

**NOTICE OF CONVOCATION OF
THE 73RD ORDINARY GENERAL MEETING OF
SHAREHOLDERS TO BE HELD AT ASAKUSA VIEW HOTEL
TAITO-KU, TOKYO, JAPAN ON MARCH 26, 2024 AT 10:00 A.M.**

(This is an abridged translation of the Notice of Ordinary General Meeting of Shareholders dated March 6, 2024, and is prepared for reference purposes only. In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.)

Takemoto Yohki Co., Ltd.

(Measures for electronic provision have commenced on March 4, 2024)

To Shareholders:

Notice of Convocation of the 73rd Ordinary General Meeting of Shareholders

Dear Shareholders:

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

We are pleased to notify you that the 73rd Ordinary General Meeting of Shareholders will be held as stated below.

We have taken measures for the electronic convocation of this General Meeting of Shareholders, and the matters subject to measures for electronic convocation have been posted on the website shown below.

The Company's website: <https://www.takemotokk.jp/library/meeting/>

The matters are also posted on the website shown below.

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

Please access the website above, search by entering the Company's name or securities code, and select "Basic information" then "Documents for public inspection/PR information" to view the matters.

If you are unable to attend the meeting in person, you may exercise your voting rights either through postal mail or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders first and then exercise your voting rights by no later than 5:30 p.m. on Monday, March 25, 2024 (Japan Time).

Yours faithfully,

Emiko Takemoto
President and Representative Director

Takemoto Yohki Co., Ltd.
5-15, Nishi Asakusa, 1-chome Taito-ku, Tokyo
(Head Office 21-5 Matsugaya, 2-chome Taito-ku Tokyo)

Particulars

1. Time and Date 10:00 a.m. on Tuesday, March 26, 2024 (registration desks to open at 9:00 a.m.)

2. Place Asakusa View Hotel Hisho Hall on the fourth floor, at Nishi Asakusa 3-chome, Taito-ku, Tokyo

3. Agenda

Matters to be reported

1. The Business Report, Consolidated Financial Statements and the Results of the Audit of the Consolidated Financial Statements for the 73rd Fiscal Year (from January 1, 2023 to December 31, 2023) by the Independent Auditors and the Audit and Supervisory Committee.
2. The Non-Consolidated Financial Statements for the 73rd Fiscal Year (from January 1, 2023 to December 31, 2023)

Matters to be resolved

- Proposal No.1:** Appropriation of Retained Earnings
Proposal No.2: Election of Five (5) Directors (excluding Audit and Supervisory Committee members)
Proposal No.3: Election of Four (4) Audit & Supervisory Board Members
Proposal No.4: Decision of Remuneration for Granting Restricted Shares to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
Proposal No.5: Election of Accounting Auditor

4. Matters to be decided for convocation

If you wish to exercise your voting rights by proxy, one other shareholder holding a voting right of the Company may attend the meeting as a proxy for you. In this case, please submit a document that certifies your power of representation, such as a letter of attorney, to the Company.

Matters Posted on the Company's Website

If any revision is made to the reference materials for the general meeting of shareholders or the Business Report, the Non-Consolidated Financial Statements and the Consolidated Financial Statements, the revision will be posted on the each above website.

Instructions for the Exercise of Voting Rights

If you are to attend the General Meeting of Shareholders;

Time and date of the General Meeting of Shareholders: 10:00 a.m. on Tuesday, March 26, 2024 (Japan Time). The Reception for attendees begins at 9:00 a.m. Please submit the enclosed voting form to the reception desk.

If you wish to exercise the voting rights via the Internet;

Deadline of exercise: Acceptable until 5:30 p.m. on Monday, March 25, 2024 (Japan Time).

Please access the voting website (<https://evote.tr.mufg.jp/>) and enter your approval or disapproval of the proposals by no later than the deadline.

>>>Please see the following details.

Information on Exercising Voting Rights via the Internet

(1) By scanning the QR code

You can log into the voting website without entering your login ID and password by scanning the QR code provided at the lower right of the voting form, with your smart phone. Please cast your vote by following the directions on the screen.

Exercise of the abovementioned voting rights using the QR code above is available only once.

If you re-exercise your voting rights, or exercise your voting rights without using the QR code, please see "(2) By entering the login ID and password" below.

(2) By entering the login ID and password

Voting website <https://evote.tr.mufg.jp/>

You can exercise your voting rights via the Internet by accessing the voting website (<https://evote.tr.mufg.jp/>) from a computer, smart phone or mobile phone. Once you have accessed the Internet voting website, please enter your login ID and temporary password shown on the voting form. Please cast your vote by following the directions on the screen.

If you exercise the voting rights through Postal Mail;

Deadline of exercise: Voting forms must arrive by no later than 5:30 p.m. on Monday, March 25, 2024(Japan Time). Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it through postal mail so that it is received by the deadline.

Notes on the exercise of voting rights via the Internet:

1. When a shareholder exercises voting rights via the Internet as well as submitting the Voting Right Exercise Form by mail, the vote via the Internet shall be treated as the valid exercise of voting rights.
2. If multiple votes via the Internet are received from a shareholder, the most recent vote shall be treated as the valid exercise of voting rights.
3. Any connection charges and communications expenses payable to internet providers and telecommunication carriers incurred in accessing the website for exercising voting rights will be borne by shareholders.
4. Please be aware that exercising voting rights via a PC or smart phone, etc. may not be possible in certain internet user environments. In addition, exercising voting rights via a mobile phone may not be possible with certain types of mobile phones.

Should you have any questions regarding the exercise of voting rights via the Internet, please contact the administrator of the shareholders' registry stated below:

**Securities Agency Division (Help Desk),
Mitsubishi UFJ Trust and Banking Corporation
Telephone: 0120-173-027 (toll free within Japan)
Operating hours: 9:00 a.m. - 9:00 p.m. (Japan time)**

For institutional investors: about the Electronic Voting Platform

You may use the Electronic Voting Platform operated by ICJ, Inc. to exercise your voting rights at the Annual Shareholders Meeting.

* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

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REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposal No.1: Appropriation of Retained Earnings

Matters concerning year-end dividends

The Company will pay the year-end dividend for the current fiscal year as follows, based on its policy of targeting a dividend on equity ratio (DOE) of 4.0% from the viewpoint of ensuring stable shareholder returns with respect to dividends until the period of the medium-term plan through 2024, while securing the internal reserves necessary for future business development and strengthening of the management structure.

(1) Type of dividend property

Cash

(2) Matters concerning the allotment of dividend property to shareholders and the total amount

18.00 yen per share of common stock, for a total of 216,576,000 yen

(3) Effective date of distribution of surplus

March 27, 2024

Proposal No.2: Appointment of Five (5) directors (excluding directors who are Audit and Supervisory Committee members)

At the end of this general meeting, the term of three directors (excluding directors who are Audit and Supervisory Committee members) will expire, so we request the appointment of five directors (excluding directors who are Audit and Supervisory Committee members).

Candidates for directors (excluding directors who are members of the Audit and Supervisory Committee) are as follows.

Name (Date of birth)	Brief personal history, title, responsibility and significant concurrent positions		Number of the Company's shares owned
No.1 Emiko Takemoto (Born Aug. 21, 1975) [Female] Attendance at the Board of Directors 2023 18 times/ 18 meetings Attendance rate 100%	Jun.1999 Jul. 2001 Mar.2004 Dec.2004 Jan.2006 Mar.2020	Joined Takemoto Yohki Co., Ltd. Deputy General Manager of Sales Department Appointed as a Director President and Representative Director (current) Chairman of Shanghai Takemoto Packaging Co., Ltd. Chairman of Takemoto Yohki (Kunshan) Co., Ltd. Representative Director of Kyoei Plasco Co., Ltd	2,870,000
【Reasons for the nomination as Director candidate】 Ms. Emiko Takemoto was appointed a director of Takemoto Yohki Co., Ltd. in March 2004 and President and Representative Director in December 2004. In the midst of a difficult business environment, she has been a key person who always demonstrated outstanding management skills as a top executive with the forethought to guide the company in the sustainable packaging industry. Her leadership skills, backed by broad knowledge and experience in a wide range of fields, are indispensable for the management of Takemoto Group. For the above reasons, the Company has nominated her as a candidate for the position of director.			

Name (Date of birth)		Brief personal history, title, responsibility and significant concurrent positions		Number of the Company's shares owned
No.2	Takahiro Fukazawa (Born May 23, 1970) [Male] Attendance at the Board of Directors 2023 18 times/ 18 meetings Attendance rate 100%	Sep. 2000 Mar. 2004 Nov. 2004 Jun. 2005 Jul. 2006 Apr. 2007 Jan. 2008 May. 2008 Nov.2008 Apr.2010 Oct.2010 Jun.2011 Jan.2013 Apr.2014 Jan.2015 Jun.2018 Dec.2018 Jul.2019	Joined Takemoto Yohki Co., Ltd. Appointed as a Director General Manager of Overseas Business Department President of TAKEMOTO PACKAGING INC. In charge of Planning and Development Department In charge of Overseas affairs In charge of Accounting Department In charge of General Affairs and Accounting Department In charge of Sales Department In charge of Sales Planning Office In charge of Production Department Managing Director Takemoto Yohki Co., Ltd. (current) President of Shanghai Takemoto Packaging Co., Ltd. President of Takemoto Yohki (Kunshan) Co., Ltd. President of TAKEMOTO PACKAGING INC. (current) Chairman of Shanghai Takemoto Packaging Co., Ltd.(current) Chairman of Takemoto Yohki (Kunshan) Co., Ltd. (current) In charge of operations in India (current) In charge of Production Control Director of Takemoto Netherlands B.V. (current) In charge of the operations in the Netherlands (current) <Important concurrent positions> Chairman of Shanghai Takemoto Packaging Co., Ltd. Chairman of Takemoto Yohki (Kunshan) Co., Ltd. President of TAKEMOTO PACKAGING INC. Director of Takemoto Netherlands B.V.	535,400
Name (Date of birth)		Brief personal history, title, responsibility and significant concurrent positions		Number of the Company's shares owned
No3	Mitsuhiro Yanagihara (Born March 26, 1964) [Male] New Appointment	May.1991 May.2011 Apr. 2023	Joined the Takemoto Yohki Co., Ltd. Executive Officer Executive Officer in charge of Quality Assurance(current)	2,100

Name (Date of birth)	Brief personal history, title, responsibility and significant concurrent positions		Number of the Company's shares owned	
No4	Masato Nakagawa (Born Novemer 5, 1972) [Male] New Appointment	Apr.1995 May.2014 Nov. 2023	Joined the Takemoto Yohki Co., Ltd. Executive Officer Executive Officer in charge of Technology dept. and Yuki Manufacturing dept. (current)	6,400
	<p>【Reasons for the nomination as Director candidate】</p> <p>Mr. Masato Nakagawa was appointed an Executive Officer of Takemoto Yohki Co., Ltd in May 2014 and became the responsible person for the production and engineering department. and The Company has nominated him for the position of Director because he has contributed to the expansion of the Company's business not only in Japan but also in overseas locations as a person in charge of opening new production bases and improving production efficiency in terms of production and designing and developing molds in terms of technology.</p>			
Name (Date of birth)	Brief personal history, title, responsibility and significant concurrent positions		Number of the Company's shares owned	
No5	Kazuhisa Kitauchi (Born Jan 31, 1967) [Male] New Appointment	Dec.2010 May.2017 Mar. 2019	Joined the Takemoto Yohki Co., Ltd. Executive Officer Executive Officer in charge of Accounting dept. and Investor Relation dept.	-
	<p>【Reasons for the nomination as Director candidate】</p> <p>Mr.Kazuhisa Kitauchi was appointed an Executive Officer of Takemoto Yohki Co., Ltd in May 2017 and became the responsible person for financial accounting in the administration department. He played an important role in the preparation for the Company's listing and contributed to the initial public offering in December 2014. He was also in charge of investor relations after the listing of Tokyo Stock Exchange, Inc. The Company has nominated him for the position of Director because his track record, abilities, and experience will be indispensable for the management of the Company.</p>			

(Notes)

1. Takemoto Yohki Co., Ltd. guarantees debt to Takemoto Yohki (Kunshan) Co., Ltd.
2. Mr. Takahiro Fukazawa, a candidate for director, concurrently serves as the chairman of Shanghai Takemoto Packaging Co., Ltd. and Takemoto Yohki (Kunshan) Co., Ltd., the president of TAKEMOTO PACKAGING INC. President, and a director of Takemoto Netherlands BV. All four companies mentioned above are subsidiaries of Takemoto Yohki Co., Ltd. and Takemoto Yohki Co., Ltd. has a business relationship with each company.
3. There is no special interest between the other candidates and our company.
4. The Company concludes a liability insurance contract for officers, etc. as stipulated in Article 430-3, Paragraph 1 of the Company Law with an insurance company, and the legal damages and the dispute costs to be borne by the insured will be covered by the insurance contract. Each candidate will be included in the insured of the insurance contract.

Proposal No.3: Election of Four (4) Directors (Members of the Audit and Supervisory Committee)

At the end of this general meeting, the term of four directors who are audit and supervisory committee members will expire at the end of this general meeting, so we request the appointment of four directors who are Audit and Supervisory Committee members. The consent of the Audit and Supervisory Committee has been obtained for this proposal. The candidates for directors who are Audit and Supervisory Committee members are as follows.

Name (Date of birth)	Brief personal history, title, responsibility and significant concurrent positions		Number of the Company's shares owned
No1 Shinji Anada (Born April 27, 1947) [Male] Attendance at the Board of Directors 2023 18 times/ 18 meeting Attendance rate 100% Attendance Audit and Supervisory Committee 2023 13 times/ 13 meeting Attendance rate 100%	May. 1973 Jun. 1987 Jun. 1993 Jun. 1997 Jun. 2003 Aug. 2004 Feb. 2005 Jan. 2014 Aug. 2014 Feb. 2016 Mar. 2016	Joined the Tokyo Stock Exchange, Inc. Joined Mito Securities Co., Ltd. Director of Mito Securities Co., Ltd. Managing Director of Mito Securities Co., Ltd. Corporate Auditor of Mito Securities Co., Ltd. External Audit & Supervisory Board Member of Ozu Corporation External Audit & Supervisory Board Member of OPTOELECTRONICS CO., LTD. External Director of Takemoto Yohki Co., Ltd. External Director of Ozu Corporation (current) External Director of OPTOELECTRONICS CO., LTD. (current) External Director of the Company (Audit and Supervisory Committee Member) (current)	3,000
<p>【Reasons for the appointment as a candidate for a director who is a member of the Audit and Supervisory Committee and summary of expected roles】</p> <p>Mr. Shinji Anada is nominated as a candidate for external director because he has worked for securities exchanges and financial institutions for many years and has had contact with many companies. Takemoto Yohki Co., Ltd. has nominated him as a candidate for external director of a member of the Audit and Supervisory Committee due to the high expectations of his management supervision, backed by the perspective, experience and insight cultivated through his career.</p>			
Name (Date of birth)	Brief personal history, title, responsibility and significant concurrent positions		Number of the Company's shares owned
No2 Tatsuya Tanaka (Born July 30, 1975) [Male] Attendance at the Board of Directors 2023 18 times/ 18 meeting Attendance rate 100% Attendance Audit and Supervisory Committee 2023 13 times/ 13 meeting Attendance rate 100%	Oct. 2002 Jun. 2005 Feb. 2009 Jan. 2014 Jun. 2015 Mar. 2016 Jun. 2016 Jun. 2021	Become a registered lawyer. Joined Ushijima Law Office Joined Sato Sogo Law Office Kumagai / Tanaka Law Office (currently Kumagai / Tanaka / Tsuda Law Office) Founding Partner (current) External Director of Takemoto Yohki Co., Ltd. External Audit & Supervisory Board Member of Nextgen, Inc. External Director of Takemoto Yohki Co., Ltd. (Audit and Supervisory Committee Member) (current) External Director of Nextgen, Inc. (Audit and Supervisory Committee Member) (current) External Audit & Supervisory Board Member of Garden Co., Ltd. (current) <Important concurrent positions> Lawyer of Kumagai / Tanaka / Tsuda Law Office Partner	-
<p>【Reasons for the appointment as a candidate for a director who is member of the Audit and Supervisory Committee and summary of expected roles】</p> <p>Mr. Tatsuya Tanaka is nominated as a candidate for external director because, as an attorney at law, he is particularly well versed in corporate legal affairs and has experience working with numerous companies. Takemoto Yohki Co., Ltd. nominated him as a candidate for external director of a member of the Audit and Supervisory Committee due to the high expectations of his ability to management advice based on his experience and insight gained through his career, and to supervise and check the Company's management condition.</p>			

Name (Date of birth)		Brief personal history, title, responsibility and significant concurrent positions		Number of the Company's shares owned
No3	Kazuo Ogawa (Born September 18, 1950) [Male] Attendance at the Board of Directors 2023 18 times/ 18 meeting Attendance rate 100% Attendance Audit and Supervisory Committee 2023 13 times/ 13 meeting Attendance rate 100%	Apr. 1974 May. 1995 Jun. 2010 Jul. 2010 Apr. 2011 Jul. 2012 Mar. 2020	Joined Showa Audit Corporation (currently Ernst & Young ShinNihon LLC) Appointed as a senior partner (representative Partner) Resigned from Ernst & Young ShinNihon LLC Representative of Ogawa Accounting Office (current) Audit & Supervisory Board Member of Matsuoka Co., Ltd. (current) Director of Towa Food Service Co., Ltd. External Director of Takemoto Yohki Co., Ltd (Audit and Supervisory Committee Member) (current) <Important concurrent positions> Certified Accountant Ogawa Accounting Office Representative	-
<p>【Reasons for the appointment as a candidate for director as a member of the Audit and Supervisory Committee and summary of expected roles】</p> <p>Mr. Kazuo Ogawa is nominated as a candidate for external director because he has many years of auditing experience at listed companies as a certified public accountant and has considerable knowledge of finance and accounting. Takemoto Yohki Co., Ltd. nominated him as a candidate for external director of the board because is due to the high expectations of his ability to fulfill his roles and responsibilities as a member of the Audit and Supervisory Committee from an independent standpoint with respect to the execution of business operations at the Company.</p>				
Name (Date of birth)		Brief personal history, title, responsibility and significant concurrent positions		Number of the Company's shares owned
No4	Tetsuya Enosawa (Born November 11, 1962) [Male]	Apr. 1985 Nov. 1999 Jul. 2005 Sep. 2008 Mar. 2011	Joined Nomura Securities Co.,Ltd. Joined Nomura Wasserstein Perella Co., Ltd. Joined Nomura Principal Finance Co.,Ltd. Joined Industrial Growth Platform, Inc. G-Assist Co.,Ltd. (Current Representative Director) <Important concurrent positions> G-Assist Co.,Ltd. (Representative Director)	-
<p>【Reasons for the appointment as a candidate for director as a member of the Audit and Supervisory Committee and summary of expected roles】</p> <p>Mr. Tetsuya Enosawa is nominated as a candidate for external director because he has worked for securities companies, investment banks, and management consulting companies for many years and has experience in contact with numerous companies. Takemoto Yohki Co., Ltd. nominated him as a candidate for external director as a member of the Audit and Supervisory Committee because the Company expects him to supervise and check management based on his perspective from the experience and insight he has cultivated through his career.</p>				

(Notes)

1. Mr. Shinji Anada, Mr. Tatsuya Tanaka, Mr. Kazuo Ogawa, and Mr. Tetsuya Enosawa are candidates for external directors.
2. The number of years since Mr. Shinji Anada became an external director of Takemoto Yohki Co., Ltd. is 10 years and 2 months at the end of this general meeting, and the number of years since he became an external director of Takemoto Yohki Co., Ltd.'s Audit and Supervisory Committee is 8 years.
3. The number of years since Tatsuya Tanaka became an external director of Takemoto Yohki Co., Ltd. is 10 years and 2 months at the end of this general meeting, and the number of years since he became an external director of Takemoto Yohki Co., Ltd.'s Audit and Supervisory Committee is 8 years.
4. Mr. Kazuo Ogawa's serving period as an external director of Takemoto Yohki Co., Ltd.'s Audit and Supervisory Committee will become 4 years at the end of this general meeting.
5. The Articles of Incorporation stipulate that Takemoto Yohki Co., Ltd. is allowed to conclude a contract with an external director to limit their liability for damages to the Company to a certain extent so the company can employ talented personnel as an external director easier. Candidates for Directors, which include Shinji Anada, Tatsuya Tanaka, Kazuo Ogawa and Tetsuta Enosawa after whose election is approved, have entered into a liability limitation agreement with Takemoto Yohki Co., Ltd. as follows;

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, Takemoto Yohki Co., Ltd. is allowed to conclude a contract with directors (excluding those who are executive directors, etc.) to limit liability for damages caused by neglect of duties. However, the maximum amount of liability based on the contract shall be equal to the amount stipulated by law.

6. Takemoto Yohki Co., Ltd concludes a liability insurance contract for officers, etc. prescribed in Article 430-3, Paragraph 1 of the Company Law with an insurance company, and the legal damages cost and the dispute costs to be borne by the insured will be covered by the insurance contract. Each candidate will be included in the insured of the insurance contract.
7. There is no special interest between each candidate and Takemoto Yohki Co., Ltd.
8. Mr. Shinji Anada, Mr. Tatsuya Tanaka, Mr. Masao Ishikawa, and Mr. Kazuo Ogawa are mentioned as independent officers based on the provisions of the Tokyo Stock Exchange in the notification submitted to the Tokyo Stock Exchange from Takemoto Yohki Co., Ltd.. Mr. Tetsuta Enosawa after whose election is approved is also mentioned as independent officers based on the provisions of the Tokyo Stock Exchange.

Skills Matrix of the Board of Directors

Status	Name	Sex	Area of particular expertise						
			Corporate Management	Director experience	Global business	Sales& Marketing	Development &Design	Production &Technology	Knowledge
President and Representative Director	Emiko Takemoto	Female	○			○			
Managing Director	Takahiro Fukazawa	Male	○		○	○			
Director	Mitsuhiro Yanagihara	Male				○	○		
Director	Masato Nakagawa	Male						○	
Director	Kazuhisa Kitauchi	Male							○ Finance, Accounting
External Director (Audit and Supervisory Committee Member)	Shinji Anada	Male		○					○ Capital Markets
External Director (Audit and Supervisory Committee Member)	Tatsuya Tanaka	Male		○					○ Legal Affairs
External Director (Audit and Supervisory Committee Member)	Kazuo Ogawa	Male		○					○ Finance, Accounting, Taxation
External Director (Audit and Supervisory Committee Member)	Tetsuya Enosawa	Male		○					○ Capital Markets

Proposal No.4: Decision of Remuneration for Granting Restricted Shares to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The amount of remuneration, etc. for directors other than those who are members of the Audit Committee of the Company was approved at the 65th Ordinary General Meeting of Shareholders held on March 29, 2016 as an annual amount not exceeding 250 million yen. (However, the amount does not include the employee's salary for directors who concurrently serve as employees.)

In addition, the amount of remuneration, etc. for stock option scheme as stock-linked compensation plan, which is separate from the above, was approved as 50 million yen per year.

With the objective of offering incentives to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee members; hereinafter, "Eligible Directors") to achieve sustained improvement of the corporate value of the Company and to further promote sharing value with shareholders, the Company proposes remuneration in the form of granting restricted shares in a separate framework from the amount of remuneration set forth in above remunerations

The grant of restricted stock under this proposal shall be made by either of the following methods based on a resolution of the Board of Directors.

- (i) Method of issuing or disposing of shares of common stock of the Company without requiring payment of money or delivery of assets contributed in kind as compensation, etc. to the Eligible Directors
- (ii) A method in which monetary compensation claims are paid to the Eligible Directors as compensation, etc., and the Eligible Directors are to deliver all such monetary compensation claims as assets contributed in kind and receive the issuance or disposal of common stock of the Company ("Delivery in Kind").

The total number of shares of common stock of the Company to be issued or disposed of to the Eligible Director pursuant to this proposal shall not exceed 50,000 shares per year, and the total amount of compensation shall not exceed 50 million yen per year as an amount considered reasonable in light of the above purposes.

However, if the total number of shares issued by the Company increases or decreases due to a reverse stock split or stock consolidation (including gratis allotment of shares), the above maximum number of shares shall be adjusted accordingly.

The maximum number of shares shall be adjusted in accordance with such ratio.

The amount to be paid per share in the case of delivery in kind shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of resolution of each Board of Directors meeting (or the closing price of the immediately preceding trading day if no trading was effected on that day), to the extent not particularly favorable to the Eligible Directors. The Board of Directors will determine the amount to be paid to each eligible director.

The specific timing and allocation of the payment to each eligible director will be determined by the Board of Directors. Currently, there are three eligible directors, and if Proposal 2 is approved as originally proposed, there will be five eligible directors.

In addition, upon the grant of restricted transferable shares pursuant to the Proposal, the Company and the Eligible Director shall execute a restricted transferable share allotment agreement (the "Allotment Agreement"), which includes the following details in outline.

- (1) The Eligible Directors may not assign, create security interests in, or otherwise dispose of (the "transfer restriction") during the period from the date of delivery of the Allotted Shares to the date of retirement or resignation from any position of director, corporate auditor, executive officer or employee of the Company or its subsidiaries (the "Restricted Transfer Period") about the shares of common stock of the Company allotted pursuant to the Allotment Agreement (the "Allotted Shares")
- (2) If the Eligible Director resigns or retires from the position specified in (1) above before the expiration of the period (hereinafter referred to as the "Service Period") specified by the Board of Directors of the Company, the Company shall acquire the Allotted Shares without consideration, unless there is a reason deemed justifiable by the Board of Directors of the Company.
- (3) The Company shall cancel the Transfer restriction of all of the Allotted Shares upon the expiration of the Restricted Transfer Period, provided that the Eligible Director has continuously held the position stipulated in (1) above during the Service Period. However, if the Eligible Director resigns or retires from the position specified in (1) above before the expiration of the Service Provision Period for reasons deemed justifiable by the Board of Directors of the Company as specified in (2) above, the number of the Allotted Shares for which the transfer restriction is cancelled shall be reasonably adjusted as necessary.
- (4) The Company will naturally acquire without consideration the Allotted Shares for which the transfer restriction has not been lifted in accordance with the provisions of (3) above at the time the Restricted Transfer Period expires.
- (5) The Company shall acquire the Allotted Shares without consideration if, during the Restricted Transfer Period, the Eligible Director violates laws and regulations, internal rules, or this Allotment Agreement, or falls under any other event determined by the Board of Directors of the Company as an appropriate event for the Company to acquire the Allotted Shares without consideration.
- (6) Notwithstanding (1) above, if, during the Restricted Transfer Period, the Company's shareholders approve a merger agreement under which the Company becomes a defunct company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matters related to organizational restructuring, etc. (however, if approval by the Company's shareholders' meeting is not required for the relevant organizational restructuring, etc., then the Board of Directors of the Company shall approve such matters.), the Company's Board of Directors shall, by a resolution of the Board of Directors, cancel the restrictions on transfer of the Allotted Shares in a number reasonably determined based on the period from the commencement date of the Service Period to the date of approval of such organizational restructuring, etc., prior to the effective date of such organizational restructuring.

- (7) In the case stipulated in (6) above, the Company shall acquire without consideration the Allotted Shares for which the transfer restriction has not yet been lifted as of the time immediately after the cancellation of the transfer restriction in accordance with the provisions of (6) above.

Reason why it is appropriate to grant restricted transferable shares

This proposal is to grant restricted transferable shares to the eligible directors as remuneration, etc., or to grant monetary compensation claims for the grant of restricted transferable shares as remuneration, etc., to the directors, for the purpose of providing incentives to the eligible directors to continuously improve the corporate value of the Company and to promote further sharing of value with the shareholders. The Company will grant restricted stock to the eligible directors as remuneration, etc., or provide monetary compensation claims for the grant of restricted stock as remuneration.

The Company plans to establish a voluntary Nomination and Compensation Committee at a meeting of the Board of Directors to be held on March 26, 2024, and at such meeting, the Board of Directors (excluding directors who are members of the Audit Committee) will The Company plans to establish a voluntary Nomination and Compensation Committee at a meeting of the Board of Directors to be held on March 26, 2024, and plans to revise the policy regarding the determination of the content of individual compensation, etc. of directors (excluding members of the Audit Committee) at such meeting. The ratio of the maximum number of shares to be issued or disposed of in one year under this proposal to the total number of shares issued and outstanding (as of February 22, 2024) is approximately 0.4%, and the dilution ratio is minimal.

Therefore, the Company believes that the contents of this proposal are reasonable.

Proposal No.5: Election of Accounting Auditor

The term of office of GYOSEI & CO., the Company's accounting auditor, will expire at the conclusion of the 73rd Ordinary General Meeting of Shareholders, therefore, the Company requests approval for the election of Ohwa & Co. as the new Accounting Auditor in accordance with the decision of Audit & Supervisory Board.

Reasons for the Audit Committee's nomination of Ohwa & Co. as the candidate for Accounting Auditor

The Company has determined that Ohwa & Co. is qualified considering that the firm has an auditing structure that is suitable for the future global business development and governance structure of the Company, as well as the expertise, independence, and internal quality control system required in light of the Company's election standards for nominees for Accounting Auditor and that the audits from a new perspective can be expected as a result of the change in Accounting Auditor.