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(Stock Exchange Code 7607)

October 25, 2023

(Start date of electronic provision measures: October 24, 2023)

To Shareholders with Voting Rights:

Tetsuo Nemoto
President
SHINWA Co., Ltd.
2-9-3, Naeshiro, Moriyama, Nagoya,
Aichi 463-0046 Japan

NOTICE OF
THE 73rd ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

We are pleased to inform you that the 73rd Annual General Meeting of Shareholders of SHINWA Co., Ltd. (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision. Items for electronic provision are provided as the “Notice of the 73rd Annual General Meeting of Shareholders” on the below website.

The Company’s website: https://www.shinwa-jpn.co.jp/english/ir/stockholders_meeting.html

In addition to the above website, the Company has also disclosed items for electronic provision on the below website of the Tokyo Stock Exchange.

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

Please access the above website, enter and search for the Company’s name or securities code, then select “Basic information,” “Documents for public inspection/PR information.”

“Net de Shoshu (online convocation)” service website (Japanese only): <https://s.srdb.jp/7607/>

Given the current situation with novel coronavirus disease (COVID-19), in order to protect shareholders’ safety and prevent infections, we request that shareholders exercise their voting rights in writing or via the internet in advance, whenever possible.

Please review the Reference Documents for the General Meeting of Shareholders provided in the items for electronic provision, and exercise your voting rights no later than the end of the business day (6:00 p.m.), Wednesday, November 15, 2023, Japan time.

1. Date and Time: Thursday, November 16, 2023 at 10:00 a.m. Japan time
2. Place: Conference room on the eighth floor of the Head Office, located at 2-9-3, Naeshiro, Moriyama, Nagoya, Aichi 463-0046 Japan
3. Meeting Agenda:
 - Matters to be reported:
 - (1) The Business Report, Consolidated Financial Statements for the Company's 73rd Fiscal Year (September 1, 2022 - August 31, 2023) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 - (2) Non-consolidated Financial Statements for the Company's 73rd Fiscal Year (September 1, 2022 - August 31, 2023)
 - Proposals to be resolved:
 - Proposal 1: Appropriation of Surplus
 - Proposal 2: Election of Eight Directors (excluding Directors who are Audit and Supervisory Committee Members)
 - Proposal 3: Revision of the Restricted Stock Remuneration Plan for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members)
 - Proposal 4: Payment of Bonuses to Officers
4. Other matters relating to the convocation of the General Meeting of Shareholders
 - Please note that any voting right exercised without an indication of for or against a proposal on the Voting Rights Exercise Form shall be treated as an intent of approval.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company considers the return of profits to shareholders as one of its most important management priorities and makes it a basic policy to strive for constant and stable return of profits while taking into account the progress of its business performance. In concrete terms, the Company strives to increase profit distribution through sustained increase in business performance, with a target dividend payout ratio of 30%.

Based on this policy, and comprehensively taking into consideration our financial situation and capital efficiency, the Company proposes the following year-end dividend for the fiscal year under review, in order to further return profits to our shareholders. Together with the interim dividend of ¥36 per share, the annual dividend shall be ¥90 per share.

We intend to use internal reserves to bolster our corporate strength and develop business going forward, while making efforts to ensure shareholder returns into the future.

1. Matters concerning year-end dividend

(1) Type of dividend assets

Cash

(2) Matters concerning allocation of dividend assets and the total amount thereof

Dividend per common share of the Company: ¥54.00 Total: ¥722,348,226

(3) Effective date of dividends of surplus

November 17, 2023

2. Matters concerning appropriation of other surplus

(1) Item and amount of surplus to be increased

General reserve:

¥500,000,000

(2) Item and amount of surplus to be decreased

Retained earnings brought forward:

¥500,000,000

Proposal 2: Election of Eight Directors (excluding Directors who are Audit and Supervisory Committee Members)

At the conclusion of this Annual General Meeting of Shareholders, the terms of office of all of the seven Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire. Accordingly, the Company proposes the election of eight Directors (excluding Directors who are Audit and Supervisory Committee Members) including one new candidate, based on reports from the Nomination and Remuneration Advisory Committee.

This proposal was deliberated by the Audit and Supervisory Committee and no particular objections were expressed. The candidates for Director (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

No.	Name	Current positions and responsibilities at the Company
1	Tetsuo Nemoto	President; President & CEO; All company integration [Reappointment]
2	Yoshiro Takitani	Director; Senior Managing Executive Officer; General Manager, Overseas Business Division [Reappointment]
3	Shuji Ishikawa	Director; Managing Executive Officer; General Manager, Marketing Division; General Manager, Mid-Japan District Head Office [Reappointment]
4	Hiroki Hamada	Director; Senior Executive Officer; Supervisor, Nagoya Sales Department III; Supervisor, Strategies Sales Promotion Department [Reappointment]
5	Kiyoshi Kato	Director; Senior Executive Officer; General Manager, Management Division [Reappointment]
6	Morihiko Okura	Director; Senior Executive Officer; General Manager, Manufacturing Division [Reappointment]
7	Junichi Kagawa	Director [Reappointment] [Outside] [Independent]
8	Noriko Asai	— [New appointment] [Outside] [Independent]

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
1	Tetsuo Nemoto (September 14, 1951) [Reappointment] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	November 1997 Director of the Company November 2001 Managing Director November 2003 Senior Managing Director November 2013 President November 2020 President President & CEO (to present)	424,570
[Reason for nomination as candidate for Director] As Representative Director of the Company, Mr. Tetsuo Nemoto is responsible for the management of the Group as a whole based on his deep insight and has abundant experience and achievements in all of the marketing, manufacturing and management divisions. Therefore, the Company has judged that he is qualified to make important business decisions and supervise the execution of duties by the Directors and has once again nominated him as a candidate for Director.			
2	Yoshiro Takitani (December 2, 1963) [Reappointment] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	April 2000 Director of SHINWA INTEC Co., Ltd. (secondment) November 2011 Director of the Company November 2016 Managing Director November 2018 Senior Managing Director November 2020 Director, Senior Managing Executive Officer (to present) [Significant concurrent positions] Chairman of SHINWA U.S.A. CORPORATION President of SHINWA INTEC Co., Ltd. President of SHINWA (INDIA) ENGINEERING & TRADING PRIVATE LIMITED Chairman of SHINWA REPRESENTAÇÃO COMERCIAL DO BRASIL LTDA. Representative Director of PT. SANTAKU SHINWA INDONESIA President of SHINWA INTEC MALAYSIA SDN. BHD. President of SHINWA ENGINEERING S.A. de C.V. Chairman of SHINWATEC LIMITED	30,696
[Reason for nomination as candidate for Director] Mr. Yoshiro Takitani has been responsible for the management of the overseas subsidiaries for many years. As Director of the Overseas Business Division, he has been significantly contributing to the improvement of the Company's business performance. Moreover, the Company has judged that he will leverage his abundant overseas experience and knowledge and has the ability to lead operations in general, including domestic sales. Therefore, the Company has once again nominated him as a candidate for Director.			
3	Shuji Ishikawa (July 10, 1969) [Reappointment] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	April 2008 General Manager, Nagoya Sales Department III of the Company April 2012 General Manager, Nagoya Sales Department II November 2015 Executive Officer General Manager, Nagoya Sales Department II November 2016 Director November 2018 Managing Director November 2020 Director, Managing Executive Officer (to present) [Significant concurrent positions] Executive Director of SHINWA (SHANGHAI) Co., Ltd.	26,197
[Reason for nomination as candidate for Director] Mr. Shuji Ishikawa has been responsible for sales to the Company's major clients for many years. He currently oversees the Marketing Division as Director. He has been significantly contributing to the improvement of the domestic sales division's business performance as a whole with a flexible attitude toward change based on his experience in sales to date. Therefore, the Company has judged that he is qualified as Director of the Company and has once again nominated him as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
4	Hiroki Hamada (June 1, 1968) [Reappointment] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	April 2007 General Manager, Nagoya Sales Department I of the Company April 2010 Executive Vice President and COO of SHINWA U.S.A. CORPORATION (secondment) December 2012 General Manager, Nagoya Sales Department III of the Company November 2015 Executive Officer November 2017 General Manager, Nagoya Sales Department III Managing Executive Officer November 2019 General Manager, Nagoya Sales Department III Director November 2020 Director, Senior Executive Officer (to present)	27,675
		[Reason for nomination as candidate for Director] Mr. Hiroki Hamada has been responsible for sales to the Company's major clients for many years. He currently oversees the Nagoya Sales Department III and the Strategies Sales Promotion Department as Director. He also has a wide range of experience in sales, including serving as a person responsible for the overseas subsidiaries, and has been significantly contributing to the improvement of the Company's business performance. Therefore, the Company has judged that he is qualified as Director of the Company and has once again nominated him as a candidate for Director.	
5	Kiyoshi Kato (September 26, 1964) [Reappointment] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	April 2007 Assistant Manager, Nagoya Sales Department III of the Company December 2008 Assistant Manager, Accounting Department and Manager, Purchasing Section April 2010 General Manager, Purchasing Department November 2015 Executive Officer General Manager, Purchasing Department November 2016 Executive Officer General Manager, General Affairs Department November 2019 Director November 2020 Director, Senior Executive Officer (to present)	12,163
		[Significant concurrent positions] President of AISIN CORPORATION [Reason for nomination as candidate for Director] Mr. Kiyoshi Kato served in the sales division of the Company for many years before being transferred to the Management Division to serve as General Manager of the Purchasing Department. He currently oversees the Management Division as Director. As he has experience in both sales and management divisions, he is capable of making balanced decisions. Therefore, the Company has judged that he is qualified as Director of the Company and has once again nominated him as a candidate for Director.	

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
6	Morihiro Okura (August 4, 1962) [Reappointment] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	April 1985	Joined TOYOTA MOTOR CORPORATION	7,317
		March 1999	Toyota Motor North America, Inc. (secondment)	
		January 2006	Head, Technical Management Office, Body Production Engineering Department	
		April 2015	General Manager, Process Improvement Department	
		January 2019	Executive Officer Deputy General Manager, Manufacturing Division, and General Manager, Manufacturing Department of the Company (secondment)	
		October 2020	Joined the Company Executive Officer, Deputy General Manager, Manufacturing Division, and General Manager, Manufacturing Department	
		November 2020	Director, Senior Executive Officer (to present)	
		[Significant concurrent positions] President of YANTAI SHINWA JOINT TECHNOLOGY Co., Ltd. President of SHINWA TIANJIN FACTORY AUTOMATION SYSTEM CENTER		
	[Reason for nomination as candidate for Director] From TOYOTA MOTOR CORPORATION, Mr. Morihiro Okura was seconded to the Company in January 2019 and joined it in October 2020. He currently oversees the Manufacturing Division as Director. With his extensive expertise, skill, and human networks gained through years of experience at TOYOTA MOTOR CORPORATION, he has achieved great results not only at the manufacturing division but also at the sales division of the Company. Therefore, the Company has judged that he is qualified as Director of the Company and has once again nominated him as a candidate for Director.			
7	Junichi Kagawa (September 19, 1950) [Reappointment] [Outside] [Independent] [Attendance at the Board of Directors meetings] 15 out of 15 meetings	April 1977	Joined NGK SPARK PLUG CO., LTD.	—
		June 2003	Member of the Board	
		June 2007	Member of the Board (Managing Director)	
		June 2009	Member of the Board (Senior Managing Director)	
		June 2011	Advisor and Executive Technical Officer	
		June 2012	Outside Director of CKD Corporation	
		November 2021	Director of the Company (to present)	
	[Reason for nomination as candidate for Director and expected role] Mr. Junichi Kagawa has been involved in the management of leading manufacturers and has broad insight into the field of manufacturing in general. Therefore, the Company has judged that he is able to provide supervision over, and appropriate advice on, the management of the Company as a whole based on his extensive experience and high level of knowledge, and has once again nominated him as a candidate for Outside Director.			

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
8	Noriko Asai (July 25, 1964) [New appointment] [Outside] [Independent] [Attendance at the Board of Directors meetings] —	<p>April 1997 Research Assistant, School of Economics, Nagoya University</p> <p>March 1999 Ph.D. (Economics), Nagoya University</p> <p>April 2007 Professor, School of Management, Chukyo University</p> <p>June 2015 Outside Director of CKD Corporation</p> <p>June 2020 Outside Director of IBIDEN CO., LTD. (to present)</p> <p>June 2021 Outside Director of Okuma Corporation (to present)</p> <p>October 2021 Guest Lecturer, Graduate School of Economics, Nagoya University</p>	—
<p>[Reason for nomination as candidate for Director and expected role] Although Ms. Noriko Asai has no experience involving corporate management directly other than serving as an Outside Director in the past, as a Ph.D. in Economics, she possesses advanced academic knowledge and abundant experience specializing in production management. Therefore, the Company expects that she is able to provide appropriate advice and supervision from an independent standpoint based on her specialized insight, and has newly nominated her as a candidate for Outside Director.</p>			

(Notes)

1. There are no special interests between each candidate and the Company.
2. The number of shares of the Company held by each candidate is as of August 31, 2023. It includes the respective candidate's holdings in the officer's shareholding association of the Company.
3. The current responsibilities of each candidate at the Company are as stated on page 4.
4. Mr. Junichi Kagawa is a candidate for reappointment as Outside Director.
5. Ms. Noriko Asai is a new candidate for Outside Director.
6. Mr. Junichi Kagawa, a candidate for Outside Director, fulfills the requirements for independent directors as defined by Tokyo Stock Exchange and the standards for independence of the Company. Therefore, the Company has filed him as an independent director. Also, if Ms. Noriko Asai, a new candidate for Outside Director, is elected as originally proposed, the Company plans to file her as an independent director to the Tokyo Stock Exchange and the Nagoya Stock Exchange, as she fulfills the requirements for independent directors as defined by both Exchanges and the standards for independence of Outside Directors of the Company. For the standards for independence of Outside Directors of the Company, please refer to page 11.
7. Mr. Junichi Kagawa is currently an Outside Director of the Company, and his term of office as an Outside Director will be two years as of the end of this General Meeting of Shareholders.
8. In accordance with the provisions of Article 427, Paragraph 1, of the Companies Act, the Company has entered into agreements with Directors (excluding those who are executive directors, etc.) to limit the liability under Article 423, Paragraph 1, of the said Act. The maximum amount of liability under the agreements shall be the amount specified by laws and regulations. If Mr. Junichi Kagawa is reelected, the Company will enter into such an agreement with him to limit liability. Also, if the new candidate for Outside Director, Ms. Noriko Asai, is elected as originally proposed, the Company will enter into such an agreement with her to limit liability.
9. The Company has entered into a directors and officers liability insurance contract with an insurance company. The insurance policy covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. If the candidates assume the office of Director, they will be insured under the insurance contract. The insured does not bear the premiums. The Company plans to renew the insurance policy with the same details in January 2024.

[Reference]

Composition of the Board of Directors (To Be Adopted after the Conclusion of this Annual General Meeting of Shareholders)

Directors	Key competency areas expected of each Director							
	Planning and management/ Management strategy	Sales/ Marketing	Manufacturing/ Technology	Global business	Legal affairs/ Risk management	Finance/ Accounting	Environment/ Social issues	Internal control/ Governance
Tetsuo Nemoto	●	●	●				●	●
Yoshiro Takitani	●	●		●			●	●
Shuji Ishikawa	●	●	●	●				
Hiroki Hamada	●	●	●	●				
Kiyoshi Kato	●				●	●	●	●
Morihiko Okura	●		●	●			●	
Junichi Kagawa [Outside] [Independent]	●		●		●			●
Noriko Asai [Outside] [Independent]	●		●				●	●
Tsuneari Moteki, Audit and Supervisory Committee Member	●			●	●	●		●
Masaaki Naito, Audit and Supervisory Committee Member [Outside] [Independent]	●				●		●	●
Yoshiaki Shiga, Audit and Supervisory Committee Member [Outside] [Independent]	●				●	●		●
Kazuhito Akiba, Audit and Supervisory Committee Member [Outside] [Independent]	●					●	●	●

[Reference]

Standards for Independence of Outside Directors

The Company has established the independence standards of Outside Directors as follows. In the event that any of the following items are applicable, they shall be deemed not to have sufficient independence to the Company:

1. Executors of operations of the Company and its subsidiaries, or those who were executors of operations even once in the past (Note 1)
2. Major shareholders who own 5% or more of the Company's voting rights or their executors of operations
3. Executor of operations of companies which fall under any of the following:
 - (1) Major suppliers of the Group (Note 2)
 - (2) Major customers of the Group (Note 3)
 - (3) Companies that the Company owns 5% or more of their voting rights
4. Professionals who belong to organizations that fall under any of the following:
 - (1) Professionals who belong to the audit corporation that is the accounting auditor of the Company, or professionals who belong to the consulting tax accountant office of the Company
 - (2) Other professionals such as consultants, accountants, attorneys and the like whom the Company paid ¥10,000,000 or more per year other than remuneration of directors
5. Those who receive donations of ¥10,000,000 or more per year from the Company, or executors of operations of entities
6. Those who are from companies where Directors of the Company took office as outside officers
7. Spouses or relatives within the second degree of kinship of the above 1. to 6.
8. Those who had fallen under the above 2. to 7. in the last five years

- (Notes)
1. Executors of operations refer to executors of operations stipulated in Article 2, Paragraph 3, Item 6 of the Regulation for Enforcement of the Companies Act and include not only executive directors but also executive officers and employees. Audit & Supervisory Board Members are not included.
 2. Major suppliers refer to a company and its group companies that have 2% or more of the Group's consolidated purchase price.
 3. Major customers refer to a company and its group companies that have 2% or more of the Group's consolidated sales.

End

Proposal 3: Revision of the Restricted Stock Remuneration Plan for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members)

The amount of monetary remuneration for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) was approved at an amount not exceeding ¥300 million per year at the 66th Annual General Shareholders' Meeting held on November 17, 2016 (excluding, however, employee salaries for Directors who concurrently serve as employees of the Company). Moreover, at the 67th Annual General Shareholders' Meeting held on November 16, 2017, it was approved that, in accordance with the Restricted Stock Remuneration Plan (hereinafter the "Plan"), separate to the existing monetary remuneration for Directors, Directors of the Company (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members, hereinafter "Eligible Directors") shall be provided with monetary remuneration receivables not exceeding ¥50 million per year as in-kind contribution for acquiring restricted stock, and the total number of common shares of the Company to be issued or disposed of based on the Plan shall not exceed 50,000 shares per year, while the transfer restriction period of the restricted stock shall be a period prescribed in advance by the Company's Board of Directors between three (3) and five (5) years from the payment date of monetary remuneration receivables.

This time, in order to further increase incentives to sustainably enhance the Company's corporate value and to promote greater value sharing with shareholders, with regard to the transfer restriction period of the restricted stock issued or disposed of by the Company to Eligible Directors based on the Plan, the Company seeks approval to revise the existing transfer restriction period of "a period prescribed in advance by the Company's Board of Directors of between three (3) and five (5) years from the payment date of monetary remuneration receivables" to "a period from the date of delivery of the restricted stock to the date of loss of position as a Director of the Company or any other position determined by the Board of Directors of the Company" (hereinafter the "Revision"). As a result of this Revision, necessary modifications will be made to the conditions for lifting of Transfer Restrictions, etc. under the Plan. The Revision shall apply to restricted stock to be granted in the future and will not change the transfer restriction period, etc. of restricted stock which has already been granted.

The current number of Eligible Directors is six. Even if Proposal 2 is approved as originally proposed, there will be no change in the number of Eligible Directors.

Details of the Plan after the Revision shall be as follows.

Eligible Directors shall provide all of the monetary remuneration receivables paid for the grant of the restricted stock as in-kind contribution, and shall receive common shares issued or disposed of by the Company in accordance with the resolution of the Board of Directors of the Company. Based on the Plan, Eligible Directors shall be provided with monetary remuneration receivables not exceeding ¥50 million per year as in-kind contribution for acquisition of the restricted stock, and the total number of common shares of the Company to be issued or disposed of based on the Plan shall not exceed 50,000 shares per year. Provided, however, that said total number may be adjusted within a reasonable range in the case that a stock split (including allotment of the Company's common shares without contribution) or a stock consolidation of the Company's common shares is conducted on or after the day when this Proposal is approved or whenever any other reason arises that would require the adjustment of the total number of the Company's common shares that are issued or disposed of as restricted stock. The amount to be paid per share issued or disposed of by the Company based on the Plan shall be determined by the Board of Directors within a range that is not particularly favorable to Eligible Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately prior to the date of the resolution of allotment by each Board of Directors meeting (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day).

In addition, upon the issuance or disposal of the Company's common shares under the Plan, the Company and each Eligible Director shall enter into a restricted stock allotment agreement (hereinafter the "Allotment Agreement") that includes, in summary, the following details.

1. An Eligible Director must not transfer, create a security interest in or otherwise dispose of the shares of the Company's common stock that are allotted according to the Allotment Agreement (hereinafter the "Allotted Shares") during a period from the date of delivery of the restricted stock to the date of loss of position as a Director of the Company or any other position determined by the Company's Board of Directors (hereinafter the "Transfer Restriction Period"). (Such restrictions are hereinafter collectively referred to as "Transfer Restrictions.")

2. If an Eligible Director loses his or her position as a Director of the Company or any other position determined by the Company's Board of Directors prior to the expiry of the period separately prescribed by the Board of Directors of the Company (hereinafter the "Service Period"), the Company shall naturally acquire the Allotted Shares without any compensation, unless the Board of Directors of the Company has a justifiable reason.
3. On the condition that an Eligible Director has served in his or her position prescribed in Item 2 above without break throughout the Service Period, the Company will lift Transfer Restrictions for all of the Allotted Shares at the expiration of the Transfer Restriction Period. However, if an Eligible Director loses his or her position prescribed in Item 2 above prior to the expiry of the Service Period for reasons deemed justifiable by the Company's Board of Directors as prescribed in Item 2 above, the number of Allotted Shares for which Transfer Restrictions are lifted and the timing when the Transfer Restrictions are lifted shall be reasonably adjusted as necessary.
4. The Company shall, without any compensation, naturally acquire the Allotted Shares for which Transfer Restrictions have not been lifted at the time when the Transfer Restriction Period expires based on the provisions of Item 3 above.
5. In the case that a proposal for a merger agreement under which the Company will be absorbed, a share exchange agreement or a stock transfer plan under which the Company will become a wholly owned subsidiary or other forms of reorganization of the Company was approved by the Company's General Meeting of Shareholders (or the Company's Board of Directors when such reorganization does not require approval of the Company's General Meeting of Shareholders) during the Transfer Restriction Period, the Company will, by a resolution of its Board of Directors, lift the Transfer Restrictions of the reasonably determined number of Allotted Shares prior to the effective date of such reorganization.
6. In the case prescribed in Item 5 above, the Company shall, without any compensation, naturally acquire the Allotted Shares for which Transfer Restrictions have not yet been lifted as of the time immediately after the lifting of the Transfer Restriction based on the provisions of Item 5 above.
7. A method of indication of intention or notification under the Allotment Agreement, a method of revising the Allotment Agreement and/or other matters determined by the Board of Directors shall constitute the provisions of the Allotment Agreement.

The Company has set a basic policy regarding the content of compensation, etc., for individual Directors, at the Board of Directors meeting held on February 22, 2021, and the grant of the restricted stock under this proposal is in line with that policy. In addition, as stated above, the amount to be paid for the Allotted Shares is within a range that is not particularly favorable, and the dilution ratio is minimal, therefore the Company believes that the grant of the Allotted Shares is reasonable.

[Reference]

Subject to the approval of this proposal, the Company plans to grant the same restricted stock to the Company's Executive Officers as the restricted stock after this Revision.

Proposal 4: Payment of Bonuses to Officers

The Company proposes to pay a total of ¥35,000 thousand as bonuses to the six Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) in office as of the end of the fiscal year under review, in consideration of the Company's business performance and other factors during the fiscal year under review.

The Company has set a policy on determining the content of remuneration for individual Directors, etc. at the Board of Directors meeting held on February 22, 2021. The Company believes that this proposal is consistent with the policy and is therefore appropriate.

The Company requests that the amounts to be paid to the individual Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) be left to the discretion of the Board of Directors.