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Securities code: 8185

May 8, 2024

(Commencement of electronic provision measures: May 1, 2024)

To Shareholders with Voting Rights:

Masatoshi Machino
President & CEO
Chiyoda Co., Ltd.
4-30-16 Ogikubo, Suginami-ku,
Tokyo, Japan

**NOTICE OF
THE 77TH 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 77th Annual General Meeting of Shareholders of Chiyoda Co., Ltd. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision. The Company has posted electronic provision measures matters consisting of the “NOTICE OF THE 77TH ANNUAL GENERAL MEETING OF SHAREHOLDERS” and “other electronic provision measures matters (not included in the paper copy sent to shareholders)” on the following website on the Internet.

- The Company’s website:

https://www.chiyodagr.co.jp/ir/en_news.html

Please access the above website, select “IR Release” from the menu, and refer to the documents.

- Tokyo Stock Exchange’s website

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

Please access the above website of the Tokyo Stock Exchange, search by entering “Chiyoda” in “Issue name (company name)” or “8185” in “Code,” select “Basic information” and “Documents for public inspection/PR information” in that order, and refer to the documents listed in “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection”.

In lieu of attending the meeting in person, you can exercise your voting rights in writing or via the Internet, etc. Please refer to the Reference Documents for the General Meeting of Shareholders included in the electronic provision measures matters and follow the guidance described later (Japanese version only) to exercise your voting rights by 6:30 p.m. on Wednesday, May 22, 2024, Japan time.

- 1. Date and Time:** Thursday, May 23, 2024 at 10:00 a.m. Japan time
- 2. Place:** “Oak Room” on the 7th floor of Kichijoji Excel Hotel Tokyu located at 2-4-14 Kichijoji-honcho, Musashino-shi, Tokyo, Japan
(Please note that the venue is different from the one in the previous year.)

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 77th Fiscal Year (March 1, 2023 – February 29, 2024) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 77th Fiscal Year (March 1, 2023 – February 29, 2024)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Eight (8) Directors
- Proposal 3:** Election of Three (3) Auditors
- Proposal 4:** Determination of Remuneration for Granting Restricted Stock to Directors (excluding Outside Directors)

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

Year-end dividends

Appropriation of surplus is proposed as below.

Matters related to year-end dividends

Based on a policy to enhance shareholder returns stably and for a long term, the Company proposes to pay year-end dividends for the 77th fiscal year as follows, with consideration for securing the internal reserves necessary for future business development, etc.

(1) Type of dividend property:

Cash

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

The Company proposes an ordinary dividend of 14 yen per share of the Company's common stock.

The total amount of dividends in this case will be 492,238,572 yen.

As the Company paid out 14 yen per share as an interim dividend in November 2023, the aggregate amount of dividends for the fiscal year will amount to 28 yen per share.

(3) Effective date of the dividends from surplus:

May 24, 2024

Proposal 2: Election of Eight (8) Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the Company proposes to elect eight (8) Directors.

The candidates for Directors are as follows.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company (Significant concurrent positions)	Number of shares of the Company held
1	Masatoshi Machino (December 1, 1958)	October 1991 Joined the Company	888
		June 2016 General Manager, Chubu Regional Division March 2017 General Manager, Global Brand Management Department February 2018 General Manager, Kanto Sales Division June 2020 Executive Officer; General Manager, Kanto Region Store Operation Division May 2021 President & CEO (current position) February 2024 Director and Chairman, Tomoe & Co., Ltd. (current position)	
[Reasons for nomination as a candidate for Director] Since joining the Company, Mr. Masatoshi Machino has long engaged in duties of sales divisions and served in managerial positions at a regional sales division and procurement division. He has abundant experience and knowledge regarding store operation and merchandise measures, which are necessary for the Group's further growth and corporate value enhancement. Accordingly, the Company nominated him again as a candidate for Director.			
2	Yuichiro Inoue (April 12, 1969)	May 2014 Joined the Company	800
		June 2014 General Manager, Public Relations & Investor Relations Office February 2018 General Manager, Corporate Planning Office March 2019 General Manager, Accounting Department April 2019 General Manager, Accounting Department, Finance Division; General Manager, Corporate Planning Office June 2021 Executive Officer; General Manager, Corporate Planning Office and Public Relations & Investor Relations Office May 2022 Director; General Manager, Planning and Finance Division June 2023 Director; General Manager, Administration Division; General Manager, General Affairs Department; responsible for Public Relations & Investor Relations Office (current position) April 2024 Director, Chiyoda Bussan Co., Ltd. (current position)	
[Reasons for nomination as a candidate for Director] Since joining the Company, Mr. Yuichiro Inoue has served at Public Relations & Investor Relations Office, Accounting Department and Finance Division. After that, he accumulated abundant experience and knowledge regarding corporate planning through serving in the positions of General Manager of Public Relations & Investor Relations Office and General Manager of Corporate Planning Office. His experience and knowledge are necessary for the Group's further growth and corporate value enhancement. Accordingly, the Company nominated him again as a candidate for Director.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company (Significant concurrent positions)	Number of shares of the Company held	
3	New appointment Kunio Ozeki (December 14, 1967)	April 1986 June 2017 August 2019 June 2022 June 2023	Joined the Company General Manager, Kyushu Regional Division General Manager, Distributor Department Executive Officer; General Manager, Store Operation Department Executive Officer; General Manager, Store Operation Division (current position)	1,400
		<p>[Reasons for nomination as a candidate for Director] Since joining the Company, Mr. Kunio Ozeki has accumulated abundant experience and knowledge regarding store operation and product management as a personnel in charge of a procurement division and as a manager of a regional sales division and a product management division. His experience and knowledge are necessary for the Group's further growth and corporate value. Accordingly, the Company nominated him as a new candidate for Director.</p>		
4	Koji Funahashi (May 22, 1962)	April 1985 June 1990 May 1999 May 2001 May 2003 May 2009 May 2013 April 2013 August 2016 March 2019 May 2020 May 2021 June 2022 April 2023 May 2023	Joined Hakuodo Incorporated Joined the Company Director Managing Director; General Manager, Sales Department, MAC HOUSE CO., LTD. Senior Managing Director; General Manager, Sales Division, MAC HOUSE CO., LTD. President & CEO, MAC HOUSE CO., LTD. President & CEO of the Company Representative Director and President, Daichi Co., Ltd. (current position) Representative Director and President, Cosmopolitan Co., Ltd. (current position) Resigned from the position of President & CEO of the Company Director, Advisor, MAC HOUSE CO., LTD. Chairman, MAC HOUSE CO., LTD. Senior Advisor of the Company Chairman and CEO, MAC HOUSE CO., LTD. (current position) Director of the Company (current position)	323,785
		<p>[Reasons for nomination as a candidate for Director] Mr. Koji Funahashi has sufficiently gained abundant insight, expertise and ability regarding the Group's business and corporate management. The Company deems that he is capable of achieving sustainable growth further to realize the medium- to long-term corporate strategy as well as appropriately supervising the entire Group. Accordingly, the Company nominated him again as a candidate for Director.</p>		

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company (Significant concurrent positions)	Number of shares of the Company held
5	Norio Sato (February 11, 1962)	<p>April 1980 Joined Tokai Bank, Ltd. (currently, MUFG Bank, Ltd.)</p> <p>January 2002 Senior Researcher, UFJ Bank Limited (currently, MUFG Bank, Ltd.)</p> <p>January 2006 Senior Researcher, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently, MUFG Bank, Ltd.)</p> <p>June 2010 Member of the Board of Directors and Executive Officer, Mitsubishi UFJ Information Technology, Ltd.</p> <p>December 2013 Joined Nomura Research Institute, Ltd.</p> <p>April 2016 General Manager, Global IT Platform Promotion Department, IT Platform Innovation Division</p> <p>April 2018 General Manager, Management Department, Financial Solution Division</p> <p>May 2021 Outside Director, the Company (current position)</p> <p>May 2021 Executive Partner, Tokyo Digital Ideas Co., Ltd.</p> <p>March 2022 Advisor, Trend Solutions Co., Ltd. (current position)</p> <p>Advisor, e-Technology Co., Ltd. (current position)</p>	—
<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Norio Sato has extensive experience and track record in industrial IT solutions and IT platform services. The Company deems that he is qualified to serve as Outside Director of the Company for achieving growth and enhancing corporate value further by utilizing his experience. Accordingly, the Company nominated him again as a candidate for Outside Director.</p> <p>In addition, due to the above reasons, the Company expects him to fulfill a role in reforming the Company's business model.</p>			
6	Osamu Iwaki (August 17, 1957)	<p>April 1981 Joined Mitsubishi Corporation, Sales position in apparel division</p> <p>March 2004 Director, LIFE GEAR CORPORATION</p> <p>July 2016 Director & COO, TONOYO CO., LTD.</p> <p>April 2018 President & CEO, iSurpass (current position)</p> <p>October 2022 Director, Climber Co., Ltd. (current position)</p> <p>May 2023 Outside Director, the Company (current position)</p>	—
<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Osamu Iwaki has accumulated expertise and knowledge in the field such as shoes, textile and apparel over the years and gained extensive experience of business management. Accordingly, the Company deems that he is qualified to serve as Outside Director of the Company and nominated him again as a candidate for Outside Director.</p> <p>In addition, due to the above reasons, the Company expects him to fulfill a role as an expert with insight into the industry.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company (Significant concurrent positions)	Number of shares of the Company held	
7	Shintaro Horinouchi (December 17, 1980)	April 2005	Joined Nomura Research Institute, Ltd.	-
		September 2007	Joined Goldman Sachs Japan Co., Ltd.	
		October 2010	Joined Innovation Network Corporation of Japan (INCJ)	
		March 2013	Joined Ichigo Asset Management, Ltd.	
		May 2016	Outside Director, Ichigo Real Estate Investment Advisors Co., Ltd. (currently, Ichigo Investment Advisors Co., Ltd.)	
		November 2022	Executive Officer, Ichigo Asset Management International, Pte. Ltd. (current position)	
		May 2023	Outside Director, the Company (current position)	
		[Reasons for nomination as a candidate for Outside Director and overview of expected roles] Mr. Shintaro Horinouchi is well versed in corporate analysis and market research and has experience and track record in dealing with corporate value enhancement. Accordingly, the Company deems that he is qualified to serve as Outside Director of the Company and nominated him again as a candidate for Outside Director. In addition, due to the above reasons, the Company expects him to fulfill a role from a professional standpoint of capital market.		
8	Kiei Yamamoto (February 7, 1973)	April 1995	Joined ITOCHU Corporation, Apparel Division	-
		January 1998	Joined NIPPON HERALD FILMS, INC.	
		July 2003	Director, NIPPON HERALD FILMS, INC.	
		July 2005	Joined Booz Allen Hamilton Inc.	
		September 2011	Joined Burberry Japan K.K.	
		November 2013	Joined Brain and Capital Holdings, Inc.	
		August 2016	Joined Brain and Capital Solutions, Inc., Director, Brain and Capital Solutions, Inc.	
		July 2020	Joined PwC Consulting LLC	
		March 2022	Joined Frontier Management Inc., Managing Director, Management Executive Support Department (current position)	
		May 2023	Outside Director, the Company (current position)	
[Reasons for nomination as a candidate for Outside Director and overview of expected roles] Mr. Kiei Yamamoto has vast experience of consulting services for the retail and consumer goods industries as well as track record in business revitalization. Accordingly, the Company deems that he is qualified to serve as Outside Director of the Company and nominated him again as a candidate for Outside Director. In addition, due to the above reasons, the Company expects him to fulfill a role in supervising the management from an objective standpoint.				

- Notes:
1. There are no special interests between each of the candidates and the Company.
 2. Mr. Norio Sato, Mr. Osamu Iwaki, Mr. Shintaro Horinouchi and Mr. Kiei Yamamoto are candidates for Outside Director.
 3. The Company has registered Mr. Norio Sato, Mr. Osamu Iwaki, Mr. Shintaro Horinouchi and Mr. Kiei Yamamoto as independent directors in accordance with the regulations of the Tokyo Stock Exchange. If this proposal is approved and resolved, they will continue serving as independent directors.
 4. Mr. Norio Sato is an incumbent Outside Director of the Company. He will have served as Outside Director for three (3) years at the conclusion of this Annual General Meeting of Shareholders.
 5. Mr. Osamu Iwaki, Mr. Shintaro Horinouchi and Mr. Kiei Yamamoto are incumbent Outside Directors of the Company. They will have served as Outside Director for one (1) year at the conclusion of this Annual General Meeting of Shareholders.
 6. The Company has entered into agreements with Mr. Norio Sato, Mr. Osamu Iwaki, Mr. Shintaro Horinouchi, and Mr. Kiei Yamamoto pursuant to Article 427, Paragraph 1 of the

Companies Act to limit their liability for damages stipulated in Article 423, Paragraph 1 of the said Act to the minimum liability amounts provided for in Article 425, Paragraph 1 of the said Act. If their elections are approved, the Company will continue the agreements.

7. The Company has entered into a directors and officers liability insurance contract with an insurance company. The insurance policy covers damages that may arise when the insured assumes liability for the execution of his or her duties and receives a claim related to the pursuit of such liability. The candidates are scheduled to be insured by the insurance contract. The Company plans to renew the contract with the same content at the next renewal.

Proposal 3: Election of Three (3) Auditors

The terms of office of all three (3) Auditors will expire at the conclusion of this Annual General Meeting of Shareholders. Of the three (3) Auditors, Mr. Shuichi Koike will resign due to expiration of his term of office. Accordingly, the Company proposes to elect two (2) Auditors for reappointment, and one (1) Auditor for new appointment, for a total of three (3) Auditors.

The Board of Auditors has given its consent to this proposal.

The candidates for Auditors are as follows.

No.	Name (Date of birth)	Career summary and positions at the Company (Significant concurrent positions)		Number of shares of the Company held
1	New appointment	March 1983	Joined SAPPORO ACHILLESS CORPORATION	100
	Shoji Shiota (January 2, 1964)	May 1986	Joined the Company	
June 2023 General Manager, Internal Audit Office (current position)				
[Reasons for nomination as a candidate for Auditor] Mr. Shoji Shiota is currently involved in auditing as General Manager of Internal Audit Office. The Company deems that he can adequately perform his duties as Auditor and nominated him as a new candidate for Auditor.				
2	Masao Yamanaka (July 24, 1962)	April 1997	Registered as attorney at law (Daini Tokyo Bar Association)	-
		January 2003	Established Yamanaka Sogo Law Office	
		April 2008	Joined Renaiss Law Office (current position)	
		May 2012	Outside Auditor, the Company (current position)	
		June 2015	Outside Auditor, System Location Co., Ltd. (current position)	
		June 2018	Outside Director, ACE Securities Co., Ltd.	
		February 2020	Outside Director, Tosei Corporation	
[Reasons for nomination as a candidate for Auditor] Mr. Masao Yamanaka is well versed in corporate finance and legal affairs as an attorney at law and has abundant experience in litigation and a high level of insight in management. Accordingly, the Company deems that he is qualified to serve as Outside Auditor of the Company and nominated him again as a candidate for Outside Auditor.				

No.	Name (Date of birth)	Career summary and positions at the Company (Significant concurrent positions)	Number of shares of the Company held
3	Yutaka Usami (April 28, 1958)	<p>October 1984 Joined Tetsuzo Ohta & Co. (currently, Ernst & Young ShinNihon LLC.)</p> <p>November 2006 Representative Director, Management Power Exchange Ltd. (current position)</p> <p>January 2007 President, Usami Certified Public Accountant Office (current position)</p> <p>April 2012 Auditor, National Graduate Institute for Policy Studies</p> <p>June 2014 Supervisory Director, Tokio Marine Private REIT, Inc. (current position)</p> <p>May 2020 Outside Auditor, the Company (current position)</p> <p>October 2020 Supervisory Director, Industrial & Infrastructure Fund Investment Corporation (current position)</p> <p>June 2023 Outside Audit & Supervisory Board Member, Calbee, Inc. (current position)</p>	—
<p>[Reasons for nomination as a candidate for Auditor]</p> <p>Mr. Yutaka Usami has diverse business experience at a major audit corporation and a high level of insight as an accounting professional. He has also engaged in consulting services for evaluating corporate business risks and establishing internal control systems, etc. Accordingly, the Company nominated him again as a candidate for Outside Auditor in order to reflect his expertise in an audit of the Company.</p>			

- Notes:
1. There are no special interests between each of the candidates and the Company.
 2. Mr. Masao Yamanaka and Mr. Yutaka Usami are candidates for Outside Auditors.
 3. The Company has registered Mr. Masao Yamanaka and Mr. Yutaka Usami as independent auditors in accordance with the regulations of the Tokyo Stock Exchange. If this proposal is approved and resolved, they will continue serving as independent auditors.
 4. Mr. Masao Yamanaka is an incumbent Outside Auditor of the Company. He will have served as Outside Auditor for twelve (12) years at the conclusion of this Annual General Meeting of Shareholders.
 5. Mr. Yutaka Usami is an incumbent Outside Auditor of the Company. He will have served as Outside Auditor for four (4) years at the conclusion of this Annual General Meeting of Shareholders.
 6. The Company has entered into agreements with Mr. Masao Yamanaka and Mr. Yutaka Usami pursuant to Article 427, Paragraph 1 of the Companies Act to limit their liability for damages stipulated in Article 423, Paragraph 1 of the said Act to the minimum liability amounts provided for in Article 425, Paragraph 1 of the said Act. If their elections are approved, the Company will continue the agreements.
 7. The Company will enter into an agreement with Mr. Shoji Shiota pursuant to Article 427, Paragraph 1 of the Companies Act to limit his liability for damages stipulated in Article 423, Paragraph 1 of the said Act to the minimum liability amounts provided for in Article 425, Paragraph 1 of the said Act, if this proposal is approved and resolved.

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

At the 59th Annual General Meeting of Shareholders of the Company held on May 25, 2006, the amount of remuneration, etc. for Directors of the Company was approved as an amount not to exceed 216 million yen per annum (excluding the employee salary portion of Directors who concurrently serve as employees). At the 64th Annual General Meeting of Shareholders of the Company held on May 26, 2011, it was also approved that, separately from the above remuneration amount, the amount of stock options to be granted as stock-based compensation shall not exceed 50 million yen per annum (excluding the employee salary portion).

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”), in place of the current stock option scheme as stock-based compensation, in order to provide Eligible Directors with incentives to continually enhance the corporate value of the Company and promote further shared value with shareholders.

If this proposal is approved, the stock option scheme as stock-based compensation shall be abolished and new share acquisition rights as stock options as stock-based compensation will no longer be issued to Eligible Directors in the future.

Accordingly, the Company proposes to determine that provisions of the remuneration, etc. with respect to the above share acquisition rights as stock options as stock-based compensation shall be abolished. In place of this remuneration, the remuneration to be paid for granting restricted stock to Eligible Directors shall be monetary claims, and the total amount thereof shall not exceed 30 million yen per annum. The specific timing of payment and allocation to each Eligible Director shall be determined by the Board of Directors.

The current number of Directors (excluding Outside Directors) is five (5). If Proposal 2 “Election of Eight (8) Directors” is approved and resolved as originally proposed, the number of Directors (excluding Outside Directors) will be four (4).

In addition, 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, pursuant to a resolution of the Board of Directors of the Company, and the total number of shares of common stock of the Company to be issued or disposed of in this way shall not exceed 30,000 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).

Furthermore, 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). 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 remuneration, 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 objective, the Company's business conditions, the policy on determining the details of the individual remuneration, etc. of the Company's Directors (if this proposal is approved and resolved, such policy will be amended as described below "Reference" section so that it will be consistent with the approved content), insignificance of the dilution rate (the upper limit of the number of restricted stock to be allotted in each fiscal year accounts for approximately 0.08% of the total number of issued shares), and other various circumstances, and are therefore considered reasonable.

[Overview of the Allotment Agreement]

(1) Transfer restriction period

Eligible Directors shall not be able to transfer, use as collateral, or otherwise dispose of (hereinafter the "Transfer Restrictions") shares of common stock of the Company received by allotment under the Allotment Agreement (hereinafter the "Allotted Shares") during the period predetermined by the Board of Directors of the Company (hereinafter the "Transfer Restriction Period"), which is between three (3) and thirty (30) years from the date when they receive such allotment.

(2) Treatment upon resignation or retirement

If an Eligible Director resigns or retires from his or her position of an officer of the Company or a subsidiary of the Company predetermined by the Board of Directors of the Company, the Company shall automatically acquire the Allotted Shares without consideration, excluding cases when the resignation or retirement is due to the end of his or her term, death, or other justifiable reason.

(3) Removal of transfer restrictions

Notwithstanding the provisions of (1) above, the Company shall remove the Transfer Restrictions on all of the Allotted Shares upon expiration of the Transfer Restriction Period, on the condition that the Eligible Director continuously remained in his or her position as an officer of the Company or a subsidiary of the Company predetermined by the Board of Directors of the Company throughout the Transfer Restriction Period. However, if the Eligible Director resigns or retires from the position stipulated in (2) above before the end of the Transfer Restriction Period due to the end of his or her term, death, or other justifiable reason stipulated in (2) above, the Company may reasonably adjust the number of the Allotted Shares subject to the removal of the Transfer Restrictions and the timing of the removal of the Transfer Restrictions as necessary. The Company shall automatically acquire without consideration the Allotted Shares whose Transfer Restrictions have not been removed immediately after the removal of the Transfer Restrictions in accordance with the above provisions.

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

Notwithstanding the provisions of (1) above, 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 cases provided for 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]

Policy on Determining Details of Individual Remuneration, etc. for Directors

Policy, etc. on determining the details of individual remuneration, etc. for officers

Remunerations of Executive Directors shall consist of basic remuneration as fixed remuneration, bonuses as performance-linked monetary remuneration, and non-monetary remuneration (restricted stock remuneration). They shall be determined in accordance with the policy described below. As regards the remuneration ratios, the Company will aim to keep the ratio of basic remuneration at 50% to 80%, the ratio of performance-linked remuneration at 25% to 10%, and the ratio of non-monetary remuneration (restricted stock remuneration) at 25% to 10% based on their positions, duties and responsibilities, the levels set by other companies, and social conditions, etc.

Basic remuneration (monetary remuneration)

Basic remuneration shall be fixed monthly monetary remuneration, which shall be determined comprehensively taking into account the positions, duties and responsibilities, achievement of the performance indicators, and the salaries of employees such as those of Executive Officers.

Performance-linked remuneration (monetary remuneration)

In accordance with dates of bonus payments for employees, performance-linked remuneration (monetary remuneration) shall be determined taking into account the progress of the targets of profitability indicators (net sales and operating profit) on a consolidated and non-consolidated basis in each fiscal year, contribution to corporate value enhancement, and bonus payment rates of employees, in order to increase motivation to contribute to improve business performance in each fiscal year.

Non-monetary remuneration (restricted stock remuneration)

Non-monetary remuneration shall be restricted stock remuneration. The number of allotted shares shall be determined by a resolution of the Board of Directors, comprehensively taking into account the positions, duties and responsibilities, and achievement of the performance indicators. The remuneration shall be paid at a predesignated time each year.

The remuneration for Outside Directors and Auditors shall consist of basic remuneration (monetary remuneration) only in light of the particular characteristics of their duties of assuming the oversight function.

Method of determining the details of individual remuneration, etc. for officers

Mr. Masatoshi Machino, President & CEO, who has been delegated to make such determination pursuant to the delegation of authority made by a resolution of the Board of the Directors, shall determine the remuneration for Executive Directors following the recommendation made by the Nomination and Remuneration Advisory Committee, which is an advisory body to the Board of Directors, in accordance with the details of such recommendation. The reason for delegation to him is that the Company deems that the CEO is most qualified to evaluate each Director based on the business performance, etc. of the Company.

The majority of the Nomination and Remuneration Advisory Committee of the Company is required to be composed of Outside Directors and, in the current fiscal year, the Committee is chaired by an independent Outside Director. The Committee is composed of six (6) members, with five (5) members (including four (4) Outside Directors) in addition to the chair. The Board of Directors requests and

receives recommendations from the Nomination and Remuneration Advisory Committee, which is highly independent in order to ensure that the above authority shall be appropriately exercised by the CEO.

The remuneration for Auditors is determined on consultation by Auditors.