in the items of Article 331, Paragraph 1 of the Companies Act;
3. Any concurrent posts as officer of other listed companies shall be judged to ensure independence and neutrality and to not impede one's duties;
4. Satisfy the requirements for Outside Director stipulated in Article 2, Item 15 of the Companies Act.

(Selection Criteria for Outside Audit and Supervisory Committee Members)

Persons who meet all of the conditions set forth in the following items:

1. Be of sincere character with a high degree of insight and abilities and possess a high degree of expert knowledge and a wealth of experience particularly in fields such as the law, accounting, and corporate management;
2. Does not fall under any of the reasons for ineligibility as Audit and Supervisory Committee Member listed in the items of Article 331, Paragraph 1 and Paragraph 3 of the Companies Act;
3. Satisfy the requirements for Outside Director stipulated in Article 2, Item 15 of the Companies Act.

(Criteria for Independence of Outside Officers)

- 1) Any Outside Directors (excluding Audit and Supervisory Committee Members) or Outside Audit and Supervisory Committee Members (hereinafter, collectively "Outside Officers") who do not fall under any of the following criteria shall be recognized as being independent from the Company.
 1. A major shareholder (i.e., a party who holds 10% or more of the total voting rights as of the end of the most recent fiscal year) of the Company or an executive thereof;
 2. A party to whom the Company is a major business partner or an executive thereof;
 3. A major business partner of the Company or an executive thereof;
 4. The accounting auditor of the Company or its consolidated subsidiaries or a partner, etc. thereof who is responsible for the auditing of the Company or its consolidated subsidiaries;
 5. An attorney, judicial scrivener, patent attorney, certified public accountant, certified tax accountant, or consultant, etc. who has received monetary or other economic benefit other than officer compensation in the amount of more than 10 million yen per year from the Company (provided, however, that if the party receiving such economic benefit is a corporation, union, or other organization, a party belonging to an organization for which the economic benefit received from the Company is greater than 2% of the organization's annual revenue);
 6. A major lender (i.e., a lender whose name is listed as a major lender in the business report with respect to the most recent business year) of the Company or an executive thereof;
 7. A party that has received donations from the Company in the amount of more than 10 million yen per year (provided, however, that if the party receiving such economic benefit is a corporation, union,

- or other organization, a party who is an executive of an organization for which the economic benefit received from the Company is greater than 2% of the organization's annual revenue);
8. A party for whom any of 1. to 7. above applied in the past three (3) years;
 9. A spouse or a close relative within the second degree of kinship of a person to whom any of 1. to 8. above applies (limited to key persons);
 10. A spouse or a close relative within the second degree of kinship of a member of the board of directors, executive officer, director, manager, employee, or accounting advisor (in the case of a corporation, an employee charged with such duties) of the Company or its subsidiaries;
 11. A spouse or a close relative within the second degree of kinship of a person who was a member of the board of directors, executive officer, director, manager, employee, or accounting advisor (in the case of a corporation, an employee charged with such duties) of the Company or its subsidiaries within the past three (3) years;
 12. Any person who has a particular reason other than the above items, for being unable to fulfill their duties as an independent Outside Officer, such as a potential conflict of interest with the Company.
- 2) At least one (1) of the Outside Officers recognized as having independence based on this Article shall be designated as an Independent Officer as stipulated by a stock exchange. Outside Officers who are no longer independent, regardless of whether or not they have been designated as such, shall immediately notify the Company of such fact.
 - 3) "Major business partner" in this Article refers to a party for whom the annual value of transactions with the Company is greater than 2% of the Company's consolidated net sales in the past three (3) business years.

IV. Other (Dismissal)

If any Director (excluding Audit and Supervisory Committee Members) or Audit and Supervisory Committee Member (including Outside Officers in either case) no longer satisfies any of the conditions of the selection criteria during their term of office, the required procedures shall be taken pursuant to laws and regulations.

Consolidated Balance Sheet

(As of March 31, 2023)

(Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	97,582	Current liabilities	35,842
Cash and deposits	16,775	Notes and accounts payable - trade	20,577
Notes and accounts receivable - trade, and contract assets	35,908	Electronically recorded obligations - operating	1,631
Electronically recorded monetary claims - operating	9,472	Short-term borrowings	2,620
Merchandise and finished goods	16,705	Current portion of bonds payable	27
Work in process	5,632	Accounts payable - other	1,726
Raw materials and supplies	12,465	Accrued expenses	1,876
Other	680	Income taxes payable	3,270
Allowance for doubtful accounts	(57)	Accrued consumption taxes	1,975
Non-current assets	51,204	Provision for bonuses	1,135
Property, plant and equipment	44,903	Provision for environmental measures	237
Buildings and structures, net	6,770	Provision for decommissioning and removal	41
Machinery and equipment, net	13,474	Other	722
Vehicles, net	41	Non-current liabilities	16,085
Tools, furniture and fixtures, net	441	Long-term borrowings	7,629
Land	22,992	Deferred tax liabilities	2,985
Leased assets, net	145	Deferred tax liabilities for land revaluation	1,001
Construction in progress	1,037	Provision for environmental measures	233
Intangible assets	544	Provision for decommissioning and removal	362
Other	544	Provision for loss on business of subsidiaries and associates	119
Investments and other assets	5,756	Retirement benefit liability	2,437
Investment securities	3,150	Other	1,314
Retirement benefit asset	1,072	Total liabilities	51,927
Deferred tax assets	10	(Net assets)	
Guarantee deposits	1,364	Shareholders' equity	93,274
Other	200	Share capital	20,044
Allowance for doubtful accounts	(41)	Capital surplus	7,826
		Retained earnings	66,179
		Treasury shares	(775)
		Accumulated other comprehensive income	3,585
		Valuation difference on available-	1,213

		for-sale securities	
		Deferred gains or losses on hedges	0
		Revaluation reserve for land	2,421
		Remeasurements of defined benefit plans	(49)
		Total net assets	96,859
Total assets	148,787	Total liabilities and net assets	148,787

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Consolidated Statement of Income

(April 1, 2022 - March 31, 2023)

(Millions of yen)

Description	Amount	
Net sales		188,514
Cost of sales		162,454
Gross profit		26,060
Selling, general and administrative expenses		12,416
Operating profit		13,644
Non-operating income		
Interest income	55	
Dividend income	81	
Share of profit of entities accounted for using equity method	169	
Rental income from real estate	68	
Other	106	481
Non-operating expenses		
Interest expenses	207	
Loss on securitization of receivables	128	
Rental expenses	148	
Other	268	754
Ordinary profit		13,371
Extraordinary income		
Gain on sale of scraps	959	
Insurance claim income	152	
Gain on sale of non-current assets	9	
Other	50	1,171
Extraordinary losses		
Loss on retirement of non-current assets	580	
Compensation for damage	152	
Impairment losses	21	
Other	135	889
Profit before income taxes		13,653
Income taxes-current	3,972	
Income taxes-deferred	(546)	3,426
Net Profit		10,227
Profit attributable to non-controlling interests		—
Profit attributable to owners of parent		10,227

Note: Figures presented in the financial statements are rounded down to the nearest million yen.