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Securities Code: 9934
May 31, 2024

To our shareholders:

Seichi Kita
President and Representative Director
Inaba Denki Sangyo Co., Ltd.
4-11-14, Itachibori, Nishi-ku, Osaka

Notice of the 76th Annual General Meeting of Shareholders

You are cordially invited to attend the 76th Annual General Meeting of Shareholders of Inaba Denki Sangyo Co., Ltd. (the “Company”), which will be held as described below.

When convening this general meeting of shareholders, the Company takes measures for providing in electronic format the information that constitutes the content of reference documents for the shareholders meeting, etc. (matters for which measures for providing information in electronic format are to be taken). This information is posted on each of the following websites, so please access either of those websites to confirm the information.

The Company’s website:

<https://www.inaba.co.jp/financer/stocksinfo/meeting/> (in Japanese)

(Access the Company’s website above and check the “Related Documents” section.)

TSE website (Listed Company Search):

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

(Access the TSE website using the internet address shown above, enter “Inaba Denki Sangyo Co., Ltd.” in “Issue name (company name)” or the Company’s securities code “9934” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/9934/teiji/> (in Japanese)

Those unable to attend the meeting in person may exercise their voting rights via the Internet, etc. or in writing; please review the Reference Documents for the General Meeting of Shareholders below and exercise your voting rights by 5:15 p.m. on Thursday, June 20, 2024 (JST).

1. **Date and Time:** Friday, June 21, 2024, at 10:00 a.m. (JST)
2. **Place:** The Company's 11th Floor Conference Room
4-11-14, Itachibori, Nishi-ku, Osaka

3. **Purpose of the Meeting**

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 76th fiscal year (from April 1, 2023 to March 31, 2024), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 76th fiscal year (from April 1, 2023 to March 31, 2024)

Matters to be resolved

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 3** Election of Four Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 4** Determination of Remuneration for the Allotment of Restricted Stock to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

- Of the matters for which measures for providing information in electronic format are to be taken, the following matters are posted online on the aforementioned websites pursuant to the provisions of laws and regulations and the Articles of Incorporation, and are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents.

- 1) "Matters Related to Share Acquisition Rights, Etc. of the Company," and "Systems and Policies of the Company" in the Business Report
- 2) "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
- 3) "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-Consolidated Financial Statements

Documents subject to audit, including the matters stated above, have been audited by the Audit and Supervisory Committee and the Financial Auditor.

- In the event of revisions to the matters for which measures for providing information in electronic format are to be taken, a notice of the revisions and the details of the matters before and after the revisions will be posted on the aforementioned websites.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

The Company considers the return of profit to its shareholders as one of the priority issues of management and it follows a basic policy to maintain a medium-term total return ratio, which includes both dividends and purchases of treasury shares, at the 50% level. In addition to paying stable dividends twice a year (interim dividend and year-end dividend), the Company pays special dividends and implements purchases of treasury shares in a flexible manner, taking into consideration stock market trends.

Based on this policy, the Company proposes to pay an ordinary dividend for the current fiscal year of ¥60 per share. Furthermore, the Company proposes to pay an additional ¥10 per share as a special dividend to reciprocate the support received from our shareholders for a total year-end dividend of ¥70 per share. As a result, when combined with the interim dividend already paid of ¥60 per share, it adds up to an annual dividend of ¥130 per share.

Year-end dividends

1) Type of dividend property

Cash

2) Allotment of dividend property and their aggregate amount

¥70 per common share of the Company

Total dividends ¥3,918,445,230

3) Effective date of dividends of surplus

June 24, 2024

Proposal No. 2 Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all five Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, the same applies in this proposal) will expire at the conclusion of this meeting. In that regard, the Company proposes the election of five Directors.

As for this proposal, the Audit and Supervisory Committee of the Company has judged that all the candidates for Director are qualified.

The candidates for Director are as follows.

List of candidates

Candidate No.	Name	Position and Responsibilities in the Company
1	Reelection Yoshihiro Moriya	Chairperson and Representative Director
2	Reelection Seiichi Kita	President and Representative Director
3	Reelection Kazumi Horike	Director and Senior Managing Executive Officer and supervising Strategic Sales Headquarters and Industrial Automation Company
4	Reelection Hiroaki Tashiro	Director and Managing Executive Officer, Electrical Construction Materials Company and supervising Safety and Quality Management Division
5	Reelection Naoto Mizokoshi	Director and Executive Officer, Administrative Headquarters and General Manager, General Affairs Department

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Yoshihiro Moriya (September 20, 1951) Reelection	<p>Mar. 1974 Joined the Company</p> <p>June 1998 Director and Division Manager, Electrical Construction Materials Division</p> <p>Apr. 2001 Director, Electrical Construction Materials Headquarters and Division Manager, Electrical Construction Materials Division</p> <p>Oct. 2001 Director, Electrical Construction Materials Headquarters and Division Manager, Electrical Construction Materials Division and Division Manager, Kinki Region Electrical Construction Materials Division</p> <p>Apr. 2002 Director, Electrical Construction Materials Headquarters</p> <p>Apr. 2003 Managing Director, Electrical Construction Materials Headquarters</p> <p>Apr. 2004 President and Representative Director and Head of Electrical Construction Materials Headquarters</p> <p>Apr. 2005 President and Representative Director</p> <p>Apr. 2010 President and Representative Director and Head of Sales & Marketing Headquarters</p> <p>Apr. 2012 President and Representative Director</p> <p>June 2019 Chairperson and Representative Director (current position)</p>	159,637
		<p>Reasons for nomination as candidate for Director</p> <p>Yoshihiro Moriya is currently the Chairperson and Representative Director, and having led the management of the Company for many years, he has accomplished numerous achievements through his visionary leadership that have expanded the business and enhanced the corporate value. The Company requests his re-election, deeming that his broad knowledge founded on his wealth of experience and achievements equips him with the ability to fulfill his responsibilities and duties as a Director of the Company.</p>	

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Seiichi Kita (August 19, 1959) Reelection	<p>Mar. 1982 Joined the Company</p> <p>June 2011 Director and Division Manager, Electrical Wholesale West Japan Division</p> <p>Apr. 2014 Managing Director and supervising Electrical Wholesale West Japan Division and INABA DENKO Division</p> <p>Oct. 2014 Managing Director, Manufacturing and Research & Development Headquarters and supervising Electrical Wholesale West Japan Division and INABA DENKO Division</p> <p>Apr. 2015 Managing Director, Manufacturing and Research & Development Headquarters and supervising INABA DENKO Division</p> <p>Apr. 2016 Managing Director, INABA DENKO Headquarters</p> <p>Apr. 2019 Managing Director</p> <p>June 2019 President and Representative Director</p> <p>Apr. 2021 President and Representative Director and Head of Research & Development Headquarters</p> <p>Apr. 2023 President and Representative Director (current position)</p>	61,983
<p>Reasons for nomination as candidate for Director</p> <p>Seiichi Kita is currently the President and Representative Director, and he has broadly contributed to business expansion and further enhancement of corporate value through his strong leadership and in-depth knowledge of the industry in general. The Company requests his re-election, deeming that his broad knowledge founded on his wealth of experience and achievements equips him with the ability to fulfill his responsibilities and duties as a Director of the Company.</p>			
3	Kazumi Horike (September 12, 1961) Reelection	<p>Mar. 1984 Joined the Company</p> <p>July 2020 Executive Officer, Industrial Automation Company</p> <p>Apr. 2022 Managing Executive Officer, Industrial Automation Company</p> <p>June 2022 Director and Managing Executive Officer, Industrial Automation Company</p> <p>Apr. 2023 Director and Senior Managing Executive Officer, Industrial Automation Company</p> <p>Apr. 2024 Director and Senior Managing Executive Officer and supervising Strategic Sales Headquarters and Industrial Automation Company (current position)</p>	32,684
<p>Reasons for nomination as candidate for Director</p> <p>Kazumi Horike is currently the Director and Senior Managing Executive Officer. The Company requests his re-election, deeming that his broad knowledge founded on his wealth of experience and achievements in the Company's Industrial Automation Business equips him with the ability to fulfill his responsibilities and duties as a Director of the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Hiroaki Tashiro (April 12, 1967) Reelection	<p>June 1991 Joined the Company</p> <p>June 2017 Director and Division Manager, Electrical Construction Materials West Japan Division</p> <p>Apr. 2019 Director, Electrical Construction Materials Company</p> <p>Apr. 2022 Director and Managing Executive Officer, Electrical Construction Materials Company and General Manager, Sales Information Department</p> <p>Apr. 2023 Director and Managing Executive Officer, Electrical Construction Materials Company and supervising Strategic Sales Headquarters</p> <p>Apr. 2024 Director and Managing Executive Officer, Electrical Construction Materials Company and supervising Safety and Quality Management Division (current position)</p>	26,974
<p>Reasons for nomination as candidate for Director</p> <p>Hiroaki Tashiro is currently the Director and Managing Executive Officer, Electrical Construction Materials Company, and the Company requests his re-election, deeming that his broad knowledge founded on his wealth of experience and achievements in the Company's Electrical Equipment & Materials Business equips him with the ability to fulfill his responsibilities and duties as a Director of the Company.</p>			
5	Naoto Mizokoshi (May 25, 1969) Reelection	<p>Apr. 1993 Joined the Company</p> <p>July 2020 Executive Officer and General Manager, General Affairs Department and in charge of Human Resources</p> <p>Apr. 2021 Executive Officer, Administrative Headquarters and General Manager, General Affairs Department</p> <p>June 2022 Director and Executive Officer, Administrative Headquarters and General Manager, General Affairs Department (current position)</p>	6,831
<p>Reasons for nomination as candidate for Director</p> <p>Naoto Mizokoshi is currently Director and Executive Officer, Administrative Headquarters. The Company requests his re-election, deeming that his broad knowledge founded on his wealth of experience and achievements in the Company's corporate headquarters equips him with the ability to fulfill his responsibilities and duties as a Director of the Company.</p>			

- (Notes) 1. There is no special interest between any of the candidates and the Company.
2. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. If the election of each candidate for Director is approved, each of them will continue to be included as an insured in the policy. In addition, when the policy is renewed, the Company plans to also renew the policy with the same terms.

Proposal No. 3 Election of Four Directors Who Are Audit and Supervisory Committee Members

The terms of office of all four Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this meeting, and Katsuhiko Nakamura will retire. In that regard, the Company proposes the election of four Directors who are Audit and Supervisory Committee Members.

In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidates for Director who is an Audit and Supervisory Committee Member are as follows.

List of candidates

Candidate No.	Name	Position and Responsibilities in the Company
1	Reelection Hiroshi Hashizume	Outside Director (Standing Audit and Supervisory Committee Member)
2	Reelection Masaaki Sakamoto	Outside Director (Audit and Supervisory Committee Member)
3	Reelection Tomoe Fujiwara	Outside Director (Audit and Supervisory Committee Member)
4	New election Shoko Kamuro	

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Hiroshi Hashizume (July 14, 1961) Reelection Independent officer Candidate for outside Director	Feb. 2004 Manager of Kita Narashino Branch of Resona Bank, Limited Apr. 2009 General Manager of Business Process Reengineering Department of Resona Holdings, Inc. Apr. 2009 General Manager of Business Process Reengineering Department of Resona Bank, Limited Apr. 2014 Standing Audit and Supervisory Board Member of Resona Bank, Limited Apr. 2018 Senior Managing Director of Resona Business Service Co., Ltd. Apr. 2022 Advisor of Resona Business Service Co., Ltd. June 2022 Outside Director (Standing Audit and Supervisory Committee Member) of the Company (current position)	0
		Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member and overview of expected roles Hiroshi Hashizume has cultivated broad knowledge in financial institutions for many years and gained a wealth of experience as a Standing Audit and Supervisory Board Member and Director at another company. The Company requests his reelection, deeming that his knowledge and experience equip him with the ability to fulfill his responsibilities and duties as an outside Director who is an Audit and Supervisory Committee Member of the Company.	

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Masaaki Sakamoto (April 3, 1969) Reelection Independent officer Candidate for outside Director	<p>Apr. 1992 Joined NEC Corporation</p> <p>July 1997 Joined NEC Planning Research, Ltd.</p> <p>June 2005 Collaborating Researcher, Hitotsubashi University Institute of Innovation Research</p> <p>Jan. 2006 Joined Fuji Xerox Learning Institute, Inc. (currently Persol Research and Consulting Co., Ltd.)</p> <p>Apr. 2012 Part-time lecturer, Graduate School - Tokyo Metropolitan University</p> <p>Apr. 2019 Visiting professor, Graduate School - J.F. Oberlin University</p> <p>Apr. 2020 Associate professor, J.F. Oberlin University (current position)</p> <p>June 2020 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p>	1,800
		<p>Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member and overview of expected roles</p> <p>Masaaki Sakamoto is a scholar of technology business management. The Company requests his re-election, deeming that his expert knowledge, experience, etc. in corporate management and strategy, gained mainly through management consulting, equip him with the ability to fulfill his responsibilities and duties as an outside Director who is an Audit and Supervisory Committee Member of the Company. He has never been directly involved in the management of a company, except as an outside Director. However, the Company judges he can appropriately fulfill his duties as an outside Director who is an Audit and Supervisory Committee Member based on the above reasons.</p>	

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Tomoe Fujiwara (August 8, 1978) Reelection Independent officer Candidate for outside Director	<p>Dec. 2004 Joined KPMG AZSA & Co. (current KPMG AZSA LLC)</p> <p>Oct. 2008 Registered as a Certified Public Accountant</p> <p>July 2017 Established Tomoe Takayama Certified Public Accountant Office (current position)</p> <p>Aug. 2017 Registered as a Certified Public Tax Accountant</p> <p>June 2019 Outside Director of the Company</p> <p>June 2020 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p> <p>June 2022 Outside Director (Audit and Supervisory Committee Member) of SPK Corporation (current position)</p> <p>Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member and overview of expected roles</p> <p>Tomoe Fujiwara is qualified as a certified public accountant and a certified public tax accountant. The Company requests her re-election, deeming that her substantial knowledge in finance and accounting equips her with the ability to fulfill her responsibilities and duties as an outside Director who is an Audit and Supervisory Committee Member of the Company. She has never been directly involved in the management of a company, except as an outside Director. However, the Company judges she can appropriately fulfill her duties as an outside Director who is an Audit and Supervisory Committee Member based on the above reasons.</p>	0
4	Shoko Kamuro (June 19, 1974) New election Independent officer Candidate for outside Director	<p>Oct. 2006 Registered as a Lawyer (Osaka Bar Association) Joined Katsube Takahashi Law Office (current position)</p> <p>Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member and overview of expected roles</p> <p>Shoko Kamuro is well versed in corporate law as an attorney and the Company requests her new election, deeming that her wealth of experience and expert knowledge equip her with the ability to fulfill her responsibilities and duties as an outside Director who is an Audit and Supervisory Committee Member of the Company. She has never been directly involved in the management of a company. However, the Company judges she can appropriately fulfill her duties as an outside Director who is an Audit and Supervisory Committee Member based on the above reasons.</p>	0

- (Notes)
- There is no special interest between any of the candidates and the Company.
 - Hiroshi Hashizume, Masaaki Sakamoto, and Tomoe Fujiwara are currently outside Directors of the Company. At the conclusion of this meeting, their terms of office as outside Directors will have been two years in the case of Mr. Hashizume, four years in the case of Mr. Sakamoto, and five years in the case of Ms. Fujiwara.
 - Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has concluded agreements with Hiroshi Hashizume, Masaaki Sakamoto, and Tomoe Fujiwara to limit their liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages based on said agreement is the minimum amount of liability set forth in Article 425, paragraph (1) of the same Act. If their election is approved, the Company will enter into the same agreement with them. If the election of Shoko Kamuro is approved, the Company also plans to enter into such an agreement with her.
 - The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. If the election of each candidate for Director is approved, each of them will be included as an insured in the policy. In addition, when the policy is renewed, the Company plans to also renew the policy with the same terms.
 - The Company has submitted notification to the Tokyo Stock Exchange that Hiroshi Hashizume, Masaaki Sakamoto, and Tomoe Fujiwara have been designated as independent officers as provided for by the aforementioned exchange. If they are elected, the Company plans to maintain their positions as independent officers. Shoko Kamuro satisfies the requirements to serve as an independent officer as set by the Tokyo Stock

Exchange and the Company plans to designate her as an independent officer, in the event that her election is approved.

<Reference: Skill Matrix of the Board of Directors After the General Meeting of Shareholders>

If Proposal No. 2 and Proposal No. 3 are approved in their original forms, the main specializations of the Directors will be as follows.

Name	Position in the Company	Corporate Management	Finance & Accounting	Legal Affairs & Compliance	Sales & Marketing	Manufacturing Development	Global	Sustainability
Yoshihiro Moriya	Chairperson and Representative Director	●		●	●			●
Seiichi Kita	President and Representative Director	●		●	●	●	●	●
Kazumi Horike	Director and Senior Managing Executive Officer	●			●	●	●	●
Hiroaki Tashiro	Director and Managing Executive Officer	●			●			●
Naoto Mizokoshi	Director and Executive Officer	●	●	●				●
Hiroshi Hashizume	Outside Director (Standing Audit and Supervisory Committee Member)	●	●	●				●
Masaaki Sakamoto	Outside Director (Audit and Supervisory Committee Member)	●			●			●
Tomoe Fujiwara	Outside Director (Audit and Supervisory Committee Member)		●					●
Shoko Kamuro	Outside Director (Audit and Supervisory Committee Member)			●				●

Proposal No. 4 Determination of Remuneration for the Allotment of Restricted Stock to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

The amount of remuneration, etc. for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this proposal) was approved at the 72nd Annual General Meeting of Shareholders held on June 19, 2020 as an annual amount not exceeding ¥600 million (of which, up to ¥50 million for outside Directors; excluding employee salaries for Directors who concurrently serve as employees). In addition, separate from the amount of remuneration, etc. for Directors above, the amount of remuneration, etc. for stock acquisition rights as stock options for Directors was approved at the 73rd Ordinary General Meeting of Shareholders held on June 18, 2021, as an annual amount not exceeding ¥100 million (excluding employee salaries for Directors who concurrently serve as employees).

As part of the review of the executive compensation system, with the goal of further strengthening the motivation of Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors; hereinafter referred to as “eligible Directors”) to contribute to increasing the Company’s corporate value and to further promote value sharing with shareholders, the Company proposes the introduction of a compensation plan (hereinafter, the “Plan”), in place of the stock acquisition rights as stock options as described above, under which shares of the Company’s common stock (hereinafter referred to as “restricted stock”) are allocated subject to a certain period of restriction on transfer and certain reasons for acquisition without consideration, as described below.

Therefore, in addition to the amount of remuneration, etc. for Directors mentioned above, we propose that monetary compensation be paid to eligible Directors for the allotment of restricted stock, and that the amount of such compensation, etc. be set at a maximum of ¥100 million per year, the same amount as the current compensation, etc. for stock acquisition rights as stock options, as an amount considered reasonable in light of the purposes mentioned above. Furthermore, because the maximum number of restricted stock to be allotted in each fiscal year as stipulated in 2. below represents only approximately 0.036% of the total number of issued and outstanding shares (approximately 0.36% of the total number of shares issued and outstanding if the maximum number of restricted stock were to be issued over 10 years), we believe that these terms are reasonable. In addition, in order to ensure fairness and transparency in determining remuneration, etc. for Directors, we have established the Nomination and Compensation Committee as an advisory body to the Board of Directors, and we have received an opinion from the Committee that the introduction of this system is appropriate.

If this proposal is approved, we plan to make the changes as described below in [Reference: Policy for Determining Remuneration, Etc., for Individual Directors] at a meeting of the Board of Directors held after the conclusion of this General Meeting of Shareholders. We believe that this proposal conforms to the policy after such change and that it is appropriate.

If this proposal is approved, the above-mentioned provision for remuneration, etc., for stock acquisition rights as stock options for Directors will be abolished, and no new stock options will be issued thereafter based on that provision. In addition, we have determined that the provision of compensation, etc. related to restricted stock as described in this proposal, instead of the current stock options that increase the dilution ratio of the Company’s shares, will contribute to increasing the Company’s corporate value.

In addition, there are currently five eligible Directors. If Proposal No. 2 and Proposal No. 3 are approved as originally proposed, the number of eligible Directors will be five.

Specific Details and Maximum Number of Restricted Stock for Eligible Directors

1. Allotment and Payment of Restricted Stock

Based on the resolution of the Board of Directors, the Company shall pay monetary compensation to eligible Directors up to the maximum annual amount specified above as remuneration, etc. related to restricted stock, and each eligible Director shall receive all of the said monetary compensation as contribution in kind to receive an allotment of the restricted stock.

The amount to be paid for the restricted stock shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors regarding the issuance or disposition of such shares (if there is no trading on that date, the closing price on the most recent trading day preceding that date), within a range that will not be particularly advantageous to eligible Directors who subscribe to such restricted stock.

In addition, the above monetary compensation shall be paid on the condition that the eligible Director agrees to the aforementioned contribution-in-kind and that he or she has executed a Restricted Stock Allotment Agreement that includes the details set forth in 3. below.

2. Total Number of Restricted Stock

The total number of restricted stock to be allotted to each eligible Director per fiscal year shall be a maximum of 20,000 shares.

However, in the event of a stock split (including a free allotment of shares of the Company's common stock) or reverse stock split of the Company's common stock after the date of resolution of this proposal, or any other case whereby it is necessary to adjust the total number of restricted stock to be allotted in accordance with such cases, the total number of such restricted stock may be adjusted within reason.

3. Details of the Restricted Stock Allotment Agreement

When allotting restricted stock, the Restricted Stock Allotment Agreement to be entered into between the Company and the Director to whom the restricted stock is allotted based on a resolution of the Board of Directors shall include the following details.

(1) Details of transfer restrictions

Eligible Directors who have received an allotment of restricted stock (hereinafter, the "Allotted Shares") may not, during the period from the date of delivery of the restricted stock to the date of the Director's resignation from the office of Director (hereinafter, the "Restriction Period"), transfer, pledge, create a security interest in, make a living donation, bequeath, or otherwise dispose of the restricted stock to any third party (hereinafter, "Transfer Restriction").

(2) Acquisition of restricted stock without consideration

If an eligible Director who has received an allotment of restricted stock resigns from the office of Director on or before the day prior to the first Annual General Meeting of Shareholders held after the start of the Restriction Period, the Company shall naturally acquire the Allotted Shares without consideration, unless there is a reason deemed justifiable by the Board of Directors.

In addition, if any of the Allotted Shares have not been released from the restrictions on transfer pursuant to the provisions of the reasons for the lifting of the restrictions on transfer set forth in (3) below on or before the expiration of the Restriction Period set forth in (1) above, the Company shall naturally acquire such Allotted Shares without consideration.

(3) Lifting of transfer restrictions

The Company shall lift the transfer restriction on all of the Allotted Shares upon the expiration of the Restriction Period, provided that the eligible Director to whom the restricted stock is allotted has continuously held the position of Director of the Company from the start date of the Restriction Period until the first Annual General Meeting of Shareholders to be held after the start date of the Restriction Period.

However, if the eligible Director resigns from the position of Director of the Company before the date of the first Annual General Meeting of Shareholders to be held after the start date of the Restriction Period for reasons deemed justifiable by the Board of Directors, the Company shall rationally adjust the number of the Allotted Shares on which the transfer restrictions are to be lifted and the timing of lifting as needed.

(4) Treatment during reorganization, etc.

In the event that, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or any other proposal for reorganization, etc. are approved at a General Meeting of Shareholders (or at a meeting of the Board of Directors in cases where approval at a General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the transfer restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors.

In this case, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted in accordance with the above provisions.

(Reference)

After this General Meeting of Shareholders, the Company plans to allot the similar restricted stock to the Company's executive officers and employees as those mentioned above.

[Reference: Policy for Determining Remuneration, Etc., for Individual Directors]

1. Basic Policy

The Company's basic policy is that compensation for the Company's Directors will serve as a healthy incentive for the Company's sustainable growth. Based on this policy, compensation for Directors will consist of fixed compensation and performance-linked compensation paid as monetary compensation, and restricted stock as non-monetary compensation. In addition, remuneration for Directors who are Audit and Supervisory Committee Members shall be fixed remuneration paid as monetary remuneration.

2. Policy for Determining Remuneration, Etc., as Monetary Remuneration for Individuals

Monetary remuneration shall be determined based on comprehensive consideration of factors such as position, full-time or part-time status, type of work duties, Company performance, public standards, employee salary levels, and individual evaluations. Fixed remuneration in the form of monetary compensation is paid monthly, and performance-linked remuneration, up to 2% of non-consolidated net income, is paid as a bonus at a set time each year to increase awareness of business performance improvements.

3. Policy on Determining the Content, Amount, Etc. of Non-monetary Compensation

Non-monetary remuneration, in order to improve the mid- to long-term business performance and corporate value, will be paid in the form of restricted stock within the limits on the maximum amount and maximum number of shares to be allotted, as resolved at a General Meeting of Shareholders. The number of shares to be allotted and the timing thereof for each individual shall be determined by the Board of Directors.

4. Policy on Determining the Amount of Monetary Remuneration and the Ratio of Non-monetary Remuneration to Remuneration for Each Individual

Because the amount of performance-linked remuneration fluctuates from fiscal year to fiscal year, the ratio of remuneration by type of Director is not defined.

The Nomination and Compensation Committee will take care to ensure that the ratio of remuneration by type of Director is set appropriately.

5. Matters Concerning Determination of the Content of Individual Remuneration, Etc.

The Nomination and Compensation Committee will ensure objectivity and transparency by deliberating on the appropriateness of the base amount for each position from an impartial perspective and reporting back to the Board of Directors.

The Nomination and Compensation Committee shall be made up of Directors selected by a resolution of the Board of Directors, a majority of whom shall be outside Directors, and a Chairman shall be selected from among them.

The amount of individual monetary compensation shall be determined by the Representative Director and President, who is appointed by the Board of Directors, within the limits set by a resolution of the General Meeting of Shareholders.