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Securities code: 6524
March 12, 2024

To Shareholders with Voting Rights:

Futoshi Ishii
President and CEO
KOHOKU KOGYO CO., LTD.
1623, Takatsuki, Takatsuki-cho,
Nagahama-shi, Shiga, Japan

**NOTICE OF
THE 65th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We hereby inform you that the 65th Ordinary General Meeting of Shareholders of KOHOKU KOGYO CO., LTD. (the “Company”) will be held as described below. Information contained in the Reference Documents, etc. for this Ordinary General Meeting of Shareholders (excluding the Voting Rights Exercise Form) (matters subject to measures for electronic provision) is provided electronically, and you are kindly requested to access the Company’s website below and check the information.

Company’s website:

<https://www.kohokukogyo.co.jp/en/ir/library/>

The matters subject to measures for electronic provision are also available electronically on the website of the Tokyo Stock Exchange (TSE). Please access the following TSE website, enter and search for “KOHOKU KOGYO CO., LTD.” in the “Issue name (company name)” field or “6524” in the “Code” field, select “Basic information” and “Documents for public inspection/PR information,” in that order, and inspect the information posted.

Tokyo Stock Exchange’s website (Listed Company Search):

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

You may exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by either entering your approval or disapproval on the voting website designated by the Company (<https://evote.tr.mufg.jp/>, available in Japanese), or by indicating your approval or disapproval on the enclosed Voting Rights Exercise Form and returning it to the Company, by no later than 5:50 p.m. on Wednesday, March 27, 2024, Japan time.

- 1. Date and Time:** Thursday, March 28, 2024 at 10:00 a.m. (JST)
(Reception starts at 9:00 a.m.)
- 2. Place:** Arena, 2nd Floor, KITABIWAKO HOTEL GRAZIE
4-17, Minato-cho, Nagahama-shi, Shiga, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 65th Fiscal Year (January 1, 2023 - December 31, 2023) and results of audits by the Accounting Auditor and the Audit and Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 65th Fiscal Year (January 1, 2023 - December 31, 2023)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Eight (8) Directors
- Proposal 3:** Election of One (1) Substitute Audit and Supervisory Board Member
- Proposal 4:** Determination of Remuneration for Granting Restricted Stock to Directors
(Excluding Outside Directors)

4. Matters determined upon convening the Meeting

- (1) Pursuant to the provisions of laws and regulations and Article 15, Paragraph 2 of the Company's Articles of Incorporation, the following matters subject to measures for electronic provision are not included in the paper copy delivered to shareholders who requested delivery of a paper copy. Accordingly, this paper copy is part of the documents audited by Audit and Supervisory Board Members and the Accounting Auditor in preparing their audit reports.
 - 1) The following items contained in the consolidated financial statements
Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements
 - 2) The following items contained in the non-consolidated financial statements
Non-consolidated Statement of Changes in Equity, Notes to Non-consolidated Financial Statements
- (2) If neither approval nor disapproval of a proposal is indicated on the Voting Rights Exercise Form, it will be deemed an indication of approval.
- (3) If you exercise your voting rights more than once both in writing and via the Internet, the voting rights exercised via the Internet will be deemed valid. Additionally, if you exercise your voting rights more than once via the Internet, the last vote will be deemed valid.

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- ⊙ When attending the meeting in person, please bring the enclosed Voting Rights Exercise Form and submit it at the reception desk.
 - ⊙ Should the matters subject to measures for electronic provision require revisions, the revised versions will be posted on the websites on which such matters are published.
 - ⊙ The paper copy sent to shareholders also serves as a paper copy describing the matters subject to measures for electronic provision based on requests for delivery of a paper copy.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company proposes the following year-end dividend for the fiscal year under review, taking into consideration the balance between strengthening the management base and maintaining stable dividends over the medium to long term.

Matters concerning year-end dividend

- (1) Matters concerning the allotment of dividend property to shareholders and the total amount
¥60.00 per common share of the Company
Total amount: ¥539,790,180

- (2) Effective date of distribution of surplus
March 29, 2024

Proposal 2: Election of Eight (8) Directors

The terms of office of all of the current nine (9) Directors will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, the Company proposes the election of eight (8) Directors.

The candidates for Director are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	<p>Futoshi Ishii (August 21, 1958)</p> <p><u>Reappointment</u></p>	<p>April 1981 Joined Nippon Mining (current JX Nippon Mining & Metals Corporation)</p> <p>April 1995 Joined the Company</p> <p>September 1996 General Manager of Manufacturing Department</p> <p>March 1998 Managing Director</p> <p>March 1999 Representative Director and Executive Vice President</p> <p>March 1999 Representative Director and President of IS Engineering Co., Ltd. (current IF Management Co., Ltd.) (current position)</p> <p>March 2000 President and CEO of the Company (current position)</p> <p>October 2000 Director of KOHOKU ELECTRONICS (S) PTE. LTD.</p> <p>April 2001 Managing Director of KOHOKU ELECTRONICS (S) PTE. LTD. (current position)</p> <p> Managing Director of KOHOKU ELECTRONICS (M) SDN. BHD.</p> <p>June 2002 Chairman of SUZHOU KOHOKU OPTO-ELECTRONICS CO., LTD.</p> <p>February 2005 Representative Director of Kohoku Electronics Industry Cooperative Association</p> <p>October 2012 Chairman of DONGGUAN KOHOKU ELECTRONICS CO., LTD.</p> <p>February 2015 Managing Director of KOHOKU LANKA (PVT) LTD.</p>	<p>5,720,000 (including those held by an asset management company)</p>
	<p>Reasons for nomination</p>	<p>Mr. Futoshi Ishii has many years of extensive experience as Representative Director and broad and deep insight into the lead terminals industry and the optical components and devices industry. Based on this experience and knowledge, he plays a sufficient role in making decisions on important management matters and supervising the execution of business operations. He has been nominated as a candidate for Director since we believe that he can continue to promote the Group's management and supervise its business operations.</p>	

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Kazukiyo Kitagawa (February 10, 1958) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>	April 1981 Joined Kohoku Town Office (current Nagahama City Hall) August 1985 Joined the Company March 2004 Director and Head of Support Division March 2009 Director; General Manager of Operation Department, in charge of Corporate Strategy Office and Global Quality Assurance Center; and Manager of IT Section, Operation Department October 2012 Director of DONGGUAN KOHOKU ELECTRONICS CO., LTD. (current position) September 2014 Director and General Manager of Administration Department and Operation Department of the Company April 2015 Director and Managing Executive Officer March 2016 Director and Managing Executive Officer General Manager of Capacitor Components Business Unit September 2016 Director of KOHOKU ELECTRONICS (M) SDN. BHD. (current position) February 2017 Director; Managing Executive Officer; Head of Administration Division; and General Manager of Quality Assurance Department of the Company September 2017 President of SUZHOU KOHOKU OPTO-ELECTRONICS CO., LTD. August 2019 Managing Director and Executive Officer of the Company February 2022 Chairman of SUZHOU KOHOKU OPTO-ELECTRONICS CO., LTD. (current position) March 2022 Senior Managing Director and Executive Officer of the Company (current position) April 2022 General Manager of Lead Terminal Sales Department (current position)	19,100
	Reasons for nomination	Mr. Kazukiyo Kitagawa has extensive experience in executing operations in the lead terminal business, and based on his experience as the president of the Company's overseas subsidiaries and abundant knowledge, he has been promoting the strengthening and expansion of the lead terminal business to enhance corporate value. He has been nominated as a candidate for Director since we believe that he can continue to leverage his extensive experience and knowledge in the management of the Company.	

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p>Takashi Kato (December 23, 1965)</p> <p><u>Reappointment</u></p>	<p>April 1993 Joined Fuji Electrochemical Co., Ltd. (current FDK CORPORATION)</p> <p>April 2014 General Manager of YD Group, Component Business Promotion Department, Electronics Business Division</p> <p>February 2015 Joined the Company General Manager in charge of Optical Business Unit</p> <p>June 2015 General Manager of Technology Development Department, Optical Business Unit</p> <p>January 2016 Executive Officer; in charge of development and technology in Optical Components and Devices Business Unit</p> <p>February 2017 Executive Officer; Head of Development Division; and General Manager of Research and Development Department</p> <p>January 2018 Director of KOHOKU LANKA (PVT) LTD. (current position)</p> <p>March 2018 Director; Executive Officer; Head of Research and Development Division; and General Manager of Product Development Department of the Company</p> <p>July 2018 Director; Executive Officer; and General Manager of Research and Development Department</p> <p>August 2018 Director of SUZHOU KOHOKU OPTO-ELECTRONICS CO., LTD. (current position)</p> <p>March 2021 Managing Director; Executive Officer; and General Manager of Research and Development Department of the Company (current position)</p>	17,200
	Reasons for nomination	<p>Mr. Takashi Kato has been engaged in the optical components and devices business since his employment at FDK CORPORATION, and is well-versed in the optical components and devices industry. He has abundant business experience in the research and development department and deep insight into such fields, and has demonstrated strong leadership. He has been nominated as a candidate for Director since we believe that he can continue to leverage his extensive experience and knowledge in the management of the Company.</p>	

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Hiroyuki Kunitomo (April 9, 1958) <u>Reappointment</u>	April 1982 Joined the Ogaki Kyoritsu Bank, Ltd. May 2000 General Manager of Nagamori Branch March 2003 General Manager of Sekigahara Branch May 2006 Acting General Manager of Management Administration Division May 2011 General Manager of Operations Support Division January 2013 General Manager of Operations Administration Division May 2015 General Manager of Management Administration Division and General Manager of Compliance Control Center January 2016 Audit and Supervisory Board Member of the Company September 2017 Executive Officer and Head of Administration Division January 2018 Director of KOHOKU LANKA (PVT) LTD. (current position) March 2018 Director; Executive Officer; and Head of Administrative Division of the Company July 2018 Director and Executive Officer August 2018 Director of SUZHOU KOHOKU OPTO- ELECTRONICS CO., LTD. (current position) September 2018 Director; Executive Officer; and General Manager of General Affairs Department of the Company January 2021 Director; Executive Officer; and General Manager of Administration Department March 2022 Director and Executive Officer (current position) October 2023 General Manager of General Affairs Department of the Company (current position)	17,200
	Reasons for nomination	Mr. Hiroyuki Kunitomo is well-versed in corporate governance and compliance, having served as a branch manager, Manager of Management Administration Department, and other positions at a financial institution. He has also served as an executive of the Company's overseas subsidiaries and has extensive experience in executing operations while also demonstrating his knowledge of governance. He has been nominated as a candidate for Director since we believe that he plays an important role in the decision-making process necessary for the execution of group management.	

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Kunio Uehara (May 8, 1960) <u>Reappointment</u>	April 1983 Joined ROHM Co., Ltd. April 1993 Seconded to ROHM USA Inc., Assistant Controller April 1997 Manager of Fund Section, Accounting & Finance Department of ROHM Co., Ltd. September 2001 Manager of Cost Analysis Section, Accounting & Finance Department General Manager of ROHM Semiconductor Singapore Pte. Ltd. and General Manager of ROHM Semiconductor Korea Corporation April 2002 Deputy General Manager of Accounting & Finance Department March 2009 General Manager of Accounting & Finance Department April 2017 Director of Accounting & Finance Headquarters June 2018 Member of the Board in charge of finance and Director of Accounting & Finance Headquarters September 2019 Member of the Board; Senior Corporate Officer in charge of finance; and Director of Accounting & Finance Headquarters June 2021 Chief Advisor March 2022 Joined the Company Executive Officer and General Manager of Administration Department March 2023 Director; Executive Officer; and General Manager of Administration Department April 2023 Director; Executive Officer; and General Manager of Accounting & Finance Department (current position)	-
	Reasons for nomination	Mr. Kunio Uehara has served in key positions in the administrative division at ROHM Co., Ltd. and was appointed as a Member of the Board of the company in 2018, and has deep knowledge in bookkeeping, finance, accounting, public relations and investor relations, and business execution. Since joining the Company, he has contributed to strengthening governance and improving operational efficiency in the Accounting & Finance Department. He has been nominated as a candidate for Director since we believe that he can leverage his extensive experience and knowledge in the management of the Company.	

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Yutaka Kuriyama (May 6, 1950) <input type="checkbox"/> Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent	April 1973 Joined Konishi Co., Ltd. April 2007 President of Konishi Co., Ltd. Shanghai April 2010 Director; Executive Officer; and Deputy General Manager of Chemical Products Division of Konishi Co., Ltd. April 2011 Director; Executive Officer; and General Manager of Chemical Products Division April 2012 President and Representative Director of MARUYASU & CO., LTD. May 2018 Advisor (part time) December 2018 Director of the Company (current position)	-
	Reasons for nomination	Mr. Yutaka Kuriyama has extensive experience and broad insight in corporate management, having served as Director and Executive Officer of Konishi Co., Ltd. and as President and Representative Director of MARUYASU & CO., LTD., and has provided accurate advice on the Company's management based on this wealth of experience and insight. He also has contributed to the maintenance and strengthening of the Company's governance by serving as the chairperson of the Nomination and Remuneration Advisory Committee, which is an advisory body to the Board of Directors. He has been nominated as a candidate for Director since we believe that he can be expected to continue to provide advice and recommendations from an objective and neutral standpoint.	

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	<p>Takeshi Nishimura (July 7, 1951)</p> <p><u>Reappointment</u></p> <p><u>Outside</u></p> <p><u>Independent</u></p>	<p>November 1974 Joined Tohmatsu Awoki & Co. (current Deloitte Touche Tohmatsu LLC)</p> <p>September 1978 Registered as a Certified Public Accountant</p> <p>July 2001 Established Tohmatsu Venture Support Osaka Co., Ltd. (current Deloitte Tohmatsu Venture Support Co., Ltd.) Managing Director</p> <p>January 2017 Established Nishimura Certified Public Accountant Office Representative (current position)</p> <p>July 2017 Registered as a Certified Tax Accountant</p> <p>December 2017 Corporate Auditor of OKUMURA ENGINEERING corp.</p> <p>December 2018 Outside Audit and Supervisory Board Member of LEOCLAN Co., Ltd. (current position)</p> <p>June 2019 Outside Director (Audit and Supervisory Board member) of OKUMURA ENGINEERING corp. (current position)</p> <p>July 2020 Established Kyorissshi Auditing Firm Comprehensive Representative Partner (current position)</p> <p>March 2021 Director of the Company (current position)</p>	-
	Reasons for nomination	As a certified public accountant and certified tax accountant, Mr. Takeshi Nishimura is well-versed in finance, accounting, and taxation, and as Managing Director of a company that supports start-up companies, he has a high level of knowledge of management. He has been nominated as a candidate for Director since we believe that leveraging his knowledge, he can be expected to continue to supervise and provide advice to Directors on the execution of their duties, particularly in the areas of finance and accounting, from a professional perspective.	

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	Shoko Sawaki (June 12, 1965) Reappointment Outside Independent	<p>July 1996 Lecturer at Nagoya University (part-time researcher at a research institution)</p> <p>April 1997 Research Fellow PD at the Japan Society for the Promotion of Science</p> <p>December 1997 Lecturer at Faculty of Economics, Shiga University</p> <p>April 1999 Associate Professor at Faculty of Economics, Shiga University</p> <p>April 2000 Associate Professor at Faculty of Economics, Shiga University</p> <p>Associate Professor at the Graduate School of Economics, Shiga University</p> <p>April 2007 Professor at Faculty of Economics, Shiga University (current position) and Professor at the Graduate School of Economics, Shiga University (current position)</p> <p>March 2023 Director of the Company (current position)</p>	-
	Reasons for nomination	Ms. Shoko Sawaki has been engaged in education and research in business administration, including human resource management and cross-cultural management. She has been nominated as a candidate for Director since we believe that having her abundant knowledge and experience reflected in the management of the Company will contribute to the strengthening of the functions of the Board of Directors.	

- Notes:
1. There are no special interests between each candidate and the Company.
 2. Mr. Futoshi Ishii is a “parent company, etc.” of the Company as defined by the Companies Act. He serves as Representative Director and President of IF Management Co., Ltd. and Managing Director of KOHOKU ELECTRONICS (S) PTE. LTD., both of which are his subsidiaries, etc. During past ten (10) years, he also concurrently served as Managing Director of KOHOKU ELECTRONICS (M) SDN. BHD., Chairman of SUZHOU KOHOKU OPTO-ELECTRONICS CO., LTD., Chairman of DONGGUAN KOHOKU ELECTRONICS CO., LTD., and Managing Director of KOHOKU LANKA (PVT) LTD.
 3. Directors Yutaka Kuriyama, Takeshi Nishimura, and Shoko Sawaki are candidates for Outside Director.
 4. Mr. Yutaka Kuriyama, Mr. Takeshi Nishimura, and Ms. Shoko Sawaki, candidates for Outside Director, are currently Outside Directors of the Company. The terms of office of Mr. Yutaka Kuriyama, Mr. Takeshi Nishimura, and Ms. Shoko Sawaki as Outside Directors will be five years and three (3) months, three (3) years, and one (1) year, respectively, at the conclusion of this year’s Ordinary General Meeting of Shareholders.
 5. Director Yutaka Kuriyama has been nominated as a candidate for Outside Director since the Company believes that he will contribute to the strengthening of the Company’s corporate governance with his abundant knowledge and experience as a corporate manager.
 6. Director Takeshi Nishimura has been nominated as a candidate for Outside Director since he is a certified public accountant and a certified tax accountant, and the Company believes that he can be expected to make useful statements based on his considerable knowledge of corporate accounting and taxation.
 7. Director Shoko Sawaki has been nominated as a candidate for Outside Director since she has been engaged in education and research in business administration, including human resource management and cross-cultural management, and the Company believes that she has abundant knowledge and experience that can contribute to the strengthening of the Board of Directors.
 8. Liability Limitation Agreement with Non-Executive Directors
As stipulated in the Articles of Incorporation, the Company may enter into an agreement with Directors (excluding those who are Executive Directors, etc.) to limit liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act, if the requirements stipulated by

- laws and regulations are met, and the maximum amount of liability under such agreement shall be the minimum liability amount stipulated by laws and regulations.
9. The Company has concluded the liability limitation agreements mentioned above with Mr. Yutaka Kuriyama, Mr. Takeshi Nishimura, and Ms. Shoko Sawaki, and if their reappointment is approved, the Company plans to continue said liability limitation agreements with them.
 10. The Company has concluded a Directors and Officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover damages incurred by Directors, Audit and Supervisory Board Members, and others arising from their duties (excluding those falling under the exemptions set forth in the insurance policy). The entire premium for the Directors and Officers liability insurance is borne by the Company. If the reappointment of each candidate for Director is approved, they will be insured under such insurance agreement. The term of such insurance agreement is one year, and the Company plans to renew it by resolution of the Board of Directors prior to the expiration of said term.
 11. The Company has designated Mr. Yutaka Kuriyama, Mr. Takeshi Nishimura, and Ms. Shoko Sawaki as Independent Directors as stipulated under the regulations of the Tokyo Stock Exchange and registered them as such with the Exchange. If their reappointment is approved, the Company plans to continue to designate them as Independent Directors.

(Reference) Skills Matrix

List of expertise and experience of Directors and Audit and Supervisory Board Members of the Company following the approval of Proposal 2

Name	Position	Expertise/experience						
		Corporate Management	Manufacturing/ Technology, R&D/ Quality	Sales/ Marketing	Global Experience	Legal/ Risk Management	Finance/ Accounting	Sustainability/ Personnel/ Labor/ Human Resources
Futoshi Ishii	President and CEO	○		○	○	○		○
Kazukiyo Kitagawa	Senior Managing Director Executive Officer		○	○	○			
Takashi Kato	Managing Director Executive Officer		○	○	○			
Hiroyuki Kunitomo	Director Executive Officer					○	○	○
Kunio Uehara	Director Executive Officer	○			○		○	
Yutaka Kuriyama	Director (part time)	○		○	○			○
Takeshi Nishimura	Director (part time)	○				○	○	
Shoko Sawaki	Director (part time)				○	○		○
Katsuya Matsumiya	Audit and Supervisory Board Member (full time)	○				○	○	
Masaya Nakamura	Audit and Supervisory Board Member (part time)					○	○	○
Hisashi Yano	Audit and Supervisory Board Member (part time)		○	○	○			

Proposal 3: Election of One (1) Substitute Audit and Supervisory Board Member

To prepare for cases in which the Company lacks the number of Audit and Supervisory Board Members set by laws and regulations, the Company requests the election of One (1) Substitute Audit and Supervisory Board Member pursuant to Article 329, Paragraph 3 of the Companies Act.

The Audit and Supervisory Board has given its approval to this Proposal in advance.

The candidate for Substitute Audit and Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
Yasuhiro Kawakami (March 11, 1985)	December 2007 Joined Deloitte Touche Tohmatsu (current Deloitte Touche Tohmatsu LLC) January 2013 Seconded to Tohmatsu Tax Co. (current Deloitte Tohmatsu Tax Co.) December 2016 Resigned from the company January 2017 Established Kawakami Certified Public Accountant Office President (current position) January 2018 Advisor of the Company (current position)	-
Reasons for nomination	Mr. Yasuhiro Kawakami has extensive knowledge and experience mainly as a certified public accountant, and we believe that he can contribute to the strengthening of the Company's auditing system.	

- Notes:
1. There are no special interests between the candidate and the Company.
 2. Mr. Yasuhiro Kawakami is a candidate for Substitute Outside Audit and Supervisory Board Member.
 3. Liability Limitation Agreement with Audit and Supervisory Board Members
As stipulated in the Articles of Incorporation, the Company may enter into an agreement with Audit and Supervisory Board Members to limit liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act, if the requirements stipulated by laws and regulations are met, and the maximum amount of liability under such agreement shall be the minimum liability amount stipulated by laws and regulations.
 4. If Mr. Yasuhiro Kawakami assumes office as an Audit and Supervisory Board Member, the Company plans to enter into the liability limitation agreement mentioned above with him.
 5. The Company has concluded a Directors and Officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover damages incurred by Directors, Audit and Supervisory Board Members, and others arising from their duties (excluding those falling under the exemptions set forth in the insurance policy). The entire premium for the Directors and Officers liability insurance is borne by the Company. If Mr. Yasuhiro Kawakami assumes office as an Audit and Supervisory Board Member, he will be insured under such insurance agreement. The term of such insurance agreement is one year, and the Company plans to renew it by resolution of the Board of Directors prior to the expiration of said term.
 6. If Mr. Yasuhiro Kawakami assumes office as an Audit and Supervisory Board Member, the Company plans to register him as an Independent Auditor as stipulated under the regulations of the Tokyo Stock Exchange.

Proposal 4: Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Outside Directors)

The amount of remuneration, etc. for Directors of the Company was approved as an amount not to exceed 300 million yen per annum (not including employee salary for directors concurrently serving as an employee) at the 58th Ordinary General Meeting of Shareholders held on March 30, 2017.

As part of revisions to the officer remuneration plan, the Company proposes to pay new remuneration for granting restricted stock to Directors of the Company (excluding Outside Directors; hereinafter “Eligible Directors”), separately from the above remuneration amount, in order to provide Eligible Directors with incentives to continually enhance the corporate value of the Company and further promote value sharing with shareholders.

Under this proposal, the remuneration paid for granting restricted stock to Eligible Directors shall be monetary claims, and the total amount thereof shall be an amount not to exceed 50 million yen per annum (not including employee salary for directors concurrently serving as an employee). In addition, the specific timing of payment and allocation to each Eligible Director shall be determined by the Board of Directors.

At present, there are six (6) Eligible Directors. If Proposal 2 “Election of Eight (8) Directors” is approved and passed as originally proposed, there will be five (5) Eligible Directors.

In addition, pursuant to a resolution of the Board of Directors of the Company, Eligible Directors shall pay all monetary claims paid to them under this proposal as property contributed in kind, and shall receive shares of common stock of the Company through issuance or disposal, and the total number of shares of common stock of the Company to be issued or disposed of in this way shall not exceed 20,000 shares per annum (however, if, on or after the date this proposal is approved and passed, a stock split (including a gratis allotment of common stock of the Company) or a reverse stock split is conducted in regard to the Company’s common stock, or if other circumstances arise that necessitate an adjustment to the total number of shares of common stock of the Company to be issued or disposed of as restricted stock, the Company shall adjust the total number of shares within a reasonable range). (The Company resolved at a meeting of the Board of Directors on February 8, 2024, to conduct a 3-for-1 stock split on April 1, 2024, and to change the total number of authorized shares to 108,000,000 shares. We will adjust the total number of these shares to 60,000 shares on April 1, 2024.)

The amount of monetary claims to be paid per share shall be an amount determined by the Board of Directors within a range that will not be a particularly advantageous amount for the Eligible Director who will receive the common stock, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day before the date of each resolution by the Board of Directors (if there are no trades on that day, the closing price on the most recent preceding trading day). Furthermore, the specific timing of payment and allocation to each Eligible Director shall be determined by the Board of Directors, which has the authority to make the final decision, based on the deliberations and reports by the Nomination and Remuneration Advisory Committee.

In addition, the issuance or disposal of common shares of the Company in this way and the payment of monetary claims as property contributed in kind in exchange for them are subject to the conclusion of a restricted stock allotment agreement (hereinafter the “Allotment Agreement”) between the Company and Eligible Directors containing the following content. In addition, the upper limit of remunerations, the total number of shares of common stock of the Company to be issued or disposed of, and other conditions for granting restricted stock to Eligible Directors under this proposal have been determined taking into account the above object, the Company’s business conditions, policies for determining the details of remuneration, etc. of individual Directors of the Company (if this proposal is approved and passed, such policies will be amended as described in the below “Reference” section so that they will be consistent with the approved content), and other various circumstances, and are therefore considered reasonable.

[Overview of the Allotment Agreement]

(1) Transfer restriction period

Eligible Directors shall not transfer, create security interests on, or otherwise dispose of (hereinafter “transfer restrictions”) common stock of the Company received by allotment under the Allotment Agreement (hereinafter the “Allotted Shares”), for a period that is defined in advance by the Company’s Board of Directors from three (3) years to thirty (30) years from the day the allotment is received under the Allotment Agreement (hereinafter the “transfer restriction period”).

(2) Treatment upon resignation

If an Eligible Director resigns from the position of officer and employee of the Company or its subsidiary that is defined in advance by the Company’s Board of Directors prior to the expiration of the

transfer restriction period, the Company shall automatically acquire the Allotted Shares without consideration excluding cases when the resignation is due to the expiration of his or her term, death, or other justifiable reason.

(3) Removal of transfer restrictions

Notwithstanding the provisions of the above item (1), on the condition that the Eligible Director continuously served in the position of officer and employee of the Company or its subsidiary that is defined in advance by the Company's Board of Directors during the transfer restriction period, the Company shall remove transfer restrictions on all Allotted Shares when the transfer restriction period expires. However, if the Eligible Director resigns from the position defined in the above item (2) prior to the expiration of the transfer restriction period due to the expiration of his or her term, death, or other justifiable reason as stipulated in the above item (2), the Company shall reasonably adjust the number of Allotted Shares whose transfer restrictions are to be removed, and the timing of the removal of transfer restrictions, as necessary. In addition, the Company shall automatically acquire without consideration any Allotted Shares whose transfer restrictions have not been removed immediately after the removal of transfer restrictions in accordance with the above provisions.

(4) Treatment in case of organizational restructuring, etc.

Notwithstanding the provisions of the above item (1), if, during the transfer restriction period, a merger agreement where the Company will be the merged company, share exchange agreement or share transfer plan where the Company will become a wholly owned subsidiary, or other item related to organizational restructuring, etc. is approved at a general meeting of shareholders of the Company (however, this shall be the Board of Directors of the Company if the organizational restructuring, etc. does not require approval by the general meeting of shareholders of the Company), the Company shall, by a resolution of the Board of Directors of the Company, remove transfer restrictions ahead of the effective date of the organizational restructuring, etc. on a reasonably determined number of Allotted Shares, taking into consideration the period from the start date of the transfer restriction period to the approval date of the organizational restructuring, etc. In addition, in the cases as provided above, the Company shall automatically acquire without consideration any Allotted Shares whose transfer restrictions have not been removed immediately after the removal of transfer restrictions.

(5) Other matters

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

[Reference] Policies for Determining the Details of Remuneration, Etc. of Individual Directors

(1) Basic Remuneration

In order to ensure objectivity and transparency in the process, the amount of Director remuneration and its method of calculation are determined by the Board of Directors within the maximum amount of remuneration set by the General Meeting of Shareholders, taking into consideration the duties, position, performance and achievements of each Director, after deliberation by the Nomination and Remuneration Advisory Committee, the majority of which consists of Outside Directors.

At the 58th Ordinary General Meeting of Shareholders held on March 30, 2017, it was resolved that the maximum amount of remuneration for Directors shall be limited to 300 million yen (not including employee salary) (there were three directors at the time of the resolution).

Director remuneration is composed of base salary, which is fixed, and bonuses, which fluctuate with performance and are paid based on operating profit and other factors, taking into consideration each Director's duties, achievements, etc.

(2) Stock Compensation

The Company introduced a restricted stock compensation system for compensation of Directors (excluding Outside Directors) in order to provide incentives to continually enhance the corporate value of the Company and further promote value sharing with shareholders. Furthermore, the introduction of the restricted stock compensation system was resolved at the 65th Ordinary General Meeting of Shareholders held on March 28, 2024. (There are five (5) Eligible Directors at the conclusion of the General Meeting of Shareholders.)