

Stock Code: 4626
May 24, 2024

To Our Shareholders:

Eiji Sato
President and CEO

TAIYO HOLDINGS CO., LTD.

388 Ohkura, Ranzan-machi, Hiki-gun, Saitama 355-0222, Japan

NOTICE OF 78TH ORDINARY GENERAL SHAREHOLDERS' MEETING

You are cordially invited to attend the 78th Ordinary General Shareholders' Meeting of TAIYO HOLDINGS CO., LTD. (hereinafter, the "Company"), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing (by postal mail), via the Internet, or other means. Please review the attached Reference Documents for the General Shareholders' Meeting and exercise your voting rights no later than 5:00 p.m. on Friday, June 14, 2024 (Japan Standard Time).

Meeting Details

- Date and Time:** Saturday, June 15, 2024 at 1:00 p.m. (Japan Standard Time)
- Venue:** STATION CONFERENCE Ikebukuro Room 1, 12F, Metropolitan Plaza Building
1-11-1 Nishi-Ikebukuro, Toshima-ku, Tokyo, Japan

- Purpose:**

Items to be reported:

- Business Report and Consolidated Financial Statements for the 78th fiscal year (from April 1, 2023 to March 31, 2024), and results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
- Non-Consolidated Financial Statements for the 78th fiscal year (from April 1, 2023 to March 31, 2024)

Items to be resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Partial Amendment of the Articles of Incorporation

Proposal 3: Election of Four Board Directors (Excluding Board Directors Who Are Audit & Supervisory Committee Members)

Proposal 4: Election of Three Board Directors Who Are Audit & Supervisory Committee Members

Proposal 5: Election of One Alternate Board Director Who Is an Audit & Supervisory Committee Member

Proposal 6: Establishment of the Amount of Aggregate Base Salary for Board Directors (Excluding Board Directors Who Are Audit & Supervisory Committee Members)

Proposal 7: Establishment of Performance Cash Bonus, Performance Cash Bonus Deferral in Restricted Stock, and Restricted Stock Compensation for Board Directors (Limited to Executive Board Directors)

Proposal 8: Establishment of the Amount of Aggregate Base Salary for Board Directors Who Are Audit & Supervisory Committee Members

4. Items related to the exercise of voting rights

Institutional investors who have requested to use the Electronic Voting System Platform run by Investor Communications Japan (ICJ), which was established by Tokyo Stock Exchange, Inc. in partnership with Broadridge Financial Solutions, Inc. as electronic exercise of voting rights in advance, may do so.

You are kindly requested to submit the enclosed voting form at the reception desk if you attend the meeting in person. If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's website and the Tokyo Stock Exchange (TSE) website.

In accordance with amendment of the Companies Act, in principle you are to check items subject to measures for electronic provision by accessing either of the websites mentioned above, and we deliver paper-based documents stating the items only to shareholders who request the delivery of paper-based documents by the record date. However, for this General Shareholders' Meeting, we have delivered paper-based documents stating the items subject to measures for electronic provision to all shareholders, regardless of whether or not they have requested them.

Among the items to be provided electronically, the Company has chosen not to include some items in the paper-based documents to be sent to shareholders pursuant to related laws and regulations and Article 15, paragraph (2) of the Articles of Incorporation of the Company. The Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Audit & Supervisory Board and the Accounting Auditor include what is stated in the paper-based documents to be sent as well as some items that are posted on the websites mentioned above.

In convening this General Shareholders' Meeting, the Company has also posted information that constitutes the contents of the Reference Documents for the General Shareholders' Meeting (items for which measures for providing information in electronic format are to be taken) on each of the following websites.

*Website pages and documents are in Japanese version only.

*The Company's website:

<https://www.taiyo-hd.co.jp/jp/> (in Japanese)

*TSE website (Listed Company Search):

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

Access the TSE website and enter the name of the Company, "Taiyo Holdings," for "Issue name (company name)" or the Company's stock code "4626" in "Code" to search for the Company. Click on the company name, then on "Basic Information," then "Documents for public disclosure/PR information" and view information under "Notice of General Shareholders Meeting/Information Materials for a General Shareholders Meeting."

Reference Documents for the General Shareholders' Meeting

Proposal 1: Appropriation of Surplus

The Company regards profit distribution to shareholders in cash as one of the most important policies and will effectuate a continuous, stable profit distribution at high levels. In addition, we use the dividend-on-equity ratio as our target index and aim to “keep the dividend on equity ratio at a minimum of 5% based on the consolidated financial results” for the mid-to-long term plan, Beyond Imagination 2030.

Based on this policy, the Company intends to declare year-end dividends for the fiscal year under review as follows:

(1) Dividend type

Cash

(2) Details of dividend allocation and total amount

Dividend of 42.00 yen per common share

Total dividends: 2,351,485,962 yen

(3) Effective distribution date for dividends of surplus

June 17, 2024

The annual dividend for the fiscal year under review will be 80.00 yen per share, including the interim dividend of 38.00 yen previously paid.

Proposal 2: Partial Amendment of the Articles of Incorporation

1. Reason for Proposal

The Company proposes to adopt a company with an Audit & Supervisory Committee system in order to enhance the discussion at the Board of Directors regarding important group management matters, such as basic management policies and strategies for the Group as a whole. This will speed up decision-making and business execution by delegating decision-making authority from the Board of Directors to the Executive Board Directors, except for particularly important matters, and will enhance corporate governance by strengthening the supervisory function of the Board of Directors, with the aim of further increasing corporate value.

Along with this transition, the Company will make the necessary changes, including the establishment of new provisions regarding Audit & Supervisory Committee Members and the Audit & Supervisory Committee, the deletion of provisions regarding Audit & Supervisory Board Members and the Audit & Supervisory Board, and the establishment of new provisions regarding the delegation of important business execution decisions.

These amendments to the Articles of Incorporation will become effective at the conclusion of this Ordinary General Shareholders' Meeting.

2. Description of Amendments

A description of the amendments is provided below.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">Chapter 1 General Provisions</p> <p>Corporate Name Article 1 (Article text omitted)</p> <p>Purpose</p>	<p style="text-align: center;">Chapter 1 General Provisions</p> <p>Corporate Name Article 1 (Same as current)</p> <p>Purpose</p>
<p>Article 2 The purpose of the Company is to control and manage the business activities of companies that operate the following businesses or companies that operate businesses that are peripheral to or in any way related to those businesses by owning shares of or equity in those companies and for itself to conduct the following businesses or businesses that are peripheral to or in any way related to those businesses.</p> <p>(1) to (5) (Article text omitted)</p> <p>(6) Operation of information provision services and consulting services</p> <p>(7) to (9) (Article text omitted)</p>	<p>Article 2 (Same as current)</p> <p>(1) to (5) (Same as current)</p> <p>(6) Operation of information provision services and consulting services</p> <p>(7) to (9) (Same as current)</p>
<p>(Location of Head Office) Article 3 (Article text omitted)</p>	<p>(Location of Head Office) Article 3 (Same as current)</p>
<p>(Organs) Article 4 The Company shall have the following organs.</p> <p>(1) (Article text omitted)</p> <p>(2) <u>Audit & Supervisory Board Members</u></p> <p>(3) <u>Audit & Supervisory Board</u> (Addition)</p> <p>(4) Accounting Auditor</p>	<p>(Organs) Article 4 The Company shall have the following organs.</p> <p>(1) (Same as current) (Deleted) (Deleted)</p> <p>(2) <u>Audit & Supervisory Committee</u></p> <p>(3) Accounting Auditor</p>
<p>Article 5 to 10 (Article text omitted)</p>	<p>Article 5 to 10 (Same as current)</p>
<p>(Shareholder Register Administrator) Article 11 The Company shall have a shareholder register administrator.</p>	<p>(Shareholder Register Administrator) Article 11 (Same as current)</p>

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<p>2 The shareholder register administrator and the location of business thereof shall be designated by resolution of the Board of Directors and public notice thereof shall be given.</p> <p>3 (Article text omitted)</p> <p>(Share Handling Regulations) Article 12 The handling of the Company's shares and stock acquisition rights, the procedures, etc. and fees for the exercise of shareholders' rights shall be governed by the Share Handling Regulations established by the Board of Directors, in addition to laws and regulations or these Articles of Incorporation.</p> <p>Chapter 3 General Shareholders' Meeting</p> <p>(Convocation) Article 13 An Ordinary General Shareholders' Meeting of the Company shall be convened within three (3) months from the day following the final day of each fiscal year. Extraordinary shareholders' meetings shall be convened when necessary.</p> <p>2 (Article text omitted)</p> <p>Article 14 to 15-2 (Article text omitted)</p> <p>(Proxy Voting) Article 16 Shareholders may exercise their voting rights at a general meeting of shareholders by appointing as a proxy one other shareholder of the Company with voting rights for such meeting.</p> <p>2 (Article text omitted)</p> <p>Article 17 and 18 (Article text omitted)</p>	<p>2 The shareholder register administrator and the location of business thereof shall be designated by resolution of the Board of Directors <u>or by the Board Directors delegated by a resolution of the Board of Directors</u> and public notice thereof shall be given.</p> <p>3 (Same as current)</p> <p>(Share Handling Regulations) Article 12 The handling of the Company's shares and stock acquisition rights, the procedures, etc. and fees for the exercise of shareholders' rights shall be governed by the Share Handling Regulations established by the Board of Directors <u>or the Board Directors delegated by a resolution of the Board of Directors</u>, in addition to laws and regulations or these Articles of Incorporation.</p> <p>Chapter 3 General Shareholders' Meeting</p> <p>(Convocation) Article 13 An Ordinary General Shareholders' Meeting of the Company shall be convened within three (3) months from the day following the final day of each fiscal year. Extraordinary shareholders' meetings shall be convened when necessary.</p> <p>2 (Same as current)</p> <p>Article 14 to 15-2 (Same as current)</p> <p>(Proxy Voting) Article 16 Shareholders may exercise their voting rights at a general meeting of shareholders by appointing as a proxy one other shareholder of the Company with voting rights for such meeting.</p> <p>2 (Same as current)</p> <p>Article 17 and 18 (Same as current)</p>
<p>Chapter 4 Board Directors and Board of Directors</p> <p>(Number of Members) Article 19 The Company shall have not more than ten Board Directors.</p> <p>(Addition)</p> <p>(Method of Election) Article 20 Board Directors shall be elected by a resolution of the General Shareholders' Meeting.</p> <p>2 and 3 (Article text omitted) (Addition)</p>	<p>Chapter 4 Board Directors and Board of Directors</p> <p>(Number of Members) Article 19 The Company shall have not more than ten Board Directors <u>(excluding Board Directors who are Audit & Supervisory Committee Members)</u>.</p> <p>2 <u>The Company shall have not more than four Board Directors who are Audit & Supervisory Committee Members.</u></p> <p>(Method of Election) Article 20 Board Directors shall be elected by a resolution of the General Shareholders' Meeting, <u>distinguishing between Board Directors (excluding Board Directors who are Audit & Supervisory Committee Members) and Board Directors who are Audit & Supervisory Committee Members.</u></p> <p>2 and 3 (Same as current) 4 <u>The effective term of the resolution for the election of an alternate Board Director who is an Audit & Supervisory Committee Member, elected pursuant to Article 329, paragraph (3) of the Companies Act, shall expire at the beginning of the general shareholders' meeting relating to the last fiscal year ending, within two years after their election.</u></p>

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<p>(Term of Office)</p> <p>Article 21 The term of office of a Board Director shall expire at the conclusion of the ordinary general shareholders' meeting for the last business year out of the business years terminating within <u>two years</u> after the election of the Board Director.</p> <p style="text-align: center;">(Addition)</p> <p><u>2</u> The term of office of a Board Director who is elected to increase the number of Board Directors or as the alternate for a Board Director who retired from office before the expiration of the term of office shall expire when the terms of office of the incumbent Board Directors expire.</p> <p style="text-align: center;">(Addition)</p> <p>(Representative Director)</p> <p>Article 22 The Representative Director shall be elected by a resolution of the Board of Directors.</p>	<p>(Term of Office)</p> <p>Article 21 The term of office of a Board Director (<u>excluding a Board Director who is an Audit & Supervisory Committee Member</u>) shall expire at the conclusion of the ordinary general shareholders' meeting for the last business year out of the business years terminating within <u>one year</u> after the election of the Board Director (<u>excluding a Board Director who is an Audit & Supervisory Committee Member</u>).</p> <p><u>2</u> <u>The term of office of a Board Director who is an Audit & Supervisory Committee Member shall expire at the close of the ordinary general shareholders' meeting for the last business year, terminating within two years after the election of the Board Director.</u></p> <p><u>3</u> The term of office of a Board Director who is elected to increase the number of Board Directors or as the alternate for a Board Director (<u>excluding a Board Director who is an Audit & Supervisory Committee Member</u>) who retired from office before the expiration of the term of office shall expire when the terms of office of the <u>other</u> incumbent Board Directors (<u>excluding Board Directors who are Audit & Supervisory Committee Member</u>) expire.</p> <p><u>4</u> <u>The term of office of a Board Director who is an Audit & Supervisory Committee Member elected as the alternate for a Board Director who is an Audit & Supervisory Committee Member who retired from office before the expiration of the term of office shall expire when the term of office of the retired Board Director who is an Audit & Supervisory Committee Member expires.</u></p> <p>(Representative Director)</p> <p>Article 22 The Representative Director shall be elected by a resolution of the Board of Directors <u>from among the Board Directors (excluding Board Directors who are Audit & Supervisory Committee Members).</u></p>
<p><u>2</u> (Article text omitted)</p> <p>(Board Directors With Special Titles)</p> <p>Article 23 The Board of Directors may appoint, by its resolution, one Director and President, and as necessary, one Director and Chairman, one or a small number of Director and Vice Presidents, one or a small number of Senior Managing Board Directors, and one or a small number of Managing Board Directors.</p> <p>(Duties of Board Directors With Special Titles)</p> <p>Article 24 (Article text omitted)</p> <p><u>2</u> In the event that the Director and President is unable to do so, one of the other Board Directors shall act in his place according to the order prescribed by the Board of Directors in advance.</p> <p>(Convener and Chair of Board of Directors)</p> <p>Article 25 (Article text omitted)</p>	<p><u>2</u> (Same as current)</p> <p>(Board Directors With Special Titles)</p> <p>Article 23 The Board of Directors may appoint, by its resolution, one, and as necessary, one Director and Chairman, one or a small number of Director and Vice Presidents, one or a small number of Senior Managing Board Directors, and one or a small number of Managing Board Directors <u>from among Board Directors (excluding Board Directors who are Audit & Supervisory Committee Members).</u></p> <p>(Duties of Board Directors With Special Titles)</p> <p>Article 24 (Same as current)</p> <p><u>2</u> In the event that the Director and President is unable to do so, one of the other Board Directors (<u>excluding a Board Director who is an Audit & Supervisory Committee Member</u>) shall act in his place according to the order prescribed by the Board of Directors in advance.</p> <p>(Convener and Chair of Board of Directors)</p> <p>Article 25 (Same as current)</p>

<p>(Convocation Notice of Board of Directors Meetings) Article 26 The convocation notice of a Board of Directors meeting shall be dispatched to each Board Director <u>and each Audit & Supervisory Board Member</u> at least three days prior to the scheduled date of such meeting; provided, however, that this period may be reduced in case of urgency for a notice. (Addition) (Addition)</p> <p>(Method of Resolutions of the Board of Directors) Article 27 (Article text omitted)</p> <p>(Omission of Resolutions of the Board of Directors) Article 28 The Company shall deem a resolution to be passed if all Board Directors agree in writing or by electromagnetic record to the item to be resolved at a Board of Directors meeting. <u>However, this shall not apply if an Audit & Supervisory Board Member has stated his or her objection.</u></p> <p>(Minutes of the Board of Directors) Article 29 Minutes of the proceedings of the Board of Directors shall be prepared in accordance with laws and regulations, and the Board Directors <u>and Audit & Supervisory Board Members</u> present at the meeting shall write their names and affix their seals thereto or electronically sign the minutes. 2 (Article text omitted)</p> <p>(Remuneration, Etc. of Board Directors)</p>	<p>(Convocation Notice of Board of Directors Meetings) Article 26 The convocation notice of a Board of Directors meeting shall be dispatched to each Board Director at least three days prior to the scheduled date of such meeting; provided, however, that this period may be reduced in case of urgency for a notice. 2 <u>With the consent of all Board Directors, a Board of Directors meeting may be held without following the convening procedures.</u></p> <p><u>Delegation of Decisions on the Execution of Important Business</u> Article 27 <u>Pursuant to Article 399-13, paragraph (6) of the Companies Act, the Company may, by resolution of the Board of Directors, delegate all or part of the decisions on the execution of important business (excluding the matters stated in each item of paragraph (5) of the same Article) to the Board Directors.</u></p> <p>(Method of Resolutions of the Board of Directors) Article 28 (Same as current)</p> <p>(Omission of Resolutions of the Board of Directors) Article 29 The Company shall deem a resolution to be passed if all Board Directors <u>(limited to those who are entitled to participate in the voting on such matters)</u> agree in writing or by electromagnetic record to the item to be resolved at a Board of Directors meeting.</p> <p>(Minutes of the Board of Directors) Article 30 Minutes of the proceedings of the Board of Directors shall be prepared in accordance with laws and regulations, and the Board Directors present at the meeting shall write their names and affix their seals thereto or electronically sign the minutes. 2 (Same as current)</p> <p>(Remuneration, Etc. of Board Directors)</p>
<p>Article 30 Remuneration, bonuses, and other economic benefits given by the Company in consideration for the execution of duties (<u>hereinafter the "Remuneration, Etc."</u>) to Board Directors shall be determined by resolution of the General Shareholders' Meeting.</p> <p>(Agreement on Limitation of Liability of Board Directors) Article 31 (Article text omitted)</p> <p>(Special Advisors and Advisors) Article 32 <u>The Company may appoint Special Advisors and Advisors by resolution of the Board of Directors.</u></p> <p>(Regulations of the Board of Directors) Article 33 (Article text omitted)</p> <p>Chapter 5 <u>Audit & Supervisory Board Members and Audit & Supervisory Board</u></p>	<p>Article 31 Remuneration, bonuses, and other economic benefits given by the Company in consideration for the execution of duties to Board Directors shall be determined by resolution of the General Shareholders' Meeting, <u>distinguishing between Board Directors (excluding Board Directors who are Audit & Supervisory Committee Members) and Board Directors who are Audit & Supervisory Committee Members.</u></p> <p>(Agreement on Limitation of Liability of Board Directors) Article 32 (Same as current)</p> <p>(Deleted)</p> <p>(Regulations of the Board of Directors) Article 33 (Same as current)</p> <p>Chapter 5 <u>Audit & Supervisory Committee</u></p>

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<p><u>(Number of Members)</u> <u>Article 34</u> <u>The Company shall have not more than four Audit & Supervisory Board Members.</u></p>	<p>(Deleted)</p>
<p><u>(Method of Election)</u> <u>Article 35</u> <u>Audit & Supervisory Board Members shall be elected by a resolution of the General Shareholders' Meeting.</u></p>	<p>(Deleted)</p>
<p><u>2</u> <u>Resolutions on the election of Audit & Supervisory Board Members shall be adopted by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their voting rights at such meeting are present.</u></p>	<p>(Deleted)</p>
<p><u>(Term of Office)</u> <u>Article 36</u> <u>The term of office of an Audit & Supervisory Board Member shall expire at the close of the ordinary general shareholders' meeting for the last business year out of the business years terminating within four years after the election of the Audit & Supervisory Board Member.</u></p>	<p>(Deleted)</p>
<p><u>2</u> <u>The term of office of an Audit & Supervisory Board Member who is elected as the alternate for an Audit & Supervisory Board Member who retired from office before the expiration of the term of office shall expire when the term of office of the retired Audit & Supervisory Board Member expire.</u></p>	
<p><u>(Full-time Audit & Supervisory Board Members)</u> <u>Article 37</u> <u>The Audit & Supervisory Board shall appoint full-time Audit & Supervisory Board Member(s) by its resolution.</u></p>	<p>(Deleted)</p>
<p>(Addition)</p>	<p><u>(Full-time Audit & Supervisory Committee Members)</u> <u>Article 34</u> <u>The Audit & Supervisory Committee shall appoint full-time Audit & Supervisory Committee Member(s) by its resolution.</u></p>
<p><u>(Convocation Notice of Audit & Supervisory Board Meetings)</u> <u>Article 38</u> <u>The convocation notice of an Audit & Supervisory Board meeting shall be dispatched to each Audit & Supervisory Board Member at least three days prior to the scheduled date of such meeting; provided, however, that this period may be reduced in case of urgency for a notice.</u></p>	<p>(Deleted)</p>
<p>(Addition)</p>	<p><u>(Convocation Notice of Audit & Supervisory Committee Meetings)</u> <u>Article 35</u> <u>The convocation notice of an Audit & Supervisory Committee meeting shall be dispatched to each Audit & Supervisory Committee Member at least three days prior to the scheduled date of such meeting; provided, however, that this period may be reduced in case of urgency for a notice.</u> <u>2</u> <u>With the consent of all Audit & Supervisory Committee Members, an Audit & Supervisory Committee meeting may be held without following the convening procedures.</u></p>

<p><u>(Method of Resolutions of the Audit & Supervisory Board)</u> <u>Article 39</u> <u>Unless otherwise provided for by laws and regulations, resolutions of the Audit & Supervisory Board must be adopted by a majority of Audit & Supervisory Board Members.</u></p> <p style="text-align: center;">(Addition)</p>	<p>(Deleted)</p>
<p><u>(Minutes of the Audit & Supervisory Board Meetings)</u> <u>Article 40</u> <u>Minutes of the proceedings of the Audit & Supervisory Board meeting shall be prepared, and the Audit & Supervisory Board Members present at the meeting shall write their names and affix their seals thereto or electronically sign the minutes.</u> <u>2</u> <u>The minutes of the meetings of the Audit & Supervisory Board shall be kept at the head office for ten years from the date of the meeting of the Audit & Supervisory Board.</u></p> <p style="text-align: center;">(Addition)</p>	<p><u>(Method of Resolutions of the Audit & Supervisory Committee)</u> <u>Article 36</u> <u>Unless otherwise provided for by laws and regulations, resolutions of the Audit & Supervisory Committee must be adopted by a majority of Audit & Supervisory Committee Members.</u></p> <p style="text-align: center;">(Deleted)</p> <p><u>(Minutes of the Audit & Supervisory Committee Meetings)</u> <u>Article 37</u> <u>Minutes of the proceedings of the Audit & Supervisory Committee meeting shall be prepared in accordance with laws and regulations, and the Audit & Supervisory Committee Members present at the meeting shall write their names and affix their seals thereto or electronically sign the minutes.</u> <u>2</u> <u>The minutes of the meetings of the Audit & Supervisory Committee shall be kept at the head office for ten years from the date of the meeting of the Audit & Supervisory Committee.</u></p>
<p><u>(Remuneration, Etc. of Audit & Supervisory Board Members)</u> <u>Article 41</u> <u>The Remuneration, Etc. to Audit & Supervisory Board Members shall be determined by resolution of the General Shareholders' Meeting.</u></p>	<p>(Deleted)</p>
<p><u>(Limited Liability Agreement with Audit & Supervisory Board Members)</u> <u>Article 42</u> <u>Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with an Audit & Supervisory Board Member, limiting liability for damages provided in Article 423, paragraph (1) of said Act; provided, however, that the maximum amount of liability for damages under such agreement shall be the amount stipulated by laws and regulations.</u></p>	<p>(Deleted)</p>
<p><u>(Regulations of the Audit & Supervisory Board)</u> <u>Article 43</u> <u>Items concerning the Audit & Supervisory Board shall be in accordance with the Regulations of the Audit & Supervisory Board established by the Audit & Supervisory Board, in addition to laws and regulations and these Articles of Incorporation.</u></p>	<p>(Deleted)</p>

<p style="text-align: center;">(Addition)</p> <p style="text-align: center;">Chapter 6 Accounting Auditor</p> <p>(Election and Term of Office) Article <u>44</u> (Article text omitted)</p> <p>(Remuneration, Etc.) Article <u>45</u> Remuneration, etc. of the Accounting Auditor shall be determined by the Representative Director with the consent of the <u>Audit & Supervisory Board</u>.</p> <p style="text-align: center;">Chapter 7 Accounts</p> <p>(Business Year) Article <u>46</u> (Article text omitted)</p> <p><u>(Year-end Dividends)</u> Article <u>47</u> <u>The Company shall, by resolution of the General Shareholders' Meeting, pay cash dividends of surplus (below, "year-end dividends") to the shareholders or registered share pledge recipients appearing or recorded in the final register of shareholders as of March 31 of each year.</u></p> <p><u>(Interim Dividends)</u> Article <u>48</u> <u>The Company shall, by resolution of the Board of Directors, pay dividends of surplus provided for in Article 454, paragraph (5) of the Companies Act (below, "interim dividends") to the shareholders or registered share pledge recipients appearing or recorded in the final register of shareholders as of September 30 of each year.</u></p> <p style="text-align: center;">(Addition)</p> <p style="text-align: center;">(Addition)</p> <p>(Prescription for Payment of <u>Year-end Dividends</u>) Article <u>49</u> In cases where the <u>year-end dividends or interim dividends</u> have not been received after the lapse of three full years from the date of commencement of payment thereof, the Company shall be exempt from the obligation to pay such dividends.</p>	<p><u>(Regulations of the Audit & Supervisory Committee)</u> Article <u>38</u> <u>Items concerning the Audit & Supervisory Committee shall be in accordance with the Regulations of the Audit & Supervisory Committee established by the Audit & Supervisory Committee, in addition to laws and regulations and these Articles of Incorporation.</u></p> <p style="text-align: center;">Chapter 6 Accounting Auditor</p> <p>(Election and Term of Office) Article <u>39</u> (Same as current)</p> <p>(Remuneration, Etc.) Article <u>40</u> Remuneration, etc. of the Accounting Auditor shall be determined by the Representative Director with the consent of the <u>Audit & Supervisory Committee</u>.</p> <p style="text-align: center;">Chapter 7 Accounts</p> <p>(Business Year) Article <u>41</u> (Same as current)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p><u>(Organizational Body to Determine Dividends of Surplus, Etc.)</u> Article <u>42</u> <u>Unless otherwise provided for by laws and regulations, the Company shall, by resolution of the Board of Directors instead of a resolution of the General Shareholders' Meeting, determine dividends of surplus and other items set forth in the items of Article 459, paragraph (1) of the Companies Act.</u></p> <p><u>(Record Dates for Dividends of Surplus)</u> Article <u>43</u> <u>The record date for year-end dividends of the Company shall be March 31 of each year.</u> <u>2</u> <u>The record date for interim dividends of the Company shall be September 30 of each year.</u> <u>3</u> <u>In addition to the provisions of the preceding two paragraphs, the Company may pay dividends of surplus by setting a record date.</u></p> <p>(Prescription for Payment of Dividends) Article <u>44</u> In cases where the <u>dividend property is monetary and the dividends</u> have not been received after the lapse of three full years from the date of commencement of payment thereof, the Company shall be exempt from the obligation to pay such dividends.</p>
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<p>2</p> <p>No interest shall accrue on unpaid <u>year-end dividends or interim dividends</u>.</p> <p>(Addition)</p> <p>(Addition)</p>	<p>2</p> <p>No interest shall accrue on unpaid dividends.</p> <p><u>Section 8 Supplementary Provisions</u></p> <p><u>(Transitional Measures Concerning Exemption from Liability of Audit & Supervisory Board Members)</u></p> <p><u>Article 45</u> <u>With respect to the agreement to limit liability for damages as set forth in Article 423, paragraph (1) of the Companies Act concluded between the Company with Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) pursuant to Article 427, paragraph (1) of the same act prior to the effective date of the partial amendment to the Articles of Incorporation resolved at the 78th Ordinary General Shareholders' Meeting, the provisions then in force shall remain applicable.</u></p>
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Proposal 3: Election of Four Board Directors (Excluding Board Directors Who Are Audit & Supervisory Committee Members)

The terms of all nine Board Directors will expire at the close of this Ordinary General Shareholders' Meeting. If Proposal 2, "Partial Amendments of the Articles of Incorporation," is approved and passed as originally proposed, the Company will adopt a company with an Audit & Supervisory Committee system. Therefore, the Company proposes the election of four Board Directors (excluding Board Directors who are Audit & Supervisory Committee Members). Each of the candidates has agreed to their appointment.

Each of the candidates are as follows.

No.	Name	Current positions and concurrent positions held
1	Eiji Sato	President Group Chief Executive Officer CEO of Medical & Pharmaceutical Company Reappointment
2	Hitoshi Saito	Vice President CEO of Electronics Company Reappointment
3	Kiyofumi Takano	New
4	Keiko Tsuchiya	Outside Board Director Reappointment Outside Independent

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No.	Name (Date of birth)	Brief resume, positions and important concurrent positions held	Number of the Company's shares owned
1	<p style="text-align: center;">Reappointment</p> <p style="text-align: center;">Eiji Sato (May 3, 1969)</p>	<p>Apr. 1992 Joined Tohmatsu & Co. (Currently Deloitte Touche Tohmatsu LLC)</p> <p>Oct. 1999 President of es Networks Co., Ltd.</p> <p>June 2008 Board Director of the Company</p> <p>Apr. 2010 Vice President and Representative Director of the Company</p> <p>July 2010 Director of TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD</p> <p>Mar. 2011 Director of es Holdings Co., Ltd. (Currently es Networks Co., Ltd.)</p> <p>Apr. 2011 President, Chief Executive Officer, Group Chief Executive Officer of the Company</p> <p>Apr. 2012 Director of TAIYO INK (SUZHOU) CO., LTD.</p> <p>Dec. 2012 Director of ONSTATIC TECHNOLOGY CO., LTD.</p> <p>Apr. 2014 President and Representative Director of TAIYO INK MFG. CO., LTD.</p> <p>Dec. 2014 President and Representative Director of TAIYO GREEN ENERGY CO., LTD.</p> <p>June 2016 Officer (Risk Management) of the Company (Present post)</p> <p>Aug. 2017 Chairman of the Board and Representative Director of TAIYO PHARMA CO., LTD. (Present post)</p> <p>June 2018 Director of TAIYO INK MFG. CO., LTD.</p> <p>Apr. 2019 Director of TAIYO PHARMA TECH CO., LTD.</p> <p>Oct. 2019 President and Representative Director of TAIYO PHARMA TECH CO., LTD. (Present post)</p> <p>May 2022 President, Group Chief Executive officer, CEO of Medical and Pharmaceutical Company of the Company (Present post)</p> <p>Apr. 2023 Director of funlead corp. (Present post)</p>	<p style="text-align: center;">Common shares 507,876 shares</p>
<p>[Reason for nomination as a candidate for Board Director] Since his appointment as Board Director in 2008, Eiji Sato has served as Vice President of the Company, was appointed President, Chief Executive Officer in 2011, and has overseen the management of the Company's Group, including decision-making and supervision of business execution. He was selected as a candidate for Board Director because the Company expects that he will be able to continue to play an important role in the Group's decision-making and supervision of business execution.</p>			

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No.	Name (Date of birth)	Brief resume, positions and important concurrent positions held	Number of the Company's shares owned
2	<p><u>Reappointment</u></p> <p>Hitoshi Saito (April 21, 1965)</p>	<p>Nov. 1995 Marketing Manager of Win System Inc. (Win System Europe)</p> <p>Sep. 1996 Joined the Company</p> <p>June 2001 Managing Director of TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD</p> <p>July 2001 General Manager/Director of TAIYO INK (THAILAND) CO., LTD.</p> <p>July 2010 Director of International Business Department of the Company</p> <p>June 2012 Director of TAIYO INK MFG. CO., LTD. (Present post)</p> <p>Apr. 2015 President and CEO of TAIYO INK PRODUCTS CO., LTD.</p> <p>May 2016 President and CEO of TAIYO INK MFG. CO., (KOREA) LTD.</p> <p>June 2016 Board Director of the Company</p> <p>July 2016 Board Director and Senior Executive Officer of the Company</p> <p>Apr. 2019 Director of TAIYO AMERICA, INC. (Present post)</p> <p>Oct. 2019 Director of TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD (Present post)</p> <p>Feb. 2020 Director of TAIYO TRADING (THAILAND) CO., LTD. (Present post)</p> <p>Apr. 2020 Chairman and CEO of TAIYO INK MFG. CO., (KOREA) LTD.</p> <p>Apr. 2020 Chairman and CEO of TAIYO INK PRODUCTS CO., LTD.</p> <p>May 2020 Chairman of the Board of TAIWAN TAIYO INK CO., LTD. (Present post)</p> <p>May 2020 Director of ONSTATIC New Material (JiangXi) Co., Ltd. (Present post)</p> <p>June 2020 Director of ONSTATIC INK (SHENZHEN) CO., LTD.</p> <p>June 2020 Director of TAIYO CIRCUIT AUTOMATION, INC. (Present post)</p> <p>June 2020 Chairman of TAIYO INK VIETNAM CO., LTD (Present post)</p> <p>Oct. 2021 Chairman of the Board of ONSTATIC TECHNOLOGY CO., LTD. (Present post)</p> <p>Dec. 2021 Chairman of the Board of TAIYO INK (SUZHOU) CO., LTD. (Present post)</p> <p>Dec. 2021 Chairman of the Board of ONSTATIC INK (SHENZHEN) CO., LTD. (Present post)</p> <p>Jan. 2022 Director of Taiyang Feng Semiconductor Materials (SHENZHEN) CO., LTD. (Present post)</p> <p>Jan. 2022 Chairman of the Board of TAIYO INK TRADING (SHENZHEN) CO., LTD.</p> <p>Jan. 2022 Director of TAIYO INK MFG. CO., (KOREA) LTD. (Present post)</p> <p>Jan. 2022 Director of TAIYO INK PRODUCTS CO., LTD. (Present post)</p> <p>May 2022 CEO of Electronics Company of the Company (Present post)</p>	<p>Common shares 112,053 shares</p>

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No.	Name (Date of birth)	Brief resume, positions and important concurrent positions held	Number of the Company's shares owned
		June 2022 Vice President, CEO of Electronics Company of the Company (Present post) Oct. 2023 Director of TAIYO INK TRADING (SHENZHEN) CO., LTD. (Present post)	
<p>[Reason for nomination as a candidate for Board Director] Hitoshi Saito possesses a wealth of marketing knowledge and management experience outside of Japan and has led the Group's subsidiaries as a person in charge. He was selected as a candidate for Board Director because the Company expects that he will be able to continue to use his experience and expertise in the Company's decision-making.</p>			

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No.	Name (Date of birth)	Brief resume, positions and important concurrent positions held	Number of the Company's shares owned
3	<div style="text-align: center;"> New Kiyofumi Takano (November 4, 1965) </div>	Apr. 1991 Joined Dainippon Ink and Chemicals, Incorporated (Currently DIC Corporation) Oct. 2012 General Manager of Core Value Research Center, R&D Management Unit, DIC Corporation Jan. 2015 General Manager of Corporate Marketing Department, DIC Corporation Jan. 2016 General Manager of New Business Planning Department, DIC Corporation Jan. 2019 Executive Officer and General Manager of New Business Development Headquarters, DIC Corporation Jan. 2021 Managing Executive Officer and General Manager of New Business Development Headquarters, DIC Corporation (Present post)	Common shares – shares
<p>[Reason for nomination as a candidate for Board Director] Kiyofumi Takano has many years of extensive experience and knowledge in technology, research and development, and marketing, as well as a track record of involvement in new business creation. He was selected as a new candidate for Board Director as the Company expects that his experience and track record will contribute to the enhancement of the corporate value of the Group.</p>			

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No.	Name (Date of birth)	Brief resume, positions and important concurrent positions held	Number of the Company's shares owned
4	Keiko Tsuchiya (May 13, 1960)	<p>Apr. 1981 Joined DENTSU INC.</p> <p>Apr. 1989 Joined Ferag Japan Co., Ltd.</p> <p>Apr. 1991 Joined Australian Trade Commission, Tokyo</p> <p>Jan. 1994 HR Planning & Organizational Effectiveness Director of Becton Dickinson Co., Ltd.</p> <p>July 2004 Chief Researcher & Producer of Human Value Inc.</p> <p>Oct. 2005 Executive Officer and General Manager, Human Resources for Pacific Region of GE Toshiba Silicones Co., Ltd. (Currently Momentive Performance Materials Japan LLC)</p> <p>Jan. 2009 Senior HR Manager of Cisco Systems LLC</p> <p>Feb. 2011 Vice President, Human Resources of Johnson & Johnson Medical Company</p> <p>Aug. 2015 CHRO of Adecco Ltd., Japan</p> <p>Jan. 2016 General Manager of People Value of Adecco Ltd., Japan</p> <p>June 2017 Outside Board Director of the Company (Present post)</p> <p>June 2019 Director of Teachers Initiative (Present post)</p> <p>June 2021 Outside Director of Nippon Light Metal Holdings Company, Ltd. (Present post)</p>	Common shares 800 shares
<p>[Reason for nomination as a candidate for Outside Board Director and overview of expected roles] Keiko Tsuchiya possesses a wealth of experience and expertise in the field of human resources, including management experience as a Director in the comprehensive human resources service industry, and management experience in companies in the healthcare, materials, and other manufacturing fields. She was selected as a candidate for Outside Board Director because the Company expects that she will be able to continue to use her experience and expertise in our Human Resources division and to strengthen the Company's human resources.</p>			

Notes:

- There is no special interest between the Company and the candidates.
- Keiko Tsuchiya is a candidate for Outside Board Director.
- Keiko Tsuchiya currently serves as Outside Board Director of the Company. Her term as Outside Board Director will be seven years as of the close of this Ordinary General Shareholders' Meeting.
- The Company has designated Keiko Tsuchiya as an Independent Officer as provided for by the Tokyo Stock Exchange, Inc. If the appointment of Keiko Tsuchiya is approved, the Company intends to continue to designate her as an Independent Officer.
- At present, the Company has concluded an agreement with Keiko Tsuchiya limiting liability for damages as set forth in Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the same Act. If the appointment of Kiyofumi Takano and Keiko Tsuchiya is approved, the Company intends to conclude the same agreement with Kiyofumi Takano and Keiko Tsuchiya limiting liability for damages as set forth in Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the same Act.
A general outline of the provisions of these agreements is as follows:
 - In the event that a Board Director is liable for damages to the Company due to the neglect of duties, the Board Director will bear the liability, limited to the minimum amount stipulated in laws and regulations.
 - The liability limitation mentioned above shall be available only if the Board Director to whom the liability is attributable has executed duties in good faith and without gross negligence.
- The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act, and the Company will cover damages incurred by the insured under the policy. If a candidate is appointed as a Board Director, the individual will be included as an insured party under the policy. For a summary of the details of the directors' and officers' liability insurance policy, please refer to "2. Current Status of the Company (3) Status of Corporate Officers 1) Status of Board Directors and Audit & Supervisory Board Members (as of March 31, 2024) Note 8. Summary, etc., of Details of Board Directors and Officers Liability Insurance Policy" on p. 52 of the Business Report of the Japanese original.
- There is no plan to conclude an indemnity agreement between individual candidates and the Company regarding the expenses stipulated in Article 430-2, paragraph (1), item (i) of the Companies Act and the loss stipulated in item (ii) of the same paragraph.

Proposal 4: Election of Three Board Directors Who Are Audit & Supervisory Committee Members

If Proposal 2, “Partial Amendments of the Articles of Incorporation,” is approved and passed as originally proposed, the Company will adopt a company with an Audit & Supervisory Committee system at the close of this Ordinary General Shareholders’ Meeting. Therefore, the Company proposes the election of three Board Directors who are Audit & Supervisory Committee Members. Each of the candidates has given consent to their appointment, and the Company has received the consent of the Audit & Supervisory Board for the proposal.

Each of the candidates are as follows:

No.	Name	Positions and concurrent positions held
1	Kaori Terunuma	Audit & Supervisory Board Member of the Company New
2	Hidenori Sugiura	Outside Audit & Supervisory Board Member of the Company New Auditor of ANZU no MORI Foundation Outside Outside Audit & Supervisory Board Member of Orion Breweries, Ltd. Independent
3	Ikumi Sato	Attorney New Outside Audit & Supervisory Board Member of the Company Outside Partner of Nozomi Sogo Attorneys at Law Independent Outside Director of DAI-DAN CO., LTD.

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No.	Name (Date of birth)	Brief resume, positions and important concurrent positions held	Number of the Company's shares owned
1	<p style="text-align: center;">New</p> <p style="text-align: center;">Kaori Terunuma (December 29, 1982)</p>	<p>Apr. 2005 Joined Mitsui & Co., Ltd.</p> <p>Aug. 2013 Joined CROSS FIELDS</p> <p>Mar. 2016 Joined coconala Inc.</p> <p>June 2019 Joined the Company</p> <p>Jan. 2020 Director of the Accounting Department of the Company</p> <p>July 2020 Auditor of TAIYO INK (SUZHOU) CO., LTD.</p> <p>Oct. 2020 Auditor of TAIYO INK PRODUCTS CO., LTD.</p> <p>June 2022 Outside Audit & Supervisory Board Member of the Company (Present post)</p> <p>June 2022 Audit & Supervisory Board Member of TAIYO INK MFG. CO., LTD. (Present post)</p>	<p style="text-align: center;">Common shares 1,000 shares</p>
<p>[Reason for nomination as a candidate for Board Director who is an Audit & Supervisory Committee Member] Kaori Terunuma possesses extensive expertise and work experience concerning finance and accounting, and possesses experience from 2022 as an Audit & Supervisory Board Member at the Company and its subsidiary. She was selected as a candidate for Board Director who is an Audit & Supervisory Committee Member as the Company expects that she will be able to properly execute the duties thereof.</p>			

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No.	Name (Date of birth)	Brief resume, positions and important concurrent positions held	Number of the Company's shares owned
2	<p style="text-align: center;"> New Outside Independent </p> <p>Hidenori Sugiura (March 20, 1961)</p>	<p>Apr. 1984 Joined The Long-Term Credit Bank of Japan, Limited</p> <p>July 1998 Joined UBS Trust & Banking (Japan) Ltd.</p> <p>July 2000 Joined IBJ Securities Co., Ltd. (Currently Mizuho Securities Co., Ltd.)</p> <p>Oct. 2003 General Manager of Investment Bank 4th Department, Investment Bank Group, Mizuho Securities Co., Ltd.</p> <p>Apr. 2004 General Manager of Corporate Finance Division No. 1, Capital Markets Group, Mizuho Securities Co., Ltd.</p> <p>Apr. 2005 Senior Fellow of Strategic Research Dept., Management Planning Group, Mizuho Securities Co., Ltd.</p> <p>Apr. 2006 Distinguished Associate Professor of Graduate School of Management, Kyoto University</p> <p>Oct. 2007 Part-time Lecturer of Graduate School of Commerce and Management, Hitotsubashi University</p> <p>Apr. 2008 Distinguished Professor, Graduate School of Management, Kyoto University</p> <p>June 2018 Outside Audit & Supervisory Board Member of the Company (Present post)</p> <p>Apr. 2019 Audit & Supervisory Board Member of TAIYO PHARMA TECH CO., LTD. (Present post)</p> <p>Apr. 2023 Auditor of ANZU no MORI Foundation (Present post)</p> <p>Nov. 2023 Outside Audit & Supervisory Board Member of Orion Breweries, Ltd. (Present post)</p>	<p style="text-align: center;">Common shares – shares</p>
<p>[Reason for nomination as a candidate for Outside Board Director who is an Audit & Supervisory Committee Member and overview of expected roles] Hidenori Sugiura has no direct experience of involvement in management of a company in the past, but he possesses extensive experience and expertise concerning finance, including serving as a university professor and lecturer with expertise in finance based on his work experience in the securities and finance industry. He was selected as a candidate for Outside Board Director who is an Audit & Supervisory Committee Member as the Company expects that he will be able to properly execute the duties thereof.</p>			

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No.	Name (Date of birth)	Brief resume, positions and important concurrent positions held	Number of the Company's shares owned	
3	<div style="text-align: center;"> New Outside Independent Ikumi Sato (December 25, 1963) </div>	Apr. 1990	Registered as an attorney at law (Tokyo Bar Association)	Common shares – shares
		Mar. 1992	Cancellation of registration in Tokyo Bar Association for travel to the United States	
		Sep. 1995	Registered as an attorney, State of New York, USA	
		Sep. 1995	Re-registered as an attorney at law (Daini Tokyo Bar Association)	
		Mar. 2013	Joined Yabuki Law Offices	
		Apr. 2017	Deputy Chair, Daini Tokyo Bar Association	
		Apr. 2018	Executive Governor, Japan Federation of Bar Associations	
		Apr. 2019	Information Disclosure and Personal Information Protection Commission Member, Ministry of Internal Affairs and Communications	
		June 2019	Audit & Supervisory Board Member, DAI-DAN CO., LTD.	
		Jan. 2021	Partner and Attorney, Nozomi Sogo Attorneys at Law (Present post)	
Apr. 2021	Executive Governor, Japan Attorneys National Pension Fund			
June 2021	Outside Director, DAI-DAN CO., LTD. (Present post)			
June 2022	Outside Audit & Supervisory Board Member of the Company (Present post)			
<p>[Reason for nomination as a candidate for Outside Board Director who is an Audit & Supervisory Committee Member and overview of expected roles]</p> <p>Ikumi Sato has no direct experience of involvement in management of a company in the past, but as an attorney she possesses extensive expertise and experience concerning corporate legal practice, IT and intellectual property rights, overseas legal practice, etc. She was selected as a candidate for Outside Board Director who is an Audit & Supervisory Committee Member as the Company expects that she will be able to properly execute the duties thereof.</p>				

Notes:

1. There is no special interest between the Company and the candidates.
2. Hidenori Sugiura and Ikumi Sato are candidates for Outside Board Directors who are Audit & Supervisory Committee Members.
3. At present, the Company has concluded an agreement with Kaori Terunuma, Hidenori Sugiura, and Ikumi Sato limiting liability for damages as set forth in Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the same Act. If the appointment of the three individuals is approved, the Company plans to continue the said agreement. A general outline of the provisions of the agreement is as follows:
 - In the event that a Board Director who is an Audit & Supervisory Committee Member is liable for damages to the Company due to the neglect of duties, the Board Director who is an Audit & Supervisory Committee Member will bear the liability, limited to the minimum amount stipulated in laws and regulations.
 - The liability limitation mentioned above shall be available only if the Board Director who is an Audit & Supervisory Committee Member has executed his/her duties which would constitute the cause of the liability in good faith and without gross negligence.
4. At present, the Company has designated Hidenori Sugiura and Ikumi Sato as Independent Officers as provided for by the Tokyo Stock Exchange, Inc., and has issued notice to the Tokyo Stock Exchange, Inc. Hidenori Sugiura and Ikumi Sato fulfill the requirements for Independent Officers as provided for by the Tokyo Stock Exchange, Inc. If they are appointed, the Company plans to issue notice to the Tokyo Stock Exchange, Inc. as Independent Officers.
5. The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act, and the Company will cover damages incurred by the insured under the policy. If a candidate is appointed as a Board Director who is an Audit & Supervisory Committee Member, the individual will be included as an insured party under the policy. For a summary of the details of the directors' and officers' liability insurance policy, please refer to "2. Current Status of the Company (3) Status of Corporate Officers 1) Status of Board Directors and Audit & Supervisory Board Members (as of March 31, 2024) Note 8. Summary, etc., of Details of Board Directors and Officers Liability Insurance Policy" on p. 52 of the Business Report of the Japanese original.

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6. There is no plan to conclude an indemnity agreement between individual candidates and the Company regarding the expenses stipulated in Article 430-2, paragraph (1), item (i) of the Companies Act and the loss stipulated in item (ii) of the same paragraph.
7. Kaori Terunuma is entered into Japan's family register as Kaori Ohba.

Reference: Expertise and experience of Board Directors following this Ordinary General Shareholders' Meeting

Name	Position and post of responsibility in the Company following this Ordinary General Shareholders' Meeting	Corporate management Business strategy	Global	Production quality Research and development	ESG and Sustainability	Human resources management and Diversity	Finance, accounting and M&A	Legal affairs and Risk management
Eiji Sato	President, Chief Executive Officer	○				○	○	○
Hitoshi Saito	Vice President	○	○	○	○			
Kiyofumi Takano	Board Director	New	○	○	○			
Keiko Tsuchiya	Outside Board Director	Independent		○		○		
Kaori Terunuma	Board Director (Audit & Supervisory Committee Member)	New				○	○	○
Hidenori Sugiura	Outside Board Director (Audit & Supervisory Committee Member)	New Independent				○	○	○
Ikumi Sato	Outside Board Director (Audit & Supervisory Committee Member)	New Independent				○	○	○

Independent : The Company has designated Keiko Tsuchiya, Hidenori Sugiura and Ikumi Sato as Independent Officers as provided for by the Tokyo Stock Exchange, Inc., and has issued notice to the Tokyo Stock Exchange, Inc.

Corporate management and Business strategy : Assumes management experience, board director experience, business strategy, etc.

Global : Assumes experience and achievement of business development with a global mindset

ESG and Sustainability : Including the meaning of environment, social contribution activities, community creation activities, and sustainable business activities

Human resources management and Diversity : Assumes development, training, and utilization of self-sufficient personnel in response to diverse organizations and society, management, and initiatives related to diversity (activities for the active participation of women, etc.), etc.,

Finance, accounting and M&As : Assumes experience and knowledge in financial accounting and strategic M&As

Proposal 5: Election of One Alternate Board Director Who Is an Audit & Supervisory Committee Member

If Proposal 2, “Partial Amendments of the Articles of Incorporation,” is approved and passed as originally proposed, the Company will adopt a company with an Audit & Supervisory Committee system at the close of this Ordinary General Shareholders’ Meeting. Therefore, in case the number of Board Directors who are Audit & Supervisory Committee Members prescribed by law is not met, the election of one alternate Board Director who is an Audit & Supervisory Committee Member is requested.

The Board of Audit & Supervisory Board Members concur with this proposal.

The candidate for Alternate Board Director who is an Audit & Supervisory Committee Member has agreed to his appointment if the number of Board Directors who are Audit & Supervisory Committee Members prescribed by law is not met.

The candidate for Alternate Board Director who is an Audit & Supervisory Committee Member is as follows:

	Name (Date of birth)	Brief resume, positions and important concurrent positions held	Number of the Company’s shares owned
	Masahiko Todo (July 17, 1968)	Apr. 1997 Registered as an attorney at law (Daini Tokyo Bar Association) Joined Ushijima & Associates (currently Ushijima & Partners) Jan. 2005 Partner of Ushijima & Partners (Present post)	Common shares – shares
[Reason for nomination as a candidate for Alternate Outside Board Director who is an Audit & Supervisory Committee Member and overview of expected roles] Masahiko Todo has no direct experience of involvement in management of a company in the past, but he was selected as a candidate for Alternate Outside Board Director who is an Audit & Supervisory Committee Member because the Company expects him to utilize his high-level expertise and experience as an attorney in the Company’ auditing system and it has judged that he will be able to carry out the duties of an Board Director who is an Audit & Supervisory Committee Member in an appropriate manner.			

Notes:

- There is no special interest between Masahiko Todo and the Company.
- Masahiko Todo is a candidate for Alternate Outside Board Director who is an Audit & Supervisory Committee Member.
- If Masahiko Todo is appointed as a Board Director who is an Audit & Supervisory Committee Member, the Company plans to notify the Tokyo Stock Exchange, Inc. of his appointment as an Independent Officer in accordance with the provisions of the Tokyo Stock Exchange, Inc.
- If Masahiko Todo is appointed as a Board Director who is an Audit & Supervisory Committee Member, the Company plans to conclude an agreement with him limiting liability for damages as set forth in Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the same Act. A general outline of the provisions of the agreement is as follows:
 - In the event that a Board Director who is an Audit & Supervisory Committee Member is liable for damages to the Company due to the neglect of duties, the Board Director who is an Audit & Supervisory Committee Member will bear the liability, limited to the minimum amount stipulated in laws and regulations.
 - The liability limitation mentioned above shall be available only if the Board Director who is an Audit & Supervisory Committee Member has executed his/her duties which would constitute the cause of the liability in good faith and without gross negligence.
- The Company has entered into a directors’ and officers’ liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act, and the Company will cover damages incurred by the insured under the policy. If Masahiko Todo is appointed as a Board Director who is an Audit & Supervisory Committee Member, he will be included as an insured under the policy.
For a summary of the details of the directors’ and officers’ liability insurance policy, please refer to “2. Current Status of the Company (3) Status of Corporate Officers 1) Status of Board Directors and Audit & Supervisory Board Members (as of March 31, 2024) Note 8. Summary, etc., of Details of Board Directors and Officers Liability Insurance Policy” on p. 52 of the Business Report of the Japanese original.
- There is no plan to conclude an indemnity agreement between Masahiko Todo and the Company regarding the expenses stipulated in Article 430-2, paragraph (1), item (i) of the Companies Act and the loss stipulated in item (ii) of the same paragraph.

Proposal 6: Establishment of the Amount of Aggregate Base Salary for Board Directors (Excluding Board Directors Who Are Audit & Supervisory Committee Members)

If Proposal 2, “Partial Amendments of the Articles of Incorporation,” is approved and passed as originally proposed, the Company will adopt a company with an Audit & Supervisory Committee system at the close of this Ordinary General Shareholders’ Meeting. In connection with the Company’s adoption of a company with an Audit & Supervisory Committee system, the Company requests approval to set the fixed annual remuneration for Board Directors (excluding Board Directors who are Audit & Supervisory Committee Members, hereinafter the same) at up to 300 million yen (with up to 60 million yen for Outside Board Directors), not including the employee portion of remuneration for Board Directors concurrently serving as employees, and to delegate to the Board of Directors the authority to determine the specific payment amounts and the timing of payments to each Board Director.

There will be no change to the upper limit of 300 million yen per year before and after the adoption of a company with an Audit & Supervisory Committee system. The Board of Directors has decided on this proposal after receiving a report from the Compensation Advisory Committee that the proposal is appropriate as a result of its deliberations, and it is judged that the content is appropriate.

If Proposal 2, “Partial Amendment of the Articles of Incorporation,” and Proposal 3, “Election of Four Board Directors (Excluding Board Directors Who Are Audit & Supervisory Committee Members),” are approved and passed as originally proposed, the number of Board Directors related to this proposal will be four (including one Outside Board Director).

Proposal 7: Establishment of Performance Cash Bonus, Performance Cash Bonus Deferral in Restricted Stock, and Restricted Stock Compensation for Board Directors (Limited to Executive Board Directors)

If Proposal 2, “Partial Amendments of the Articles of Incorporation,” is approved and passed as originally proposed, the Company will adopt a company with an Audit & Supervisory Committee system at the close of this Ordinary General Shareholders’ Meeting. In connection with the Company’s adoption of a company with an Audit & Supervisory Committee system, the Company requests approval for the remuneration framework for the performance cash bonus system, the performance cash bonus deferral in restricted stock system, and the restricted stock compensation system (collectively referred to as “this system,” with the latter two collectively referred to as the “stock compensation system”) for Executive Board Directors (“directors” mentioned in each item of Article 363, paragraph (1) of the Companies Act, hereinafter the same), as detailed in the table “Contents of this proposal” below, and to delegate to the Board of Directors the authority to determine the specific timing and distribution of payments to each Executive Board Director.

There will be no change to the upper limit and calculation method before and after the adoption of a company with an Audit & Supervisory Committee system. The Board of Directors has decided on this proposal after receiving a report from the Compensation Advisory Committee that the proposal is appropriate as a result of its deliberations, and it is judged that the content is appropriate.

1. Contents of this proposal

Type of remuneration	Contents approved up until now		Contents of this proposal
	Date of resolution	Content of resolution	
Performance cash bonus	June 18, 2022 76th Ordinary General Shareholders’ Meeting	Performance cash bonus for Executive Board Directors shall be money not more than the amount (maximum amount) calculated by the following method (Calculation method) Performance cash bonus (maximum amount) = Profit before income taxes × (1 - most recent three fiscal years ^{*1} average effective tax rate ^{*2} - most recent three fiscal years ^{*1} average profit margin attributable to non-controlling shareholders ^{*3})* ⁴ × 1.6%	Same as on the left
Performance cash bonus deferral in restricted stock	June 18, 2022 76th Ordinary General Shareholders’ Meeting	Performance cash bonus deferral in restricted stock for Executive Board Directors shall be money not more than the amount (maximum amount) calculated by the following method, and the maximum aggregate number of common shares newly issued or disposed of by the Company as the performance cash bonus deferral in restricted stock (<u>hereinafter the “maximum number of performance-linked restricted shares issued”</u>) shall be 200,000 shares per fiscal year. (Calculation method) Performance cash bonus (maximum amount) = Profit before income taxes × (1 - most recent three fiscal years ^{*1} average effective tax rate ^{*2} - most recent three fiscal years ^{*1} average profit margin attributable to non-controlling shareholders ^{*3})* ⁴ × 3.4%	Performance cash bonus deferral in restricted stock for Executive Board Directors shall be money not more than the amount (maximum amount) calculated by the following method, and the maximum aggregate number of common shares newly issued or disposed of by the Company as the performance cash bonus deferral in restricted stock shall be 200,000 shares ^{*5} per fiscal year. (Calculation method) Same as on the left
Restricted stock compensation	June 19, 2021 75th Ordinary General Shareholders’ Meeting	Restricted stock compensation (monetary claims for allotment of restricted stock) for Executive Board Directors of not more than 300 million yen per year, and not more than 80,000 shares of common stock per fiscal year (<u>hereinafter,</u>	Restricted stock compensation (monetary claims for allotment of restricted stock) for Executive

		<p>“maximum number of restricted shares issued”; <u>Although a resolution was passed for 40,000 shares at the 75th Ordinary General Shareholders’ Meeting held on June 19, 2021, this maximum number was subsequently changed to 80,000 shares due to a two-for-one stock split of the Company’s common stock effective October 1, 2021.</u>) issued or disposed of by the Company as a restricted stock compensation system</p>	<p>Board Directors of not more than 300 million yen per year, and not more than 80,000 shares of common stock per fiscal year*⁵ issued or disposed of by the Company as a restricted stock compensation system</p>
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Notes:

1. Most recent three fiscal years: The three fiscal years prior to becoming eligible for payment of the performance-based compensation
2. Effective tax rate: “Corporate tax, etc. contribution after accounting for income tax” disclosed in the Annual Securities Report
3. Profit margin attributable to non-controlling shareholders: profit attributable to non-controlling shareholders (rounded down to nearest million yen) ÷ Profit before income taxes (rounded down to nearest million yen)
4. The percentage calculated as (1 - most recent three fiscal years’ average effective tax rate - most recent three fiscal years’ average profit margin attributable to non-controlling shareholders) is rounded to the third decimal place
5. In the event of a stock split or reverse stock split of the Company’s common stock or other unavoidable circumstances requiring adjustment of each such maximum number of shares, such maximum number of shares may be adjusted to a reasonable extent as necessary in accordance with the split ratio, reverse stock split ratio, etc.

If Proposal 3, “Election of Four Board Directors (Excluding Board Directors Who Are Audit & Supervisory Committee Members),” is approved as originally proposed, the number of Executive Board Directors subject to this system will be two. After the approval of this proposal as originally proposed, the Company plans to change the “Basic Policy on Determination of Individual Remuneration, etc. of Board Directors” (as described on page 53 of the Business Report) to conform to this proposal. This system will also be introduced and applied to the Company’s Senior Corporate Executive Officers.

Note that the details concerning the Senior Corporate Executive Officers stated in “2. Outline of the system” below serve as reference information.

2. Outline of the system

(1) Performance cash bonus

Performance cash bonus shall be paid in cash within the performance cash bonus (maximum amount) calculated in accordance with the calculation method for performance cash bonus in this proposal, and the total amount of remuneration for each fiscal year concerned (the fiscal year preceding a particular fiscal year in which falls a payment date of performance cash bonus), calculated according to “a) Calculation formula,” shall be allocated according to officers’ ranks of the payment recipient (Executive Directors and Senior Corporate Executive Officers; the same applies hereinafter) in the relevant fiscal year.

a) Calculation formula

Total amount of performance cash bonus (total amount to be paid) = profit before income taxes × (1 - most recent three fiscal years’ average effective tax rate - most recent three fiscal years’ average profit margin attributable to non-controlling shareholders) × payout ratio

- The maximum amount to be paid shall be the amount determined by the Board of Directors (“defined amount” as defined in Article 34, paragraph 1, Item 3 (a) (1) of the Corporation Tax Act; the same applies hereinafter).
- The payout ratio shall be determined by the Board of Directors after the Nomination and Compensation Committee’s report according to officers’ ranks and number of payment recipients for each fiscal year.
- Performance cash bonus will not be paid if profit before income taxes is less than zero.
- Amounts less than one million yen for profit before income taxes shall be rounded down to the nearest million yen.
- The total amount of performance cash bonus shall be rounded down to the nearest yen.

b) Allocation to each person

The amount to be paid to each recipient shall be determined by multiplying the total amount of performance cash bonus (total amount to be paid) by the number of points according to officers' ranks and dividing it by the total number of points of all the payment recipients for the remuneration. The points for each rank shall be determined by the Board of Directors each fiscal year, taking into consideration the number of recipients and the responsibilities of each rank, and after the report of the Nomination and Compensation Committee. If a payment recipient retires in the middle of the performance cash bonus payment period (the period from the date of the ordinary general shareholders' meeting for the two fiscal years preceding the specific fiscal year to which the performance cash bonus is paid to the date immediately preceding the date of the ordinary general shareholders' meeting for the preceding fiscal year), the points will be adjusted according to the number of months from the month following the month in which the start date of the performance cash bonus payment period falls to the month in which the payment recipient retires (including cases where the employee is no longer in the position of a payment recipient; the same applies hereinafter).

(2) Performance cash bonus deferral in restricted stock

Performance cash bonus deferral in restricted stock shall be paid in cash to fund the payment for the common stock of the Company within the performance cash bonus deferral in restricted stock (maximum amount) calculated in accordance with the calculation method for performance cash bonus deferral in restricted stock in this proposal, and the total amount of remuneration for the fiscal year concerned (the fiscal year preceding a particular fiscal year in which falls a payment date of performance cash bonus deferral in restricted stock), calculated according to "a) Calculation formula," shall be allocated according to officers' ranks of the payment recipient in the relevant fiscal year. The Company shall allot shares of common stock of the Company to each payment recipient of the performance cash bonus deferral in restricted stock (hereinafter "performance cash bonus deferral in restricted stock maximum amount") by issuing new shares or disposing of treasury stock in an amount not exceeding 200,000 shares, and each payment recipient shall pay the amount of performance cash bonus deferral in restricted stock (However, this excludes the amount equivalent to income tax, inhabitant tax, other taxes and social insurance premiums corresponding to the amount equivalent to performance cash bonus deferral in restricted stock, fees required for payment and the amount less than the amount to be paid in for a share unit of stock, etc.; the same applies hereinafter) paid to it.

The performance cash bonus deferral in restricted stock shall be paid on the condition that the payment recipient agrees to pay the amount of the performance cash bonus deferral in restricted stock to be paid in proportion to the allotment of newly issued or disposed common stock by the Company, and the execution of a performance cash bonus deferral in restricted stock allocation agreement with the Company that includes certain details, such as a set restricted transfer period (three years from the payment date) and that the allotted shares of common stock of the Company may not be transferred, pledged as collateral, or otherwise disposed of.

However, in the event that a law or judicial judgment prevents the Company from issuing or disposing of common shares to deliver to each recipient under the performance cash bonus deferral in restricted stock system, the payment recipient will receive the compensation in cash only (without exchanging this cash for common shares).

If the number of common shares that should be issued or disposed of under the performance cash bonus deferral in restricted stock system exceeds the maximum number(*) of performance-linked restricted shares issued or maximum number of shares held by eligible individuals, the Company will pay the amount equivalent to the number of excess shares in cash as compensation for the performance cash bonus deferral in restricted stock.

Moreover, if a person inherits from a recipient the right to receive compensation for performance cash bonus deferral in restricted stock, this person will receive the compensation in cash only.

(*) Please refer to "(4) Stock compensation system (Allocation conditions)" (p. 29) below for details.

a) Calculation formula

Total amount of performance cash bonus deferral in restricted stock (total amount to be paid) = profit before income taxes × (1 - most recent three fiscal years' average effective tax rate - most

recent three fiscal years' average profit margin attributable to non-controlling shareholders) × payout ratio

- The maximum amount to be paid shall be the amount determined by the Board of Directors (“defined amount” as defined in Article 34, paragraph 1, Item 3 (a) (1) of the Corporation Tax Act; the same applies hereinafter).
- The payout ratio shall be determined by the Board of Directors after the Nomination and Compensation Committee’s report according to officers’ ranks and number of payment recipients for each fiscal year.
- Performance cash bonus deferral in restricted stock will not be paid if profit before income taxes is less than zero.
- Amounts less than one million yen for profit before income taxes shall be rounded down to the nearest million yen.
- The total amount of performance cash bonus deferral in restricted stock shall be rounded down to the nearest yen.

b) Allocation to each person

The amount to be paid to each recipient shall be determined by multiplying the total amount of performance cash bonus deferral in restricted stock (total amount to be paid) by the number of points according to officers’ ranks and dividing it by the total number of points of all the payment recipients for the remuneration. The points for each rank shall be determined by the Board of Directors each fiscal year, taking into consideration the number of recipients and the responsibilities of each rank, and after the report of the Nomination and Compensation Committee. If a payment recipient retires in the middle of the performance cash bonus deferral in restricted stock payment period (the period from the date of the ordinary general shareholders’ meeting for the two fiscal years preceding the specific fiscal year to which the performance cash bonus deferral is paid to the date immediately preceding the date of the ordinary general shareholders’ meeting for the preceding fiscal year), the points will be adjusted according to the number of months from the month following the month in which the start date of the performance cash bonus deferral in restricted stock payment period falls to the month in which the payment recipient retires (including cases where the employee is no longer in the position of a payment recipient; the same applies hereinafter).

(3) Restricted stock compensation

The amount of monetary claims to be paid to each payment recipient as restricted stock compensation will be set by position at the time the payment recipient is allotted shares of common stock as compensation for the execution of duties during the period subject to the payment of restricted stock compensation (the period from the date of the ordinary general shareholders’ meeting for the fiscal year preceding the specific fiscal year to which the restricted stock compensation is paid to the date immediately preceding the date of the ordinary general shareholders’ meeting for that specific fiscal year).

Payment recipients have concluded a restricted stock compensation with the Company that the payment recipient agrees to pay in the entirety of monetary remuneration claims paid to the Company as assets in kind in accordance with the allotment of up to 80,000 newly issued or disposed of shares of the Company’s common stock (hereinafter “maximum number of shares of restricted stock to be issued”); execute a restricted stock allotment agreement with the Company, which includes certain provisions such as a) that the allotted shares of common stock may not be transferred, pledged, or otherwise disposed of during a set restricted transfer period (10 years from the payment date) and b) that if certain events occur during the restricted transfer period, the Company will acquire the shares without compensation. Moreover, the conditions for payment are that the payment recipient holds the position of a payment recipient of the Company immediately prior to the pay-in date for the new shares or allocated treasury shares subject to the stated allocation, and that the new share issue or treasury share allocation subject to the stated allocation has not been halted on the grounds of revocation, injunction, or other reason.

(4) Stock compensation system

Under the stock compensation system, subject to the conditions in a) through d) below, shares of common stock to be newly issued or disposed of by the Company shall be allocated to the Executive Board Directors and Senior Corporate Executive Officers (below in (4)), “payment recipients”) by allotment of specified restricted stock for the restricted stock compensation or by third-party allotment for the performance cash bonus deferral in restricted stock.

(Allocation conditions)

- a) The aggregate number of common shares newly issued or disposed of by the Company under both the restricted stock system and the performance cash bonus deferral in restricted stock system for a given fiscal year shall be less than 2,840,000 shares when combined with the common shares held by all executive directors (limited to the individuals who are an executive director of the Company at the time of receipt) who have received such common shares (hereinafter the “maximum number of shares held by eligible individuals”).
- b) The maximum number of restricted shares issued, the maximum number of performance-linked restricted shares issued, and the maximum number of shares held by eligible individuals may be adjusted to a reasonable extent, as necessary, in accordance with the split ratio, consolidation ratio, etc., if a stock split or reverse stock split of the Company’s common stock occurs or if any other unavoidable event arises that requires adjustment of the respective maximum numbers.
- c) When determining the number of shares allocated based on the stock compensation system, the number of common shares allocated based on the restricted stock system shall be given priority.
- d) The amount paid in per common share of the Company allocated based on the stock compensation system shall be the closing price of the Company’s common shares on the Tokyo Stock Exchange, Inc. on the business day prior to the date of each Board of Directors meeting to determine details of offerings related to the common shares issued or disposed of, in principle (if no trades were executed on that day, the closing price on the most recent day on which the stock was traded). The Board of Directors will determine an amount that does not afford the payment recipient receiving the common shares a special advantage.

Proposal 8: Establishment of the Amount of Aggregate Base Salary for Board Directors Who Are Audit & Supervisory Committee Members

If Proposal 2, “Partial Amendments of the Articles of Incorporation,” is approved and passed as originally proposed, the Company will adopt a company with an Audit & Supervisory Committee system at the close of this Ordinary General Shareholders’ Meeting. In this proposal, the Company requests approval that the fixed amount of remuneration for Board Directors who are Audit & Supervisory Committee Members shall be once again no more than 7 million yen per month.

The Company believes that the amount of remuneration for this proposal is reasonable in light of the responsibilities of Board Directors who are Audit & Supervisory Committee Members.

If Proposal 2, “Partial Amendments of the Articles of Incorporation,” and Proposal 4, “Election of Three Board Directors Who Are Audit & Supervisory Committee Members” are approved and passed as originally proposed, the number of Board Directors who are Audit & Supervisory Committee Members will be three.