

NOTICE OF
THE 134TH ANNUAL
GENERAL MEETING OF
SHAREHOLDERS

<Notice to Shareholders>

From the viewpoint of preventing infection and spreading of COVID-19, staff will wear facial masks.

We would like to ask our shareholders for their understanding and cooperation regarding the following to prevent infection.

- The number of seats available is limited. We kindly ask your understanding that in cases we find it difficult to ensure the safety of our shareholders, some of them may be refused admission to the meeting venue.
- We ask our shareholders to exercise voting rights in writing (by mail) or via the Internet to the extent possible.
- We will livestream the General Meeting of Shareholders via the Internet so that our shareholders are able to view the proceedings of the meeting without actually visiting the venue.

<Regarding Souvenirs>

- We have decided not to distribute souvenirs to the shareholders attending the meeting in person.
We appreciate your understanding.

TAKEBISHI CORPORATION

(Stock Exchange Code: 7510)

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Stock Exchange Code: 7510)
June 2, 2023

Notice to Shareholders

Isamu Ogura
Representative Director & President
TAKEBISHI CORPORATION
29, Mameda-cho, Nishi-kyogoku,
Ukyo-ku, Kyoto, Japan

NOTICE OF THE 134TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

We are pleased to inform that the 134th Annual General Meeting of Shareholders of TAKEBISHI CORPORATION (the “Company” or “we”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision of information contained in the Reference Documents for the General Meeting of Shareholders, etc. (matters to be provided electronically) and posted the matters to be provided electronically on the following websites. Please access any of the websites to see the information.

The Company’s website
<https://www.takebishi.co.jp/company/ir/meeting.html/>

Materials for General Meeting of Shareholders website (in Japanese only)
<https://d.sokai.jp/7510/teiji/>

Tokyo Stock Exchange website (TSE Listed Company Search)
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show/>
(Please access the TSE website above, enter the issue name “TAKEBISHI” in the issue name (company name) field, or the Company’s securities code “7510” in the code field, and press “Search.” Select “Basic information” and then “Documents for public inspection/PR information” in that order and see the relevant information in the “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” section under the “Filed information available for public inspection.”)

You can exercise your voting rights in writing (the Voting Rights Exercise Form) or via the Internet instead of attending the meeting. In this case, please review the “Reference Documents for General Meeting of Shareholders” provided below and indicate your vote for or against the proposals to exercise your voting rights by 5:15 p.m. on Tuesday, June 27, 2023, Japan time. Thank you very much for your cooperation.

Details of the Meeting

- 1. Date and Time:** 10:00 a.m., Wednesday, June 28, 2023
- 2. Place:** 1st Floor Event Hall of Head office located at 29, Mameda-cho, Nishi-kyogoku, Ukyo-ku, Kyoto, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 134th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 134th Fiscal Year (April 1, 2022 - March 31, 2023)

Proposals to be resolved:

- Proposal 1: Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 2: Election of Three (3) Directors who are Audit and Supervisory Committee Members
- Proposal 3: Election of Two (2) Substitute Directors who are Audit and Supervisory Committee Members
- Proposal 4: Determination of Remuneration for Granting Restricted Stock to Directors

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Should any revisions to the matters to be provided electronically be required, a notice of the revision, the revised versions, and the previous versions will be posted on the Company's website, the Materials for General Meeting of Shareholders website, and the Tokyo Stock Exchange website.
- For this General Meeting of Shareholders, the paper copy stating the matters to be provided electronically are sent to all shareholders, whether or not a request for it has been made. Of the matters to be provided electronically, the following items are excluded from the documents in accordance with the provisions of laws and regulations and Article 15 of Articles of Incorporation of the Company.
 - (1) Notes to Consolidated Financial Statements in Consolidated Financial Statements
 - (2) Notes to Non-consolidated Financial Statements in Non-consolidated Financial Statements

The Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements have been audited as parts of the Consolidated Financial Statements and Non-consolidated Financial Statements in the preparation of the audit reports by the Audit and Supervisory Committee and the Accounting Auditor.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the close of this General Meeting of Shareholders.

Accordingly, the election of six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members) is proposed.

The Audit and Supervisory Committee and the Nominating Committee have determined that all candidates for Directors are fit for their respective positions relating to this Proposal.

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

No.	Name	Current positions and responsibilities at the Company
1	<u>Reelection</u> Isamu Ogura	Representative Director, President & CEO
2	<u>Reelection</u> Hiroshi Okagaki	Director & General Managing Executive Officer and General Manager of Technical Development Division
3	<u>Reelection</u> Kazuhiko Sakaguchi	Director & Managing Executive Officer and Chief of Business Promotion Office
4	<u>Reelection</u> Takeshi Ohi	Director & Executive Officer and Chief of Business Strategy Office
5	<u>Reelection</u> <u>Outside</u> Hidenori Kinoshita	Director
6	<u>Reelection</u> <u>Outside</u> <u>Independent</u> Sou Ikeda	Director

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1 Reelection	Isamu Ogura (July 11, 1959)	<p>April 1982 Joined the Company</p> <p>April 2005 Assistant General Manager of Shiga Branch</p> <p>October 2005 General Manager of Nagoya Branch</p> <p>April 2011 Assistant Chief of Business Strategy Office</p> <p>October 2011 Assistant Chief of Business Strategy Office and Manager of Corporate Planning Department</p> <p>June 2012 Director & Executive Officer, Chief of Business Strategy Office, Manager of Corporate Planning Department, Chairman of the Board of Directors of Takebishi Electric Sales Hong Kong Limited, and Chairman of the Board of Directors of Takebishi Electric Sales Shanghai Limited</p> <p>April 2014 Director & Executive Officer and Chief of Business Strategy Office</p> <p>June 2016 Director & Managing Executive Officer and Chief of Business Strategy Office</p> <p>June 2017 Representative Director, President & CEO (to present)</p>	40,021
<p>Reason for nomination as a Director candidate</p> <p>He is considered to be fit for the position as a Director on account of his past records of serving as the Representative Director & President and demonstrating his leadership in leading the management of the Company, as well as extensive knowledge and experience developed by assuming management responsibilities at the Company.</p>			
2 Reelection	Hiroshi Okagaki (November 6, 1960)	<p>April 1983 Joined the Company</p> <p>July 2006 Manager of Technical Development Department, Electro-Mechanical System Division</p> <p>April 2011 Manager of FA Systems Department, Electro- Mechanical System Division</p> <p>April 2016 Assistant General Manager of Technical Development Division</p> <p>June 2017 Executive Officer and General Manager of Technical Development Division</p> <p>June 2018 Director & Executive Officer and General Manager of Technical Development Division</p> <p>June 2021 Director & Managing Executive Officer and General Manager of Technical Development Division</p> <p>June 2022 Director & General Managing Executive Officer and General Manager of Technical Development Division (to present)</p>	26,216
<p>Reason for nomination as a Director candidate</p> <p>He is considered to be fit for the position as a Director on account of his extensive knowledge developed through the experience in assuming technical development responsibilities serving as an Executive Officer in charge of the Technical Development Division of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3 <u>Reelection</u>	Kazuhiko Sakaguchi (March 31, 1962)	<p>April 1984 Joined the Company</p> <p>July 2007 Manager of Corporate Planning Department, Business Strategy Office</p> <p>October 2011 Manager of General Affairs Department, Business Promotion Office</p> <p>October 2013 Assistant Chief of Business Promotion Office and Manager of General Affairs Department</p> <p>June 2017 Director & Executive Officer and Chief of Business Promotion Office</p> <p>June 2020 Director & Managing Executive Officer and Chief of Business Promotion Office (to present)</p>	29,975
<p>Reason for nomination as a Director candidate</p> <p>He is considered to be fit for the position as a Director who is responsible for business promotion of the Company on account of his experience in assuming management responsibilities at the Company serving as an Executive Officer in charge of business promotion of the Company, as well as his extensive knowledge developed through the experience in supervising the general affairs, accounting, and information systems of the Company.</p>			
4 <u>Reelection</u>	Takeshi Ohi (May 13, 1964)	<p>August 1990 Joined the Company</p> <p>January 2005 Managing Director of Takebishi Electric Sales Hong Kong Limited</p> <p>February 2014 Manager of 2nd Semiconductor and Device Dept., Electronics Device Division of the Company</p> <p>April 2019 Manager of 2nd Semiconductor and Device Dept. and Manager of Global Business Sales Promotion Department, Electronics Device Division</p> <p>April 2020 Assistant General Manager of Electro-Mechanical Systems Division</p> <p>October 2020 Assistant General Manager of Electro-Mechanical Systems Division and Group Manager of Smart Factory Sales Promotion Group</p> <p>June 2021 Executive Officer, General Manager of Electro- Mechanical Systems Division, Group Manager of Smart Factory Sales Promotion Group</p> <p>June 2022 President of TAKEBISHI (THAILAND) CO., LTD.</p> <p>June 2022 Executive Officer and Chief of Business Strategy Office of the Company</p> <p>June 2022 Director & Executive Officer and Chief of Business Strategy Office (to present)</p>	16,499
<p>Reason for nomination as a Director candidate</p> <p>He is considered to be fit for the position as a Director who is responsible for corporate planning and the execution of business strategies of the Company on account of his experience and extensive knowledge in assuming management responsibilities at the Company serving as an Executive Officer in charge of Electro-Mechanical Systems Division and business strategies of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5 Reelection Outside	Hidenori Kinoshita (April 21, 1969)	<p>April 1992 Joined Mitsubishi Electric Corporation</p> <p>April 2020 General Manager of FA Systems Department, Hokuriku Branch Office of Mitsubishi Electric Corporation</p> <p>April 2022 Assistant General Manager of Kansai Branch Office and Manager of Equipment 1 Department of Mitsubishi Electric Corporation (to present)</p> <p>June 2022 Outside Director of the Company (to present) [Significant Concurrent Position] Outside Director, MANSEI CORPORATION</p>	—
<p>Reason for nomination as an Outside Director candidate and outline of expected role</p> <p>He is selected as a Director candidate as he is expected to be fit for the position as an Outside Director who is responsible for the supervision of the management of the Company from an objective viewpoint because his extensive knowledge and experience developed through working for other companies would be beneficial for the management of the Company. Although he has no experience of being directly involved in corporate management, for the above reason, the Company has judged that he will be able to appropriately execute his duties as Outside Director.</p>			
6 Reelection Outside Independent	Sou Ikeda (June 1, 1967)	<p>April 1990 Joined Bank of Japan</p> <p>May 2003 Seconded to Industrial Revitalization Corporation of Japan</p> <p>April 2007 Participated in establishment of Industrial Growth Platform, Inc.</p> <p>April 2019 Visiting Professor, MBA Course, Graduate School of Business Administration, J. F. Oberlin University</p> <p>April 2021 Associate Professor, Graduate School of International Studies, J. F. Oberlin University (to present)</p> <p>June 2022 Outside Director of the Company (to present) [Significant Concurrent Position] Advisor, Industrial Growth Platform, Inc. (IGPI)</p>	200
<p>Reason for nomination as an Outside Director candidate and outline of expected role</p> <p>He is selected as a Director candidate as he is expected to be fit for the position as an Outside Director who is responsible for the supervision of the management of the Company from a diverse viewpoint, given his extensive knowledge and experience developed through working for other companies and also from his position as an educator. For the above reason, the Company has judged that he will be able to appropriately execute his duties as Outside Director from an independent viewpoint.</p>			

(Notes)

1. Mr. Hidenori Kinoshita concurrently serves as Assistant General Manager (employee) of Kansai Branch of Mitsubishi Electric Corporation. Mitsubishi Electric Corporation is a major shareholder of the Company and has a special business relationship with the Company (Major supplier and customer).
2. No special interests exist between each of the candidates and the Company other than 1. above.
3. Messrs. Hidenori Kinoshita and Sou Ikeda are candidates for Outside Directors.
4. Messrs. Hidenori Kinoshita and Sou Ikeda are currently Outside Directors of the Company and one (1) year will have passed at the close of this General Meeting of Shareholders since their assumption of office as Outside Directors.
5. The Company has notified the Tokyo Stock Exchange, Inc. (TSE) that Mr. Sou Ikeda is an independent director as stipulated by TSE, and if Mr. Ikeda's reelection is approved, the Company plans to notify TSE that Mr. Sou Ikeda will continue to be an independent director.
6. If the reelection of Messrs. Hidenori Kinoshita and Sou Ikeda is approved, the Company, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, intends to continue the liability limitation agreements stipulated in Article 423, Paragraph 1 of the same Act. The amount of limit of liability for damages under such contract shall be 1 million yen or the minimum liability amount provided for in Article 425, Paragraph 1 of the Companies Act, whichever is higher.
7. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. In the event that claims for damages are made against the insured persons arising from acts (including omission) in the course of their duties as directors and officers of the Company, the insurance contract shall compensate for damages and legal expenses to be borne by the insured persons. If the candidates are elected and assume office as Directors, they will become the insured persons under the insurance policy. The Company plans to renew the insurance contract with the same contents at the next renewal.
8. The number of shares of the Company held by each candidate includes the stocks held by each candidate in the officers shareholding association.
(Fractional shares have been omitted.)

Proposal 2: Election of Three (3) Directors who are Audit and Supervisory Committee Members

The terms of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire at the close of this General Meeting of Shareholders.

Accordingly, the election of three (3) Directors who are Audit and Supervisory Committee Members is proposed.

The Audit and Supervisory Committee and the Nominating Committee have previously given their approval to this Proposal.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name	Current positions and responsibilities at the Company
1	<input type="checkbox"/> Reelection Yasuji Ohnishi	Director (Full-Time Audit and Supervisory Committee Member)
2	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent Shigeyuki Kawamoto	Director (Audit and Supervisory Committee Member)
3	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent Yoshinori Yamada	Director (Audit and Supervisory Committee Member)

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1 Reelection	Yasuji Ohnishi (November 20, 1962)	<p>April 1986 Joined the Company</p> <p>July 2008 Manager of Sales Administration Department, Electronics Device Division</p> <p>July 2013 Manager of Sales Administration Department, Social & Information Systems Division</p> <p>April 2017 Assistant General Manager of Social & Information Systems Division and Manager of Sales Administration Department</p> <p>April 2019 Chief of Audit Office</p> <p>June 2021 Director (Full-Time Audit and Supervisory Committee Member) (to present)</p>	9,550
Reason for nomination as a candidate for Director who is an Audit and Supervisory Committee Member He is considered to be fit for the position as an Audit and Supervisory Committee Member who is responsible for executing audit and supervisory operations of the Company in an appropriate manner on account of his extensive experience in business operations, given his longstanding involvement in a sales administration division of the Company, and knowledge of operational audit as the Chief of Audit Office.			
2 Reelection Outside Independent	Shigeyuki Kawamoto (June 24, 1967)	<p>April 1998 Registered as a member of Tokyo Bar Association</p> <p>October 2009 Executive Director, Enterprise Turnaround Initiative Corporation of Japan (current Regional Economy Vitalization Corporation of Japan)</p> <p>January 2013 Registered as a member of Kyoto Bar Association</p> <p>January 2013 Partner attorney, Karasuma Law Office</p> <p>June 2019 Outside Director (Audit and Supervisory Committee Member) of the Company (to present)</p> <p>April 2022 Representative attorney at law, KAWAMOTO SOGO LAW OFFICES (to present)</p> <p>[Significant concurrent position] Outside Director (Audit & Supervisory Committee), Akebono Brake Industry Co., Ltd.</p>	3,855
Reason for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and outline of expected role He is considered to be fit for the position as an Outside Director who is an Audit and Supervisory Committee Member who is responsible for executing audit and supervisory operations of the Company in an appropriate manner from an independent standpoint, given that he is qualified as an attorney and has deep insight and extensive experience relating to law, as well as a wealth of experience as outside auditor and outside director of other companies.			
3 Reelection Outside Independent	Yoshinori Yamada (March 23, 1973)	<p>April 2002 Registered as Certified Public Accountant</p> <p>April 2006 Joined Kawashima Sougou Kaikei</p> <p>June 2006 Registered as certified tax accountant</p> <p>July 2011 Representative Partner of Kawashima Sougou Kaikei (to present)</p> <p>June 2017 Outside Director (Audit and Supervisory Committee Member) of the Company (to present)</p> <p>[Significant concurrent positions] Outside Director (Audit and Supervisory Committee Member), FUJIX Ltd. Outside Director (Audit & Supervisory Committee Member), TOSE CO., LTD.</p>	3,869
Reason for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and outline of expected role He is considered to be fit for the position as an Outside Director who is an Audit and Supervisory Committee Member who is responsible for executing audit and supervisory operations of the Company in an appropriate manner from an independent standpoint, given that he is qualified as a certified public accountant and certified tax accountant and has deep insight and extensive experience relating to financial and accounting affairs, as well as a wealth of business management experience as outside director of other companies.			

(Notes)

1. No special interests exist between each of the candidates and the Company.
2. Messrs. Shigeyuki Kawamoto and Yoshinori Yamada are candidates for Outside Directors.
3. Messrs. Shigeyuki Kawamoto and Yoshinori Yamada are currently Outside Directors of the Company and four (4) years and six (6) years will have passed for Mr. Shigeyuki Kawamoto and Mr. Yoshinori Yamada, respectively, at the close of this General Meeting of Shareholders since their assumption of office as Outside Director.
4. The Company has notified the Tokyo Stock Exchange, Inc. (TSE) that Messrs. Shigeyuki Kawamoto and Yoshinori Yamada are independent directors as stipulated by TSE, and plans to notify TSE to that effect again if their reelection is approved.
5. If the reelection of Messrs. Shigeyuki Kawamoto and Yoshinori Yamada is approved, the Company, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, intends to continue the liability limitation agreements that have been concluded with them, stipulated in Article 423, Paragraph 1 of the same Act. The amount of limit of liability for damages under such contract shall be 1 million yen or the minimum liability amount provided for in Article 425, Paragraph 1 of the Companies Act, whichever is higher.
6. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. In the event that claims for damages are made against the insured persons arising from acts (including omission) in the course of their duties as directors and officers of the Company, the insurance contract shall compensate for damages and legal expenses to be borne by the insured persons. If the candidates are elected and assume office as Directors who are Audit and Supervisory Committee Members, they will become insured persons under the insurance policy. The Company plans to renew the insurance contract with the same contents at the next renewal.
7. The number of shares of the Company held by each candidate includes the stocks held by each candidate in the officers shareholding association.
(Fractional shares have been omitted.)

■ Skill Matrix of Directors (including Directors who are Audit and Supervisory Committee Members)

Skills that each Director possesses are as follows if Proposal 1 “Election of Six (6) Directors (excluding Directors Who are Audit and Supervisory Committee Members)” and Proposal 2 “Election of Three (3) Directors Who are Audit and Supervisory Committee Members” are approved and adopted.

Director	Outside	Independent	Corporate management Business strategy	Sales Marketing	Technology IT	HR Human resource development	Finance/ Accounting Capital policy	Legal affairs Compliance	Global issues Diversity	Sustainability ESG
Isamu Ogura			○	○		○			○	○
Hiroshi Okagaki			○	○	○	○				○
Kazuhiko Sakaguchi			○		○	○	○	○		
Takeshi Ohi			○	○					○	○
Hidenori Kinoshita	●			○					○	○
Sou Ikeda	●	●	○			○	○		○	
Yasuji Ohnishi						○	○	○		
Shigeyuki Kawamoto	●	●	○					○		○
Yoshinori Yamada	●	●	○				○			○

Proposal 3: Election of Two (2) Substitute Directors who are Audit and Supervisory Committee Members

To prepare for the contingency in which the Company does not have the number of Directors who are Audit and Supervisory Committee Members required by laws and ordinances, the Company proposes to elect two (2) Substitute Directors who are Audit and Supervisory Committee Members.

The candidates for Substitute Directors who are Audit and Supervisory Committee Members are as follows. They are candidate substitutes for the three (3) candidates for Directors who are Audit and Supervisory Committee Members who will assume office as such if Proposal 2 “Election of Three (3) Directors Who are Audit and Supervisory Committee Members” is approved as originally proposed. Specifically, Mr. Masaru Inari is a candidate for substitute to fill in for Mr. Yasuji Ohnishi, and Ms. Yuko Masukawa is a candidate for substitute to fill in for Messrs. Shigeyuki Kawamoto and Yoshinori Yamada.

The period of validity of the election of such Substitute Directors who are Audit and Supervisory Committee Members will be until the commencement of the Annual General Meeting of Shareholders relating to the last fiscal year that ends within two (2) years of this General Meeting of Shareholders.

However, the election of a Director who is an Audit and Supervisory Committee Member may be revoked subject to resolution of the Board of Directors with the consent of the Audit and Supervisory Committee only before he/she assumes office.

The Audit and Supervisory Committee and the Nominating Committee have previously given their approval to this Proposal.

No.	Name (Date of birth)	Career summary and significant concurrent positions	Number of shares of the Company held
1	Masaru Inari (August 5, 1954)	April 1979 Joined the Company April 2005 Seconded to Shinwa Kogyo Co., Ltd. (current TS Engineering Co., Ltd.) as Managing Director April 2010 Seconded to TS Engineering Co., Ltd. as Director April 2011 Manager of Sales Administration Department, Social & Information Systems Division of the Company June 2013 Standing Statutory Auditor of the Company June 2017 Advisor of the Company June 2019 Retired from the Company	14,600
Reason for nomination as a candidate for Substitute Director who is an Audit and Supervisory Committee Member He is considered to be fit for the position given that he has a thorough knowledge of the businesses of the Company based on his past experience in being in charge of auditing the management of the Company as Statutory Auditor of the Company and he would be able to draw on his extensive knowledge to contribute to audit and supervisory operations of the Company.			
2 Outside Independent	Yuko Masukawa (October 13, 1983) (Name in family register: Yuko Araki)	December 2011 Completed training at Legal Training and Research Institute of the Supreme Court December 2011 Registered as Attorney (Japan Federation of Bar Associations) December 2011 Joined Masukawa Law Office (current Masukawa Sogo Law Office) (to present)	-
Reason for nomination as a candidate for Substitute Outside Director who is an Audit and Supervisory Committee Member and outline of expected role She is considered to be fit for the position given that she would be able to draw on her expert knowledge and experience, etc. as an attorney to perform audit and supervisory operations of the Company in an appropriate manner from an independent standpoint, although she has never been involved in corporate management.			

(Notes)

1. No special interests exist between Mr. Masaru Inari and the Company.
2. The Company has entered into an agreement to retain Representative Attorney Mr. Norio Masukawa of Masukawa Sogo Law Office to which Ms. Yuko Masukawa belongs, as in-house counsel.
3. No special interests exist between Ms. Yuko Masukawa and the Company except item 2 above.
4. Ms. Yuko Masukawa is a candidate for Substitute Outside Director.
5. The Company plans to notify the Tokyo Stock Exchange (TSE) that Ms. Yuko Masukawa is an independent director as stipulated by TSE if she assumes office as Outside Director who is an Audit and Supervisory Committee Member.
6. If Ms. Yuko Matsukawa is appointed as Outside Director who is an Audit and Supervisory Committee Member, the Company, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, intends to enter into a liability limitation agreement with her, stipulated in Article 423, Paragraph 1 of the same Act. The amount of limit of liability for damages under such contract shall be 1 million yen or the minimum liability amount provided for in Article 425, Paragraph 1 of the Companies Act, whichever is higher.
7. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. In the event that claims for damages are made against the insured persons arising from acts (including omission) in the course of their duties as directors and officers of the Company, the insurance contract shall compensate for damages and legal expenses to be borne by the insured persons. If the candidates assume office as Directors who are Audit and Supervisory Committee Members, they will become insured persons under the insurance policy.

Proposal 4: Determination of Remuneration for Granting Restricted Stock to Directors

At the Annual General Meeting of Shareholders held on June 28, 2017, a proposal was approved to determine the maximum amount of remuneration at four hundred (400) million yen per year for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members) and forty (40) million yen per year for Directors who are Audit and Supervisory Committee Members. This Proposal hereby requests the approval of shareholders to introduce a remuneration system for granting restricted stock to Directors of the Company (including Directors who are Audit and Supervisory Committee Members) (hereinafter referred to as "Eligible Directors"). The purpose of the system is to provide incentives to the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members) to sustainably improve the Company's corporate value and to further promote shared values with shareholders, and to provide incentives to the Company's Directors who are Audit and Supervisory Committee Members to prevent damage to the Company's corporate value and to maintain the Company's credibility.

Therefore, as an amount considered reasonable for the above purpose within the current monetary remuneration limit, the total amount of monetary remuneration to be paid for the granting of restricted stock shall be a maximum of one hundred (100) million yen per year for Directors (excluding Directors who are Audit and Supervisory Committee Members) (of which, a maximum of ten (10) million yen per year for Outside Directors), and a maximum of ten (10) million yen per year for Directors who are Audit and Supervisory Committee Members. The total number of shares of common stock of the Company to be issued or disposed of under this plan shall be a maximum of one hundred (100) thousand shares per year for Directors (excluding Directors who are Audit and Supervisory Committee Members) (of which, a maximum of ten (10) thousand shares per year for Outside Directors), and a maximum of ten (10) thousand shares per year for Directors who are Audit and Supervisory Committee Members. Provided, however, that if, on or after the date of approval of this Proposal, a stock split (including a gratis allotment of shares of common stock of the Company) or a reverse stock split of common stock of the Company is conducted, or any other event occurs requiring adjustment of the total number of shares of common stock of the Company to be issued or disposed of as restricted stock, the number of shares shall be adjusted accordingly to a reasonable extent. The specific allocation of shares to each Eligible Director shall be determined for the Directors (excluding Directors who are Audit and Supervisory Committee Members) by a resolution of the Board of Directors, and for the Directors who are Audit and Supervisory Committee Members through discussions among the Directors who are Audit and Supervisory Committee Members.

The Company currently has six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members) (including two (2) Outside Directors) and three (3) Directors who are Audit and Supervisory Committee Members, for a total of nine (9) Directors. If Proposals 1 and 2 are approved and adopted as originally proposed, the Company will have six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members) (including two (2) Outside Directors) and three (3) Directors who are Audit and Supervisory Committee Members, for a total of nine (9) Directors.

The Eligible Directors shall, based on a resolution of the Board of Directors of the Company, pay all of the monetary remuneration claims arising from this Proposal as assets contributed in kind and receive the issuance or disposal of shares of common stock of the Company. The amount to be paid per share shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution of each Board of Directors meeting (or the closing price of the immediately preceding trading day if no trading was conducted on that date), to an extent not particularly favorable to the Eligible Directors. In addition, upon the issuance or disposal of the Company's common stock as a result of the above Proposal, the Company and the Eligible Directors shall enter into a restricted stock allotment contract (hereinafter referred to as the "Allotment Contract") that includes the conditions outlined below.

- (1) During the period from the date of delivery of the restricted stock to the date of loss of the position of Director of the Company, or other position determined by the Board of Directors of the Company, (hereinafter referred to as the "Transfer Restriction Period"), the Eligible Director shall not transfer, pledge as collateral, or otherwise dispose of (hereinafter referred to as the "Restrictions on Transfer") the shares of common stock of the Company allotted under the Allotment Contract (hereinafter referred to as the "Allotted Shares").
- (2) If an Eligible Director loses any of the positions described in (1) above before the expiration of the period separately determined by the Board of Directors of the Company (hereinafter referred to as the "Service Period"), the Company shall rightfully acquire the Allotted Shares without consideration, unless there is a reason that the Board of Directors of the Company deems justifiable.
- (3) The Company shall lift the Restrictions on Transfer on all of the Allotted Shares upon the expiration of the Transfer Restriction Period, provided that the Eligible Directors have continuously held the position

of Director of the Company, or any other position specified by the Board of Directors of the Company, for the duration of the Service Period. Provided, however, that if the Eligible Director loses any of the positions set forth in (1) above before the expiration of the Service Period for reasons that the Board of Directors of the Company deems justifiable as set forth in (2) above, the number of Allotted Shares subjected to the lifting of the Restrictions on Transfer and the timing of the lifting of the Restrictions on Transfer shall be adjusted to a reasonable extent as necessary.

- (4) The Company shall rightfully acquire without consideration the Allotted Shares for which the Restrictions on Transfer have not been lifted in accordance with the provisions of (3) above as of the time when the Transfer Restriction Period expires.
- (5) If, during the Transfer Restriction Period, a merger agreement under which the Company becomes a dissolving company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matters relating to organizational restructuring, etc. is approved at a general meeting of shareholders of the Company (or, if such organizational restructuring, etc. does not require approval at a general meeting of shareholders, determined by the Board of Directors of the Company), the Company shall lift the Restrictions on Transfer for a reasonably determined number of the Allotted Shares prior to the effective date of such organizational restructuring, etc., by a resolution of the Board of Directors of the Company.
- (6) In the case set forth in (5) above, the Company shall rightfully acquire without consideration the Allotted Shares for which the Restrictions on Transfer have not been lifted as of the time immediately following the lifting of the Restrictions on Transfer pursuant to (5) above.
- (7) The method of declaration of intent and the method of notification in the Allotment Contract, the method of revising the Allotment Contract, and other matters to be determined by the Board of Directors shall constitute the provisions of the Allotment Contract.

At the Board of Directors meeting held on February 24, 2021, the Company established a policy regarding the determination of the content of individual Director's remuneration, etc. Provided that this Proposal is approved, the Company plans to change the content of the policy to be in line with this Proposal. In addition, as stated above, the amount to be paid for the Allotted Shares is within a range that is not particularly favorable, and the dilution ratio is minimal. As such, the Company believes that the granting of the Allotted Shares is reasonable.

(Reference)

The Company plans to grant the same restricted stock as those described above to the Executive Officers of the Company, provided that this Proposal is approved.