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Securities code: 5491

**To Shareholders with Voting Rights:**

Yasushi Shimokawa  
President & Representative Director  
NIPPON KINZOKU CO., LTD.  
4-10-1, Funado, Itabashi-ku, Tokyo,  
Japan

**NOTICE OF  
THE 115th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 115th Annual General Meeting of Shareholders of NIPPON KINZOKU CO., LTD. (the “Company”) will be held as described below.

To avoid the risk of being infected with COVID-19, shareholders are urged to, as far as possible, exercise their votes in writing (by post) or by electromagnetic means (via the Internet, etc.) in advance and to refrain from attending the General Meeting of Shareholders in person on the day, regardless of the state of their health. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Tuesday, June 28, 2022 Japan time.

**1. Date and Time:** Wednesday, June 29, 2022 at 10:00 a.m. Japan time

**2. Place:** 5th floor of the Company’s Head Office  
5-30-7 Shiba, Minato-ku, Tokyo, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company’s 115th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company’s 115th Fiscal Year (April 1, 2021 - March 31, 2022)

**Proposals to be resolved:**

- Proposal 1:** Partial Amendments to the Articles of Incorporation  
**Proposal 2:** Election of Eight (8) Directors  
**Proposal 3:** Election of One (1) Audit & Supervisory Board Member  
**Proposal 4:** Continuation of Measures to Respond to Large-scale Purchases of the Company’s Shares (Takeover Defense Measures)  
**Proposal 5:** Election of Two (2) Substitute Audit & Supervisory Board Members

- In accordance with the applicable laws and regulations and the provisions of Article 14 of the Company's Articles of Incorporation, the Consolidated Statements of Changes in Equity in the Consolidated Financial Statements, Notes to Consolidated Financial Statements, Statements of Changes in Equity in the Non-consolidated Financial Statements, and Notes to Non-consolidated Financial Statements are posted on the Company’s website (<https://www.nipponkinzoku.co.jp>) on the Internet, and therefore are not provided in this Notice. The aforementioned matters posted on the website, along with the documents contained in this Notice of Meeting, form part of the documents audited by the Accounting Auditor and Audit & Supervisory Board when preparing their respective Audit Reports.
- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

- Should any revisions occur to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements contained in this Notice of Meeting, the revisions will be posted on the Company's website (<https://www.nipponkinzoku.co.jp>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

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

#### 1. Reason for amendments

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions to the Act Partially Amending the Companies Act (Act No.70 of 2019) will come into effect on September 1, 2022. Accordingly, to prepare for the introduction of a system for the supply of documents for general meetings of shareholders in electronic formats, the Company's Articles of Incorporation will be amended as follows.

- (1) The proposed Article 14, Paragraph 1 provides that information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 14, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference materials for the general meeting of shareholders, etc. (Article 14 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established. These supplementary provisions will be deleted after the elapse of a deadline.

#### 2. Details of amendments

The details of the proposed amendments are as follows.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>CHAPTER 3. GENERAL MEETING OF SHAREHOLDERS</p> <p>(Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.)</p> <p><u>Article 14 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference materials for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p>	<p>CHAPTER 3. GENERAL MEETING OF SHAREHOLDERS</p> <p>(Deleted)</p> <p>(Measures for Electronic Provision, Etc.)</p> <p><u>Article 14 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p>	<p><u>electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p style="text-align: center;">SUPPLEMENTARY PROVISIONS</p> <p><u>1. The deletion of Article 14 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the proposed Article 14 (Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022, which is the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 14 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p> <p><u>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

## Proposal 2: Election of Eight (8) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this General Meeting of Shareholders. Therefore, we propose that eight (8) Directors be elected.

The candidates for Director are as follows:

No.	Name and Position in Company	Area of responsibility	Independence	Gender	As of conclusion of General Meeting of Shareholders, June 29, 2022	Years as Director
					Age	
1	Yasushi Shimokawa President & Representative Director			Male	65	8
2	Yoshihiro Harada Senior Managing Director	Production Division		Male	62	5
3	Masashi Yamashita Senior Managing Director	Development and Sales Division		Male	61	5
4	Shinichi Hasegawa Managing Director	Administration Division		Male	64	2
5	Osamu Yamazaki Managing Director	Technology Division		Male	60	2
6	Kazuhiro Ogawa Outside Director		Independent	Male	63	7
7	Yoshitomo Nagatsuka Outside Director		Independent	Male	57	1
8	Yuko Kariya Outside Director		Independent	Female	62	New

No.	Name and Position in Company	Major experience, specializations, etc.								Qualifications, Ph.D.
		Corporate Management	Finance & Accounting	Production & Quality	Technology, R&D	Sales & Marketing	Legal, Risk Management	Global Business	Personnel, Labor, HR	
1	Yasushi Shimokawa President & Representative Director	○	○			○	○	○	○	
2	Yoshihiro Harada Senior Managing Director	○		○	○	○		○		
3	Masashi Yamashita Senior Managing Director	○		○	○	○		○		
4	Shinichi Hasegawa Managing Director		○				○		○	
5	Osamu Yamazaki Managing Director			○	○					PhD (Engineering)
6	Kazuhiro Ogawa Outside Director	○	○							Certified Public Accountant Certified Public Tax Accountant
7	Yoshitomo Nagatsuka Outside Director	○					○			Attorney
8	Yuko Kariya Outside Director	○		○						Pharmacist
Number of Directors with skills		6	3	4	3	3	3	3	2	

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Yasushi Shimokawa (January 29, 1957)  [Reappointment]	March 1980      Joined the Company April 2006      General Manager, Tokyo Branch, Steel Foil Sales Unit, Steel Foil Business Division April 2009      Deputy General Manager, Steel Foil Sales Unit, Steel Foil Business Division April 2010      Executive Officer, and General Manager, Steel Foil Sales Unit, Steel Foil Business Division April 2012      Managing Executive Officer April 2013      Deputy General Manager, Administration Unit June 2014      Managing Director April 2015      General Manager, Administration Unit April 2017      President & Representative Director (current)	12,500
2	Yoshihiro Harada (November 2, 1959)  [Reappointment]	April 1982      Joined Nippon Steel Corporation November 2010   Group Leader, Automotive Products Technology Group, Nagoya Sales Office July 2012      Deputy General Manager, Nagoya Sales Office June 2015      Joined the Company Managing Executive Officer, and Deputy General Manager, Technology Unit April 2017      General Manager, Technology Division June 2017      Managing Director April 2020      Senior Managing Director (current), General Manager, Production Division (current), and General Manager, Manufacturing Unit, Production Division (current)	2,800

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Masashi Yamashita (June 26, 1961) [Reappointment]	<p>March 1984      Joined the Company</p> <p>April 2009      General Manager, Fukushima Plant, Processed Products Manufacturing Unit, Processed Products Business Division</p> <p>April 2013      General Manager, Processed Products Sales Department, Processed Products Sales Unit, Processed Products Business Division</p> <p>April 2014      Executive Officer, and General Manager, Processed Products Sales Unit, Processed Products Business Division</p> <p>April 2015      General Manager, Processed Products Business Development Department, Processed Products Business Division</p> <p>April 2016      Managing Executive Officer</p> <p>April 2017      General Manager, Development and Sales Division (current), and General Manager, Sales Unit, Development and Sales Division</p> <p>June 2017      Managing Director</p> <p>April 2020      Senior Managing Director (current), and General Manager, Development Unit, Development and Sales Division</p>	3,200
4	Shinichi Hasegawa (September 11, 1957) [Reappointment]	<p>March 1981      Joined the Company</p> <p>April 2014      Executive Officer, and General Manager, General Affairs Department, Administration Unit</p> <p>April 2015      Managing Executive Officer</p> <p>April 2017      General Manager, Administration Unit, Administration Division (current), and General Manager, Human Resources Department, Administration Unit, Administration Division</p> <p>April 2020      General Manager, Administration Division (current)</p> <p>June 2020      Managing Director (current)</p>	2,500
5	Osamu Yamazaki (February 17, 1962) [Reappointment]	<p>March 1985      Joined the Company</p> <p>April 1997      Enrolled in the doctoral course of the Graduate School of Engineering, Osaka University</p> <p>March 2000      Completed the doctoral course of the Graduate School of Engineering, Osaka University Received PhD in Engineering</p> <p>April 2014      General Manager, Research and Technology Center, Technology Unit of the Company</p> <p>April 2015      Executive Officer</p> <p>April 2017      Managing Executive Officer, and General Manager, Technology Unit, Technology Division (current)</p> <p>April 2020      General Manager, Technology Division (current)</p> <p>June 2020      Managing Director (current)</p>	2,000

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Kazuhiro Ogawa (April 14, 1959) [Reappointment] [Outside] [Independent]	<p>March 1988 Registered as a Certified Public Accountant</p> <p>July 2004 Established the Kazuhiro Ogawa Accounting Office President, Kazuhiro Ogawa Accounting Office (current)</p> <p>November 2004 Registered as a Certified Public Tax Accountant</p> <p>June 2005 Outside Audit &amp; Supervisory Board Member, the Company (retired in June 2009)</p> <p>June 2008 Outside Audit &amp; Supervisory Board Member, Tokyo Nissan Computer System Co., Ltd. (current)</p> <p>June 2015 Outside Director, the Company (current)</p> <p>July 2016 Outside Auditor, Hanatour Japan Co., Ltd. (current)</p>	1,000
7	Yoshitomo Nagatsuka (March 30, 1965) [Reappointment] [Outside] [Independent]	<p>April 1996 Registered with Dai-Ichi Tokyo Bar Association</p> <p>April 2009 Civil Conciliation Commissioner, Tokyo District Court (current)</p> <p>March 2010 Established the Nagatsuka Partners Law Office Managing Partner, Nagatsuka Partners Law Office</p> <p>July 2013 Outside Auditor, Nisshou Byoura Co., Ltd. (current)</p> <p>June 2016 Outside Director, SANYU CONSTRUCTION CO., LTD. (current)</p> <p>February 2019 Deputy Secretary General, Japan Federation of Bar Associations</p> <p>March 2021 Outside Auditor, Oncolys BioPharma Inc. (current)</p> <p>June 2021 Outside Director, the Company (current)</p> <p>September 2021 Partner Attorney, KOHWA SOHGOH LAW OFFICES (current)</p>	0
8	Yuko Kariya (April 15, 1960) [New appointment] [Outside] [Independent]	<p>April 1983 Joined Torii Pharmaceutical Co., Ltd.</p> <p>June 1983 Registered as qualified pharmacist</p> <p>April 2007 General Manager, Customer Support Department, Torii Pharmaceutical Co., Ltd.</p> <p>June 2012 Executive Officer and Head of Pharmacovigilance &amp; Quality Assurance Group, Torii Pharmaceutical Co., Ltd.</p> <p>June 2013 Director and Head of Pharmacovigilance &amp; Quality Assurance Group, Torii Pharmaceutical Co., Ltd.</p> <p>March 2020 Full-time Advisor, Torii Pharmaceutical Co., Ltd.</p> <p>July 2021 Research Promotion Advisor, Otolaryngology Department, School of Medicine, International University of Health and Welfare (current)</p> <p>August 2021 External Member, Work-Life Balance Committee, Kyoto Prefectural University of Medicine (current)</p>	0

- Notes: 1. There are no special interests between the Company and each candidate.
2. The Company has a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance will compensate for damages, including legal damages and litigation expenses, to be borne by the



insureds. Each of the candidates will be covered under the said insurance. The insurance agreement is scheduled to be renewed on the same terms and conditions during the terms of office of these candidates.

3. Mr. Kazuhiro Ogawa and Mr. Yoshitomo Nagatsuka are candidates for Outside Director. The Company has designated them as independent officers according to the rules of the Tokyo Stock Exchange (TSE) and has notified the TSE accordingly.
4. Ms. Yuko Kariya is a new candidate for Outside Director. The Company intends to designate her as an independent officer according to the rules of the Tokyo Stock Exchange (TSE) and will notify the TSE accordingly.
5. Mr. Kazuhiro Ogawa is a person of great character and insight. As a certified public accountant (CPA), he has a high level of expertise in accounting. He has previously served as the Company's Outside Audit & Supervisory Board Member. Since being elected as Director of the Company at the 108th Ordinary General Meeting of Shareholders on June 26, 2015, his actions and remarks have been appropriate for his role as an Outside Director. For these reasons, the Company proposes that he be elected again as an Outside Director. The Company also expects that he will draw on his extensive knowledge as a CPA as well as an outside auditor of other firms to provide the Company with valuable advice and suggestions from an independent standpoint.
6. Mr. Kazuhiro Ogawa will have been in office as the Company's Outside Director for seven (7) years as at the conclusion of this Ordinary General Meeting of Shareholders.
7. Mr. Yoshitomo Nagatsuka is a person of great character and insight. As a lawyer, he has a high level of expertise in law. Since his election as Director of the Company at the 114th Ordinary General Meeting of Shareholders on June 29, 2021, his actions and remarks have been appropriate for his role as an Outside Director. For these reasons, the Company proposes that he be elected again as an Outside Director. The Company also expects that he will draw on his extensive knowledge as a lawyer as well as an outside director and outside auditor of other firms to provide the Company with valuable advice and suggestions from an independent standpoint.
8. Mr. Yoshitomo Nagatsuka will have been in office as the Company's Outside Director for one (1) year as at the conclusion of this Ordinary General Meeting of Shareholders.
9. Ms. Yuko Kariya is a person of great character and insight and has extensive experience and knowledge in management in general cultivated at other companies. The Company proposes that she be elected as a new Outside Director in the hope that she will bring her high degree of knowledge as a management executive into play in the Company's management. The Company also expects that she will draw on her extensive knowledge as a management executive to provide the Company with valuable advice and suggestions from an independent standpoint.

**Proposal 3: Election of One (1) Audit & Supervisory Board Member**

The term of office of Audit & Supervisory Board Member Mr. Michitoshi Tsuruoka will expire at the conclusion of this General Meeting of Shareholders. Therefore, we propose that one Audit & Supervisory Board Member be elected.

The consent of the Audit & Supervisory Board has been obtained for this proposal. The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
Koichi Sunayama (September 5, 1957)  [New appointment] [Outside] [Independent]	April 1981 Joined The Fuji Bank, Limited (now Mizuho Bank, Ltd.)	0
	March 2003 Branch Manager, Niigata Bandaibashi Branch, Mizuho Bank, Ltd.	
	August 2005 General Manager, Legal Department, Mizuho Bank, Ltd.	
	April 2010 Executive Officer; General Manager, Legal Department, Mizuho Bank, Ltd.	
	December 2012 Outside Audit & Supervisory Board Member, MARUYAMA MFG. CO., INC.	
	December 2015 Outside Director (Member of Audit & Supervisory Committee), MARUYAMA MFG. CO., INC.	
	December 2019 Corporate Advisor, MARUYAMA MFG. CO., INC.	
	March 2020 Outside Director (Member of Audit & Supervisory Committee), KYOWA ELECTRONIC INSTRUMENTS CO., LTD.	
	November 2020 Outside Director (Member of Audit & Supervisory Committee), BicCamera Inc. (current)	

- Notes:
1. There are no special interests between the Company and the candidate.
  2. The Company has a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance will compensate for damages including legal damages and litigation expenses to be borne by the insureds. The candidate will be covered under the said insurance. The insurance agreement is scheduled to be renewed on the same terms and conditions during the term of office of the candidate.
  3. Mr. Koichi Sunayama is a candidate for Outside Audit & Supervisory Board Member. The Company intends to designate him as an independent officer according to the rules of the Tokyo Stock Exchange (TSE) and will notify the TSE accordingly.
  4. The reasons for Mr. Koichi Sunayama's nomination as a candidate for Outside Audit & Supervisory Board Member are that he is a person of great character and insight and that he has a high level of expertise from many years of experience in the banking industry. The Company also believes that he will draw on his extensive experiences as an Outside Director and outside auditor of other firms to demonstrate his abilities in audits of the Company and make a major contribution to the enhancement of audit functions.

**Proposal 4:** Continuation of Measures to Respond to Large-scale Purchases of the Company’s Shares (Takeover Defense Measures)

The Company first introduced the “Measures to Respond to Large-scale Purchases of the Company’s Shares” at its Board of Directors meeting held on March 7, 2007 and, more recently, obtained the approval of all shareholders at the Company’s 112th Ordinary General Meeting of Shareholders held on June 27, 2019 to continue those measures (the measures after continuation are hereinafter referred as “the Current Plan”). However, the effective period of the Current Plan will end at the conclusion of the 115th Ordinary General Meeting of Shareholders scheduled to be held in June 2022 (“this General Meeting of Shareholders”). Even after the introduction of the Plan, the Company has continued to consider how the Current Plan should be, including whether or not to continue it, as an initiative to safeguard and improve the Company’s corporate value and, by extension, the joint interests of shareholders, in light of changes in social and economic conditions, various developments and progress in the debate surrounding takeover defense measures, the purpose of the Corporate Governance Code, and other factors. As a result, based on factors such as (1) the fact that the products that the Company manufactures have been adopted as essential components in various fields, such as automobiles and electronic components, and if the performance of the Company’s business were to be disrupted by an inappropriate large-scale purchase that has the risk of harming the Company’s corporate value and, by extension, the joint interests of shareholders, there is potential for it to have an enormous impact on customers due to the stagnation of product supply, etc; and (2) the fact that the Company is currently in the process of executing the important initiative of “obtaining the medium- to long-term improvement of corporate value and the proper evaluation in the share market to raise the Company’s share price,” and going forward, it needs to concentrate its management resources to pursue this initiative to its completion, the Company has judged that it is necessary to continue its measures to respond to large-scale purchases of the Company’s shares as an initiative to safeguard and improve the Company’s corporate value and, by extension, the joint interests of shareholders.

Hence, at a meeting of the Company’s Board of Directors on May 25, 2022, in light of the basic policy regarding the way a person is to control the determination of financial and business practices of the Company (“Basic Policy on Control of the Company”) set forth in Article 118, Paragraph 1, Item (iii) of the Regulations for Enforcement of the Companies Act, it was decided to continue the Current Plan (the newly continued plan is hereinafter referred as “the Plan” as an initiative to prevent the determination of the Company’s financial and business practices being controlled by unsuitable persons, on the condition of the approval of shareholders at this General Meeting of Shareholders.

Accordingly, the Company proposes that the Plan be continued for a further three (3) years until the conclusion of the 118th Ordinary General Meeting of Shareholders due to take place in June 2025, and requests the approval of shareholders.

For the continuation of the Plan, some wording has been rearranged, but the basic scheme is the same as the Current Plan.

The content of the Plan is described below.

**Details of the Plan (Initiatives designed to prevent inappropriate persons from controlling the determination of the Company’s financial and operational policies in light of our fundamental corporate direction)**

1. Purpose of the Plan

The Plan is being introduced as an attempt to prevent persons deemed inappropriate in light of our basic policy regarding the control of the Company from controlling the determination of the Company’s financial and business policies, and represents a continuation of the current takeover defense measures.

In the event that a large-scale purchase of the Company’s shares did occur, and the purpose, etc. of that purchase was to help safeguard and improve the Company’s corporate value and, by extension, the joint interests of shareholders, then the Company would not consider the person who controls the determination of the Company’s financial and business policies to be inappropriate. In addition, the Company believes that any decisions regarding whether or not to respond to any takeover offer that would involve a transfer of control should ultimately be made in accordance with the will of shareholders.

However, there are a considerable number of cases of large-scale purchases of a company's shares that do not contribute to the corporate value of the targeted company or to the joint interests of shareholders, such as when the purpose of the purchase risks clearly damaging the corporate value of the targeted company and the joint interests of its shareholders, when the purchaser may effectively force shareholders to sell their shares, when the Board of Directors and shareholders are not given the reasonable, necessary, and sufficient time or information to consider the content of a large-scale purchase of shares or for the Board of Directors to compile alternative proposals, when the conditions of the purchase are considered insufficient or inappropriate from the perspective of maintaining the corporate value of the targeted company and, by extension, the joint interests of its shareholders, or when the purchaser intends to destroy relationships with stakeholders who are essential to the maintenance and improvement of the targeted company's corporate value.

In light of these considerations, the Company's Board of Directors believes that, if a large-scale purchase of the Company's shares does occur, it is in the best interest of both the Company's corporate value and shareholders to secure the necessary time and information for shareholders to make an appropriate judgment and to be able to conduct any negotiations with the purchaser in accordance with certain rational rules. As such, the Company has determined certain rules regarding the securing of information and investigation time in the event of a large-scale purchase of the Company's shares as described below (the "Large-Scale Purchase Rules"). Subject to the approval of shareholders at this Ordinary General Meeting of Shareholders, the Company has decided to continue takeover defense measures in the form of the Plan, which includes our intended response in the event of a large-scale purchase of the Company's shares by a person who is deemed inappropriate in view of our basic policy relating to control of the Company. Please refer to Supplementary Document 1 for an overview of the Plan.

## 2. Purchases of the Company's Shares Covered by the Plan

The purchases of company shares that are covered by the Plan include purchases of the Company's share certificates, etc. (Note 1) for the purpose of increasing the proportion of voting rights (Note 2) of specified shareholder groups (Note 3) to 20% or above, or purchases of the Company's share certificates, etc. that result in the voting rights proportion of specified shareholder groups rising to 20% or above. (In both cases, all purchases irrespective of the specific purchase method such as market transactions, takeover bids, etc. are included, except for those agreed in advance by the Company's Board of Directors. Any such purchases shall be referred to as a "large-scale purchase" and an entity that executes any such purchase acts shall be referred to as a "large-scale purchaser.")

Note 1: Share certificates, etc. refer to the share certificates prescribed in Article 27-23, Paragraph 1 or Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act.

Note 2: The proportion of voting rights refers to:

- (i) The proportion of shares certificates, etc. held by specified shareholder groups as described in Note 3 (i) (the shareholding ratio prescribed in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. In this case, this will be the total number of share certificates, etc. held by the joint holders of these groups (the number of share certificates, etc. will refer to the number of share certificates as stipulated in Article 27-23, Paragraph 4 throughout this document); or
- (ii) In the case of specified shareholder groups as described in Note 3 (ii), the total percentage of shares held by a large-scale purchaser and any persons with a special relationship to that large-scale purchaser (the shareholding ratio prescribed in Article 27-2, Paragraph 8 of the Act).

When calculating individual holding ratios for share certificates, etc., it is possible to refer to the most recent publication from among the securities report, the quarterly report, and the report on acquisition of treasury shares to ascertain the total number of voting rights (as prescribed in Article 27-2, Paragraph 8 of the Act) and the total number of shares in issuance (as defined in Article 27-23, Paragraph 4 of the Act).

Note 3: A specified shareholder group refers to:

- (i) Holders (including persons included in the description of shareholders prescribed in Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act throughout this document) of the Company's share certificates (share certificates, etc. prescribed in Article 27-23, Paragraph 1 of the same Act), and their joint holders (the joint holders prescribed in Article 27-23, Paragraph 5 of the Act shall be called joint holders and shall include persons considered to be joint holders based on Article 27-23, Paragraph 6 of the same Act throughout this document); or
- (ii) Persons who conduct purchases (purchases, etc. prescribed in Article 27-2, Paragraph 1 of the Act, including those conducted on the financial instruments exchange market) of the Company's share certificates, etc. (share certificates, etc. refer to the share certificates prescribed in Article 27-2, Paragraph 1 of the Act) and persons in special relationships with the persons who conducted the purchase (as stipulated in Article 27-2, Paragraph 7 of the Act).

### 3. The Establishment of an Independent Committee

The Board of Directors will make the final decision regarding whether a series of procedures have been followed in accordance with the large-scale purchase rules, and, even if the large-scale purchase rules have been adhered to, whether to implement countermeasures on the grounds that a large-scale purchase significantly damages the Company's corporate value and, by extension, the joint interests of shareholders. An Independent Committee will also be established to ensure the Plan is operated appropriately, to prevent the making of arbitrary judgments by the Board of Directors, and to ensure those judgments are objective and rational (please refer to "Supplementary Document 2: Outline of the Rules Governing the Independent Committee"). The Independent Committee shall consist of at least three (3) members. In order to ensure the Committee's ability to make fair and neutral judgments, the Company shall appoint members from among Outside Directors and Outside Audit & Supervisory Board Members who are independent of the Company's business execution management. The Company is also considering the appointment of outside experts (Note) as necessary. The four (4) persons described in "Supplementary Document 3: Biographies of Candidates for Independent Committee Member" are scheduled to be appointed to the Independent Committee at the time of continuation of the Plan.

Prior to the implementation of countermeasures, the Company's Board of Directors shall consult with the Independent Committee on whether or not to invoke countermeasures, and the Independent Committee shall make recommendations to the Board of Directors on whether the Company is ready to invoke countermeasures after carefully evaluating and examining any large-scale purchase from the perspective of improving the Company's corporate value and, by extension, the joint interests of shareholders. The Company's Board of Directors shall decide whether to impose countermeasures after giving full consideration to the recommendations of the Independent Committee. The outline of recommendations from the Independent Committee shall be disclosed as appropriate.

To ensure that the judgment of the Independent Committee surely seeks to contribute to the Company's corporate value and, by extension, the joint interests of shareholders, the Independent Committee may, when necessary, obtain advice from independent external experts (financial advisors, certified public accountants, lawyers, consultants, and other external experts) at the Company's expense.

Note: External experts refer to:

Persons who have not served as past Directors, accounting advisors, executive officers, managers, or other employees of the Company or its subsidiaries, and who are corporate managers with a wealth of management experience, persons well versed in investment banking, lawyers, certified public accountants, academic experts who mainly conduct research on the Companies Act, or equivalent persons.

### 4. Overview of large-scale purchase rules

#### (1) Advance submission of statement of intent by a large-scale purchaser to the Company

If a large-scale purchaser intends to engage in a large-scale purchase, the large-scale purchaser will be asked to first submit a statement of intent in Japanese outlining the contents mentioned below, including a legally valid written pledge of intention to follow the large-scale purchase rules, addressed to the Company's Representative Director, before conducting or proposing a large-scale purchase.

- 1) Name and address of large-scale purchaser
- 2) Governing law of establishment
- 3) Name of representative
- 4) Contact details in Japan
- 5) Outline of proposed large-scale purchase
- 6) Pledge to comply with the large-scale purchase rules stipulated in the Plan

If the Company's Board of Directors receives a statement of intent from a large-scale purchaser, the Board of Directors will promptly announce its receipt and, where necessary, the contents thereof.

#### (2) The provision of necessary information from large-scale purchasers

Within 10 working days from the day following the date of receipt of a statement of intent described in 4. (1) above, the Company's Board of Directors shall supply the large-scale purchaser with a list of necessary and sufficient information (the "necessary information") to be provided to facilitate judgments by shareholders and enable the Board of Directors to formulate an opinion. Large-scale purchasers are required to submit the necessary information in writing to the Company's Board of Directors in accordance with the said list. The general items to be included in the necessary information is described below. The specific content will vary depending on the specific attributes of the large-scale purchaser and the content of the large-scale purchase, but, in either case, it shall be restricted to information deemed necessary and sufficient for shareholders to make a judgment and for the Company's Board of Directors to formulate an opinion.

- 1) Details (including name, business content, professional experience or history, capital structure, financial particulars, etc.) of the large-scale purchaser, etc. and its Group (including joint holders, persons with special relationships or associations (in the case of a fund), and any other members)
- 2) The purpose, method, and content of the large-scale purchase (including the amount and type of consideration for the large-scale purchase, the timing of the large-scale purchase, relevant transaction mechanisms, the legality of the method of the large-scale purchase, and the feasibility of the large-scale purchase, etc.)
- 3) The basis for calculating the purchase price for the large-scale purchase (including facts that serve as the premise for those calculations, the method of calculation, the numerical information used in the calculations, and details of any synergy benefits that are expected to emerge through a series of transactions relating to the large-scale purchase)
- 4) Sources of support for the purchase funds to be used for the large-scale purchase (including the name of fund providers (including substantive providers), the procurement method, and the content of related transactions)
- 5) Assuming the large-scale purchase is completed as intended, any candidates for executive officer of the Company and the Group (including information on those candidates' experience in the same type of business as the Company and the Group), management policy, business plans, financial plans, capital policies, dividend policy, among others, for the Company and the Group
- 6) Expected changes, if any, and the nature of those changes relating to relationships between the Company and the Group and its customers, business partners, employees, and other stakeholders after the completion of the large-scale purchase

In order to expedite the swift implementation of the large-scale purchase rules, the Company's Board of Directors may, if necessary, set a deadline for large-scale purchasers to provide information. However, this deadline may be extended if a request to do so based on reasonable factors is submitted by the large-scale purchaser. If, after scrutinizing the original information provided, that information is deemed to be insufficient, the Company's Board of Directors may set a reasonable timeframe (up to 60 days from the date on which the necessary information was first received) during which it may continue to ask the large-scale purchaser to provide additional information until the necessary information is obtained.

If the Company's Board of Directors determines that all the necessary information has been provided by a large-scale purchaser, the Company's Board of Directors shall send a notice to that effect to the large-scale purchaser and also disclose that fact publicly.

In addition, if, following a request for the provision of additional necessary information from the Board of Directors, the large-scale purchaser provides a reasonable explanation as to why the provision of certain information may be difficult, the Company's Board of Directors may conclude negotiations on information provision with the large-scale purchaser even if it has not received all the necessary information it requested, and move on to the Board of Directors' evaluation and investigation process described in (3) below.

If the necessary information provided to the Company's Board of Directors is deemed necessary to facilitate a judgment by shareholders, the Company's Board of Directors will disclose either all or a portion of that necessary information when it deems appropriate.

- (3) Evaluations and investigation by the Company's Board of Directors, etc.  
Reflecting the degree of difficulty in evaluating large-scale purchases, the Company's Board of Directors shall set a maximum period of 60 days from when the large-scale purchaser finished providing the necessary information to the Company's Board of Directors for a purchase of all of the Company's shares through a yen-based cash tender offering, and a maximum of 90 days from when the large-scale purchaser finished providing the necessary information to the Company's Board of Directors for all other large-scale purchases as the period during which the Board of Directors will evaluate, investigate, negotiate, formulate opinions, and submit alternative proposals (the "Board of Directors' evaluation period"). Any large-scale purchases shall only commence after the Board of Directors' evaluation period has expired.

During the Board of Directors' evaluation period, the Company's Board of Directors will, as necessary, seek the advice of independent external experts (financial advisers, certified public accountants, lawyers, consultants, and other experts) in order to sufficiently evaluate and investigate the necessary information provided. The Company's Board of Directors will then carefully compile and publicly disclose its opinion after taking into full consideration any advice proffered by the Independent Committee. In addition, if necessary, the Company may negotiate with the large-scale

purchaser to improve the conditions pertaining to the large-scale purchase or the Company's Board of Directors may suggest alternative proposals to shareholders.

5. Policy on the Company's Response to a Large-scale Purchase of Company Shares

(1) When the large-scale purchaser has complied with the large-scale purchase rules

When the large-scale purchaser has complied with the large-scale purchase rules, even if the Company's Board of Directors is opposed to the large-scale purchase, it will only seek to persuade shareholders by expressing objections or presenting alternatives to the proposed purchase, and will not, in principle, take any countermeasures against such large-scale purchase. Shareholders will decide whether or not to respond to the purchase proposal from the large-scale purchaser, taking into account the purchase offer and the opinions and alternatives to the purchase proposal presented by the Company.

However, even if the large-scale purchase does comply with the large-scale purchase rules, the Company's Board of Directors may judge that the said large-scale purchase would significantly damage the Company's corporate value and, hence, the joint interests of shareholders if, for instance, it fell under any of the categories 1) to 5) described below and was recognized as being clearly motivated by a purpose of misuse that would inflict irretrievable damage on the Company as a result. In such a case, the Company may, based on Directors' duty of care, exceptionally take countermeasures that can be considered under the Companies Act or other laws or the Company's Articles of Incorporation, such as the gratis allotment of stock acquisition rights, to the extent that is necessary and reasonable for the purpose of protecting the corporate value of the Company and, by extension, the joint interests of shareholders.

As to what specific countermeasure will be taken, the Company's Board of Directors shall select the countermeasure that it deems the most appropriate at the time. For example, an outline of the gratis allotment of stock acquisition rights as a potential countermeasure is described in "Supplementary Document 4: Overview of Gratis Allotment of Stock Acquisition Rights." In the case of actually implementing gratis allotment of stock acquisition rights, the Company could consider attaching additional conditions to ensure the effectiveness of this move as a countermeasure by, for instance, making it a condition for exercising stock acquisition rights that the voting rights won't subsequently belong to specified shareholder groups with voting rights that exceed a certain proportion, or adding an acquisition clause to the effect that the Company may acquire stock acquisition rights in exchange for shares of the Company. However, in this case, the Company does not anticipate paying any financial compensation to acquire stock acquisition rights held by the large-scale purchaser.

- 1) When the purchaser is not genuinely willing to participate in Company management but is acquiring the Company's shares for the purpose of simply raising the share prices and having Company stakeholders take over the shares at a premium (known as "greenmailing")
- 2) When the purchaser seeks to control Company management temporarily and then transfer the intellectual property, expertise, confidential corporate information, major business partners, and customers, etc. that are necessary for the business operation of the Company and Group companies to the acquirer and its group companies, i.e. for the purpose of conducting so-called scorched-earth management
- 3) When the purchaser acquires shares in the Company to manage the Company and then divert the assets of the Company and Group companies to use as debt collateral or as a source of payment for the acquirer or its group companies
- 4) When the purchaser acquires shares in the Company for the purpose of temporarily controlling the Company's management and then selling or otherwise disposing the high-value assets of the Company or Group companies that are currently not related to their businesses, such as real estate or securities, and using the profits to pay a temporary high dividend, or to create an opportunity to sell shares at a premium if share prices rise suddenly due to a temporary high dividend
- 5) When the method of purchase of the Company's shares proposed by the purchaser is judged to restrict shareholders' opportunities or freedom to make judgments and to virtually coerce shareholders into selling the Company's shares through a so-called coercive two-stage acquisition, etc. (when a purchaser seeks to acquire shares through a tender offer that does not solicit all the Company's shares in the first round but offers unfavorable or unclear purchase conditions in the second round)

In principle, if the large-scale purchaser has complied with the large-scale purchase rules as described in 5. (1) above, the Company will not invoke countermeasures against the large-scale purchase under the Plan. However, if the Company does decide to invoke exceptional

countermeasures as described above, and, in order to ensure that judgment is objective and rational, the Company's Board of Directors will consult with the Independent Committee regarding the advantages and disadvantages of invoking countermeasures before doing so. The Independent Committee will make a recommendation within the Board of Directors' evaluation period described in 4. (3) following a thorough examination of the need and appropriateness of launching countermeasures.

The Company's Board of Directors shall make decisions on whether or not to invoke countermeasures after fully considering any recommendations made by the Independent Committee.

- (2) When the large-scale purchaser has not complied with the large-scale purchase rules  
When the large-scale purchaser has not complied with the large-scale purchase rules, regardless of the specific purchase method used, the Company's Board of Directors may seek to counter a large-scale purchase by implementing countermeasures described in 5. (1) above for the purpose of protecting the corporate value of the Company, and, by extension, the joint interests of shareholders. When taking decisions regarding the implementation of countermeasures, the Company's Board of Directors shall take into full consideration the recommendations of the Independent Committee and decide whether or not to invoke countermeasures after thoroughly examining the need and appropriateness of such measures.

When deciding whether a large-scale purchaser has complied with the large-scale purchase rules, the Company shall fully consider the circumstances of the large-scale purchaser to a reasonable extent, and will, at the least, not determine that a large-scale purchaser does not comply with the large-scale purchase rules if it fails to present a portion of the necessary information.

- (3) Terminating the exercise of countermeasures, etc.  
After the Company's Board of Directors has decided to invoke countermeasures as described in 5. (1) and 5. (2) above, the Company's Board of Directors may, after fully considering the opinions and recommendations of the Independent Committee, suspend the implementation of those countermeasures if it deems their implementation to be no longer appropriate owing to the withdrawal of, or change in, the large-scale purchase by the large-scale purchaser. It would be possible to suspend the activation of countermeasures, etc. such as the gratis allotment of stock acquisition rights for example. If, after the shareholders who are to receive stock acquisition rights have been determined, the Board of Directors judges that it is no longer appropriate to invoke the countermeasure owing to a withdrawal of, or change in, the large-scale purchase by the large-scale purchaser, the Board of Directors can, after hearing the recommendation of the Independent Committee, cancel the gratis allotment of stock acquisition rights up until the day before the effective date of the stock acquisition rights. The Company can also terminate the countermeasure after the gratis allotment of stock acquisition rights by acquiring the stock acquisition rights without compensation up until the day before the start of the exercise period (shareholders will lose their stock acquisition rights once the Company acquires stock acquisition rights without compensation).

In the event of countermeasures, etc. being suspended, the Company will disclose any relevant decisions in a timely and appropriate manner in accordance with laws and regulations and the listing rules governing the financial instruments exchange on which the Company is listed.

## 6. Impact of the Plan on Shareholders and Investors, etc.

- (1) Impact of the large-scale purchase rules on shareholders and investors, etc.  
The large-scale purchase rules included in the Plan are intended to provide shareholders with the information necessary for them to determine whether or not to respond to large-scale purchases, allow the Board of Directors that is currently in charge of the Company's management to provide its opinions, and give shareholders the opportunity to receive alternative proposals. This will enable shareholders to make appropriate decisions based on sufficient information as to whether or not to respond to large-scale purchases and will help protect the Company's corporate value and, by extension, the joint interests of shareholders. Therefore, we believe that the setting of large-scale purchase rules is a prerequisite for shareholders and investors to make appropriate judgments, and that it contributes to their interests.

Furthermore, as mentioned in 5. above, given that the Company's policy for responding to large-scale purchases will differ depending on whether the large-scale purchaser complies with the large-scale purchase rules, shareholders and investors are requested to pay attention to the actions of large-scale purchasers.

- (2) The impact on shareholders and investors when countermeasures are implemented



For the purpose of protecting the Company's corporate value and, by extension, the joint interests of shareholders, if the Company's Board of Directors decides to launch specific countermeasures described in 5. above, it shall disclose any relevant decisions in a timely and appropriate manner in accordance with laws and regulations and the listing rules governing the financial instruments exchange on which the Company is listed.

When launching countermeasures, the Company does not expect any shareholders other than the large-scale purchaser, etc. to suffer any exceptional losses either in terms of legal rights or economic aspects. If the gratis allotment of stock acquisition rights is used as a countermeasure, shareholders will be allocated stock acquisition rights without compensation in proportion to the number of shares held on the date of the allocation. If the Company subsequently commences procedures to acquire the stock acquisition rights with acquisition clauses, shareholders other than the large-scale purchaser, etc. will not be exceptionally disadvantaged because those shareholders will receive the Company's shares in exchange for the Company acquiring the stock acquisition rights.

However, if the Company's Board of Directors, after receiving advice from the Independent Committee, decides to cancel the issuance of stock acquisition rights determined by the Company's Board of Directors or acquire already issued stock acquisition rights without compensation (shareholders will lose their stock acquisition rights once the Company acquires stock acquisition rights without compensation), then shareholders or investors who had bought or sold shares on the assumption that some dilution of the value of the Company's shares might occur, may suffer some unforeseen damage caused by fluctuations in the share price.

It is possible that large-scale purchasers, etc., may suffer some disadvantage in terms of legal rights or economic aspects if the Company decides to mount countermeasures because the large-scale purchaser has not complied with the large-scale purchase rules or, even if the large-scale purchaser has complied with the large-scale purchase rules, the said large-scale purchase is judged to significantly damage the Company's corporate value and, by extension, the joint interests of shareholders. The announcement of this Plan should be interpreted as an advance warning to large-scale purchasers not to violate the large-scale purchase rules.

(3) Necessary procedures for shareholders when countermeasures are triggered

When the gratis allotment of stock acquisition rights is employed as a countermeasure, all shareholders registered on the shareholder register on the date of allocation will be allocated stock acquisition rights without having to prepare an application for the receipt of those rights. In addition, when the Company instigates procedures to acquire the stock acquisition rights with acquisition clauses, the Company will not pay financial compensation equivalent to the value of exercise price of the stock acquisition rights, but shareholders will instead receive the Company's shares as consideration for the stock acquisition rights acquired by the Company, so there is no need for any application or payment procedures, etc. relating to the said stock acquisition rights.

However, in such a case, the Company may request that shareholders who receive an allocation of stock acquisition rights submit a separate document stipulated by the Company that pledges that they are not a large-scale purchaser, etc.

If the gratis allotment of stock acquisition rights was actually to be conducted, the details of any pertinent procedures would be disclosed in a timely and appropriate manner based on laws and regulations and the listing rules governing the financial instruments exchange on which the Company is listed.

7. The Commencement, Effective Period, and Continuation or Abolition of the Plan

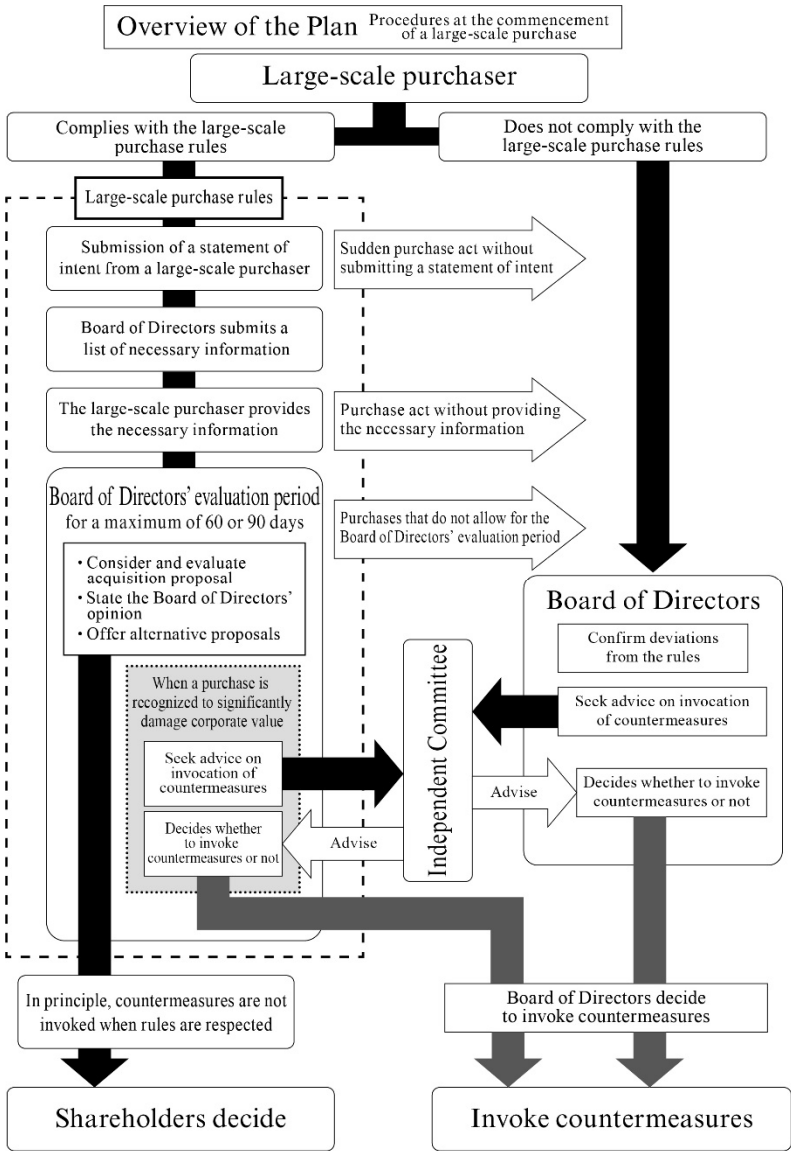
The Plan will become effective on the day of the resolution of this Ordinary General Meeting of Shareholders, and will remain in effect until the conclusion of the Ordinary General Meeting of Shareholders (the 118th Ordinary General Meeting of Shareholders to be held in June 2025) to be held in the last business year ending within three (3) years from the start date.

Even after the continuation of this Plan is approved at this Ordinary General Meeting of Shareholders, the Plan shall be abolished immediately if (1) a resolution is passed at the General Meeting of Shareholders to abolish the Plan, or (2) a decision is taken by the Board of Directors, which is composed of Directors appointed at the Company's General Meeting of Shareholders, to abolish the Plan.

Even during the effective period of the Plan, the Company's Board of Directors may review the Plan from time to time from the perspective of seeking to improve corporate value and, by extension, the joint interests of shareholders, or change the Plan subject to approval by the General Meeting of Shareholders. As such, if the Company's Board of Directors decides to continue, change, or abolish the Plan, the details of such decision will be promptly disclosed.

Furthermore, even during the effective period of the Plan, the Company's Board of Directors may revise or change the Plan after obtaining approval from the Independent Committee as necessary if it is deemed appropriate to do so in order to reflect the establishment or revision of laws and regulations or financial instrument exchange rules pertaining to the Plan, it is appropriate to correct misspellings or omissions of words, and if such revision or change will not disadvantage shareholders in any way.

(Supplementary Document 1)



(Note) This diagram is a schematic representation of typical procedures for the purpose of contributing to an understanding of the Plan, and does not necessarily show all procedures. For details, please refer to the main text.

### **Outline of the Rules Governing the Independent Committee**

- An Independent Committee shall be established by resolution of the Company's Board of Directors.
- The Independent Committee shall consist of at least three (3) members. In order to enable fair and neutral judgments, the Board of Directors shall appoint members from among Outside Audit & Supervisory Board Members, Outside Directors, or outside experts, who are independent of the Company's business execution management.
- The Independent Committee shall, in principle, make recommendations to the Board of Directors, which include the content, reasons, and basis for any decisions made regarding items submitted for advice by the Board of Directors. Furthermore, each member of the Independent Committee shall make such decisions based on whether they will contribute to the Company's corporate value and, by extension, the joint interests of shareholders.
- The Independent Committee may obtain advice from independent external experts (financial advisors, certified public accountants, lawyers, consultants, and other experts) as necessary at the Company's expense.
- Resolutions of the Independent Committee shall be made by a majority of the members, with the majority of members in attendance.

**Biographies of Candidates for Independent Committee Member**

The following four (4) persons are scheduled to become members of the Independent Committee subject to the continuation of this Plan.

Kazuhiro Ogawa (April 14, 1959)

(Career summary)

March 1988	Registered as a Certified Public Accountant
July 2004	Established the Kazuhiro Ogawa Accounting Office President, Kazuhiro Ogawa Accounting Office (current)
November 2004	Registered as a Certified Public Tax Accountant
June 2005	Outside Audit & Supervisory Board Member, the Company (retired in June 2009)
June 2008	Outside Audit & Supervisory Board Member, Tokyo Nissan Computer System Co., Ltd. (current)
June 2015	Outside Director, the Company (current)
July 2016	Outside Auditor, Hanatour Japan Co., Ltd. (current)

Yoshitomo Nagatsuka (March 30, 1965)

(Career summary)

April 1996	Registered with Dai-Ichi Tokyo Bar Association
March 2010	Established the Nagatsuka Partners Law Office
July 2013	Outside Auditor, Nisshou Byoura Co., Ltd. (current)
June 2016	Outside Director, SANYU CONSTRUCTION CO., LTD. (current)
March 2021	Outside Auditor, Oncolys BioPharma Inc. (current)
June 2021	Outside Director, the Company (current)
September 2021	Partner Attorney, KOHWA SOHGOH LAW OFFICES (current)

Yuko Kariya (April 15, 1960)

(Career summary)

April 1983	Joined Torii Pharmaceutical Co., Ltd.
June 1983	Registered as qualified pharmacist
June 2012	Executive Officer and Head of Pharmacovigilance & Quality Assurance Group, Torii Pharmaceutical Co., Ltd.
June 2013	Director and Head of Pharmacovigilance & Quality Assurance Group, Torii Pharmaceutical Co., Ltd.
March 2020	Full-time Advisor, Torii Pharmaceutical Co., Ltd.
July 2021	Research Promotion Advisor, Otolaryngology Department, School of Medicine, International University of Health and Welfare (current)
August 2021	External Member, Work-Life Balance Committee, Kyoto Prefectural University of Medicine (current)

Koichi Sunayama (September 5, 1957)

(Career summary)

April 1981	Joined The Fuji Bank, Limited (now Mizuho Bank, Ltd.)
August 2005	General Manager, Legal Department, Mizuho Bank, Ltd.
April 2010	Executive Officer; General Manager, Legal Department, Mizuho Bank, Ltd.
December 2012	Outside Audit & Supervisory Board Member, MARUYAMA MFG. CO., INC.
December 2015	Outside Director (Member of Audit & Supervisory Committee), MARUYAMA MFG. CO., INC.
March 2020	Outside Director (Member of Audit & Supervisory Committee), KYOWA ELECTRONIC INSTRUMENTS CO., LTD.
November 2020	Outside Director (Member of Audit & Supervisory Committee), BicCamera Inc. (current)

There are no special interests between the above Independent Committee members and the Company. Outside Directors Kazuhiro Ogawa and Yoshitomo Nagatsuka have been registered as independent officers with the

financial instruments exchange on which the Company is listed. Further, the Company intends to register candidate for outside Director Yuko Kariya and candidate for Outside Audit & Supervisory Board Member Koichi Sunayama as independent officers with the same financial instruments exchange.

## Overview of Gratis Allotment of Stock Acquisition Rights

1. Shareholders eligible for the gratis allotment of stock acquisition rights and issuance conditions  
One (1) stock acquisition right shall be newly allocated without payment for each common share of the Company (excluding common shares owned by the Company) held by shareholders recorded in the final shareholder register on the record date specified by the Company's 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 is the Company's common shares. The upper limit of the total number of shares to be issued upon exercise of stock acquisition rights will be the number of shares obtained by subtracting the total number of the Company's common shares outstanding (excluding the Company's common shares owned by the Company) from the total number of the Company's shares authorized to be issued on the date specified by the Board of Directors as the record date. The number of shares to be issued upon exercise of each stock acquisition right shall be determined separately by the Company's Board of Directors. However, the Company shall make necessary adjustments in the case of a share split or reverse share split.
3. Total number of stock acquisition rights to be issued  
The total number of stock acquisition rights to be issued shall be determined separately by the Company's Board of Directors. The Company's Board of Directors may allocate stock acquisition rights across multiple occasions.
4. Amount of assets to be contributed (the amount that should be paid in) upon exercise of each stock acquisition right  
Amount of assets to be contributed (the amount that should be paid in) upon exercise of each stock acquisition right shall be one (1) yen or more, which shall be determined by the Company's Board of Directors.
5. Restrictions on the transfer of stock acquisition rights  
The acquisition of stock acquisition rights through the transfer of stock acquisition rights requires the approval of the Company's Board of Directors.
6. Conditions for exercise of stock acquisition rights  
Any person exercising their acquisition rights must not belong to any specified shareholder group with voting rights equal or exceeding 20% (excluding those who have obtained the agreement of the Company's Board of Directors in advance). The details shall be determined separately by the Company's Board of Directors. However, the Company does not expect to provide any financial compensation for the acquisition of stock acquisition rights held by people who are not permitted to exercise stock acquisition rights.
7. Exercise period for stock acquisition rights, etc.  
The Board of Directors shall separately determine the date on which the allocation of stock acquisition rights take effect, the exercise period, conditions of acquisition, and other necessary matters. With respect to the acquisition clause, the Company may stipulate a clause to the effect that the Company may acquire stock acquisition rights held by persons other than those who are not permitted to exercise stock acquisition rights due to the exercise conditions stipulated in 6. above and deliver the number of common shares of the Company separately determined by the Board of Directors per one (1) stock acquisition right.

**Proposal 5: Election of Two (2) Substitute Audit & Supervisory Board Members**

The election of substitute Audit & Supervisory Board Member Takayoshi Saito and substitute Outside Audit & Supervisory Board Member Kazuaki Kagohara, who were elected at the 114th Annual General Meeting of Shareholders, will become invalid at the conclusion of this General Meeting of Shareholders. Accordingly, we propose the election of two (2) substitute Audit & Supervisory Board Members.

The candidates for substitute Audit & Supervisory Board Member are as follows. Mr. Hiroshi Kato is a candidate for substitute non-Outside Audit & Supervisory Board Member and Kazuaki Kagohara is a candidate for Outside Audit & Supervisory Board Member in the event of a vacancy in any of the Outside Audit & Supervisory Board Member positions.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

Name (Date of birth)	Career summary and significant concurrent positions	Number of shares of the Company held
Hiroshi Kato (November 22, 1962)	March 1985      Joined the Company April 2006      General Manager, Fukuoka Sales Office, Osaka Branch, Steel Foil Sales Unit October 2016    Leader, Internal Control Office April 2022      Leader equivalent, Audit Office (current)	0
Kazuaki Kagohara (March 4, 1967)	October 2001    Established Kagohara Certified Public Accountant Office President, Kagohara Certified Public Accountant Office (current) June 2011      Established Business Solutions Partners Co., Ltd. (now Corporate Accounting Research Institute) Representative Director, Corporate Accounting Research Institute (current) June 2011      External Corporate Auditor, GL Sciences Inc. June 2015      External Director, Audit & Supervisory Committee Member, GL Sciences Inc.	0

- Notes:
1. There are no special interests between the Company and each candidate.
  2. The Company has a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance will compensate for damages, including legal damages and litigation expenses, to be borne by the insureds. If each candidate assumes the office of Audit & Supervisory Board Member, they will be covered under the said insurance.
  3. Mr. Kazuaki Kagohara is a candidate for Substitute Outside Audit & Supervisory Board Member and a candidate for independent officers according to the rule of the Tokyo Stock Exchange (TSE).
  4. The reasons for Mr. Kazuaki Kagohara's nomination as a candidate for Outside Audit & Supervisory Board Member are that he is a person of great character and insight and that he has a high level of expertise as a certified practicing accountant. The Company has determined that he will fully demonstrate his abilities in audits of the Company.