

Note : This is a translation from Japanese of a notice distributed to shareholders. The translation is prepared solely for the convenience of shareholders. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(Securities Code: 6989)

## **CONVOCAION NOTICE FOR THE 89TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

June 7, 2023

Morio Tada  
President and Representative Director  
**HOKURIKU ELECTRIC INDUSTRY CO., LTD.**  
3158 Shimo-okubo Toyama City  
Toyama Pref., Japan

To Our Shareholders:

We would like to inform you that the 89th Ordinary General Meeting of Shareholders of HOKURIKU ELECTRIC INDUSTRY CO., LTD. (“the Company”) will be held as follows.

In convening the 89th Ordinary General Meeting of Shareholders, the Company has taken electronic provision measures for providing information that constitutes the content of the Reference Materials for the General Meeting of Shareholders, etc. (matters for an electronic provision measures). To review the information, please access one of the following websites on which the information is posted.

<The Company’s Website>

[https://www.hdk.co.jp/japanese/financ\\_j/fnc005\\_j.htm](https://www.hdk.co.jp/japanese/financ_j/fnc005_j.htm)

<Website containing informational materials for the General Meeting of Shareholders>

<https://d.sokai.jp/6989/teiji>

<Tokyo Stock Exchange (TSE) website (Listed Company Search) >

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

Please access the TSE website, and search by “Issue name”(HOKURIKU ELECTRIC INDUSTRY) or “Code” (6989), select “Basic information” and then “Documents for public inspection/PR information” to review field information.

In order to protect yourself from Covid-19, please use your best judgement as to whether to attend the meeting or not, considering the infection numbers and your physical condition. When attending the meeting, please take necessary measures such as wearing a mask.

In the event that you do not attend the meeting, you may exercise your voting rights via the internet or in writing by 5:00 p.m. on Wednesday, June 28, 2023, after you review the “Reference Materials for the General Meeting of Shareholders”.

[Exercise of your voting rights via the internet]

Please access the website <https://evote.tr.mufg.jp/> and enter the “login id” and “password” shown on the enclosed Voting Rights Exercise Form. Follow the instruction on the screen and exercise your voting rights by the closing time shown above.

Please see more details in “4. Principle in exercising your voting rights” shown below.

[Exercise of your voting rights in writing]

Please indicate your votes for or against the proposal on the enclosed Voting Rights Exercise Form and return the form by mail so that it will arrive us by the closing time shown above.

1. Date and Time: Thursday, June 29, 2023 , 10:00 a.m.  
2. Place: 5th floor hall of Toyama Branch, Nomura Securities Co., Ltd.  
1-4-3 Tsutsumi-Cho Dori, Toyama City, Toyama Pref., Japan

3. Agenda:

Reporting:

1. Business report, Consolidated Financial Statements for the 89th Fiscal Year (from April 1, 2022 to March 31, 2023), and Audit Reports by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-consolidated Financial Statements for the 89th Fiscal Year (from April 1, 2022 to March 31, 2023)

Resolutions:

- Proposal 1: Partial Amendments to the Articles of Incorporation  
Proposal 2: Election of Five (5) Directors (excluding Directors serving as Audit and Supervisory Committee Members)  
Proposal 3: Election of Five (5) Directors serving as Audit and Supervisory Committee Members  
Proposal 4: Continuation of the Policy against Large-scale Purchases of the Company’s Stock (Anti-takeover Measures)

4. Principle in exercising your voting rights

- (1) If you exercise your voting rights in writing and do not indicate your approval or disapproval of the proposal, it shall be deemed that you have voted for the proposal.
- (2) If you exercise your voting rights multiple times via the internet, only the most recent vote will be considered a valid exercise of voting rights.
- (3) If you exercise your voting rights both via the internet and in writing, your vote via the internet will be considered a valid exercise of voting rights.
- (4) If you appoint an agent to exercise your voting rights, you can only choose one person who has his/her own voting rights. At the General Meeting of Shareholders, the agent needs to submit the written proof of your appointment.
- (5) If you make diverse exercise of votes, you need to inform us of your intent and its reasoning in writing at latest three days prior to the General Meeting of Shareholders.

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Please bring the enclosed Voting Rights Exercise Form to attend the General Meeting of Shareholders and give it to the receptionist.

If any revisions should be made to the matters to be provided electronically, they will be announced on each of the websites listed on page 1 with a comparison before and after the revision.

Please note that, for this General Meeting of Shareholders, a document containing the matters to be provided electronically (this Notice) will be sent uniformly to all

shareholders, regardless of whether or not they have requested the delivery of the document. Pursuant to the provisions of laws and regulations and Article 13 of the Articles of Incorporation of the Company, the following items, among the items to be provided electronically, are not included in the document to be sent.

- “System to Ensure the Properness of Operations and Overview of Operating Status of the System” on the Business Report

- “Consolidated Statement of Changes in Equity,” and “Notes to Consolidated Financial Statements,” on the Consolidated Financial Statements

- “Non-consolidated Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” on the Non-consolidated Financial Statements

Therefore, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements included in said document are a part of the documents audited by the Accounting Auditor and the Audit and Supervisory Committee, in preparing their respective audit reports.

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**Exercise of Voting Rights:**

You may exercise your voting rights through either of the methods described below.

**Exercise of your voting rights in writing**

Please indicate your votes for or against the proposals on the Voting Rights Exercise Form and return the form by mail so that it will arrive by 5:00 p.m. on Tuesday, June 28, 2023(Japan time).

**Exercise of your voting rights via the Internet**

You can exercise your voting rights either by (1) scanning the QR code shown on the enclosed Voting Rights Exercise Form, or by (2) accessing the website for exercising voting rights (<https://evote.tr.mufg.jp/>) and entering the “login id” and “password” shown on the Voting Rights Exercise Form. Please enter your votes for or against the proposals by 5:00 p.m. on Wednesday, June 28, 2023(Japan time).

If you exercise your voting rights both via the internet and in writing, your vote via the internet will be considered a valid exercise of voting rights. If you exercise your voting rights multiple times via the internet, or if you exercise your voting rights both via PC and mobile devices, etc., only the most recent vote will be considered a valid exercise of voting rights.

**Institutional investors may use the electronic voting platform operated by ICJ, Inc.**

## Reference Materials for the General Meeting of Shareholders

### Proposals and References

#### Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the Proposal

In order to enhance the Board of Director's function to supervise management, a change is made to the maximum number of Directors serving as Audit and Supervisory Committee Members specified in Article 18 (Number) of the current Articles of Incorporation from four (4) to six (6).

2. Details of Amendments

The details of the amendments are as follows.

(Amended portions are underlined)

Current Articles of Incorporation	Proposed amendments
<p>(Number) Article 18 1. The Company shall have not more than twelve (12) Directors who are not serving as Audit and Supervisory Committee Members. 2. The Company shall have not more than <u>four (4)</u> Directors serving as Audit and Supervisory Committee Members.</p>	<p>(Number) Article 18 1. The Company shall have not more than twelve (12) Directors who are not serving as Audit and Supervisory Committee Members. 2. The Company shall have not more than <u>six (6)</u> Directors serving as Audit and Supervisory Committee Members.</p>

**Proposal 2: Election of five (5) Directors (excluding Directors serving as Audit and Supervisory Committee Members)**

The terms of office of all six (6) Directors (excluding Directors serving as Audit and Supervisory Committee Members) will expire at the conclusion of this Ordinary General Meeting of Shareholders. In order to strengthen the management efficiency, it is proposed that one (1) Director be reduced, and total five (5) Directors (excluding Directors serving as Audit and Supervisory Committee Members) be elected.

With respect to this proposal, the Company has consulted with the Nomination and Remuneration Advisory Committee and obtained its concurrence.

The candidates for Directors are as follows:

Name of Candidate (Date of birth)	Profile, Positions and Duties at the Company (Significant Concurrent Posts)
<p>No.1 Mr. Morio Tada (November 6, 1957)  【Reappointment】  Number of Shares of the company held: 14,822</p>	<p>Apr 1980    Joined the Company Jul 1999    General Manger of Mechanical Parts Manufacturing Dept., Electronic Components Division Jun 2005    Senior General Manager, Components Division Jul 2008    Executive Officer &amp; Senior General Manager, Components Division Jun 2011    Director &amp; Senior General Manager, High Frequency Components Division Jul 2015    Director &amp; Senior General Manager, Sales Division Jun 2017    Executive Managing Director &amp; Senior General Manager, Sales Division Jun 2018    President &amp; Representative Director (present)</p> <p>【Reason for nomination as a candidate】 After having accumulated a wealth of experience and achievements in Production and Sales sections, Mr. Morio Tada has been serving as President &amp; Representative Director since 2018 and contributing to improve corporate value by strong leadership. He has been nominated as a candidate for Director because the Company expects that he will continue to lead the Company to the further improvement of the corporate value by utilizing his abundant experience and insight.</p>
<p>No.2 Mr. Ryusho Shimosaka (December 3, 1959)  【Reappointment】  Number of Shares of the company held: 8,798</p>	<p>Apr 1982    Joined The Hokuriku Bank, Ltd. Oct 2012    General Manager of Audit Department of the above bank Jul 2014    Joined the Company, General Manager, Assistant to the President Nov 2014    Senior General Manager, Administration Division Jul 2015    Executive Officer &amp; Senior General Manager, Administration Division Jun 2016    Director &amp; Senior General Manager, Administration Division Jun 2018    Executive Managing Director &amp; Senior General Manager, Administration Division (present)</p> <p>(Significant Concurrent Posts) Representative Director, Hokuriku Kosan Co., Ltd.</p> <p>【Reason for nomination as a candidate】 Mr. Ryusho Shimosaka has accumulated abundant knowledge and experience through business executions in the Administration Division and is currently managing the overall Administration activities. He has been nominated as a candidate for Director because the Company expects that he will continue to contribute to the further improvement of the corporate value by utilizing his experience and insight.</p>

Name of Candidate (Date of birth)	Profile, Positions and Duties at the Company (Significant Concurrent Posts)
No.3 Mr. Yuji Nishimura (January 15, 1965) <b>【Reappointment】</b> Number of Shares of the company held: 3,624	Apr 1989 Joined the Company Jul 1999 Head, Nagoya Sales Office Jul 2015 General Manager, Manufacturing Dept., High Frequency Components Division Apr 2017 Senior General Manager, Components Division Jul 2019 Executive Officer & Senior General Manager, Components Division Jun 2022 Director & Senior General Manager, Components Division (present) <b>【Reason for nomination as a candidate】</b> Mr. Yuji Nishimura has accumulated abundant knowledge and experience through Sales and Manufacturing sections and is currently managing the Components Division. He has been nominated as a candidate for Director because the Company expects that he will contribute to the further improvement of the corporate value by utilizing his experience and insight.
No.4 Mr. Yoshinori Murakami (June 17, 1966) <b>【Reappointment】</b> Number of Shares of the company held: 2,124	Apr 1989 Joined the Company Jul 2013 General Manager of Development Dept., HDK Micro Devices Co., Ltd. Jul 2014 Director, Shanghai HDK Micro Devices Co., Ltd. Jul 2018 President & Representative Director, HDK Micro Devices Co., Ltd. (present) Jul 2019 Executive Officer of the Company Jun 2022 Director of the Company (present) <b>【Reason for nomination as a candidate】</b> Mr. Yoshinori Murakami has accumulated abundant knowledge and experience through Manufacturing, Development, and Overseas sections and is currently managing HDK Micro Devices Co., Ltd. as President. He has been nominated as a candidate for Director because the Company expects that he will contribute to the further improvement of the corporate value by utilizing his experience and insight.
No.5 Mr. Masato Ando (January 5, 1964) <b>【New appointment】</b> Number of Shares of the company held: 614	Apr 1984 Joined the Company Jul 2014 General Manager, Advanced Device Development Division Jul 2015 Senior General Manager, High Frequency Components Division Jul 2016 Executive Officer & Senior General Manager, High Frequency Components Division Jul 2019 Executive Officer & Director, HDK China Co, Ltd. Apr 2023 Executive Officer & General Manager, Assistant to the President (present) <b>【Reason for nomination as a candidate】</b> Mr. Masato Ando has accumulated abundant knowledge and experience through Manufacturing, Development, and Overseas sections and has extensive knowledge and insight of our business. He has been nominated as a candidate for Director because the Company expects that he will contribute to the further improvement of the corporate value by utilizing his experience and insight.

Note:

1. There are no special interests between any of the above candidates for Director and the Company.
2. The summary of the opinions of the Audit and Supervisory Committee regarding the appointment of Directors is as follows.  
 As a result of considering the appointment of directors of the Company, including discussions at the Nomination and Remuneration Advisory Committee, the Audit and Supervisory Committee has judged that it is appropriate to appoint each candidate as a director in terms of the quality, business conditions, effectiveness of the supervisory function for the Board of Directors, and the perspective of improving corporate value.
3. The Company has entered into a directors and officers (D&O) liability insurance contract, as defined in Article 430-3, paragraph 1 of the Companies Act, with an insurance company under which the Company's Directors are the insured and the damages, litigation expenses, etc. that would otherwise be incurred by the insured party will be covered under the insurance contract. However, the

insurance contract will not cover some specific damages, for example, damages arising from acts of the insured party that are committed with an awareness of legal violations. If the candidates take office as Directors, the candidates will be the insured under the insurance contract. All insurance premiums, including those for the special conditions, are borne by the Company with no premiums being paid by any of the insured. The Company intends to renew the aforementioned insurance contract on the same terms and conditions at the next renewal.

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**Proposal No.3: Election of five (5) Directors serving as Audit and Supervisory Committee Members.**

The term of office for all four (4) Directors serving as Audit and Supervisory Committee Members will expire at the conclusion of this Ordinary General Meeting of Shareholders. In order to strengthen and fulfilling our auditing structure, it is proposed that one (1) Director be newly added and total five (5) Directors serving as Audit and Supervisory Committee Members be elected.

With respect to this proposal, the Company has already obtained the consent of the Audit and Supervisory Committee.

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

Name of Candidate (Date of Birth)	Profile, Positions and Duties at the Company (Significant Concurrent Posts)
No.1  Mr. Manabu Sugimoto  (December 3, 1961)  <b>【New appointment】</b>  Number of Shares of the company held : 5,345	Apr 1985    Joined the Company Apr 2012    Head, Tokyo Sales Office Mar 2016    General Manager, Governance Office Jul 2018    General Manager, Procurement Dept. Mar 2021    President & Representative Director, Daiwa Circuit Module Inc. (present)  <b>【Reason for nomination as a candidate】</b> Mr. Manabu Sugimoto has accumulated a wealth of experience and achievements in Sales, Administration Sections and Management of a subsidiary and has extensive knowledge and insight of our business. He has been nominated as a candidate for Director serving as Audit and Supervisory Committee Member because the Company expects that he will contribute to the further improvement of the audit and supervisory functions and corporate value, utilizing such experience and capabilities.
No.2  Mr. Masayuki Kitanosono  (August 24, 1959)  <b>【Reappointment】</b> <b>【Independent】</b> <b>【Outside Director】</b>  Number of Shares of the company held: 100	Apr 1988    Registered as Attorney-at-law, Joined Matsuo Law Offices Jun 1997    Outside Auditor of the Company May 2003    Senior Partner, Tokyo Aoi Law Office Nov 2009    Attorney-at-law of Sakuragawa Law Offices Jun 2017    Outside Director serving as Audit and Supervisory Committee Member of the Company (present) Sep 2022    Attorney-at-law of Sakuragawa Kyowa Law Offices (present)  <b>【Reason for nomination as a candidate】</b> Mr. Masayuki Kitanosono has been active as an attorney-at-law and is familiar with corporate matters and the Company's businesses through the past assignments to outside officer of the Company. He will be expected to make supervisory advises on the execution of duties by the Directors from the legal point of view. Also as a member of the Nomination and Remuneration Advisory Committee, he will be involved objectively in the decision of the nomination and remuneration of Directors. Though never having previously engaged in company management in any way

	<p>other than serving as outside officer, he has been nominated as a candidate for Outside Director serving as an Audit and Supervisory Committee Member because the Company is certain that he will carry out his duties as an Independent Outside Director for these reasons.</p>
<p>No.3</p> <p>Mr. Satoshi Kikushima</p> <p>(July 27, 1958)</p> <p><b>【Reappointment】</b> <b>【Independent】</b> <b>【Outside Director】</b></p> <p>Number of Shares of the company held: 2,000</p>	<p>Apr 1981    Joined The Hokuriku Bank, Ltd.</p> <p>Jun 2010    Head of Branch Division and General Manager of Hokugin Direct Branch</p> <p>Jan 2014    Head of Sales Promotion Division</p> <p>Jun 2014    Standing Auditor</p> <p>Jun 2016    Full-time Corporate Auditor</p> <p>Jun 2017    Director serving as Audit and Supervisory Committee Member, Hokuhoku Financial Group, Inc.</p> <p>Jun 2019    President and Representative Director, Hokuhoku Services Co., Ltd.</p> <p>Jun 2019    Outside Director serving as Audit and Supervisory Committee Member of the Company (present)</p> <p>Jun 2021    President &amp; Representative Director, Tsutsumi Shoji Co.,Ltd (present)</p> <p>(Significant Concurrent Posts) President and Representative Director, Tsutsumi Shoji Co.,Ltd</p> <p><b>【Reason for nomination as a candidate】</b> Mr. Satoshi Kikushima has been and will be expected to make supervisory advices on the execution of duties by the Directors, based on a wealth of experience acquired at financial institution and experience developed as a manager of a business corporation and extensive knowledge. Also as a member of the Nomination and Remuneration Advisory Committee, he will be involved objectively in the decision of the nomination and remuneration of Directors. He has been nominated as a candidate for Outside Director serving as an Audit and Supervisory Committee Member because the Company is certain that he will carry out his duties as an Outside Director for these reasons.</p>
<p>No.4</p> <p>Mr. Kazuaki Imura</p> <p>(November 1, 1956)</p> <p><b>【Reappointment】</b> <b>【Independent】</b> <b>【Outside Director】</b></p> <p>Number of Shares of the company held: 800</p>	<p>Jul 2016    General Manager, Tax withholding Dept., Kanazawa Regional Taxation Bureau</p> <p>Jul 2017    Retired from Kanazawa Regional Taxation Bureau</p> <p>Aug 2017    Registered as Certified Tax Accountant</p> <p>Aug 2017    Director, Kazuaki Imura Certified Tax Accountant Office (present)</p> <p>Jun 2020    Outside Auditor, Nakamura-Tome Precision Industry Co., Ltd. (present)</p> <p>Jun 2021    Outside Director serving as Audit and Supervisory Committee Member of the Company (present) (present)</p> <p>(Significant Concurrent Posts) Outside Auditor, Nakamura-Tome Precision Industry Co., Ltd.</p> <p><b>【Reason for nomination as a candidate】</b> Mr. Kazuaki Imura is a certified tax accountant with good judgement. He will be expected to make supervisory advices on the execution of duties by the Directors from the tax related professional point of view. Also as a member of the Nomination and Remuneration Advisory Committee, he will be involved objectively in the decision of the nomination and remuneration of Directors. Though never having previously engaged in company management in any way other than serving as outside officer, he has been nominated as a candidate for Outside Director serving as an Audit and Supervisory Committee Member because the Company is certain that he will carry out his duties as an Independent Outside Director for these reasons.</p>

<p>No.5</p> <p>Ms. Sadako Tsubokawa (May 2, 1962)</p> <p>【New appointment】 【Independent】 【Outside Director】</p> <p>Number of Shares of the company held: -</p>	<p>Dec 1989 Registered and Practice as Labor and Social Security Attorney</p> <p>Feb 1990 Registered and Practice as Administrative Scrivener</p> <p>Jan 2012 Open and Head the Office of Tsubokawa Labor and Social Security Attorney (present)</p> <p>Sep 2015 Open and Head the Office of Tsubokawa Administrative Scrivener (present)</p> <p>【Reason for nomination as a candidate】</p> <p>Ms. Sadako Tsubokawa has accumulated a wealth of experience and professional insights as a labor and social security attorney and an administrative scrivener. She will be expected to make supervisory advices on the execution of duties by the Directors, along with on the work style reform and woman empowerment matters. Also as a member of the Nomination and Remuneration Advisory Committee, she will be involved objectively in the decision of the nomination and remuneration of Directors.</p> <p>Though never having previously engaged in company management in any way, she has been nominated as a candidate for Outside Director serving as an Audit and Supervisory Committee Member because the Company is certain that she will carry out her duties as an Independent Outside Director for these reasons.</p>
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Note:

1. Mr. Manabu Sugimoto and Ms. Sadako Tsubokawa are newly elected candidates.
2. There are no special interests between any of above candidates for Director and the Company.
3. Mr. Masayuki Kitanosono, Mr. Satoshi Kikushima, Mr. Kazuaki Imura and Ms. Sadako Tsubokawa are candidates for Outside Director.
4. The Company designated Mr. Masayuki Kitanosono, Mr. Satoshi Kikushima and Mr. Kazuaki Imura as independent Directors as stipulated under the regulation of the Tokyo Stock Exchange and registered them as such at the Exchange. If Mr. Masayuki Kitanosono, Mr. Satoshi Kitashima, Mr. Kazuaki Imura and Ms. Sadako Tsubokawa are elected, the Company will designate as independent Directors.
5. Mr. Masayuki Kitanosono is currently an Outside Director of the Company serving as Audit and Supervisory Committee Members and will have held his position for six (6) years by the end of this Ordinary General Meeting of Shareholders. In the past, he was an officer (outside auditor) who did not execute business operations of the Company.
6. As an Outside Director of the Company serving as Audit and Supervisory Committee Members, Mr. Satoshi Kikushima will have held his position for four (4) years and Mr. Kazuaki Imura for two (2) years by the end of this Ordinary General Meeting of Shareholders.
7. In accordance with the provision of Article 427, paragraph 1, of the Companies Act, the Company has entered into agreements with Mr. Masayuki Kitanosono, Mr. Satoshi Kikushima and Mr. Kazuaki Imura to limit their liabilities under Article 423, paragraph 1, of the Companies Act. The maximum liability under these agreements is the minimum liability provided in laws and regulations. If these three candidates and Ms. Sadako Tsubokawa are elected as Outside Directors, the Company will continue the aforementioned liability limitation agreements with them.
8. The Company has entered into a directors and officers (D&O) liability insurance contract, as defined in Article 430-3, paragraph 1 of the Companies Act, with an insurance company under which the Company's Directors are the insured and the damages, litigation expenses, etc. that would otherwise be incurred by the insured party will be covered under the insurance contract. However, the insurance contract will not cover some specific damages, for example, damages arising from acts of the insured party that are committed with an awareness of legal violations. If the candidates take office as Directors, the candidates will be the insured under the insurance contract. All insurance premiums, including those for the special conditions, are borne by the Company with no premiums being paid by any of the insured. The Company intends to renew the aforementioned insurance contract on the same terms and conditions at the next renewal.

(Reference)

Composition of the Board of Directors after this General Meeting of Shareholders will be as follows.

	Corporate Management	Insight to Industry Knowledge	Overseas Business Management	Sales & Marketing	Technology, Research & Development	Finance & Accounting	Legal affairs & Risk Management	Environment & Social Engagement
Morio Tada President and Representative Director	○	○	○	○	○	○		○
Ryusho Shimosaka Executive Managing Director						○	○	○
Yuji Nishimura Director		○		○	○			○
Yoshinori Murakami Director		○	○	○	○			○
Masato Ando Director		○	○	○	○			
Manabu Sugimoto Fulltime Director serving as Audit and Supervisory Committee Member		○		○			○	
Masayuki Kitanosono Outside Director serving as Audit and Supervisory Committee Member							○	○
Satoshi Kikushima Outside Director serving as Audit and Supervisory Committee Member	○					○	○	○
Kazuaki Imura Outside Director serving as Audit and Supervisory Committee Member						○		○
Sadako Tsubokawa Outside Director serving as Audit and Supervisory Committee Member							○	○

#### **Proposal No.4: Continuation of the Policy against Large-scale Purchases of the Company's Stock (Anti-takeover Measures)**

The Company adopted countermeasures against large-scale purchases of its stock (hereinafter referred to as the “original measures”) on June 27, 2008 following the approval of the shareholders at the general meeting of shareholders held on the same day.

Subsequently, the original measures have been continued upon approval by shareholders at the Company's general meeting of shareholders held on June 29, 2011, June 27, 2014, June 29, 2017, and June 26, 2020 (the ongoing measures are hereinafter referred to as the “current measures”).

After further deliberation on the pros and cons of continuing the current measures, the Company's Board of Directors, at its meeting held on May 10, 2023, decided on countermeasures against large-scale purchases of Company stock (i.e., anti-takeover measures), which is a continuation of the current measures (hereinafter referred to as the “Policy”), subject to approval at a general meeting of shareholders.

Accordingly, the Company requests its shareholders' approval of the Policy. The details of the Policy are as described below.

##### 1. Reason for the proposal

The Company believes that those who control decisions on the Company's financial and business policies should have a full understanding of the Group's financial and business operations, the source of the Group's corporate value, and a relationship of trust with the Company's stakeholders, and be able to continually ensure and enhance the Group's corporate value as well as the common interests of the shareholders.

The Company believes that, when someone makes a bid to buy a large amount of shares in the Company, the decision as to whether or not to accept such a bid should ultimately be left to the will of the individual shareholders, even if the bid is intended to acquire a large controlling stake in the Company.

If such a bid is successful, it will grant the bidder enough control over the Company to have an immediate and significant impact on the Group's operations, and thus has the potential to significantly affect the Group's corporate value and the common interests of the shareholders. In Japan's capital markets today, there is a good possibility that an investor might suddenly and unilaterally attempt to buy a large stake in a company without giving the target company adequate information or time necessary to review the details of the acquisition offer, or without going through a sufficient consultation and consensus-building process with the management of the target company. There is also a possibility that an investor could attempt to buy a large amount of Company shares by effectively coercing shareholders to sell their shares without providing them with sufficient information about such purchase, or without allowing sufficient time for shareholders to consider the terms and method of the acquisition or for the Company's Board of Directors to make an alternative proposal. There is also a possibility that an investor attempting to buy a large amount of Company shares would not have the intention of managing

the Company sincerely and effectively. Such moves to buy a large amount of Company shares could significantly damage the corporate value of the Company as well as the common interests of its shareholders.

Such buyers of a huge number of shares who are not beneficial to the Group's corporate value and the common interests of shareholders are not fit to make decisions on the Company's financial and business policies. The Company believes that, in the event that such a buyer attempts to purchase a large amount of Company shares, it is the responsibility of the Board of Directors to ensure that the buyer provides necessary information to the Company and that the Board of Directors is able to review and evaluate such purchase. The Company also believes that the Board of Directors should prepare countermeasures against such large-scale purchases in order to prevent any obvious damage to the corporate value of the Group or the common interests of its shareholders.

In order to make this happen, the Company intends to move ahead in establishing rules to be followed by potential acquirers concerning the provision of certain information, etc. (hereinafter referred to as the "large-scale purchase rules") as well as the criteria and details of countermeasures the Company may take in the event that a potential acquirer fails to comply with the large-scale purchase rules or that its attempt to buy a large amount of Company shares is detrimental to the Group's corporate value (hereinafter referred to as "anti-takeover measures").

The Company's major shareholders as of March 31, 2023 are listed in Exhibit 1.

## 2. Details of the Policy

### (1) Purpose for continuing the Policy and the scope of purchases of Company shares to be covered

The Policy applies to an action to purchase Company shares (Note 1) for the purpose of increasing the percentage of voting rights held by a specific group of shareholders to 20% or more, or an action to buy Company shares that results in increasing the percentage of voting rights held by a specific group of shareholders to 20% or more (regardless of whether they are bought in the financial instruments exchange market, through a tender offer, or other specific methods of purchase, but excluding purchases agreed to in advance by the Company Board of Directors; hereinafter, such an act of purchase is referred to as a "large-scale purchase" and a person who makes a large-scale purchase is referred to as a "large-scale purchaser"). The purpose of the anti-takeover measures is to take appropriate actions against a large-scale purchase in order to secure and enhance the corporate value of the Group in accordance with the basic policy described in 1 above (i.e., the basic policy regarding the persons who control decisions on the Company's financial and business policies; the same applies hereinafter), in cases where a large-scale purchase would have a material impact on the corporate value of the Group.

A specific group of shareholders means (1) holders (Note 2) of Company shares and

their joint holders (Note 3), or (2) the person conducting the purchase, etc. (Note 4) of Company shares and parties who are in a special relationship with said person (Note 5). The percentage of voting rights held means the percentage of shares held (Note 6) by the holders noted in (1) above, and the total percentage of shares held (Note 7) by the large-scale purchaser and the parties who are in a special relationship with the said large-scale purchaser noted in (2) above.

(Note 1) Share certificates, etc. as defined in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act; the same applies hereinafter.

(Note 2) Holders as defined in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act and include those deemed to be holders under paragraph 3 of the same article; the same applies hereinafter.

(Note 3) Joint holders as defined in Article 27-23, paragraph 5 of the Financial Instruments and Exchange Act and include those deemed to be joint holders under paragraph 6 of the same article; the same applies hereinafter.

(Note 4) Purchases, etc. as defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act, including purchases, etc. made on a financial instruments exchange market; the same applies hereinafter.

(Note 5) Specially related party as defined in Article 27-2, paragraph 7 of the Financial Instruments and Exchange Act; the same applies hereinafter.

(Note 6) The ownership ratio of share certificates, etc. as defined in Article 27-23, paragraph 4 of the Financial Instruments and Exchange Act.

(Note 7) The ownership ratio of share certificates, etc. as defined in Article 27-2, paragraph 8 of the Financial Instruments and Exchange Act.

## (2) Outline of the Policy

The Policy consists of the large-scale purchase rules to be followed by large-scale purchasers (see (3) below) and the anti-takeover measures that the Company may take in response to a large-scale purchase (see (4) below).

Under the Policy, the Company first applies the large-scale purchase rules and requires a large-scale purchaser to provide information necessary for shareholders and the Company Board of Directors to make decisions (see (3)-① below) and to give the Board of Directors time for review and evaluation (see (3)-② below).

Next, on the premise that the Board of Directors may decide to implement reasonable countermeasures to prevent a takeover, as permitted by the Companies Act, other relevant laws and regulations, and the Company's Articles of Incorporation (see (4)-① below), the Company has decided to implement countermeasures only when a large-scale purchaser fails to comply with the large-scale purchase rules or when a large-scale purchase is detrimental to the Group's corporate value (see (4)-② below).

The decision on whether to implement anti-takeover measures under the Policy will

ultimately be made by the Company's Board of Directors. However, in order to ensure the objectivity and reasonableness of the board's decisions, the Company has decided to establish an independent committee (hereinafter referred to as the "independent committee") composed of the Company's outside directors or outside experts who are independent from the Company's executive management team, and to defer to the opinion of the independent committee (see (3)-③ and (4)-③ below).

The Company may file a shelf registration statement with the regulatory authorities for the issuance of stock acquisition rights in order to flexibly implement anti-takeover measures in accordance with the Policy.

### (3) Large-scale purchase rules

#### ① Provision of information to the Board of Directors

The Company will require a large-scale purchaser to provide its Board of Directors with sufficient and necessary information in writing prior to a large-scale purchase so that the Company's shareholders can use it to make decisions and the Board of Directors can use it to form an opinion. This requirement will enable shareholders to make appropriate decisions concerning a large-scale purchase and enable the Company Board of Directors to adequately review and evaluate a large-scale purchase.

More specifically, a large-scale purchaser who intends to make a large-scale purchase is required to submit a statement of intent to make a large-scale purchase (hereinafter referred to as the "statement of intent") in Japanese to the Company's representative director. The statement of intent must include the name or trade name of the large-scale purchaser, the location of its principal office or head office, the name of its representative, its domestic contact information, the governing law for its establishment (in the case of a foreign corporation), and an outline of the proposed large-scale purchase [including the type and number of Company shares that the large-scale purchaser intends to acquire through the large-scale purchase, and an outline of the purpose of the large-scale purchase (acquisition of control or management participation, net investment or policy investment, transfer, etc. of Company shares to a third party after the large-scale purchase; or if the large-scale purchase is making a material proposal (Note 8) or has other purposes, a statement to that effect and an outline of such purpose(s); if there is more than one purpose, all of them must be stated)].

The Company will disclose information about a large-scale purchase in an appropriate and prompt manner once such an offer is made.

The Company Board of Directors will, within ten business days (Note 9) of receipt of such statement of intent, send the large-scale purchaser a list of supplemental information that the large-scale purchaser is requested to provide in addition to the statement of intent, to be complied with by a reasonably scheduled due date (within up to 60 days, as a general rule). This request will be sent to the domestic contact address

provided in the statement of intent. Supplemental information to be provided by a large-scale purchaser will generally include the following. If a large-scale purchaser is unable to provide some of the information listed below, the Company will require it to specify the reason for not being able to provide the said information.

(Note 8) Material proposal as defined in Article 27-26, paragraph 1 of the Financial Instruments and Exchange Act; the same applies hereinafter.

(Note 9) Business days are days other than those listed in each item of Article 1, paragraph 1 of the Act on Holidays of Administrative Organs; the same applies hereinafter.

- a. Overview of the specific group of shareholders (including the large-scale purchaser) involved in the large-scale purchase (including corporate history, board composition, major operations, major shareholders, group organization chart, annual reports or equivalent documents and consolidated financial statements for the most recent three years)
- b. Purpose(s) of the large-scale purchase (specific details of the purpose provided in the statement of intent) and specific details (including opinions on the legality of the large-scale purchase)
- c. Percentage and number of shares held by the specific group of shareholders (including the large-scale purchaser) involved in the large-scale purchase, and purchases of Company shares made in the most recent six months by the said group
- d. Basis for calculating the purchase price of Company shares in the large-scale purchase, proof of funds acquired, and specific details and conditions of the financing
- e. Management policy, management plan, business plan, financial policy, capital policy, dividend policy, management and financial performance targets for the three years following the acquisition of control and basis for calculation thereof, as well as the candidates for directors and their brief biographies, in the event that the specific group of shareholders (including the large-scale purchaser) involved in the large-scale purchase acquires control over the Group
- f. Previous business relationships and competitive relationships between the specific group of shareholders (including the large-scale purchaser) involved in the large-scale purchase and major business partners in the Group
- g. The role the Group will play within the large-scale purchaser's group after the execution of the large-scale purchase
- h. Details of changes to the relationships with the Group's employees, major business partners, customers, local communities, and other stakeholders of the Group to be made after the execution of the large-scale purchase

- i. Information on the value of the consideration when the large-scale purchase is made for a consideration other than cash
- j. Oath by the person responsible that the contents of the written statement containing the information provided by the large-scale purchaser are true and accurate in material respects and do not contain any statements or omissions that would lead to a misinterpretation of material facts
- k. Holding policy, trading policy, and other policies for recovering invested capital, and the voting policy after the large-scale purchase, and the reasons therefor if net investment or strategic investment is the purpose of the large-scale purchase
- l. If the purpose of the large-scale purchase is to make a material proposal, or if there is a possibility that a material proposal will be made after the large-scale purchase, information on the purpose, detail, necessity, and timing of the material proposal, and circumstances under which the material proposal will be made
- m. A plan to acquire additional Company shares after the large-scale purchase, if any, and the reason therefore
- n. Likelihood that Company shares to be acquired will be delisted after the large-scale purchase and, if so, the reason therefor
- o. Detail and purpose of any communication of intent with a third party in connection with a large-scale purchase, if any, and an outline of such third party
- p. Specific measures to avoid conflicts of interest with other shareholders of the Company

The large-scale purchaser will be required to submit, in writing, supplemental information to the statement of intent in accordance with the list of information sent by the Company Board of Directors. If the information provided by the large-scale purchaser is still deemed insufficient, the Company Board of Directors may require the large-scale purchaser to provide additional information until sufficient information is made available.

However, the Company Board of Directors may only request information from the large-scale purchaser to the extent necessary and sufficient for shareholders to make appropriate decisions and for the Board of Directors to conduct an appropriate review and evaluation regarding the appropriateness of the large-scale purchase. In addition, the Company will disclose all or part of the statement of intent and supplemental information submitted by the large-scale purchaser (hereinafter referred to as the “large-scale purchaser information”) when deemed appropriate and necessary, to the extent deemed appropriate and necessary for shareholders to make decisions.

The Company Board of Directors will notify the large-scale purchaser when all

the information needed has been fully provided (hereinafter referred to as the “notice of completion”) after consulting with the independent committee to determine that such provision of information is complete, and will promptly disclose information about said completion.

② Review and evaluation by the Board of Directors

The Company will prohibit large-scale purchasers from making a large-scale purchase until the lapse of a certain period of time (hereinafter referred to as the “board evaluation period”) after the date the Company provides a notice of completion as noted in (1) above. Said period will be determined according to the degree of difficulty in evaluating the large-scale purchase, and will be up to 60 days (when the large-scale purchase is the purchase of all shares of the Company through a tender offer for cash only) or up to 90 days (in the case of other types of large-scale purchases). This is to provide the Company Board of Directors with the opportunity to review and evaluate information provided by the large-scale purchaser, negotiate and consult with the large-scale purchaser, form an opinion regarding the large-scale purchase, and develop and present alternative proposals to shareholders for their common benefit. In the case described in (3)-c below, the independent committee may recommend that the Company Board of Directors extend the board evaluation period by up to 30 days, and the Company Board of Directors will comply in principle. In addition, if the Company Board of Directors decides to extend the board evaluation period, the Company will promptly disclose the specific extension period resolved and the reasons for the need for such extension.

During the board evaluation period (or the extended board evaluation period, if applicable; the same applies hereinafter), the Company Board of Directors reviews and evaluates the large-scale purchaser information while receiving advice from outside experts and others. The board then decides on whether or not to implement anti-takeover measures, in deference to the recommendations of the independent committee described in ③ below with respect to the large-scale purchase or the management policy, etc. proposed by the large-scale purchaser. The Company Board of Directors may also negotiate and discuss with the large-scale purchaser, as necessary, to improve the terms of the large-scale purchase, and make alternative proposals to shareholders regarding the Group management policy, etc.

③ Establishment and recommendations of independent committee

In order to ensure the objectivity and reasonableness of the decisions of the Company Board of Directors, the Company will establish an independent committee consisting of individuals independent of the Company’s executive management team prior to adopting the Policy (see Exhibit 3 for an overview of the Independent Committee

Rules).

The independent committee will consist of no less than three and no more than five members, who will be elected from among the Company's outside directors or outside experts who are independent of the Company's executive management team, in order to enable the committee to make fair and impartial decisions. The names and brief biographies of the persons who will serve on the independent committee upon adoption of the Policy are as described in Exhibit 4, "Brief Biographies of Independent Committee Members."

The Company Board of Directors will consult the independent committee to determine whether the information provided by a large-scale purchaser is sufficient prior to issuing a notice of completion. In addition, in order to ensure the objectivity and reasonableness of the decisions of the Company Board of Directors with respect to the implementation of anti-takeover measures, the board will provide the independent committee with the large-scale purchaser information and the results of its evaluation and analysis. The board will also consult the independent committee on whether or not to implement the specific anti-takeover measures that the board intends to resolve, and whether or not the content of its alternative proposal is reasonable, as well as other board decisions to be made, about which the board deems necessary to consult the independent committee. In response to the inquiry of the Company Board of Directors, the independent committee will make recommendations to the board in accordance with the procedures noted below, by taking into consideration the board's evaluation and analysis results as well as the opinions of outside experts, and after reviewing information obtained from outside third parties, as deemed necessary for making decisions.

a. When recommending the implementation of anti-takeover measures

The independent committee will, as a general rule, recommend that the Company Board of Directors implement anti-takeover measures if the independent committee determines that a large-scale purchase by a large-scale purchaser meets any of the implementation criteria set forth in (4)-② below and that it is appropriate to implement anti-takeover measures.

However, the independent committee may make a recommendation to suspend or change the anti-takeover measures, even after it has made a recommendation to implement such measures, if the large-scale purchaser withdraws the large-scale purchase, or if the independent committee determines that it is not appropriate to implement the anti-takeover measures due to changes in the facts underlying the decision to make said recommendation, or for other reasons.

b. When recommending not to implement anti-takeover measures

The independent committee will recommend that the Company Board of Directors not implement anti-takeover measures if the independent committee

determines that a large-scale purchase by a large-scale purchaser does not meet any of the implementation criteria set forth in (4)-② below after reviewing the details of such purchase, or that it is not appropriate to implement anti-takeover measures even if a large-scale purchase meets the implementation criteria.

However, the independent committee may make a decision, including a new recommendation to implement anti-takeover measures, and make said recommendation to the Company Board of Directors, even after it has made a recommendation not to implement anti-takeover measures, if the independent committee determines that the large-scale purchase by the large-scale purchaser meets any of the implementation criteria set forth in (4)-② below due to changes in the facts underlying the decision to make said recommendation, or other reasons, and that it is appropriate to implement anti-takeover measures.

c. When extending the board evaluation period

If the independent committee determines that the Company Board of Directors is unable to resolve the issue of whether or not to implement or not implement anti-takeover measures within the board evaluation period due to the independent committee's inability to make the recommendation noted in a or b above within the board evaluation period, or for other reasons, the independent committee may recommend to the Company Board of Directors that the board evaluation period be extended for a reasonably necessary period of up to 30 days so the board can evaluate or review the large-scale purchase as well as negotiate and discuss terms with the large-scale purchaser, and that the Board of Directors resolve to implement or not implement anti-takeover measures upon receiving the independent committee's recommendation regarding the large-scale purchase during the extended period.

(4) Anti-takeover measures

① Details of the anti-takeover measures

In the event that certain criteria for implementing anti-takeover measures are satisfied as described in ② below, such as the case where a large-scale purchaser makes a large-scale purchase without following the procedures set forth in the large-scale purchase rules, the Company Board of Directors may, in deference to the recommendations of the independent committee, pass a resolution to issue stock acquisition rights, etc., or take other reasonable anti-takeover measures permitted by the Companies Act, other relevant laws and regulations, and the Company's Articles of Incorporation.

An outline of the issuance of stock acquisition rights by way of gratis allotment to shareholders as a specific anti-takeover measure is as provided in Exhibit 2 "Overview of Stock Acquisition Rights." These stock acquisition rights may be subject to conditions for exercising such rights, such as not belonging to a specific group of

shareholders who hold more than a certain percentage of voting rights, as well as an acquisition clause to the effect that the Company may acquire the stock acquisition rights in exchange for Company shares from persons other than the specific group of shareholders.

② Criteria for implementing anti-takeover measures

The Company Board of Directors may pass a resolution to implement specific anti-takeover measures only when any of the criteria set forth in the following items are met.

- a. The Company Board of Directors may pass a resolution to implement anti-takeover measures in the event that a large-scale purchaser makes a large-scale purchase without submitting a statement of intent to the Company Board of Directors, that a large-scale purchaser makes a large-scale purchase without providing the information required by the Company, that a large-scale purchaser makes a large-scale purchase before the board evaluation period elapses, or that a large-scale purchaser fails to comply with the large-scale purchase rules.
- b. If a large-scale purchaser complies with the large-scale purchase rules, the Company Board of Directors may express an opinion against the large-scale purchase or present an alternative proposal for the Group management policy, etc. but will not, as a general rule, resolve to implement anti-takeover measures, even if the Company Board of Directors comes to hold an opinion against the large-scale purchase after reviewing and evaluating the contents of the large-scale purchaser information. However, even if a large-scale purchaser complies with the large-scale purchase rules, the Company Board of Directors will, as a general rule, resolve to implement reasonable anti-takeover measures, if it determines that the large-scale purchase will materially impair the Group's corporate value or the common interests of the shareholders. Specifically, the Company deems a large-scale purchase that falls under any of the following categories to significantly damage the Group's corporate value and the common interests of the shareholders.
  - i. The purpose of the large-scale purchase or acquisition of management control is to inflate the share price and cause company stakeholders to buy shares at a premium, and the party taking said action has no genuine intention of participating in the management of the company (i.e., greenmailing).
  - ii. The purpose of the large-scale purchase or acquisition of management control is primarily to cause the Group to transfer its real estate, movable property, intellectual property rights, know-how, trade secrets, major business partners, customers, and other assets of the Group necessary for its operations to a specific group of shareholders (including the large-scale purchaser) involved in the large-scale purchase (i.e., causing the Group to

- use a scorched earth defense).
- iii. The purpose of the large-scale purchase or acquisition of management control is primarily to divert all or a significant part of the assets of the Group as collateral or source of repayment for the obligations of a specific group of shareholders (including the large-scale purchaser) involved in the large-scale purchase.
  - iv. The purpose of the large-scale purchase or acquisition of management control of the Group is primarily to temporarily control its management and cause the Group to sell or dispose of its high-value assets, such as real estate and securities, and use profits from such sale or disposal to pay a temporarily high dividend, or to sell off shares at a premium by taking advantage of the opportunity of a sharp rise in the share price due to the temporarily high dividend.
  - v. The purchase is likely to effectively coerce Company shareholders into selling their shares in the Company through a tender offer or by other means without soliciting the purchase of all shares in the initial purchase and by setting unfavorable or unclear conditions for the second round of purchasing.
  - vi. It is determined, on an objective and reasonable basis, that the acquisition of control by the large-scale purchaser and the policy for treating the Company's customers, employees, and other stakeholders after the acquisition of control may significantly damage the corporate value of the Group, including the interests of not only its shareholders but also customers, business partners, employees, and other stakeholders, or may significantly hinder the maintenance and enhancement of the Group's corporate value.
  - vii. The terms of the purchase (including the value and type of consideration, the timing of the purchase, the legality of the method of purchase, the feasibility of executing the purchase, and the policy for treating Company employees, business partners, customers, and other stakeholders after the purchase) are grossly inadequate or inappropriate in light of the nature of the corporate value of the Group.

③ Procedures for implementing anti-takeover measures

When deciding whether or not to implement any specific anti-takeover measures as set forth in ② above, the Company Board of Directors will follow the procedures noted below. In order to ensure the objectivity and reasonableness of its decisions, the board will seek advice from outside experts, defer to the opinions and recommendations of the independent committee, and make a resolution in light

of those recommendations and from the standpoint of securing or enhancing the Group's corporate value and the common interests of the shareholders. In the event that the Company Board of Directors makes such a resolution, the Company will promptly disclose a summary of such resolution and other matters deemed appropriate by the Board of Directors.

a. When a large-scale purchaser fails to comply with the large-scale purchase rules

The Company Board of Directors may, as a general rule, resolve to implement anti-takeover measures, in deference to the recommendation of the independent committee to implement such measures, if a large-scale purchaser fails to comply with the large-scale purchase rules. However, if it is objectively clear that the large-scale purchaser is not in compliance with the large-scale purchase rules, and if waiting for the independent committee's recommendation to implement anti-takeover measures would be significantly detrimental to the shareholders of the Group or the Company, the Company Board of Directors may resolve to implement anti-takeover measures without the recommendation of the independent committee.

b. When a large-scale purchaser complies with the large-scale purchase rules

The Company Board of Directors will not, as a general rule, resolve to implement anti-takeover measures if the large-scale purchaser complies with the large-scale purchase rules. However, if the independent committee determines that the large-scale purchase meets any of the implementation criteria set forth in ②b above and that it is reasonable to implement anti-takeover measures, and recommends that said measures be implemented, the Board of Directors will, as a general rule, resolve to implement anti-takeover measures in deference to the recommendation. However, even in such a case, the Company Board of Directors may not implement anti-takeover measures if it determines that it is not appropriate to do so in light of securing or enhancing the Group's corporate value and the common interests of the shareholders.

The Company Board of Directors may suspend or change anti-takeover measures, even after it has resolved to implement or implemented such measures, in deference to the recommendation of the independent committee, if the large-scale purchaser withdraws the large-scale purchase, or if the Company Board of Directors determines that it is not appropriate to implement anti-takeover measures due to changes in the facts underlying the decision to make said recommendation, or other reasons. Specifically, in the case of using a gratis allotment of stock acquisition rights as an anti-takeover measure, if the Company Board of Directors determines that it is not appropriate to implement the anti-takeover measure after the shareholders who are to receive the allotment of the rights have been finalized because the large-scale purchaser has withdrawn or changed the large-scale

purchase, or for other reasons, the Company may suspend the gratis allotment of stock acquisition rights until the effective date of such rights. After the effective date of the gratis allotment of stock acquisition rights, the Company may acquire the stock acquisition rights without consideration until the day before the commencement date of the exercise period, without delivering the Company's shares to the holders of the stock acquisition rights. In such an event where the Company suspends or changes an anti-takeover measure, the Board of Directors will promptly disclose such information along with any matters deemed necessary by the independent committee.

The Company Board of Directors may also negotiate and discuss with the large-scale purchaser, as necessary, to improve the terms of the large-scale purchase, and make alternative proposals to shareholders regarding the Group management policy, etc.

(5) Effective period, abolition, and revision of the Policy

The Policy will be continued only if it is put on the agenda at this general meeting and approved by a majority of the shareholders present, and will remain in effect until the conclusion of the general meeting of shareholders to be held in June 2026.

The Company Board of Directors will revise the Policy from time to time to an extent not inconsistent with the wishes entrusted in them at a general meeting of shareholders (this includes making changes when deemed appropriate to reflect new, revised, or abolished laws, regulations, and rules established by financial instruments exchanges relating to the Policy, the changing of wording due to typographical errors, omissions, or for other reasons when making such changes is deemed appropriate, and other cases where making changes will not be disadvantageous to the Company shareholders). The Policy will be abolished or revised if a resolution is passed to abolish or revise it at a general meeting of shareholders or by the Company Board of Directors. Such revision or abolition will take place before the expiration of the effective period of the Policy, and be carried out in light of developments with related laws and regulations, as well as to secure or enhance the Group's corporate value and the common interests of the shareholders.

The Company will promptly disclose information about any change to or abolition of the Policy should it take place as noted above.

(6) Revision due to amendments to laws and regulations

The provisions of the laws and regulations referred to in the Policy are based on the provisions that are in effect as of May 8, 2023. If it becomes necessary to amend the meanings of the provisions or terms set forth in the above paragraphs after that date due to the establishment, revision, or abolition of laws and regulations, the Company Board of Directors may, to a reasonable and appropriate extent, replace the meanings of the provisions or terms set forth in the above paragraphs, taking into consideration the purpose of the said establishment, revision, or abolition of laws and regulations.

### 3. Effects of the Policy on shareholders and investors

#### (1) How the large-scale purchase rules will affect shareholders and investors

The large-scale purchase rules do not affect the rights and interests of shareholders and investors, since they only establish rules to be followed by large-scale purchasers when conducting large-scale purchases, and stock acquisition rights or other share certificates, etc. will not be issued upon adoption or continuation of the rules.

The large-scale purchase rules are designed to enable shareholders of the Company to make appropriate decisions regarding large-scale purchases with necessary and sufficient information, and the Company believes that they are beneficial to the common interests of its shareholders.

The Company's response to a large-scale purchase may vary depending on whether the large-scale purchaser complies with the large-scale purchase rules. Shareholders and investors are requested to pay attention to the movements of the large-scale purchaser.

#### (2) How anti-takeover measures will affect shareholders and investors

If anti-takeover measures are implemented, shareholders who belong to the specified group of shareholders involved in the large-scale purchase may incur a loss of their legal rights or economic interests, but the Company does not anticipate any particular loss of the legal rights or economic interests of other shareholders. In the event that the Company Board of Directors decides to implement anti-takeover measures, appropriate disclosure will be made in a timely manner in accordance with laws and regulations and the rules established by financial instruments exchanges.

In the event that the Company issues stock acquisition rights to shareholders by way of gratis allotment as an anti-takeover measure, stock acquisition rights will be allotted to shareholders listed or recorded in the final shareholder registry as of the record date to be determined and announced by the Company Board of Directors in proportion to the number of shares held by such shareholders. Shareholders who have not yet completed name transfer are required to complete the transfer by the relevant record date. In addition, upon exercise of stock acquisition rights, shareholders are required to pay a certain amount within a specified period of time in order to acquire new shares, and failure to do so will result in dilution of the percentage of voting rights held by such shareholders. However, if there is an acquisition clause that allows the Company to acquire the stock acquisition rights and deliver Company shares in exchange, and if the company proceeds with the acquisition, the shareholders who hold the stock acquisition rights to be acquired by the Company will receive Company shares without any payment. (In this case, such shareholders may be required to submit a separate written statement in the form prescribed by the Company pledging that they do not belong to any specific group of shareholders.)

As described in 2-(4)-③b above, in the case of using a gratis allotment of stock acquisition rights as an anti-takeover measure, if the Company Board of Directors determines that it is not appropriate to implement the anti-takeover measure after the

shareholders who are to receive the allotment of the rights have been finalized because the large-scale purchaser has withdrawn or changed the large-scale purchase, or for other reasons, the Company may, in deference to the recommendations of the independent committee, suspend the gratis allotment of stock acquisition rights until the effective date of such rights. After the effective date of the gratis allotment of stock acquisition rights, the Company may acquire the stock acquisition rights without consideration until the day before the commencement date of the exercise period, without delivering the Company's shares to the stock acquisition rights holders. In such cases, there will be no dilution of the value of the stock per share, and therefore, investors who have sold their shares on the assumption that dilution of the value of the stock per share will occur after the shareholders eligible for the gratis allotment of stock acquisition rights are finalized may suffer reasonable losses due to fluctuations in the stock price.

4. Decisions of the Company Board of Directors on each of the above initiatives and the reasons therefor

(1) The Policy is in line with the basic policy.

As described in the basic policy noted in 1 above, the Policy is a framework for securing and enhancing the corporate value of the Group and the common interests of the shareholders for the following reasons: it requires large-scale purchasers to provide sufficient information needed for shareholders to make their decision; it allows the Company Board of Directors to review and evaluate how the management policy, etc. proposed by large-scale purchasers will affect the Group's corporate value and provide shareholders with its findings to use as a reference when making their decision; and it enables the Company Board of Directors to enter negotiations or discussions with large-scale purchasers regarding their large-scale purchases or Group management policy, etc. or present to shareholders alternative proposals that include the management policy, etc. proposed by the Company Board of Directors.

(2) The Policy does not harm the common interests of shareholders and is not aimed at maintaining the position of the Company's corporate officers.

The Company believes that the Policy does not harm the common interests of its shareholders and is not aimed at maintaining the positions of the Company's corporate officers for the following reasons:

① Securing or improving corporate value and the common interests of shareholders

As described in 1 above, the Policy is designed to secure or enhance the Group's corporate value and the common interests of the shareholders. It establishes in advance the large-scale purchase rules to be followed by large-scale purchasers as well as the criteria and details of anti-takeover measures the Company may implement in order to enable shareholders to make an appropriate decision on whether or not to accept a large-scale purchase and to prevent any overt infringement on the Group's corporate value or

the common interests of the shareholders.

In addition, the Company believes that the provisions of the large-scale purchase rules set forth in 2-(3) above as well as the specifics of the anti-takeover measures and their implementation criteria set forth in 2-(4) above are reasonable in light of the purpose of securing or enhancing the Group's corporate value and the common interests of the shareholders, and do not unreasonably restrict large-scale purchases that would contribute to securing or enhancing the Group's corporate value and the common interests of the shareholders.

② Prior disclosure

The provisions of the large-scale purchase rules as well as the specifics of anti-takeover measures and their implementation criteria set forth under the Policy have been specifically and clearly indicated in 2-(2) above, and the Company believes that they provide sufficient predictability for shareholders, investors, and large-scale purchasers.

③ Reflecting shareholders' will

As stated in 2-(5) "Effective period, abolition, and revision of the Policy" above, the Policy will be continued only if it is put on the agenda at this general meeting and approved by a majority of the shareholders present. In addition, it may be abolished or revised by resolution at a general meeting of shareholders or by the Company Board of Directors even before the expiration of its effective period.

Therefore, the Company believes that the decision on whether to continue, abolish, or revise the Policy will reflect the will of the shareholders through a vote at a general meeting of shareholders.

④ Ensuring the objectivity and reasonableness of board decisions

As described in 2-(4)-② above, the Policy establishes objective and clear criteria for implementing anti-takeover measures, and eliminates, as much as possible, any room for arbitrary decisions by the Board of Directors to intervene in determining whether or not a large-scale purchase meets the said criteria.

In addition, as described in 2-(4)-③ above, the Policy requires the Board of Directors to defer to the recommendations of the independent committee, which is independent of the Company Board of Directors, in implementing anti-takeover measures to eliminate arbitrary decisions of the Company Board of Directors.

Therefore, the Company believes that the Policy provides a sufficient mechanism to ensure the objectivity and reasonableness of the Company Board of Directors' decision to implement anti-takeover measures.

⑤ Fully compliant with the requirements of the takeover defense guidelines

The Plan fully satisfies the three principles set forth in the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests” published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (a. principle of protecting and enhancing corporate value and shareholders’ common interests, b. principle of prior disclosure and shareholders’ will, and c. principle of ensuring the necessity and reasonableness). The Policy also conforms to the “Takeover Defense Measures in Light of Recent Environmental Changes” published by the Corporate Value Study Group on June 30, 2008.

⑥ Neither a dead hand nor slow hand provision

As stated in 2-(5) “Effective period, abolition, and revision of the Policy” above, the Policy may be abolished by the Company Board of Directors. It can be abolished by directors who are nominated by the party who has bought a large number of Company shares and elected at a general meeting of shareholders. This means that the Policy is not an anti-takeover strategy known as a dead hand provision (i.e., an anti-takeover measure whose implementation cannot be stopped even when a majority of members of the Board of Directors are replaced).

Since the term of office varies among directors of the Company, this Policy is not a slow hand provision (i.e., an anti-takeover measure whose implementation would take some time to stop because the Board of Directors cannot all be replaced at once).

## Shares (as of March 31, 2023)

Total Number of Shares Authorized to Be Issued	25,000,000
Total Number of Shares Issued	9,250,099 (Of which, Number of Treasury Stock: 878,702)
Number of shareholders	6,658

## • Major Shareholders

Name of Shareholders	Investments in the Company	
	Number of shares (1,000 shares)	Percentage of shareholding
The Master Trust Bank of Japan, Ltd. (Trust Account)	671	8.02
Stock Purchase Plan for Hokuriku Electric Industry Suppliers	445	5.32
Stock Purchase Plan for Hokuriku Electric Industry Employees	374	4.48
The Hokuriku Bank, Ltd.	331	3.96
Takehiko Narukawa	272	3.26
The Hokkoku Bank, Ltd.	218	2.61
Custody Bank of Japan, Ltd. (Trust Account)	185	2.22
MAEDA Corporation	164	1.97
The Bank of Toyama, Ltd.	139	1.67
COSEL Co., Ltd.	112	1.35

- Notes 1. The Company, which owns 878,000 shares of treasury stock, is excluded from the above list of major shareholders.
2. The percentage of shareholding is calculated after deducting the number of shares of treasury stock (878 thousand shares) from the total number of shares issued.

## Overview of Stock Acquisition Rights

### 1. Shareholders eligible for the grant of stock acquisition rights and their allotment conditions

The Company will allot one stock acquisition right for each share held (excluding the Company's common stock held by the Company) to shareholders who are listed or recorded in the final shareholder registry on the record date to be determined and announced by the Company Board of Directors.

### 2. Class and number of shares to be issued upon exercise of stock acquisition rights

The class of shares to be issued upon exercise of stock acquisition rights shall be common stock of the Company, and the total number of shares to be issued upon exercise of stock acquisition rights shall be limited to the number of shares obtained by subtracting the total number of outstanding shares of common stock of the Company (excluding common stock held by the Company) from the total number of authorized shares of the Company on the record date to be determined and announced by the Company Board of Directors.

The number of shares to be issued upon exercise of each stock acquisition right shall be one share. However, if the Company splits or consolidates its shares, necessary adjustments shall be made.

### 3. Total number of stock acquisition rights to be allotted

The total number of stock acquisition rights to be allotted shall be determined separately by the Company Board of Directors. The Company Board of Directors may allot stock acquisition rights more than once.

### 4. Amount to be paid for stock acquisition rights

No payment will be required.

### 5. Value of assets to be contributed upon exercise of stock acquisition rights

The value of assets to be contributed upon exercise of each stock acquisition right shall be 1 yen or more, and shall be determined by the Company Board of Directors.

### 6. Restriction on transfer of stock acquisition rights

The transfer of stock acquisition rights shall require the approval of the Company.

### 7. Exercise period and other matters concerning stock acquisition rights

The exercise period, acquisition clause, and other necessary matters concerning the stock acquisition rights shall be separately determined by the Company Board of Directors.

### 8. Conditions for exercising stock acquisition rights

The stock acquisition rights may not be exercised by (1) a specified large holder (Note 1), (2) a joint holder of a specified large holder, (3) a specified large acquirer (Note 2), (4) a party who is in a special relationship with a specified large acquirer, or (5) a party who has accepted or succeeded to stock acquisition rights from any of these parties (1) through (4) without the approval of the Company Board of Directors, or (5) a related party (Note 3)

of any of these parties (1) through (5) (hereinafter referred to as “ineligible parties”).

Details of other conditions for exercising the stock acquisition rights shall be determined separately by the Company Board of Directors.

#### 9. Acquisition clause

At any time up to and including the day preceding the first day of the exercise period of the stock acquisition rights, the Company may acquire all the stock acquisition rights free of charge on a date to be determined separately by the Company Board of Directors when it deems such acquisition to be appropriate.

On a date to be determined separately by the Company Board of Directors, the Company may acquire all of the stock acquisition rights held by ineligible parties that have not been exercised by the business day preceding such date as determined by the Company Board of Directors, and deliver the number of Company shares subject to such acquisition rights in exchange for each stock acquisition right.

Other details of the acquisition clause shall be separately determined by the Company Board of Directors.

#### 10. Certificates of stock acquisition rights

No certificates of stock acquisition rights shall be issued.

(Note 1) A “specified large holder” means a holder of shares issued by the Company who holds 20% or more of the total number of such shares, or a person who is deemed by the Company Board of Directors to be such a holder. However, this shall not apply to a person whose acquisition or holding of Company shares is deemed by the Company Board of Directors not to be contrary to the Group’s corporate value and the common interests of the shareholders, or to any other person separately determined by the Company Board of Directors in a resolution for gratis allotment of stock acquisition rights.

(Note 2) A “specified large acquirer” means a person who has publicly announced a tender offer for the purchase of shares (i.e., share certificates, etc. as defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act; the same applies hereinafter in this footnote) issued by the Company, and whose shareholding ratio after the purchase (including cases set forth in Article 7, paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act as equivalent) is 20% or more when combined with the shareholding ratio of parties who are in a special relationship with the said person, or a person who is deemed by the Company Board of Directors to be a specified large acquirer. However, this shall not apply to a person whose acquisition or holding of Company shares is deemed by the Company Board of Directors not to be contrary to the Group’s corporate value and the common interests of the shareholders, or to any other person separately determined by the Company Board of Directors in a resolution for gratis

allotment of stock acquisition rights.

(Note 3) A “related party” of a person means a party who substantially controls that person, or is controlled by, or is under common control with that person (including those deemed by the Company Board of Directors to be such party) or a person deemed by the Company Board of Directors as acting in concert with that person. The term “control” means having control over decisions on the financial and business policies of another company, etc. (Article 3, paragraph 3 of the Ordinance for Enforcement of the Companies Act).

#### Overview of Independent Committee Rules

1. The independent committee (hereafter referred to as the “committee” in this exhibit) is established by resolution of the company Board of Directors.
2. The independent committee consists of no less than three and no more than five members, who will be elected by the Company Board of Directors from among the Company’s outside directors or outside experts who are independent of the Company’s executive management.
3. The term of office of committee members shall be until the conclusion of the general meeting of shareholders for the last business year ending within three years from the time of their election, except as otherwise provided by resolution of the Company Board of Directors.
4. The committee reviews and evaluates whether the information provided by a large-scale purchaser is sufficient, whether the large-scale purchaser is in compliance with the large-scale purchase rules, whether the criteria for implementing anti-takeover measures are met, whether the details of the specific anti-takeover measures are reasonable, and other matters to be determined by the Company Board of Directors, including matters that the Company Board of Directors has consulted with the committee over and matters that the committee believes should be recommended to the Company Board of Directors. The committee then makes its decision and provides the Board of Directors with a recommendation along with the reasons for the decision.

Prior to making a recommendation to the Company Board of Directors, the committee may request the Company Board of Directors to require the large-scale purchaser to provide additional information, announce that an offer for a large-scale purchase has been made, negotiate with the large-scale purchaser on the terms and conditions of the large-scale purchase, etc.

5. As a general rule, resolutions of the committee are made by a majority of the members present. However, if any member of the committee is unable to attend a meeting, or if some other unavoidable reason dictates, a resolution may be adopted by a majority vote of a majority of the committee members present.
6. In order to collect the necessary information, the committee may seek an explanation from the Company’s directors, employees, or any other person it deems necessary.
7. The committee may seek advice from third parties (including financial advisors, lawyers, certified public accountants, tax accountants, consultants, and other professionals) independent of the executive management, at the Company’s expense.

Profile (and birthday) of Independent Committee Members

The following three are assignees upon the establishment of the Independent committee

Mr. Masayuki Kitasono (Aug. 24, 1959)

Apr 1988 Registered as Attorney-at-law,

Apr 1988 Joined Matsuo Law Offices

Jun 1997 Outside Auditor of the Company

May 2003 Senior Partner, Tokyo Aoi Law Office

Nov 2009 Attorney-at-law of Sakuragawa Law Offices

Jun 2017 Outside Director serving as Audit and Supervisory Committee  
Member of the Company (present)

Sep 2022 Attorney-at-law of Sakuragawa Kyowa Law Offices (present)

Mr. Masayuki Kitasono is an Outside Director as stipulated in Article 2, item(15) of the Companies Act. There are no special interests between him and the Company.

Mr. Kazuaki Imura (Nov. 1, 1956)

Jul 2016 General Manager, Tax withholding Dept., Kanazawa Regional Taxation  
Bureau

Jul 2017 Retired from Kanazawa Regional Taxation Bureau

Aug 2017 Registered as Certified Tax Accountant

Aug 2017 Director, Kazuaki Imura Certified Tax Accountant Office (present)

Jun 2020 Outside Auditor, Nakamura-Tome Precision Industry Co., Ltd.  
(present)

Jun 2021 Outside Director serving as Audit and Supervisory Committee  
Member of the Company (present)

Mr. Kazuaki Imura is an Outside Director as stipulated in Article 2, item(15) of the Companies Act. There are no special interests between him and the Company.

Ms. Kanako Sakabayashi (Aug. 19, 1981)

Oct 2006 Registered as Attorney-at-law,

Jul 2017 Attorney-at-law of Toyama Mirai Law Offices (present)

Apr 2023 Consultant Lawyer of the Company (present)

Ms. Kanako Sakabayashi is a Consultant Lawyer of the Company. However, because there is little financial ties between her and the Company, it will not affect her decision making as an independent member of the Committee.