

*(English Translation)*

*This English translation is an abridged version of the original document in Japanese.*

*In the event of any discrepancy, the Japanese version prevails.*

Securities Code 4187

February 7, 2024

(Start of provision of information in electronic format: February 6, 2024)

## To Our Shareholders:

1-8-15 Azuchi-machi, Chuo-ku, Osaka City  
OSAKA ORGANIC CHEMICAL INDUSTRY LTD.  
Representative Director and CEO Masayuki Ando

### Notice of Convocation of the 77th Ordinary General Meeting of Shareholders

We would like to first express our deepest sympathies to all those affected by the Noto Peninsula earthquake.

Notice is hereby given that the 77th Ordinary General Meeting of Shareholders of OSAKA ORGANIC CHEMICAL INDUSTRY LTD. (the Company) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing relevant information in electronic format. Matters for electronic provision are posted on the website below as “Notice of Convocation of the 77th Ordinary General Meeting of Shareholders.”

Our website: [https://www.ooc.co.jp/ir/material/meeting\\_doc/](https://www.ooc.co.jp/ir/material/meeting_doc/)

Besides the above, the same information is also posted on the website below.

Tokyo Stock Exchange website:

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

To view the information, access the above TSE website, enter our company name or securities code, and select “Basic information” and “Documents for public inspection/PR information” in order.

If you are unable to attend the meeting, you may submit your votes online or in writing. Please read the Reference Materials for the General Meeting of Shareholders included in the matters for electronic provision, and submit your votes by referring to the following “Information on Exercising Voting Rights” by no later than 6:00 p.m. on Tuesday, February 27, 2024.

**1. Date and Time** Wednesday, February 28, 2024, 10:00 a.m.

**2. Place** Hulic-Shinsaibashi Bldg. 3F, 4-3-2 Minamisenba, Chuo-ku, Osaka  
TKP Garden City PREMIUM Shinsaibashi “Banquet 3A”

The venue has been changed from the previous year. So please refer to the map at the end of this material.

**3. Agenda for the meeting**

- Matters to be reported:**
1. Report on the business report and the consolidated financial statements for the 77th fiscal period (from December 1, 2022 to November 30, 2023), and audit results on the consolidated financial statements by the Accounting Auditor and the Board of Auditors
  2. Report on the non-consolidated financial statements for the 77th fiscal period (from December 1, 2022 to November 30, 2023)

**Matters to be resolved**

**Proposal 1:** Appropriation of Retained Earnings

**Proposal 2:** Partial Amendment to the Articles of Incorporation

**Proposal 3:** Election of Six (6) Directors (excluding Directors who are Audit & Supervisory Committee members)

**Proposal 4:** Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

**Proposal 5:** Election of Two (2) Directors Who Are Substitute Audit & Supervisory Committee Members

**Proposal 6:** Setting the Amounts of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee members)

**Proposal 7:** Setting the Amounts of Remuneration for Directors Who Are Audit & Supervisory Committee Members

**Proposal 8:** Determination of Remuneration for Granting Restricted Stock for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee members)

**Proposal 9:** Determination of Remuneration for Performance-based Stock Remuneration for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee members)

**4. Matters Decided for Convocation**

Please refer to “Information on Exercising Voting Rights” on page 4.

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- (1) Please present the enclosed voting form to the receptionist when attending the meeting in person.
  - (2) If any amendment is made to the matters for electronic provision, it will be posted on the relevant website.

## Reference Materials for the General Meeting of Shareholders

### Proposal 1: Appropriation of Retained Earnings

We propose the appropriation of retained earnings as follows:

Matters concerning year-end dividends

In consideration of the current performance, we plan to pay dividends from retained earnings for the 77th fiscal year as follows.

1. Type of dividend

Cash

2. Matters relevant to allotment of dividends and total amount to be distributed

The Company proposes a dividend of 28 yen per share of its common shares. Total dividends will be 595,488,684 yen.

(NOTE) The annual dividend for the fiscal year, including the interim dividend, will be ¥56 per share.

3. Effective date of the distribution of retained earnings

February 29, 2024

## Proposal 2: Partial Amendment to the Articles of Incorporation

### 1. Reason for the Proposal

The Company will transition to a company with an Audit & Supervisory Committee in order to strengthen the supervisory function of the Board of Directors and enhance corporate governance, thereby further improving the transparency of management and accelerating decision-making. Accordingly, the Company proposes to make necessary changes to its Articles of Incorporation, including the establishment of new provisions concerning the Audit & Supervisory Committee and the Audit & Supervisory Committee members, and the deletion of provisions concerning the Board of Auditors and Auditors.

Other necessary changes, such as the adjustment of the numbers of articles, will also be made in line with the above amendment.

### 2. Details of the Amendments

The details of the amendments are as follows.

This proposal will become effective upon conclusion of this General Meeting of Shareholders.

(The underlined parts indicate the amendments.)

Current Articles of Incorporation	Proposed changes
<p>Articles 1 through 4 (text omitted)</p> <p>(Establishment of Organs)            Article 5 In addition to the General Meeting of Shareholders and Directors, the Company shall have the following organs.</p> <ol style="list-style-type: none"> <li>(1) Board of Directors</li> <li>(2) <u>Auditors</u></li> <li>(3) <u>Board of Auditors</u></li> <li>(4) <u>Accounting Auditor</u></li> </ol> <p>Articles 6 through 19 (text omitted)</p> <p>(Number of Directors)            Article 20 The Company shall have no more than <u>twelve (12)</u> Directors.</p> <p style="padding-left: 40px;">(Newly established)</p> <p>(Election of Directors)            Article 21 Directors shall be elected by resolution of the General Meeting of Shareholders.</p> <ol style="list-style-type: none"> <li>2. The election of Directors shall be attended by shareholders holding voting rights that account for at least one-third of the total amount of voting rights held by voting right holders and conducted with an absolute majority of those voting rights.</li> <li>3. The election of Directors of the Company shall not be by cumulative voting.</li> </ol>	<p>Articles 1 through 4 (no changes)</p> <p>(Establishment of Organs)            Article 5 In addition to the General Meeting of Shareholders and Directors, the Company shall have the following organs.</p> <ol style="list-style-type: none"> <li>(1) Board of Directors</li> <li>(2) <u>Audit &amp; Supervisory Committee</u></li> <li>(Deleted)</li> <li>(3) <u>Accounting Auditor</u></li> </ol> <p>Articles 6 through 19 (no changes)</p> <p>(Number of Directors)            Article 20 The Company shall have no more than <u>eight (8)</u> Directors <u>(excluding Directors who are Audit &amp; Supervisory Committee members)</u>.</p> <ol style="list-style-type: none"> <li>2. <u>The Company shall have no more than four (4) Directors who are Audit &amp; Supervisory Committee members (hereinafter "Audit &amp; Supervisory Committee members")</u>.</li> </ol> <p>(Election of Directors)            Article 21 Directors shall be elected by resolution of the General Meeting of Shareholders, <u>distinguishing between Audit &amp; Supervisory Committee members and other Directors</u>.</p> <ol style="list-style-type: none"> <li>2. The election of Directors shall be attended by shareholders holding voting rights that account for at least one-third of the total amount of voting rights held by voting right holders and conducted with an absolute majority of those voting rights.</li> <li>3. The election of Directors of the Company shall not be by cumulative voting.</li> </ol>

Current Articles of Incorporation	Proposed changes
<p>(Term of Office of Directors)  Article 22 The term of office of Directors shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year which ends within one year after their election.  (Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>Articles 23 through 25 (text omitted)</p> <p>(Omission of Resolution at the Board of Directors' Meeting)  Article 26 If all Directors have agreed in writing or by electromagnetic record to a matter to be resolved at a meeting of the Board of Directors, the Company shall deem that a resolution of the Board of Directors to approve such matter to be resolved has been passed. <u>However, this shall not apply if an Auditor states an objection.</u></p>	<p>(Term of Office of Directors)  Article 22 The term of office of Directors shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year which ends within one year after their election.  <u>2. Notwithstanding the above provision, the term of office of Audit &amp; Supervisory Committee members shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year which ends within two years after their election.</u>  <u>3. The term of office of an Audit &amp; Supervisory Committee member elected as a substitute member shall continue until the term of office of the retiring Audit &amp; Supervisory Committee member expires.</u>  <u>4. The period during which the resolution related to the appointment of a substitute Audit &amp; Supervisory Committee member elected in accordance with Article 329, Paragraph 3 of the Companies Act is effective shall be until the commencement of the Ordinary General Meeting of Shareholders for the last fiscal year which ends within two years after his/her appointment, unless shortened by such resolution.</u></p> <p>Articles 23 through 25 (no changes)</p> <p>(Omission of Resolution at the Board of Directors' Meeting)  Article 26 If all Directors have agreed in writing or by electromagnetic record to a matter to be resolved at a meeting of the Board of Directors, the Company shall deem that a resolution of the Board of Directors to approve such matter to be resolved has been passed.</p>

Current Articles of Incorporation	Proposed changes
<p>(Newly established)</p> <p>(Minutes of the Board of Directors' Meetings)  Article 27 The substance of proceedings and results of the Board of Directors' meetings and other matters stipulated by law shall be recorded in the minutes, and the Directors <u>and Auditors</u> present at the meetings shall affix their names and seals thereto or electronically sign the minutes.</p> <p>Article <u>28</u> (text omitted)</p> <p>(Remuneration for Directors)  Article <u>29</u> Remuneration for Directors shall be determined by resolution of the General Meeting of Shareholders.</p> <p>Articles <u>30</u> through <u>31</u> (text omitted)</p> <p>(Representative Director and Directors with Special Titles)  Article <u>32</u> The Director who is to represent the Company shall be selected by resolution of the Board of Directors.</p> <ol style="list-style-type: none"> <li>2. By resolution of the Board of Directors, one President shall be selected from among Directors and, as necessary, one Chairperson, one Vice President, and a few Senior Managing Directors and Managing Directors may also be selected.</li> </ol>	<p><u>(Delegation of Decisions on Business Execution to Directors)</u>  Article 27 Pursuant to Article 399-13, Paragraph 6 of the <u>Companies Act, the Company may, by a resolution of the Board of Directors, delegate all or part of decisions on the execution of important business operations (excluding the matters listed in each item of Paragraph 5 of the same Article) to Directors.</u></p> <p>(Minutes of the Board of Directors' Meetings)  Article 28 The substance of proceedings and results of the Board of Directors' meetings and other matters stipulated by law shall be recorded in the minutes, and the Directors present at the meetings shall affix their names and seals thereto or electronically sign the minutes.</p> <p>Article <u>29</u> (no changes)</p> <p>(Remuneration for Directors)  Article <u>30</u> Remuneration for Directors shall be determined by resolution of the General Meeting of Shareholders, <u>distinguishing between Audit &amp; Supervisory Committee members and other Directors.</u></p> <p>Articles <u>31</u> through <u>32</u> (no changes)</p> <p>(Representative Director and Directors with Special Titles)  Article <u>33</u> The Director who is to represent the Company shall be selected <u>from among Directors who are not Audit &amp; Supervisory Committee members</u> by resolution of the Board of Directors.</p> <ol style="list-style-type: none"> <li>2. By resolution of the Board of Directors, one President shall be selected from among Directors <u>who are not Audit &amp; Supervisory Committee members</u> and, as necessary, one Chairperson, one Vice President, and a few Senior Managing Directors and Managing Directors may also be selected.</li> </ol>

Current Articles of Incorporation	Proposed changes
<p>Chapter 5 <u>Auditors and the Board of Auditors</u></p> <p><u>(Number of Auditors)</u>  <u>Article 33 The Company shall have no more than four (4) Auditors.</u></p> <p><u>(Election of Auditors)</u>  <u>Article 34 Auditors shall be elected by resolution of the General Meeting of Shareholders.</u>  2. <u>The election of Auditors shall be attended by shareholders holding voting rights that account for at least one-third of the total amount of voting rights held by voting right holders and conducted with an absolute majority of those voting rights.</u></p> <p><u>(Term of Office of Auditors)</u>  <u>Article 35 The term of office of Auditors shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year which ends within four years after their election.</u>  2. <u>The term of office of an Auditor elected as a substitute to an Auditor who retires before the expiration of his/her term of office shall continue until the term of office of the retiring Auditor expires.</u></p> <p><u>(Effectiveness of Resolution for Election of Substitute Auditors)</u>  <u>Article 36 The period during which the resolution related to the appointment of a substitute Auditor is effective shall be until the commencement of the Ordinary General Meeting of Shareholders for the last fiscal year which ends within four years after the Ordinary General Meeting of Shareholders at which such appointment takes place.</u></p>	<p>Chapter 5 <u>Audit &amp; Supervisory Committee</u></p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>



Current Articles of Incorporation	Proposed changes
<p><u>(Convocation of a Board of Auditors' Meeting)</u>  Article 37 <u>Notice of convocation of a Board of Auditors' meeting shall be sent to each Auditor at least three (3) days prior to the date of the meeting. However, this period may be shortened in case of an emergency.</u></p> <p>(Newly established)</p>	<p><u>(Audit &amp; Supervisory Committee)</u>  Article 34 <u>Notice of convocation of a meeting of the Audit &amp; Supervisory Committee shall be sent to each Audit &amp; Supervisory Committee member at least three (3) days prior to the date of the meeting. However, this period may be shortened in case of an emergency.</u></p> <p>2. <u>Matters concerning the Audit &amp; Supervisory Committee shall be in accordance with the Rules of the Audit &amp; Supervisory Committee established by the Audit &amp; Supervisory Committee, in addition to those provided by law or the Articles of Incorporation.</u></p>
<p><u>(Method of Resolution at the Board of Auditors' Meeting)</u>  Article 38 <u>Except as otherwise provided by law, resolutions of the Board of Auditors shall be adopted by a majority of Auditors.</u></p>	<p>(Deleted)</p>
<p><u>(Minutes of the Board of Auditors' Meetings)</u>  Article 39 <u>The substance of proceedings and results of the Board of Auditors' meetings and other matters stipulated by law shall be recorded in the minutes, and the Auditors present at the meetings shall affix their names and seals thereto or electronically sign the minutes.</u></p>	<p>(Deleted)</p>
<p><u>(Rules of the Board of Auditors)</u>  Article 40 <u>Matters concerning the Board of Auditors shall be in accordance with the Rules of the Board of Auditors established by the Board of Auditors, in addition to those provided by law or the Articles of Incorporation.</u></p>	<p>(Deleted)</p>
<p><u>(Remuneration for Auditors)</u>  Article 41 <u>Remuneration for Auditors shall be determined by resolution of the General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed changes
<p><u>(Exemption of Auditors from Liability)</u>  <u>Article 42 The Company may, by resolution of the Board of Directors, exempt Auditors (including those who were formerly Auditors) from liability for damages under Article 423, Paragraph 1 of the Companies Act to the extent of the maximum amount specified by law, if Auditors act in good faith and without gross negligence.</u></p>	<p>(Deleted)</p>
<p><u>(Limited Liability Agreement with Auditors)</u>  <u>Article 43 Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with Auditors to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act to the extent of the maximum amount specified by law, if Auditors act in good faith and without gross negligence.</u></p>	<p>(Deleted)</p>
<p><u>(Managing Auditors)</u>  <u>Article 44 The Board of Auditors shall select Managing Auditors from among the Auditors.</u></p>	<p><u>(Standing Audit &amp; Supervisory Committee Members)</u>  <u>Article 35 The Audit &amp; Supervisory Committee may select standing members from among the Audit &amp; Supervisory Committee members.</u></p>
<p>Articles <u>45</u> through <u>46</u> (text omitted)</p>	<p>Articles <u>36</u> through <u>37</u> (no changes)</p>
<p><u>(Remuneration for Accounting Auditor)</u>  <u>Article 47 Remuneration for the Accounting Auditor shall be determined by the Representative Director with the consent of the Board of Auditors.</u></p>	<p><u>(Remuneration for Accounting Auditor)</u>  <u>Article 38 Remuneration for the Accounting Auditor shall be determined by the Representative Director with the consent of the Audit &amp; Supervisory Committee.</u></p>

Current Articles of Incorporation	Proposed changes
<p>Articles <u>48</u> through <u>51</u> (text omitted)</p> <p>(Newly established)</p>	<p>Articles <u>39</u> through <u>42</u> (no changes)</p> <p style="text-align: center;"><u>Supplementary Provisions</u></p> <p><u>(Transitional Measures Concerning Exemption of Auditors from Liability)</u></p> <p><u>1. The Company may, by resolution of the Board of Directors, exempt Auditors (including those who were formerly Auditors) from liability for damages under Article 423, Paragraph 1 of the Companies Act with respect to their acts prior to the conclusion of the 77th Ordinary General Meeting of Shareholders to the extent permitted by law.</u></p> <p><u>2. For the agreement to limit liability for damages under Article 423, Paragraph 1 of the Companies Act with respect to acts of Auditors (including those who were formerly Auditors) prior to the conclusion of the 77th Ordinary General Meeting of Shareholders, Article 43 of the Articles of Incorporation before the amendment approved by resolution of the same Ordinary General Meeting of Shareholders shall apply.</u></p>

Proposal 3: Election of Six (6) Directors (excluding Directors who are Audit & Supervisory Committee members)

Subject to the approval of Proposal 2, “Partial Amendment to the Articles of Incorporation,” the Company will transition to a company with an Audit & Supervisory Committee. Accordingly, the terms of office of all six (6) directors will expire upon the conclusion of this General Meeting, and we would like to propose the election of six (6) Directors (excluding those who are Audit & Supervisory Committee members).

This proposal shall become effective when Proposal 2, “Partial Amendment to the Articles of Incorporation” takes effect.

The candidates for Directors (excluding those who are Audit & Supervisory Committee members) are as follows.

Candidate No.	Name		Current position and responsibilities at the Company	The attendance rate at the Board (Number of Attendances/Number of Meetings)
1	Masayuki Ando	Male <span style="background-color: #008000; color: white; padding: 2px;">Reelection</span>	Representative Director and CEO	100% (16 times/16 times)
2	Soichi Honda	Male <span style="background-color: #008000; color: white; padding: 2px;">Reelection</span>	Director Executive Officer General Manager of Administration Division	100% (16 times/16 times)
3	Motomi Ogasahara	Male <span style="background-color: #008000; color: white; padding: 2px;">Reelection</span>	Director Executive Officer General Manager of Business Operation Division and Manager of International Business Department	100% (16 times/16 times)
4	Tetsuya Watanabe	Male <span style="background-color: #008000; color: white; padding: 2px;">Reelection</span>	Director Executive Officer General Manager of Corporate Planning Division in charge of Quality Assurance Office	100% (16 times/16 times)
5	Takayuki Hamanaka	Male <span style="background-color: #008000; color: white; padding: 2px;">Reelection</span>	Outside Director Director	94% (15 times/16 times)
6	Naoki Enomoto	Male <span style="background-color: #008000; color: white; padding: 2px;">Reelection</span>	Outside Director Independent director Director	100% (16 times/16 times)



Brief personal record, positions, responsibilities and significant concurrent positions

April 1986	Joined the Company
February 2013	General Manager of R&D Division and Research Institute
February 2014	Director, General Manager of R&D Division
February 2016	Director, General Manager of R&D Division and Advanced Technology Research Institute Head
December 2017	Managing Director, General Manager of R&D Division
February 2018	Managing Director, Executive Officer, General Manager of R&D Division
December 2018	Managing Director Executive Officer, General Manager of Corporate Planning Division and R&D Division/in charge of Research & Business Development Office
December 2019	Director (R&D Division/in charge of Research & Business Development Office) Senior Managing Executive Officer, General Manager of Corporate Planning Division
July 2020	Representative Director and CEO (current)

Date of birth

June 27, 1962

Number of shares of the Company owned

14,200 shares

Reason for nomination as a candidate for director

Since he was elected as a director in 2014, Masayuki Ando has been working to strengthen the new businesses developments by leveraging his experience involving sales, research, and corporate planning divisions. We nominate him as a candidate for director, expecting that he continues to take advantage of these experiences and accomplishments to make management decisions and carry out oversight.

Outline of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as set forth in Paragraph 1 of Article 430-3 of the Companies Act with the insurance company and shall indemnify the directors and officers who are the insured from any damage that may be caused by the directors and officers taking responsibility for the execution of their duties or receiving a claim on the pursuit of such liability. Provided, however, that there are certain immunity reasons, such as the damages caused by actions taken recognizing that they violate laws, shall not be covered. Masayuki Ando is currently a director of the Company and is included in the insured of such insurance policy. When his reelection is approved, he will continue to be included in the insured of the insurance policy, and we plan to renew it with the same terms during his term of office.



Brief personal record, positions, responsibilities and significant concurrent positions

April 1990	Joined the Company
December 2015	General Manager of Administration Division
February 2016	Director, General Manager of Administration Division
April 2016	Director, General Manager of Administration Division and Manager of Human Resources Department
December 2017	Director, General Manager of Administration Division
February 2018	Director, Executive Officer, General Manager of Administration Division (current)
February 2022	Director, Shinko Organic Chemical Industry Ltd. (current)

Date of birth

July 12, 1966

Number of shares of the Company  
owned

11,861 shares

Reason for nomination as a candidate for director

Since he was elected as a director in 2016, Soichi Honda has been working to strengthen the administrative division by leveraging his wealth of experience at the Company. We nominate him as a candidate for director, expecting that he continues to take advantage of these experiences and accomplishments to make management decisions and carry out oversight.

Outline of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as set forth in Paragraph 1 of Article 430-3 of the Companies Act with the insurance company and shall indemnify the directors and officers who are the insured from any damage that may be caused by the directors and officers taking responsibility for the execution of their duties or receiving a claim on the pursuit of such liability. Provided, however, that there are certain immunity reasons, such as the damages caused by actions taken recognizing that they violate laws, shall not be covered. Soichi Honda is currently a director of the Company and is included in the insured of such insurance policy. When his reelection is approved, he will continue to be included in the insured of the insurance policy, and we plan to renew it with the same terms during his term of office.



Brief personal record, positions, responsibilities and significant concurrent positions

April 1988	Joined the Company
December 2017	Director, General Manager of Business Operation Division and Manager of Chemical Sales Department
January 2018	Representative Director of Osaka Organic Chemical (Shanghai) Trading Ltd. (current)
February 2018	Director, Executive Officer, General Manager of Business Operation Division and Manager of Chemicals Sales Department and in charge of Affiliated Companies
December 2018	Director, Executive Officer, General Manager of Business Operation Division and in charge of Affiliated Companies
December 2021	Director, Executive Officer, General Manager of Business Operation Division and General Manager of Overseas Business Division of the Company (current)

Date of birth

February 8, 1964

Number of shares of the Company owned

10,300 shares

Reason for nomination as a candidate for director

Since he was elected as a director in 2018, Motomi Ogasawara has been working to strengthen the sales division by leveraging his wealth of experience in the division. We nominate him as a candidate for director, expecting that he continues to take advantage of these experiences and accomplishments to make management decisions and carry out oversight.

Outline of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as set forth in Paragraph 1 of Article 430-3 of the Companies Act with the insurance company and shall indemnify the directors and officers who are the insured from any damage that may be caused by the directors and officers taking responsibility for the execution of their duties or receiving a claim on the pursuit of such liability. Provided, however, that there are certain immunity reasons, such as the damages caused by actions taken recognizing that they violate laws, shall not be covered. Motomi Ogasawara is currently a director of the Company and is included in the insured of such insurance policy. When his reelection is approved, he will continue to be included in the insured of the insurance policy, and we plan to renew it with the same terms during his term of office.



Brief personal record, positions, responsibilities and significant concurrent positions

April 1995	Joined the Company
July 2020	Executive Officer, General Manager of Corporate Planning Division
February 2022	Director, Executive Officer, General Manager of Corporate Planning Division
December 2023	Director, Executive Officer, General Manager of Corporate Planning Division in charge of Quality Assurance Office (current)

Date of birth

June 3, 1970

Number of shares of the Company  
owned

13,500 shares

Reason for nomination as a candidate for director

Tetsuya Watanabe has been working to strengthen the Corporate Planning Division by leveraging his wealth of experience in the R&D division. We nominate him as a candidate for director, expecting that he takes advantage of these experiences and accomplishments to make management decisions and carry out oversight.

Outline of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as set forth in Paragraph 1 of Article 430-3 of the Companies Act with the insurance company and shall indemnify the directors and officers who are the insured from any damage that may be caused by the directors and officers taking responsibility for the execution of their duties or receiving a claim on the pursuit of such liability. Provided, however, that there are certain immunity reasons, such as the damages caused by actions taken recognizing that they violate laws, shall not be covered. Tetsuya Watanabe is currently a director of the Company and is included in the insured of such insurance policy. When his reelection is approved, he will continue to be included in the insured of the insurance policy, and we plan to renew it with the same terms during his term of office.





### Brief personal record, positions, responsibilities and significant concurrent positions

April 1998	Registered as an attorney-at-law (Osaka Bar Association), Admitted to Showa Law Office (current Habataki Law Office)
July 2005	Earned EU Law LL.M. at Faculty of Law, Catholic University of Leuven Law School in Belgium
July 2005	Joined Linklaters in EU Brussels Office, Competition Law Department
December 2007	Partner of Habataki Law Office (current)
February 2016	Director of the Company (current)

### Date of birth

June 9, 1970

### Number of shares of the Company owned

— Shares

### Reasons for nomination as a candidate for outside director and expected roles

We nominate Takayuki Hamanaka as a candidate for an outside director as we determined that he could offer useful comments regarding the Company's management from an objective and neutral standpoint, given his wealth of experience and deep insight as an attorney, although he has not been involved in corporate management in any way other than being an outside director in the past.

### Registration as an independent director

The Company has notified the Tokyo Stock Exchange of Takayuki Hamanaka as an independent director.

### No. of years since assuming office as an outside director of the Company

Takayuki Hamanaka's term of office as an outside director of the Company will be eight years upon the conclusion of this General Meeting of the Shareholders.

### Terms of limited liability agreement

We have entered into a limited liability agreement with Takayuki Hamanaka as stipulated in Article 427, Paragraph 1 of the Companies Act based on the provisions of the Company's Articles of Incorporation. We plan to extend the agreement when he is reelected. The limit amount of liability for damages under the relevant agreement is stipulated by law.

### Outline of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as set forth in Paragraph 1 of Article 430-3 of the Companies Act with the insurance company and shall indemnify the directors and officers who are the insured from any damage that may be caused by the directors and officers taking responsibility for the execution of their duties or receiving a claim on the pursuit of such liability. Provided, however, that there are certain immunity reasons, such as the damages caused by actions taken recognizing that they violate laws, shall not be covered. Takayuki Hamanaka is currently a director of the Company and is included in the insured of such insurance policy. When his reelection is approved, he will continue to be included in the insured of the insurance policy, and we plan to renew it with the same terms during his term of office.



## Brief personal record, positions, responsibilities and significant concurrent positions

April 1985	Joined the Ministry of Finance (currently the Ministry of Finance)
July 1991	Customs district tax office director
May 1999	Counselor, Japanese Embassy in Malaysia
July 2002	Director for the Minister's Secretariat (Minister's Secretariat Accounts Division)
July 2003	Director of Collection Department, Tokyo Regional Taxation Bureau
July 2004	Director for Defense Industry, Aerospace and Defense Industry Division, Manufacturing Industry Bureau, Ministry of Economy, Trade and Industry
July 2006	Director, Balance of Payments, Foreign Exchange Markets Division, International Bureau
July 2008	Director for Fiscal Investment and Loan Appropriation, Finance Bureau (Cabinet/Finance, Agriculture, Forestry and Fisheries/Environment, Economy, Trade and Industry, in charge of Land, Infrastructure and Transportation)
July 2009	Director, Finance Division, Bureau of Finance and Equipment, Ministry of Defense
July 2011	Director, Policy Planning and Research Division, Minister's Secretariat
September 2012	Counselor, Office in Charge of the Nuclear Damage Compensation Facilitation Corporation, Cabinet Office
July 2014	Director-General, Tohoku Local Finance Bureau
June 2015	Member of the Board of Directors, Managing Executive Officer, Development Bank of Japan Inc.
July 2017	Director-General, Fukuoka Regional Taxation Bureau
July 2018	Director-General, Osaka Regional Taxation Bureau
August 2020	Director-General, Tokyo Custom-House
November 2021	Adviser, Sampo Japan Insurance Inc.
February 2022	Director of the Company (current)
August 2022	Adviser, The Nanto Bank, Ltd. (current)
June 2023	Outside Auditor, Advanex Inc. (current)

## Date of birth

October 29, 1962

## Number of shares of the Company owned

— Shares

## Reasons for nomination as a candidate for outside director and expected roles

We nominate Naoki Enomoto as a candidate for an outside director as we determined that he could offer useful comments regarding the Company's management from an objective and neutral standpoint since he has a wealth of experience and deep insight based on his operational experience at the Ministry of Finance, the Ministry of Economy, Trade and Industry, and other organizations.

## Registration as an independent director

The Company has notified the Tokyo Stock Exchange of Naoki Enomoto as an independent director.

## No. of years since assuming office as an outside director of the Company

Naoki Enomoto's term of office as an outside director of the Company will be two years upon the conclusion of this General Meeting of the Shareholders.

## Terms of limited liability agreement

We have entered into a limited liability agreement with Naoki Enomoto as stipulated in Article 427, Paragraph 1 of the Companies Act based on the provisions of the Company's Articles of Incorporation. We plan to extend the agreement when he is reelected. The limit amount of liability for damages under the relevant agreement is stipulated by law.

## Outline of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as set forth in Paragraph 1 of Article 430-3 of the Companies Act with the insurance company and shall indemnify the directors and officers who are the insured from any damage that may be caused by the directors and officers taking responsibility for the execution of their duties or receiving a claim on the pursuit of such liability. Provided, however, that there are certain immunity reasons, such as the damages caused by actions taken recognizing that they violate laws, shall not be covered. Naoki Enomoto is currently a director of the Company and is included in the insured of such insurance policy. When his reelection is approved, he will continue to be included in the insured of the insurance policy, and we plan to renew it with the same terms during his term of office.

(Note) There is no special interest between any of the candidates and the Company.

Proposal 4: Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

Subject to the approval of Proposal 2, “Partial Amendment to the Articles of Incorporation,” the Company will transition to a company with an Audit & Supervisory Committee. Accordingly, we would like to propose the election of three (3) Directors who are Audit & Supervisory Committee members.

We have obtained prior consent from the Board of Auditors on this proposal.

This proposal shall become effective when Proposal 2, “Partial Amendment to the Articles of Incorporation” takes effect.

The candidates for Directors who are Audit & Supervisory Committee members are as follows.



Brief personal record, positions, responsibilities and significant concurrent positions

April 1985	Joined the Company
February 2012	General Manager of the Internal Audit Office
February 2017	Managing Auditor (current)

Date of birth

January 1, 1963

Number of shares of the Company  
owned

— Shares

Reasons for nomination as a candidate for director who is an Audit & Supervisory Committee member

Sobi Nagayanagi has many years of experience in promoting the establishment of the Company's internal control system and is familiar with all aspects of the Company's operations. After working in the Internal Audit Office, he was appointed as the Company's Auditor in 2017. Since then, he has been playing an important role in the Company's audit as a Managing Auditor from within the Company. We nominate him as a candidate for director who is an Audit & Supervisory Committee member, expecting that he takes advantage of these experiences and accomplishments in the management oversight function.

Outline of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as set forth in Paragraph 1 of Article 430-3 of the Companies Act with the insurance company and shall indemnify the directors and officers who are the insured from any damage that may be caused by the directors and officers taking responsibility for the execution of their duties or receiving a claim on the pursuit of such liability. Provided, however, that there are certain immunity reasons, such as the damages caused by actions taken recognizing that they violate laws, shall not be covered. Sobi Nagayanagi is currently an auditor of the Company and is included in the insured of such insurance policy. When his election is approved, he will continue to be included in the insured of the insurance policy, and we plan to renew it with the same terms during his term of office.



Brief personal record, positions, responsibilities and significant concurrent positions

October 2000	Admitted to Asahi & Co. (current KPMG AZSA LLC)
May 2004	Registered as a certified public accountant
July 2005	Registered as a certified tax accountant
July 2005	Launched Yoshida Certified Public Accountant Office (current)
February 2019	Auditor of the Company (current)
May 2021	Registered as a U.S. Certified Public Accountant (State of Washington)
June 2021	Outside Audit & Supervisory Board Member, Espec Corp.
June 2022	Outside Director (Audit & Supervisory Committee member), Espec Corp. (current)

Date of birth

November 26, 1976

Number of shares of the Company owned

— Shares

Reasons for nomination as a candidate for outside director who is an Audit & Supervisory Committee member and expected roles

With her expertise and experience cultivated as a certified public accountant, Yasuko Yoshida has been playing an important role in the Company's audit as an Outside Auditor. Although she has not been involved in corporate management in any way other than being an outside director in the past, we nominate her as a candidate for an outside director who is an Audit & Supervisory Committee member as we expect that she continues to fulfill the management oversight function from a fair standpoint based on her knowledge and accomplishments.

Registration as an independent director

The Company has notified the Tokyo Stock Exchange of Yasuko Yoshida as an independent director.

No. of years since assuming office as an outside auditor of the Company

Yasuko Yoshida's term of office as an outside auditor of the Company will be five years upon the conclusion of this General Meeting of the Shareholders.

Terms of limited liability agreement

We have entered into a limited liability agreement with Yasuko Yoshida, who is currently an Outside Auditor, as stipulated in Article 427, Paragraph 1 of the Companies Act based on the provisions of the Company's Articles of Incorporation. When she is elected, we plan to enter into the same agreement with her as a new Outside Director. The limit amount of liability for damages under the relevant agreement is stipulated by law.

Outline of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as set forth in Paragraph 1 of Article 430-3 of the Companies Act with the insurance company and shall indemnify the directors and officers who are the insured from any damage that may be caused by the directors and officers taking responsibility for the execution of their duties or receiving a claim on the pursuit of such liability. Provided, however, that there are certain immunity reasons, such as the damages caused by actions taken recognizing that they violate laws, shall not be covered. Yasuko Yoshida is currently an auditor of the Company and is included in the insured of such insurance policy. When her election is approved, she will continue to be included in the insured of the insurance policy, and we plan to renew it with the same terms during her term of office.



Brief personal record, positions, responsibilities and significant concurrent positions

April 2000	Registered as an attorney-at-law
April 2000	Admitted to Matsui Takao Law Office
June 2002	Admitted to TAIHEIYO LAW OFFICES
October 2009	Admitted to Murata Futaba Law Office (current ARCUS PARTNERS) and assumed the position of partner (current)
February 2022	Auditor of the Company (current)

Date of birth

June 24, 1971

Number of shares of the Company  
owned

— Shares

Reasons for nomination as a candidate for outside director who is an Audit & Supervisory Committee member and expected roles

Tomoko Takase has been overseeing management of the Company as an Outside Auditor from an objective and neutral standpoint, taking advantage of her expertise and experience cultivated as an attorney. Although she has not been involved in corporate management in any way other than being an outside director in the past, we nominate her as a candidate for an outside director who is an Audit & Supervisory Committee member as we expect that she continues to fulfill the management oversight function from a fair standpoint.

Registration as an independent director

The Company has notified the Tokyo Stock Exchange of Tomoko Takase as an independent director.

No. of years since assuming office as an outside auditor of the Company

Tomoko Takase's term of office as an outside auditor of the Company will be two years upon the conclusion of this General Meeting of the Shareholders.

Terms of limited liability agreement

We have entered into a limited liability agreement with Tomoko Takase, who is currently an Outside Auditor, as stipulated in Article 427, Paragraph 1 of the Companies Act based on the provisions of the Company's Articles of Incorporation. When she is elected, we plan to enter into the same agreement with her as a new Outside Director. The limit amount of liability for damages under the relevant agreement is stipulated by law.

Outline of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as set forth in Paragraph 1 of Article 430-3 of the Companies Act with the insurance company and shall indemnify the directors and officers who are the insured from any damage that may be caused by the directors and officers taking responsibility for the execution of their duties or receiving a claim on the pursuit of such liability. Provided, however, that there are certain immunity reasons, such as the damages caused by actions taken recognizing that they violate laws, shall not be covered. Tomoko Takase is currently an auditor of the Company and is included in the insured of such insurance policy. When her election is approved, she will continue to be included in the insured of the insurance policy, and we plan to renew it with the same terms during her term of office.

(Note) There is no special interest between any of the candidates and the Company.

(Reference)

The skill matrix of professional skills and experience of Directors is as follows if Proposals 3 and 4 are approved.

Position at the Company after approval	Name	Knowledge/Experience/Professional Skills							Brief Personal Record/ Experience/ Qualifications	
		Management	ESG	Sales	Technologies	Overseas	Finance/Accounting	Risk/Internal Control		Legal Affairs/Laws and Regulations/Public Sector
Representative Director and CEO	Masayuki Ando	●		●	●					R&D/Overseas/Corporate Planning
Director	Soichi Honda		●	●			●	●		Sales/Overseas/Administration
Director	Motomi Ogasahara			●	●	●				Sales/Overseas
Director	Tetsuya Watanabe		●	●	●					R&D/Sales/Corporate Planning
Outside Director	Takayuki Hamanaka	●	●			●		●	●	Lawyer/Overseas
Outside Director	Naoki Enomoto	●	●				●	●	●	Ministry of Finance/Ministry of Economy, Trade and Industry/Regional Taxation Bureau
Director (Audit & Supervisory Committee member)	Sobi Nagayanagi		●		●			●		R&D/Management System/Internal Audit
Outside Director (Audit & Supervisory Committee member)	Yasuko Yoshida	●	●				●	●		Certified tax accountant/ Certified public accountant
Outside Director (Audit & Supervisory Committee member)	Tomoko Takase	●	●			●		●	●	Lawyer

Proposal 5: Election of Two (2) Directors Who Are Substitute Audit & Supervisory Committee Members  
Subject to the approval of Proposal 2, “Partial Amendment to the Articles of Incorporation,” the Company will transition to a company with an Audit & Supervisory Committee. Accordingly, we would like to propose the election of two (2) Directors who are substitute Audit & Supervisory Committee members in advance in case the Directors who are Audit & Supervisory Committee members may fall short of the number stipulated by law.

This proposal requests you to elect Masaki Yoshimura as the substitute Audit & Supervisory Committee member for Yasuko Yoshida, Director who is an Audit & Supervisory Committee member, and Kiyoshi Tsujimoto as the substitute Audit & Supervisory Committee member for Tomoko Takase, Director who is an Audit & Supervisory Committee member, subject to the approval of Proposal 4 “Election of Three (3) Directors Who Are Audit & Supervisory Committee Members” as originally proposed.

The effectiveness of the election may be invalidated only before they assume the offices by resolution of the Board of Directors.

We have obtained prior consent from the Board of Auditors on this proposal.

This proposal shall become effective when Proposal 2, “Partial Amendment to the Articles of Incorporation” takes effect.

The candidates for Directors who are substitute Audit & Supervisory Committee members are as follows.





Brief personal record, positions, responsibilities and significant concurrent positions

October 2003	Admitted to AZSA & Co. (current KPMG AZSA LLC)
October 2008	Joined KPMG FAS Co., Ltd.
January 2013	Launched Masaki Yoshimura Certified Public Accountant Office (current)
January 2013	Representative Director, Business Athletes Co., Ltd. (current)
June 2014	Director, Value Added Japan Co., Ltd. (current VAJ Digital Design K.K.)
October 2016	Representative Director, Fulgente Co., Ltd. (current)
July 2017	Outside Auditor, Naito Securities Co., Ltd. (current)
June 2019	Outside Auditor, Furubayashi Shiko Co., Ltd. (current)

Date of birth

March 18, 1977

Number of shares of the Company owned

— Shares

Reasons for nomination as a candidate for outside director who is a substitute Audit & Supervisory Committee member and expected roles

In addition to his expertise and experience cultivated as a certified public accountant, Masaki Yoshimura has experience and insight as a corporate manager. We nominate him as a candidate for Outside Director who is a substitute Audit & Supervisory Committee member as we expect that if he assumes the office of director who is a substitute Audit & Supervisory Committee member, he will use his experience and knowledge to contribute to ensuring the soundness and appropriateness of the Company's management and to improving its transparency.

Registration as an independent director

We plan to notify the Tokyo Stock Exchange of Masaki Yoshimura, a candidate for Outside Director who is a substitute Audit & Supervisory Committee member, as an independent director if elected and assumes the office of director who is a substitute Audit & Supervisory Committee member.

Terms of limited liability agreement

We plan to enter into a limited liability agreement with Masaki Yoshimura, candidate for Outside Director who is a substitute Audit & Supervisory Committee member, as stipulated in Article 427, Paragraph 1 of the Companies Act based on the provisions of the Company's Articles of Incorporation if he is elected and assumes the office of Outside Director who is a substitute Audit & Supervisory Committee member. The limit amount of liability for damages under the relevant agreement is stipulated by law.

Outline of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as set forth in Paragraph 1 of Article 430-3 of the Companies Act with the insurance company and shall indemnify the directors and officers who are the insured from any damage that may be caused by the directors and officers taking responsibility for the execution of their duties or receiving a claim on the pursuit of such liability. Provided, however, that there are certain immunity reasons, such as the damages caused by actions taken recognizing that they violate laws, shall not be covered. When Masaki Yoshimura assumes the office of Outside Director who is an Audit & Supervisory Committee member, he will be included in the insured of the insurance policy, and we plan to renew it with the same terms during his term of office.



Brief personal record, positions, responsibilities and significant concurrent positions

April 2000	Registered as an attorney-at-law
April 2000	Admitted to Muratsuji Law Office
July 2001	Registered as a patent attorney
March 2003	Admitted to and assumed the position of deputy director at Tsujimoto Law and Patent Firm
March 2006	Registered to New York State Bar Association
April 2006	Visiting Professor, Yamaguchi University (current)
January 2009	Director, Tsujimoto Law and Patent Firm (current)
November 2020	Outside Director of Asterisks Co., Ltd. (current)

Date of birth

January 20, 1973

Number of shares of the Company owned

— Shares

Reasons for nomination as a candidate for outside director who is a substitute Audit & Supervisory Committee member and expected roles

Kiyoshi Tsujimoto has a high level of expertise and broad insight related to intellectual property as an attorney-at-law and patent attorney, and has also served as an outside director at another company. Although he has not been involved in corporate management in any way other than being an outside director in the past, we nominate him as a candidate for Outside Director who is a substitute Audit & Supervisory Committee member as we expect that if he assumes the office of director who is a substitute Audit & Supervisory Committee member, he will use his experience and knowledge to contribute to ensuring the soundness and appropriateness of the Company's management and to improving its transparency.

Registration as an independent director

We plan to notify the Tokyo Stock Exchange of Kiyoshi Tsujimoto, a candidate for Outside Director who is a substitute Audit & Supervisory Committee member, as an independent director if elected and assumes the office of Outside Director who is a substitute Audit & Supervisory Committee member.

Terms of limited liability agreement

We plan to enter into a limited liability agreement with Kiyoshi Tsujimoto, candidate for Outside Director who is a substitute Audit & Supervisory Committee member, as stipulated in Article 427, Paragraph 1 of the Companies Act based on the provisions of the Company's Articles of Incorporation if he is elected and assumes the office of Outside Director who is a substitute Audit & Supervisory Committee member. The limit amount of liability for damages under the relevant agreement is stipulated by law.

Outline of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as set forth in Paragraph 1 of Article 430-3 of the Companies Act with the insurance company and shall indemnify the directors and officers who are the insured from any damage that may be caused by the directors and officers taking responsibility for the execution of their duties or receiving a claim on the pursuit of such liability. Provided, however, that there are certain immunity reasons, such as the damages caused by actions taken recognizing that they violate laws, shall not be covered. When Kiyoshi Tsujimoto assumes the office of Outside Director who is an Audit & Supervisory Committee member, he will be included in the insured of the insurance policy, and we plan to renew it with the same terms during his term of office.

(Note) There is no special interest between any of the candidates and the Company.

Proposal 6: Setting the Amounts of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee members)

It was resolved at the 60th Ordinary General Meeting of Shareholders held on February 23, 2007 that the amount of remuneration for Directors of the Company shall be no more than 360 million yen per year (not including salaries for employees), and this amount has remained unchanged up until today.

Subject to the approval of Proposal 2, “Partial Amendment to the Articles of Incorporation,” the Company will transition to a company with an Audit & Supervisory Committee.

Therefore, in order to newly set the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee members) in line with the transition to a company with an Audit & Supervisory Committee, we propose to abolish the current provisions regarding the amount of remuneration for Directors and to set the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee members) at no more than 360 million yen per year (including no more than 90 million yen per year for Outside Directors), taking into consideration the economic conditions and various other circumstances.

The amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee members) does not include the amount of employee salaries for Directors who are also employees of the Company.

If this proposal is approved, to ensure consistency with the approval, the Board of Directors, at a meeting to be held after the conclusion of this General Meeting of Shareholders, plans to change the portion of the policy for determining the content of remuneration for each individual Director stated in the business report that refers to “Directors” to “Directors (excluding Directors who are Audit & Supervisory Committee members).”

This proposal is necessary to determine the details of remuneration for each individual Director in accordance with such policy, and to determine the remuneration limit for Directors (excluding Directors who are Audit & Supervisory Committee members) within a reasonable range, taking into consideration the economic conditions, the size of the Company, the number of Directors, the level of other companies, etc. Since this proposal has been discussed at the Remuneration Advisory Committee chaired by an Outside Director, the Board of Directors has judged that the content of this proposal is appropriate.

If Proposal 2 “Partial Amendment to the Articles of Incorporation” and Proposal 3 “Election of Six (6) Directors (excluding Directors who are Audit & Supervisory Committee members)” are approved as originally proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee members) will be six (6) (including two (2) Outside Directors).

This proposal shall become effective when Proposal 2, “Partial Amendment to the Articles of Incorporation” takes effect.

#### Proposal 7: Setting the Amounts of Remuneration for Directors Who Are Audit & Supervisory Committee Members

Subject to the approval of Proposal 2, “Partial Amendment to the Articles of Incorporation,” the Company will transition to a company with an Audit & Supervisory Committee.

In line with the transition to a company with an Audit & Supervisory Committee, we propose to set the amount of remuneration for Directors who are Audit & Supervisory Committee members at no more than 60 million yen per year, taking into consideration the duties and responsibilities of Directors who are Audit & Supervisory Committee members, as well as the economic conditions and various other circumstances.

This proposal is to determine the remuneration limit for Directors who are Audit & Supervisory Committee members within a reasonable range, taking into consideration the duties and responsibilities of Directors who are Audit & Supervisory Committee members, the level of the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee members), etc. Since this proposal has been discussed at the Remuneration Advisory Committee chaired by an Outside Director, the Board of Directors has judged that the content of this proposal is necessary and appropriate.

If Proposal 2 “Partial Amendment to the Articles of Incorporation” and Proposal 4 “Election of Three (3) Directors Who Are Audit & Supervisory Committee Members” are approved as originally proposed, the number of Directors who are Audit & Supervisory Committee members will be three (3) (including two (2) Outside Directors).

This proposal shall become effective when Proposal 2, “Partial Amendment to the Articles of Incorporation” takes effect.

Proposal 8: Determination of Remuneration for Granting Restricted Stock for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee members)

It was approved at the 71st Ordinary General Meeting of Shareholders held on February 27, 2018 to pay compensation (no more than 10 million yen per year) for the grant of restricted stock shares to the Company’s Directors (excluding Outside Directors) for the purpose of providing an incentive to continuously improve the Company’s corporate value and promoting further value sharing with shareholders, and this has remained unchanged up until today.

In line with the transition to a company with an Audit & Supervisory Committee subject to the approval of Proposal 2 “Partial Amendment to the Articles of Incorporation” as originally proposed, we propose to abolish the current payment of compensation for the grant of restricted stock shares to Directors and then to pay compensation (no more than 10 million yen per year) to Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee members; hereinafter referred to as “eligible Directors”) for the grant of restricted stock shares.

This proposal is part of the procedure associated with the Company’s transition to a company with an Audit & Supervisory Committee, and the purpose and basic structure of the grant of restricted stock are the same as those approved at the 71st Ordinary General Meeting of Shareholders held on February 27, 2018, which are consistent with the Company’s policy for determining the content of remuneration for each individual director. Therefore, the Company believes that it is appropriate.

The remuneration to be paid to the eligible Directors for the grant of the restricted stock shares pursuant to this proposal shall be in the form of monetary claims (“monetary remuneration claims”), the total amount of which shall be no more than 10 million yen per year as an amount considered reasonable in light of the above purposes. The specific timing and allocation of the payment for eligible Directors shall be determined by the Board of Directors. However, the remuneration for granting restricted stock shall not be paid to Outside Directors and Directors who are Audit & Supervisory Committee members.

The above amount of remuneration does not include the amount of employee salaries for Directors who are also employees of the Company.

Currently, the number of Directors is six (6) (including four (4) eligible Directors). If Proposal 3 “Election of Six (6) Directors (excluding Directors who are Audit & Supervisory Committee members)” is approved as originally proposed, the number of eligible Directors will be four (4).

In addition, the eligible Directors shall, based on the resolution of the Board of Directors of the Company, pay all of the monetary remuneration claims to be provided under this proposal as property contributed in kind and receive the issuance or disposal of common shares of the Company, and the total number of common shares of the Company to be issued or disposed of thereby shall be no more than 10,000 shares per year (provided, however, that in the event of a stock split (including gratis allotment of common shares of the Company) or a reverse stock split of common shares of the Company or any other event requiring adjustment of the total number of shares of common stock of the Company to be issued or disposed of as restricted stock shares after the date of approval of this proposal, the total number shall be adjusted within a reasonable range).

The amount to be paid per share shall be the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors regarding such issuance or disposal (or the closing price of the immediately preceding trading day if no trading was effected on that date).

Upon the issuance or disposal of the Company’s common shares in this manner, the Company and the eligible Directors shall enter into a restricted stock allotment agreement (the “Allotment Agreement”) that includes the following details.

(1) Transfer restriction period

The eligible Directors shall not transfer, grant a security interest in, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (the “allotted shares”) for a period of three (3) years (the “transfer restriction period”) from the date of allotment under the Allotment Agreement (the “transfer restriction”).

(2) Handling at the time of retirement

If an eligible Director retires from the office of Director of the Company before the expiration of the transfer restriction period, the Company shall automatically acquire the allotted shares at no cost unless there is a justifiable reason for such retirement, such as the expiration of his/her term of office or death.

(3) Cancellation of transfer restriction period

Notwithstanding the provision of (1) above, the Company shall cancel the transfer restriction of all of the allotted shares upon the expiration of the transfer restriction period, provided that the eligible Director has continuously held the position of Director of the Company during the transfer restriction period. However, if the eligible Director retires from the position specified in (2) above before the expiration of the transfer restriction period due to the expiration of his/her term of office, death or other justifiable reason as specified in (2) above, the number of the allotted shares on which the transfer restriction will be canceled and the timing of cancellation of the transfer restriction shall be reasonably adjusted as necessary.

(4) Handling in organizational restructuring, etc.

Notwithstanding the provision of (1) above, if, during the transfer restriction period, a merger agreement under which the Company becomes the absorbed company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matter relating to organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or a meeting of the Board of Directors if the organizational restructuring, etc. does not require approval at a General Meeting of Shareholders), the transfer restriction shall be canceled by resolution of the Board of Directors of the Company with respect to the number of the allotted shares reasonably determined in consideration of the period from the commencement date of the transfer restriction period until the approval date of such organizational restructuring, etc. prior to the effective date of such organizational restructuring, etc. In the case described above, the Company shall automatically, at no cost, acquire the portion of the allotted shares for which the transfer restriction has not been canceled as of the time immediately following the cancellation of the transfer restriction.

(5) Other matters determined by the Board of Directors

In addition to the above, the method of manifestation of intention and notification in the Allotment Agreement, the method of revision of the Allotment Agreement, and other matters determined by the Board of Directors shall be included in the Allotment Agreement.

This proposal shall become effective when Proposal 2, “Partial Amendment to the Articles of Incorporation” takes effect.



Proposal 9: Determination of Remuneration for Performance-based Stock Remuneration for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee members)

It was approved at the 75th Ordinary General Meeting of Shareholders held on February 25, 2022 to introduce the Performance-based Stock Remuneration System (the “System”), under which common stock shares of the Company are delivered and money is paid to the Company’s Directors (excluding Outside Directors) according to the degree of achievement of performance targets, for the purpose of providing an incentive to continuously improve the Company’s corporate value and clarifying the linkage between the remuneration of eligible Directors and the Company’s performance and share value, thereby promoting further value sharing with shareholders, and this has remained unchanged up until today.

In line with the transition to a company with an Audit & Supervisory Committee subject to the approval of Proposal 2 “Partial Amendment to the Articles of Incorporation” as originally proposed, we propose to abolish the current remuneration limit for Directors with respect to the System and then to determine the remuneration limit with respect to the System for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee members; hereinafter referred to as “eligible Directors”).

This proposal is part of the procedure associated with the Company’s transition to a company with an Audit & Supervisory Committee, and the purpose and basic structure of the System are the same as those approved at the 75th Ordinary General Meeting of Shareholders held on February 25, 2022, which are consistent with the Company’s policy for determining the content of remuneration for each individual director. Therefore, the Company believes that it is appropriate.

As described in “Outline of the System” below, the number of shares of the Company’s common stock to be delivered and the amount of money to be paid to the eligible Directors under the System will be determined as follows. First, the standard number of shares to be delivered to each position (hereinafter referred to as the “standard number of shares to be delivered”) is determined in advance by the Board of Directors. Based on the standard number of shares to be delivered, the remuneration will be divided into the portion to be delivered as shares and the portion to be paid as money based on the share delivery ratio and the money delivery ratio. Then the number of shares and the amount of money will be finally determined based on the degree of achievement of performance targets.

The total standard number of shares to be delivered shall be no more than 40,000 shares per year (provided, however, that in the event of a stock split (including gratis allotment of common shares of the Company) or a reverse stock split of common shares of the Company or any other event requiring adjustment of the total number of shares of common stock of the Company to be issued or disposed of under the System after the date of approval of this proposal, the total number shall be adjusted within a reasonable range. In addition to the maximum standard number of shares to be delivered, the same shall apply to the maximum amounts of monetary claims and payments and the number of shares in the maximum number of shares to be delivered as described below.), and the total amount of monetary claims (property contributed in kind for the delivery of the Company’s common shares) and money to be paid to the eligible Directors shall be limited to 40,000 shares of the Company’s common stock multiplied by the share price at the time of delivery (please refer to “Outline of the System” (1) (\*5) below) (not including salaries for employees), respectively. The specific timing and details of the payment to each eligible Director will be determined separately by the Board of Directors. However, it is assumed that after the period subject to performance evaluation predetermined by the Board of Directors (“performance evaluation period”) has elapsed, a lump-sum payment will be made as the compensation for the execution of duties over multiple fiscal years that correspond to the performance evaluation period.

Currently, the number of Directors is six (6) (including four (4) eligible Directors). If Proposal 3 “Election of Six (6) Directors (excluding Directors who are Audit & Supervisory Committee members)” is approved as originally proposed, the number of eligible Directors will be four (4).

Upon delivery of shares, the eligible Directors shall, based on the resolution of the Board of Directors of the Company, pay all of the monetary claims to be provided under the System as property contributed in kind and receive the issuance or disposal of common shares of the Company, and the total number of common shares of the Company to be issued or disposed of thereby shall be no more than 40,000 shares per year. However, as described above, it is assumed that the monetary claims under the System will be paid in a lump sum after the performance evaluation period, which is predetermined by the Board of Directors, has elapsed, as the compensation for the execution of duties over multiple fiscal years that correspond to the performance evaluation period, and the total number of shares mentioned above is also determined based on this assumption.

The amount to be paid per share shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors (or the closing price of the immediately preceding trading day if no trading was effected on that date).

This proposal shall become effective when Proposal 2, "Partial Amendment to the Articles of Incorporation" takes effect.

#### [Outline of the System]

This is a performance-based stock remuneration system under which the Company's common stock and money will be delivered or paid to the eligible Directors after the performance evaluation period as compensation for the period from the date of the first Ordinary General Meeting of Shareholders to be held after the beginning of the performance evaluation period to the time immediately preceding the conclusion of the first Ordinary General Meeting of Shareholders to be held after the end of the performance evaluation period (hereinafter, the "service period"), according to their performance during the performance evaluation period. The specific performance evaluation period shall be within the range of one to five years, and one or more performance indicators, such as consolidated ROE and consolidated operating margin ("performance evaluation indicators"), shall be determined in advance by the Board of Directors of the Company.

The initial performance evaluation period, the service period of the eligible Directors, and the performance evaluation indicators are planned to be as shown in the table below; however, the implementation of the System may be continued after the initial performance evaluation period to the extent approved in this proposal.

<Reference: Initial performance evaluation period, service period, and performance evaluation indicators>

Performance evaluation period	Three (3) years from fiscal year ended November 2022 to fiscal year ending November 2024
Service period	From the date of the Ordinary General Meeting of Shareholders held in 2022 to the time immediately preceding the conclusion of the Ordinary General Meeting of Shareholders to be held in 2025
Performance evaluation indicators	3-year average consolidated ROE, 3-year average consolidated operating margin

- (1) Method of calculating the number of shares and the amounts of monetary claims and money to be delivered

The Company will determine the standard number of shares to be delivered based on the formula (i) below, calculate the number of shares of common stock of the Company to be delivered to each eligible Director (the “final number of shares to be delivered”) based on the formula (ii), and calculate the amount of monetary claims to be paid to each eligible Director based on the formula (iii). In addition, the amount of money to be paid to each eligible Director (the “final monetary payment amount”) will be calculated based on the formula (iv). However, if the total standard number of shares to be delivered to each eligible Director is likely to exceed the maximum number of shares (40,000 shares) based on the result of the calculation in (i), the standard number of shares to be delivered to each eligible Director will be reduced proportionally or otherwise in a reasonable manner not to exceed such maximum number.

- (i) Standard number of shares to be delivered  
Standard amount of stock remuneration for eligible Directors by position (\*1) / Standard share price (\*2)
- (ii) Final number of shares to be delivered (\*3)  
Standard number of shares to be delivered × Degree of achievement of performance targets (\*4) × Share delivery ratio (50%)
- (iii) Amount of monetary claims to be paid to each eligible Director  
Final number of shares to be delivered × Share price at the time of delivery (\*5)
- (iv) Final monetary payment amount to be paid to each eligible Director  
Standard number of shares to be delivered × Degree of achievement of performance targets × Money delivery ratio (50%) × Share price at the time of delivery

(\*1) It shall be determined by the Board of Directors of the Company in advance.

(\*2) It shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors to determine the specific standard amount of stock remuneration for eligible Directors by position (or the closing price of the immediately preceding trading day if no trading was effected on that date).

(\*3) Any fractional shares of less than one unit resulting from the calculation shall be rounded down.

(\*4) It shall be determined by the Board of Directors of the Company in advance within a range of 0% to 200% according to the degree of achievement of each performance evaluation indicator during the performance evaluation period.

(\*5) It shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution regarding the issuance or disposal of the Company's common shares at the Board of Directors' meeting held after the end of the performance evaluation period (or the closing price of the immediately preceding trading day if no trading was effected on that date).

(2) Conditions for delivery of common stock shares of the Company and monetary payment to eligible Directors

In principle, the Company will deliver shares of the Company's common stock and pay the amount of money calculated in accordance with (1) above to each eligible Director after the end of the performance evaluation period if the eligible Director satisfies the following conditions.

- (i) The eligible Director has continuously held the position of Director of the Company during the service period.
- (ii) The eligible Director has not committed any of the illegal acts specified by the Company's Board of Directors.
- (iii) The eligible Director satisfies other requirements deemed necessary by the Company's Board of Directors to achieve the purpose of the System.

In the event that the eligible Director retires for a justifiable reason or dies during the service period, only money shall be paid instead of delivery of shares of the Company's common stock under the System. The amount of money to be paid to the eligible Director shall be the amount obtained by multiplying the closing price of the Company's common stock on the Tokyo Stock Exchange on the day of his/her retirement (or the closing price of the immediately preceding trading day if no trading was effected on that date) by the standard number of shares to be delivered reasonably adjusted according to the term of office of the eligible Director and the degree of achievement of performance targets. Notwithstanding the maximum amount of monetary claims and the maximum amount of money described above, the total amount of money to be paid to the eligible Directors in such a case shall be limited to 80,000 shares (the sum of 40,000 shares, which is the basis for the maximum amount of monetary claims for the delivery of shares, and 40,000 shares, which is the basis for the maximum amount of money) multiplied by the market price of the Company's common stock on the date of retirement (the closing price of the Company's common stock on the Tokyo Stock Exchange on the day of retirement (or the closing price of the immediately preceding trading day if no trading was effected on that date)). If the amount is likely to exceed this limit, the amount of money to be paid to each eligible Director shall be reduced proportionally or in other reasonable manner so as not to exceed the limit.

(3) Handling in organizational restructuring, etc.

If, during the service period, a merger agreement under which the Company becomes the absorbed company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matter relating to organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or a meeting of the Board of Directors if the organizational restructuring, etc. does not require approval at a General Meeting of Shareholders; provided, however, that this is limited to cases where the effective date of the organizational restructuring, etc. is scheduled to come before the date of issuance or disposal of the Company's common shares under the System), only money shall be paid instead of the delivery of the Company's common shares under the System. The amount of money to be paid to the eligible Director shall be the amount, within the limit of the total amount of monetary claims and money described above, obtained by multiplying the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of approval of said organizational restructuring, etc. (or the closing price of the immediately preceding trading day if no trading was effected on that date) by the standard number of shares to be delivered reasonably adjusted according to the term of office of the eligible Director and the degree of achievement of performance targets. Notwithstanding the maximum amount of monetary claims and the maximum amount of money described above, the total amount of money to be paid to the eligible Directors in such a case shall be limited to 80,000 shares (the sum of 40,000 shares, which is the basis for the maximum amount of monetary claims for the delivery of shares, and 40,000 shares, which is the basis for the maximum amount of money) multiplied by the market price of the Company's common stock on the business day preceding the date of approval of said organizational restructuring, etc. (the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the date of the approval (or the closing price of the immediately preceding trading day if no trading was effected on that date)). If the amount is likely to exceed this limit, the amount of money to be paid to each eligible Director shall be reduced proportionally or in other reasonable manner so as not to exceed the limit.