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Securities code: 5013

June 5, 2024

(Date of commencement of measures for electronic provision: June 3, 2024)

To Shareholders with Voting Rights:

Masanori Arisaka
President and Representative Director
Yushiro Chemical Industry Co., Ltd.
2-34-16 Chidori, Ota-ku, Tokyo, Japan

**NOTICE OF
THE 91st ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

It is our pleasure to inform you that the 91st Annual General Meeting of Shareholders of Yushiro Chemical Industry Co., Ltd. (the “Company”, together with its subsidiaries, the “Group”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision, which provide information contained in the Reference Documents for the General Meeting of Shareholders, etc. (the “Electronic Provision Measures Matters”) in electronic format, and has posted this information as “NOTICE OF THE 91st ANNUAL GENERAL MEETING OF SHAREHOLDERS” on the following website on the Internet.

[The Company website]

<https://www.yushiro.co.jp/investors/meeting> (Japanese only)

In addition to the above, the Company also has posted this information on Tokyo Stock Exchange (TSE) website.

[The TSE website (Listed Company Search)]

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

(Please access the TSE website above, enter “Yushiro Chemical Industry” in the “Issue name (company name)” field or “5013” in the “Code” field, and click on “Search” to find search results. Then, click on “Basic information” and “Documents for public inspection/PR information” in this order to find “[Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting]” in the “Filed information available for public inspection” section.)

This year, despite the introduction of electronic document provision measures for the General Meeting of Shareholders, the Company sends printed documents to all shareholders as in the previous years, regardless of whether they have requested the delivery of printed documents, in order to avoid confusion and inconvenience to shareholders.

If you are unable to attend the meeting and wish to exercise your voting rights by mail or via the Internet, please review the attached Reference Documents for the General Meeting of Shareholders and follow the instructions on pages 3 and 4 to exercise your voting rights or have the mail arrive by 5:30 p.m. on Monday, June 24, 2024 (Japan Time).

- 1. Date and time:** Tuesday, June 25, 2024 at 10:00 a.m. Japan time
(Reception opens at 9:00 a.m.)
- 2. Place:** TOPAZ 15, 15th floor, Main Tower, Shinagawa Prince Hotel
4-10-30 Takanawa, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:** For the Company's 91st Fiscal Year (April 1, 2023 - March 31, 2024):
1. The Business Report, Consolidated Financial Statements, and results of audits by the Financial Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. The Non-consolidated Financial Statements

Proposals to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of Six (6) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 3:** Election of Three (3) Directors Who Are Audit and Supervisory Committee Members
- Proposal 4:** Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member
- Proposal 5:** Election of Financial Auditor
- Proposal 6:** Continuation of the Response Policies for Large-Scale Purchases of the Company's Shares, etc. (Takeover Response Policies)
- Proposal 7:** Payment of a Retirement Bonus to a Retiring Director Who Is an Audit and Supervisory Committee Member

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- ⊙ If attending the meeting in person, please submit the enclosed Voting Rights Exercise Form at the venue's reception.
 - ⊙ If any amendments are made to Electronic Provision Measures Matters, such amendments will be posted on the respective websites where the matters are posted.

Instructions for the Exercise of Voting Rights

Voting rights at the General Meeting of Shareholders are an important form of shareholder rights. Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders included in the Electronic Provision Measures Matters.

Voting rights may be exercised in either of the following three ways.

Attendance at the General Meeting of Shareholders

The meeting venue will be the Shinagawa Prince Hotel. Please submit the enclosed Voting Rights Exercise Form at the venue reception. Please also bring this notice when attending the meeting.

Date and time:

10:00 a.m. Japan time on
Tuesday, June 25, 2024

By Mail

Please indicate your approval or disapproval regarding each proposal on the enclosed Voting Rights Exercise Form, and return the form to arrive by the voting deadline below. If there is no indication on the Voting Rights Exercise Form of your approval or disapproval for each proposal, it will be treated as an indication of approval.

Voting deadline:

To arrive by 5:30 p.m. Japan time
on Monday, June 24, 2024

Via the Internet

Please follow the instructions on the following page to enter your approval or disapproval regarding each proposal.

Voting deadline:

5:30 p.m. Japan time on Monday,
June 24, 2024

Institutional Investors

In addition to the exercise of voting rights via the Internet indicated above, institutional investors may exercise voting rights via the electronic voting system platform operated by ICJ, Inc., subject to application in advance.

Treatment in the Case of Multiple Exercise of Voting Rights

- (1) If voting rights are exercised both by mail and via the Internet, the votes submitted via the Internet will be deemed valid.
- (2) If voting rights are exercised multiple times via the Internet, the final votes submitted will be deemed valid.

Guide to the Exercise of Voting Rights via the Internet

To exercise your voting rights via the Internet, please access the Company's designated voting rights exercise website from a PC or smartphone and follow the on-screen instructions to vote **by 5:30 p.m. Japan time on Monday, June 24, 2024.**

Access by Scanning the QR Code

By scanning the QR code with a smartphone, you can access the voting rights exercise website without entering your login ID and password.

1. Scan the login QR code displayed on the right-hand side of the Voting Rights Exercise Form.
2. Follow the on-screen instructions to enter your approval or disapproval regarding each proposal.

Access by Entering Your Login ID and Temporary Password

Voting rights exercise website
(<https://evote.tr.mufg.jp/>)

1. Access the website shown above from a PC or smartphone.
2. Enter the login ID and temporary password shown on the right-hand side of the Voting Rights Exercise Form.
3. Follow the on-screen instructions to enter your approval or disapproval regarding each proposal.

Precautions regarding the exercise of voting rights via the Internet:

- (1) The exercise of voting rights via the Internet will be suspended from 2:30 a.m. to 4:30 a.m. each day.
- (2) The voting rights exercise website may not be accessible from a PC or smartphone depending on the Internet environment, communications services, and the model of device used. Please inquire at the help desk below for details.
- (3) Shareholders are responsible for any Internet connection fees and communications charges, etc. that may arise when accessing the voting rights exercise website.

System-related inquiries:

Securities Transfer Agency Division, Mitsubishi UFJ Trust and Banking Corporation (Help Desk)
0120-173-027 (toll-free within Japan) Business hours: From 9:00 a.m. to 9:00 p.m.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

Founded in 1944, we have been promoting business development in Japan and overseas as a specialized manufacturer of metalworking oils and fluids. Currently, we have offices in nine countries, and in order to further enhance our global presence in the future, the Company will change its name from Yushiro Kagaku Kogyo Kabushiki Kaisha (or Yushiro Chemical Industry Co., Ltd. in English) to Kabushiki Kaisha Yushiro (or Yushiro Inc. in English). This trade name change will take effect on April 1, 2025.

2. Details of the amendments

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter I General Provisions</p> <p>(Trade Name)</p> <p>Article 1 The name of the Company shall be <u>Yushiro Kagaku Kogyo Kabushiki Kaisha</u> and shall be written in English as <u>Yushiro Chemical Industry Co., Ltd.</u></p> <p>Article 2 to Article 36 (Omitted)</p> <p style="text-align: center;">Supplementary Provisions (Newly established)</p>	<p style="text-align: center;">Chapter I General Provisions</p> <p>(Trade Name)</p> <p>Article 1 The name of the Company shall be <u>Kabushiki Kaisha Yushiro</u> and shall be written in English as <u>Yushiro Inc.</u></p> <p>Article 2 to Article 36 (Omitted)</p> <p style="text-align: center;">Supplementary Provisions</p> <p><u>(Effective Date of Trade Name Change)</u> <u>The amendment to Article 1 (Trade Name) of the Articles of Incorporation shall take effect on April 1, 2025. This supplementary provision shall be deleted after the date when the amendment to Article 1 takes effect.</u></p>

Proposal 2: Election of Six (6) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members).

The Audit and Supervisory Committee has confirmed the suitability of all candidates based on an assessment of factors including their execution of duties and performance during the fiscal year under review.

The candidates for the position of Director (excluding Director who is an Audit and Supervisory Committee Member) are as follows.

No.	Name		Current positions and responsibilities at the Company
1	Masanori Arisaka	[Reappointment]	President and Representative Director
2	Seiji Takahashi	[Reappointment]	Managing Director General Manager, Technology Division
3	Kazushige Kobayashi	[Reappointment]	Director Manager responsible for Administration of North and South America
4	Kazutoshi Takakura	[Reappointment]	Director General Manager, Sales Division
5	Takuya Ishikawa	[Reappointment]	Director General Manager, Corporate Administration Division
6	Masafumi Nakano	[Reappointment] [Outside] [Independent]	Director

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Masanori Arisaka (November 21, 1965) [Reappointment]	<p>April 1988 Joined the Company</p> <p>April 2010 General Manager, Central Japan Administration Department</p> <p>February 2012 President Director, Yushiro (Thailand) Co., Ltd.</p> <p>April 2012 Manager responsible for Administration of ASEAN and India, the Company President Director, Yushiro (Thailand) Co., Ltd.</p> <p>June 2013 Executive Officer and Manager responsible for Administration of ASEAN and India, the Company President Director, Yushiro (Thailand) Co., Ltd.</p> <p>April 2014 Executive Officer and General Manager, IL Business Administration Division, the Company President Director, Yushiro (Thailand) Co., Ltd.</p> <p>June 2014 Director and General Manager, IL Business Administration Division, the Company President Director, Yushiro (Thailand) Co., Ltd.</p> <p>June 2017 Managing Director and General Manager, IL Business Administration Division, the Company</p> <p>April 2020 Managing Director and General Manager, Sales Administration Division</p> <p>June 2021 Senior Managing Director and General Manager, Sales Division</p> <p>January 2022 President and Representative Director (present position)</p>	33,700
<p>Reason for nomination as a candidate for Director: Mr. Masanori Arisaka has led the Company as the manager responsible for the sales division for many years. He has also contributed to the sustainable growth of the Group by managing the ASEAN and India regions based on his extensive and abundant experience and insight. Since assuming the position of Representative Director in January 2022, he has demonstrated leadership at the head of management, and as Chairman of the Board of Directors, has played a leading and important role in enhancing the deliberations of the Board of Directors. Based on his experience and achievements, the Company has judged that he is able to continue to contribute to the Company's sustainable growth and the enhancement of corporate value, and has therefore renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Seiji Takahashi (January 10, 1967) [Reappointment]	<p>April 1992 Joined the Company</p> <p>January 2006 Seconded to Yushiro Manufacturing America, Inc.</p> <p>February 2012 General Manager, Central Japan Administration Department, Sales Division, the Company</p> <p>April 2014 Executive Officer and General Manager, West Japan Business Department, IL Business Administration Division</p> <p>April 2016 Executive Officer and Officer responsible for Technology Division, IL Business Administration Division</p> <p>July 2016 Executive Officer and Officer responsible for Technology Division, IL Business Administration Division General Manager, Research Division</p> <p>June 2017 Director and Officer responsible for Technology Division, IL Business Administration Division General Manager, Research Division</p> <p>April 2020 Director and General Manager, Research Division</p> <p>March 2022 Director and General Manager, Research Division and Deputy General Manager, Corporate Administration Division</p> <p>June 2022 Managing Director and General Manager, Corporate Administration Division and General Manager, Research Division</p> <p>June 2023 Managing Director and General Manager, Technology Division (present position)</p>	14,200
<p>Reason for nomination as a candidate for Director: Mr. Seiji Takahashi possesses business experience at the Company's United States subsidiary and has served for many years in key positions in the Company's sales, research and development divisions. He has contributed to the Company's global management based on his extensive and abundant practical experience. Since 2016, he has served as General Manager, Research Division, concurrently serving as General Manager, Corporate Administration Division, for one (1) year from June 2022, where he has been in charge of a wide range of departments and has demonstrated leadership. The Company has judged that he is able to continue to contribute to the Company's sustainable growth and the enhancement of corporate value, and has therefore renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Kazushige Kobayashi (July 24, 1963) [Reappointment]	<p>April 1986 Joined the Company</p> <p>April 2002 Seconded to Yushiro-Jet Chemicals Sdn. Bhd. (currently Yushiro Malaysia Sdn. Bhd.)</p> <p>September 2004 Seconded to Yushiro (Thailand) Co., Ltd.</p> <p>April 2008 Deputy General Manager, Sales Division Office, Sales Division, the Company</p> <p>April 2012 President, Yushiro India Company Pvt. Ltd.</p> <p>April 2014 General Manager, IL Business Administration Office, IL Business Administration Division, the Company</p> <p>July 2017 Executive Officer and Officer responsible for IL Business Administration Office, IL Business Administration Division</p> <p>April 2021 Executive Officer and Manager responsible for Administration of North and South America President and CEO, Yushiro Manufacturing America, Inc. CEO, QualiChem, Inc.</p> <p>June 2021 Director and Manager responsible for Administration of North and South America, the Company (present position) President and CEO, Yushiro Manufacturing America, Inc. (present position) CEO, QualiChem, Inc. (present position)</p>	4,500
<p>Reason for nomination as a candidate for Director: Mr. Kazushige Kobayashi possesses abundant business experience at the Company's overseas subsidiaries and has served for many years in key positions in the Company's sales division. Since April 2021, as Manager responsible for Administration of North and South America, he also contributes to the Company's global management based on his extensive and abundant practical experience. Based on his experience and achievements, the Company has judged that he is able to contribute to the Company's sustainable growth and the enhancement of corporate value, and has therefore renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Kazutoshi Takakura (December 14, 1966) [Reappointment]	<p>January 1991 Joined the Company</p> <p>April 2009 Seconded to Yushiro Manufacturing America, Inc.</p> <p>April 2017 General Manager, Nagoya Branch, Sales Division, IL Business Administration Division, the Company</p> <p>April 2019 Deputy General Manager and General Manager, Nagoya Branch, Sales Division, IL Business Administration Division</p> <p>April 2020 Deputy General Manager, Sales Administration Division, General Manager, Sales Administration Department, and General Manager, Nagoya Branch, Sales Administration Division</p> <p>July 2020 Executive Officer, Deputy General Manager, Sales Administration Division, General Manager, Sales Administration Department, and General Manager, Nagoya Branch, Sales Administration Division</p> <p>April 2021 Executive Officer and Officer responsible for Sales Administration Department, Sales Division</p> <p>January 2022 Executive Officer and General Manager, Sales Division</p> <p>June 2022 Director and General Manager, Sales Division (present position)</p>	4,000
<p>Reason for nomination as a candidate for Director: Mr. Kazutoshi Takakura possesses business experience at the Company's United States subsidiary and has served for many years in key positions in the Company's sales division. Since January 2022, as General Manager, Sales Division, he also possesses abundant experience and achievements across all aspects of sales activities in Japan and overseas. Based on his experience and achievements, the Company has judged that he is able to contribute to the Company's sustainable growth and the enhancement of corporate value, and has therefore renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Takuya Ishikawa (July 22, 1960) [Reappointment]	November 1987 Joined the Company June 2017 Director and Manager responsible for Administration of North and South America, the Company President and CEO, Yushiro Manufacturing America, Inc. August 2018 Director and Manager responsible for Administration of North and South America, the Company President and CEO, Yushiro Manufacturing America, Inc. CEO, QualiChem, Inc. June 2021 Retired as Director, the Company Corporate Advisor, in charge of Overseas Strategy, Corporate Administration Division April 2022 Corporate Advisor, Corporate Administration Division Executive Corporate Advisor June 2023 Director and General Manager, Corporate Administration Division (present position)	9,800
Reason for nomination as a candidate for Director: Mr. Takuya Ishikawa has been involved in important positions in the overseas business and sales departments for many years, and based on his extensive and abundant practical experience, has served as Director of the Company, President of the Indian subsidiary, President of the US subsidiary, and Manager responsible for Administration of North and South America, and has contributed to the Company’s global management. Even after retiring as Director of the Company, he contributed to the Company group’s sustainable growth as Executive Corporate Advisor in charge of Overseas Strategy, Corporate Administration Division, and in June 2023, he reassumed a Director’s role and has continued the contribution as General Manager, Corporate Administration Division. Based on his experience and achievements, the Company has judged that he is able to contribute to the Company’s sustainable growth and the enhancement of corporate value as Director, and has therefore renominated him as a candidate for Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Masafumi Nakano (December 18, 1955) [Reappointment] [Outside] [Independent]	<p>April 1979 Joined Toyo Kogyo Co., Ltd. (currently Mazda Motor Corporation)</p> <p>April 2006 Executive Officer and General Manager, Hofu Plant, Mazda Motor Corporation</p> <p>April 2010 Executive Officer and General Manager, Hiroshima Plant, Mazda Motor Corporation</p> <p>June 2012 Executive Officer and General Manager, Quality Division, Mazda Motor Corporation</p> <p>June 2013 Managing Executive Officer in charge of Product and Brand Quality, Mazda Motor Corporation</p> <p>June 2015 TPM Consultant, TPM Consulting Company, JMA Consultants Inc.</p> <p>April 2018 Professional Advisor and TPM Consultant, TPM Consulting Business Division</p> <p>June 2019 Outside Director, the Company (present position)</p>	—
<p>Reason for nomination as a candidate for Outside Director, and expected roles: After serving in key positions at Mazda Motor Corporation for many years, Mr. Masafumi Nakano has engaged in consultancy work and possesses abundant experience and broad insight. He is expected to utilize this experience and insight in his role of providing appropriate guidance and advice on the management of the Group and supervising it from an objective standpoint independent of those in an executive position. The Company therefore judges that he will contribute to the Company's sustainable growth and the enhancement of corporate value, and has renominated him as a candidate for Outside Director.</p>			

- Notes:
1. There are no special interests between any of the candidates and the Company.
 2. Mr. Masafumi Nakano is a candidate for the position of Outside Director.
 3. Mr. Masafumi Nakano currently serves as an Outside Director of the Company. He will have served in this position for five (5) years as of the conclusion of this General Meeting of Shareholders.
 4. The Company has established Independence Criteria for Outside Officers (presented on pages 22 and 23). Candidates for the position of Outside Director are selected based on these criteria. The Company has designated Mr. Masafumi Nakano as an Independent Director as prescribed by the Tokyo Stock Exchange (TSE) and has notified the TSE of this designation. The Company intends to continue this designation if the election of Mr. Masafumi Nakano is approved and passed.
 5. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Masafumi Nakano, which limits his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages pursuant to this agreement is the amount set forth in Article 425, Paragraph 1 of the Companies Act. If the reappointment of Mr. Masafumi Nakano is approved and passed by this General Meeting of Shareholders, the Company intends to continue the agreement with him.
 6. The Company has entered into a directors and officers liability insurance (D&O insurance) policy as prescribed under Article 430-3, Paragraph 1 of the Companies Act. A summary of the content of this insurance policy is presented in “3. Company officers (3) Directors and officers liability insurance (D&O insurance)” in the Business Report (available in Japanese). All candidates elected as Directors (excluding Directors who are Audit and Supervisory Committee Members) will continue to be insured under this policy. The Company intends to renew this policy under similar terms when it comes due for renewal.

Proposal 3: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

The terms of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

The agreement of the Audit and Supervisory Committee has been obtained to this proposal.

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

No.	Name		Current positions and responsibilities at the Company
1	Katsuko Iizuka	[Reappointment] [Outside] [Independent]	Director (Audit and Supervisory Committee Member)
2	Atsuko Sugiyama (Present family name: Matsumoto)	[Reappointment] [Outside] [Independent]	Director (Audit and Supervisory Committee Member)
3	Shinji Hamamoto	[New appointment]	Corporate Administration Division Executive Corporate Advisor

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	<p>Katsuko Iizuka (December 24, 1964)</p> <p>[Reappointment] [Outside] [Independent]</p>	<p>April 1987 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>April 1998 Registered as an attorney Joined Hirakawa, Sato & Kobayashi (currently City-Yuwa Partners)</p> <p>April 2013 Partner, City-Yuwa Partners (present position)</p> <p>June 2015 Outside Director, Nissin Sugar Co., Ltd. (currently WELLNEO SUGAR Co., Ltd.) (present position)</p> <p>June 2016 Outside Director (Audit and Supervisory Committee Member), the Company (present position)</p> <p>February 2017 Outside Corporate Auditor, K.R.S. Corporation (present position)</p> <p>(Significant concurrent positions) Partner, City-Yuwa Partners Outside Director, WELLNEO SUGAR Co., Ltd. Outside Corporate Auditor, K.R.S. Corporation</p>	—
<p>Reason for nomination as a candidate for Outside Director, and expected roles: Ms. Katsuko Iizuka possesses abundant experience acquired over many years as an attorney as well as broad and expert insight. She is expected to utilize this experience and insight in her role of providing appropriate guidance and advice on the management of the Group and strengthening the supervision and audit of the Group's management as an Outside Director who is an Audit and Supervisory Committee Member. The Company therefore judges that she will contribute to the Company's sustainable growth and the enhancement of corporate value, and has renominated her as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	<p>Atsuko Sugiyama (Present family name: Matsumoto) (July 5, 1974)</p> <p>[Reappointment] [Outside] [Independent]</p>	<p>October 1999 Joined Asahi Audit Corp. (currently KPMG AZSA LLC)</p> <p>April 2003 Registered as a certified public accountant</p> <p>September 2016 Vice President, Masaaki Sugiyama CPA and Tax Accountant Office (present position)</p> <p>February 2017 Registered as a certified public tax accountant</p> <p>May 2017 Independent Outside Corporate Auditor, Welcia Holdings Co., Ltd. (present position)</p> <p>June 2020 Outside Director (Audit and Supervisory Committee Member), FUJI KOSAN CO., LTD. (present position)</p> <p>June 2022 Outside Director (Audit and Supervisory Committee Member), the Company (present position)</p> <p>(Significant concurrent positions) Vice President, Masaaki Sugiyama CPA and Tax Accountant Office Independent Outside Corporate Auditor, Welcia Holdings Co., Ltd. Outside Director (Audit and Supervisory Committee Member), FUJI KOSAN CO., LTD.</p>	—
<p>Reason for nomination as a candidate for Outside Director, and expected roles: Ms. Atsuko Sugiyama possesses abundant experience acquired over many years as a CPA and tax accountant, and as a Vice President of a CPA and tax accountant office, and she has broad and expert insight. She is expected to utilize this experience and insight in her role of providing appropriate guidance and advice on the management of the Group and further strengthening the supervision and audit of the Group's management as an Outside Director who is an Audit and Supervisory Committee Member. The Company therefore judges that she will contribute to the Company's sustainable growth and the enhancement of corporate value, and has renominated her as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Shinji Hamamoto (May 27, 1960) [New appointment]	April 1983 Joined the Company April 1992 Seconded to Yushiro Manufacturing America, Inc. June 2011 Director (in charge of Research and Development Division) April 2014 Director and General Manager, Research Division and General Manager, Technical Center, and responsible for Polease Business Administration Division July 2016 Director, the Company President and Representative Director, The Japan Cee-Bee Chemical Co., Ltd. February 2019 President, Siam Cee-Bee Chemical Co., Ltd. June 2020 Retired as Director, the Company President and Representative Director, The Japan Cee-Bee Chemical Co., Ltd. April 2023 General Manager, Cee-Bee Company Head Office, the Company April 2024 Executive Corporate Advisor, Corporate Administration Division, the Company (present position)	10,300
Reason for nomination as a candidate for Director: Mr. Shinji Hamamoto played important roles in the Company's research and development division and others for many years. Additionally, based on his extensive and abundant practical experience, he displayed great management skills as the President at The Japan Cee-Bee Chemical Co., Ltd. Even after retiring as Director of the Company, he continued to exercise leadership skills as the President of The Japan Cee-Bee Chemical Co., Ltd., contributing to the Company group's sustainable growth. He is expected to bring a wealth of various practical experience to his role of further strengthening the audit and supervision of the Group's management as a Director who is an Audit and Supervisory Committee Member. The Company therefore judges that he will contribute to the Company's sustainable growth and the corporate value, and has nominated him as a candidate for Director who is an Audit and Supervisory Committee Member.			

- Notes:
1. There are no special interests between any of the candidates and the Company.
 2. Ms. Katsuko Iizuka and Ms. Atsuko Sugiyama are candidates for the position of Outside Director.
 3. Ms. Atsuko Sugiyama changed her family name to Matsumoto after marriage but engages in her duties as a CPA and tax accountant under her maiden name.
 4. Ms. Katsuko Iizuka and Ms. Atsuko Sugiyama currently serve as Outside Directors who are Audit and Supervisory Committee Members of the Company. Ms. Katsuko Iizuka will have served in this position for eight (8) years as of the conclusion of this General Meeting of Shareholders, and Ms. Atsuko Sugiyama for two (2) years as of the conclusion of this General Meeting of Shareholders.
 5. The Company has established Independence Criteria for Outside Officers (presented on pages 22 and 23). Candidates for the position of Outside Director are selected based on these criteria. The Company has designated Ms. Katsuko Iizuka and Ms. Atsuko Sugiyama as Independent Directors as prescribed by the Tokyo Stock Exchange (TSE) and has notified the TSE of this designation. The Company intends to continue this designation if the election of Ms. Katsuko Iizuka and Ms. Atsuko Sugiyama is approved and passed.
 6. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Ms. Katsuko Iizuka and Ms. Atsuko Sugiyama, which limits their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages pursuant to this agreement is the amount set forth in Article 425, Paragraph 1 of the Companies Act. If the reappointment of Ms. Katsuko Iizuka and Ms. Atsuko Sugiyama is approved and passed by this General Meeting of Shareholders, the Company intends to continue the agreement with them.
 7. The Company has entered into a directors and officers liability insurance (D&O insurance) policy as prescribed under Article 430-3, Paragraph 1 of the Companies Act. A summary of the content of this insurance policy is presented in “3. Company officers (3) Directors and officers liability insurance (D&O insurance)” in the Business Report (available in Japanese). All candidates elected as Directors who are Audit and Supervisory Committee Members will continue to be insured under this policy. The Company intends to renew this policy under similar terms when it comes due for renewal.

Proposal 4: Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

The Company proposes the election of one (1) substitute Director who is an Audit and Supervisory Committee Member to prepare for cases where the Company lacks the number of Directors who are Audit and Supervisory Committee Members required by law or regulation.

The effect of this election may be annulled prior to the assumption of office by resolution of the Board of Directors, with the agreement of the Audit and Supervisory Committee.

The agreement of the Audit and Supervisory Committee has been obtained to this proposal.

The candidate for the position of substitute Director who is an Audit and Supervisory Committee Member is as follows.

Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
<p style="text-align: center;">Tsuneo Sato (November 29, 1944) [Outside]</p>	<p>April 1977 Registered as an attorney Joined Yuasa and Hara</p> <p>July 1997 Established Hirakawa, Sato & Kobayashi (currently City-Yuwa Partners)</p> <p>February 2003 Partner, City-Yuwa Partners</p> <p>January 2015 Of Counsel, City-Yuwa Partners (present position)</p> <p>December 2017 Director, DALTON CORPORATION (present position)</p> <p>(Significant concurrent positions) Of Counsel, City-Yuwa Partners Director, DALTON CORPORATION</p>	<p>—</p>
<p>Reason for nomination as a candidate for substitute Director who is an Audit and Supervisory Committee Member, and expected roles: Mr. Tsuneo Sato is a founding member of Hirakawa, Sato & Kobayashi (currently City-Yuwa Partners) and possesses abundant experience acquired over many years as an attorney and corporate manager, as well as broad and expert insight. He is expected to utilize this experience and insight in his role of providing appropriate guidance and advice on the management of the Group and further strengthening the supervision and audit of the Group’s management as an Outside Director who is an Audit and Supervisory Committee Member. The Company therefore judges that he will contribute to the Company’s sustainable growth and the enhancement of corporate value, and has nominated him as the candidate for substitute Director who is an Audit and Supervisory Committee Member.</p>		

- Notes:
1. There are no special interests between the candidate for substitute Director who is an Audit and Supervisory Committee Member and the Company.
 2. Mr. Tsuneo Sato is a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member.
 3. The Company has established Independence Criteria for Outside Officers (presented on pages 22 and 23). Candidates for the position of Outside Director are selected based on these criteria. If Mr. Tsuneo Sato assumes office as an Outside Director, the Company intends to designate him as an Independent Director as prescribed by the Tokyo Stock Exchange (TSE) and notify the TSE of this designation.
 4. If Mr. Tsuneo Sato assumes office as a Director who is an Audit and Supervisory Committee Member, the Company intends to enter into an agreement with him in accordance with Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages pursuant to this agreement would be the amount set forth in Article 425, Paragraph 1 of the Companies Act.
 5. The Company has entered into a directors and officers liability insurance (D&O insurance) policy as prescribed under Article 430-3, Paragraph 1 of the Companies Act. A summary of the content of this insurance policy is presented in “3. Company officers (3) Directors and officers liability insurance (D&O insurance)” in the Business Report (available in Japanese). If Mr. Tsuneo Sato assumes office as a Director who is an Audit and Supervisory Committee Member, he will be insured under this policy.

(Reference)

The Expertise of each Candidate for Director

Name	Skill						Independent Director	Nomination Committee Compensation Committee
	Corporate management	Manufacturing, research and development	Sales and marketing	Finance and accounting	Legal affairs	International business		
Masanori Arisaka	○		○			○		○
Seiji Takahashi	○	○	○			○		○
Kazushige Kobayashi	○		○			○		
Kazutoshi Takakura	○		○			○		
Takuya Ishikawa	○		○			○		○
Masafumi Nakano	○	○				○	○	○
Katsuko Iizuka	○				○		○	
Atsuko Sugiyama	○			○			○	
Shinji Hamamoto	○	○				○		

Independence Criteria for Outside Officers

Yushiro Chemical Industry Co., Ltd. (hereinafter the “Company”) designates the independence criteria for its Outside Directors (hereinafter “Outside Officers”) as follows. Outside Officers who do not correspond to any of the items listed below will be regarded as being independent of the Company, with no conflict of interests with general shareholders.

- 1) Outside Officers who hold an executive position (see note 1) in the Company or its subsidiaries (hereinafter collectively referred to as the “Group”), or have held such a position during the previous ten (10) years (or, where the Outside Officer has held a non-executive position (see note 2) in the Group within the previous ten (10) years, the ten (10) years immediately preceding the appointment to the said non-executive position)
- 2) Outside Officers for whom the Group is a major trading partner (see note 3), or who hold an executive position at a company for which the Group is a major trading partner
- 3) Outside Officers who are a major trading partner of the Group (see note 4), or who hold an executive position at a company that is a major trading partner of the Group
- 4) Outside Officers who are major lenders, such as financial institutions, upon which the Group depends for financing to an extent that makes them indispensable and irreplaceable, or, where such lenders are corporations, Outside Officers who hold an executive or non-executive position at such a corporation, its parent company or major subsidiary
- 5) Outside Officers who belong to an audit firm that is a Financial Auditor of the Group
- 6) Outside Officers who receive large amounts (see note 5) of money or other property, apart from officers’ compensation, from the Group as consultants, accounting or legal experts
- 7) Outside Officers who belong to a corporation, association, or other organization, including law firms, audit firms, tax accounting firms, or consulting firms, that receives large amounts (see note 5) of money or other financial benefits from the Group
- 8) Outside Officers who receive donations or assistance exceeding a certain amount (see note 6) from the Group (or, where the recipient of such donations or assistance is a corporation, association, or other organization, Outside Officers who hold an executive position at such an organization)
- 9) Outside Officers who are major shareholders (see note 7) of the Company (or, in the case of corporate shareholders, Outside Officers who hold an executive or non-executive position at such a corporation)
- 10) Outside Officers who hold an executive or non-executive position at a corporation for which the Group is a major shareholder (see note 7)
- 11) Outside Officers who hold an executive or non-executive position at a corporation that has directors or corporate auditors from the Group (whether standing and part-time), or at the parent company or subsidiary of such a corporation
- 12) Outside Officers for whom any of 2) to 11) above has applied during the previous five (5) years
- 13) Outside Officers who are a spouse or relative, within two degrees of kinship, of a person for whom any of 1) to 12) above applies (only where that person has held a significant position: see note 8)
- 14) Outside Officers who may be subject to a substantial conflict of interest for any other reason

Notes: 1 An executive position includes the position of executive director, executive, executive officer, or any equivalent office or employment. (These are collectively referred to as “executive positions” in these criteria.)

2 A non-executive position includes the position of non-executive director, corporate auditor, or accounting advisor. (These are collectively referred to as “non-executive positions” in these criteria.)

- 3 Those for whom the Group is a major trading partner refer to corporations or individuals for which the monetary value of products and services provided to the Group in the immediately preceding fiscal year accounts for no less than 2% of annual consolidated net sales of the corporations or individuals.
- 4 Major trading partners of the Group refer to corporations or individuals for which the monetary value of products and services provided by the Group in the immediately preceding fiscal year accounts for no less than 2% of the Company's annual consolidated net sales.
- 5 Large amounts refer to amounts in the immediately preceding fiscal year of no less than 10 million yen per year in the case of individuals, or no less than 2% of annual consolidated net sales or annual revenue in the case of corporations, associations, or other organizations.
- 6 Donations or assistance exceeding a certain amount refers to donations or assistance exceeding 10 million yen per year in the immediately preceding fiscal year.
- 7 Major shareholders refer to shareholders who directly or indirectly hold no less than 10% of the total voting rights.
- 8 A significant position refers to employment in a senior management position such as director (excluding outside director), corporate auditor (excluding outside corporate auditor), executive officer, etc.

Proposal 5: Election of Financial Auditor

The Financial Auditor of the Company, Ernst & Young ShinNihon LLC, will retire at the conclusion of this General Meeting of Shareholders due to the expiration of its term of office. Accordingly, the Company proposes the election of a new Financial Auditor.

This proposal is based on a decision made by the Audit and Supervisory Committee.

The Audit and Supervisory Committee selected Yaesu Audit & Co. as the candidate for Financial Auditor because, although the incumbent Financial Auditor is fully equipped to conduct proper and adequate accounting audits, its audit fees have been increasing and are expected to continue to increase in the future. Therefore, Yaesu Audit & Co. was determined to be a qualified Financial Auditor for the Company after extensive consideration of the appropriateness of its audit services and fees commensurate with the nature of the Company's operations and business scale.

The candidate for the position of Financial Auditor is as follows.

(As of April 2024)

Name	Yaesu Audit & Co.	
Location of principal office	Kioicho Building 17F, 3-12 Kioicho, Chiyoda-ku, Tokyo	
Capital	23 million yen	
Members	Japanese Certified Public Accountants (partners): 18	
	Japanese Certified Public Accountants (associates): 45	
	US Certified Public Accountants (associates): 1	
	Audit assistant (associates): 10	
	Others: 2	
History	December 1969	Established a Yaesu Jimusho Audit Company
	November 1997	Renamed the firm to Yaesu Audit & Co.
	June 2012	Became a member firm of Kreston International (currently, Kreston Global)

Proposal 6: Continuation of the Response Policies for Large-Scale Purchases of the Company’s Shares, etc. (Takeover Response Policies)

The continuation of the “Countermeasures for Large-Scale Purchases of the Company’s Shares, etc.” (the “Current Plan”) was approved by shareholders at the Company’s Annual General Meeting of Shareholders held on June 24, 2021. As the effective period of the Current Plan will expire at the conclusion of this Annual General Meeting of Shareholders (this “Meeting”), the Company has examined the rationale of the Current Plan, including the appropriateness of its continuation, from the perspective of maintaining and enhancing the common interests of shareholders and corporate value. Consequently, at a meeting of the Company’s Board of Directors held on May 22, 2024, the Company decided to continue the Current Plan with partial amendments, subject to the approval of shareholders at this Meeting (the post-continuation policies are hereinafter referred to as the “Plan”). The effective period of the Plan, if approved by shareholders at this Meeting, will be until the conclusion of the Company’s Annual General Meeting of Shareholders to be held in June 2027.

The basic scheme of the Plan remains unchanged while the definition of “Large-Scale Purchases, etc.” subject to the Plan has been partially revised; some contents have been added to the necessary information to be provided by the purchaser, etc.; the period for providing necessary information has been clarified; and dates and some of the wording have been amended and rearranged.

All the Directors who are Audit and Supervisory Committee Members (including two outside directors) who attended the said Board meeting have expressed their approval of the continuation of the Plan.

Response Policies for Large-Scale Purchases of the Company’s Shares, etc.

I. Basic Policy on Parties Who Control the Company’s Decisions on Financial and Business Principles

The Company has a basic policy that parties who control the Company’s decisions on financial and business principles need to be those who understand the source of the Company’s corporate value and are able to protect and enhance the Group’s corporate value and common interests of shareholders in a stable and ongoing manner.

As an issuer of shares listed on a financial instruments exchange, we respect free trading of our shares in the market and do not categorically reject large-scale purchases of our shares by a specific party, provided that it will help protect and enhance the Group’s corporate value and common interests of shareholders. We also believe that ultimately it should be up to the shareholders to decide whether or not to accept proposals for large-scale purchases of our shares.

However, there are many cases in which a large-scale purchase of shares does not help protect and enhance the corporate value of the targeted company or common interests of shareholders, such as those that may impair the corporate value and common interests of shareholders in view of their purpose, etc.; those that may effectively coerce shareholders into selling their shares; those that do not provide sufficient time or information for shareholders and the targeted company to consider the terms of the large-scale purchase or for the targeted company’s board of directors to propose an alternative proposal; or those that require the targeted company to discuss or negotiate with the large-scale purchaser to obtain more favorable terms than those proposed.

The Company is a specialized manufacturer that has earned the trust of our customers by providing high-quality products and technical services to the automotive and related industries, as well as the building maintenance industry. Especially in our mainstay metalworking oils and fluids business, we are expanding both domestically and internationally, such as by serving automobile companies expanding overseas, our main user base, through our Group companies. Accordingly, we believe that the source of our corporate value lies in the proprietary expertise we have accumulated over the years and good relationships with shareholders, employees, business partners, customers, local communities, and other stakeholders. Therefore, unless the party conducting the large-scale purchase fully understands these sources of the

Company's corporate value and protects and enhances them in the medium term, the Group's corporate value and common interests of shareholders may be impaired.

The Company believes that such a party who conducts a large-scale purchase that would impair the Group's corporate value and common interests of shareholders would be inappropriate to control decisions on the Company's financial and business principles, and that it is therefore necessary to take necessary and reasonable measures against large-scale purchases by such a party to protect the Company's corporate value and common interests of shareholders.

II. Special Initiatives Conducive to Realizing the Basic Policy

To realize the basic policy stated in I above, the Company is engaged in the following activities.

1. IR activities

- (1) Conducting in-person or online financial results presentations for institutional investors and analysts after the closing of accounts
- (2) The President provides a briefing of financial results for individual investors on the website

2. Measures to enhance corporate value by promoting the medium-term management plan

As our long-term vision for 2030, we have set a goal "to become a global chemical company that makes industrial and social development sustainable." As a stage to prepare for this, we have formulated our 20th Medium-Term Management Plan EXPLORER PLUS covering the period from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027. Under EXPLORER PLUS, will leverage our technological capabilities accumulated as a company with a leading share in metalworking oils and fluids in Japan, our commitment to putting the customer first, and our global expansion efforts to move away from a business structure dependent on the production of Internal Combustion Engines for gasoline and diesel vehicles (ICEs). ICE-related business will be managed with an emphasis on profitability, while the metalworking oils and fluids business will be expanded to include products for EVs and aircraft, as well as products that help customers reduce CO₂ emissions, and products such as the washing tub cleaner, HIKARI ACTION, and cyclodextrin will be developed to form the core of earnings outside of the ICE-related business. In addition, the Company will seek orders with an emphasis on profitability in areas where strong demand is expected for ICE, particularly in Southeast Asia, to promote stable growth and secure profits during the period of this medium-term management plan, and build momentum to achieve record-high sales and profits in the fiscal year ending March 31, 2027.

(1) Basic policy of the 20th Medium-Term Management Plan EXPLORER PLUS

1) Stable revenue base

- Full-scale launch of products for EVs in Japan, the U.S., and China
- Follow up on growth markets in Southeast Asia and India
- Operation of existing ICE-related sales with emphasis on profitability

2) Promoting business in focus areas

- Deployment of products that match customers' CO₂ emission reduction objectives
- Expansion of sales channels for the washing tub cleaner
- Expanded lineup of cyclodextrin derivatives and HIKARI ACTION-related products

3) Promoting sustainability

- Data compilation based on the Basic Sustainability Policy established in FY2023
- Date-driven evaluation of the level of achievement by the management team

(2) Financial strategy

During the period of this medium-term management plan, half of the operating cash flow will be allocated to investments in facilities, R&D, and new businesses necessary to enhance corporate value and achieve sustainable growth over the medium to long term while at the same time exploring growth opportunities. We aim to achieve a consolidated ROE of 10% or more by returning to shareholders as appropriate the portion of funds in excess of our capital requirements.

(3) Shareholder return policy

In addition to the belief that prioritizing investments that lead to enhanced corporate value and sustainable growth will ultimately benefit the common interests of stakeholders, we also consider the return of profits to shareholders to be an important management task, and our policy is to maintain stable and sustainable dividends and a consolidated dividend payout ratio of 30% or more. In addition, we will consider share repurchases as another option for shareholder returns when excess funds are available.

III. Initiatives to Prevent Inappropriate Parties from Controlling Decisions on the Company's Financial and Business Principles in Light of the Basic Policy

1. Objectives of the Plan

The Plan was introduced in line with the basic policy described in I above for the purpose of protecting and enhancing the Company's corporate value and common interests of shareholders.

As set forth in the basic policy described in I above, the Company's Board of Directors believes that any party who conducts a large-scale purchase of the Company's shares, etc.[1] that does not contribute to the Company's corporate value and common interests of shareholders is inappropriate as parties who control decisions on the Company's financial and business principles. The Plan is designed to prevent decisions on the Company's financial and business principles from being controlled by such inappropriate parties; to prevent large-scale purchases that are detrimental to the Company's corporate value and common interests of shareholders; to ensure sufficient information and time necessary for the Company's Board of Directors to propose an alternative plan to shareholders and for shareholders to decide whether or not to accept the large-scale purchase proposal; and to enable the Company's Board of Directors to negotiate with the large-scale purchaser on behalf of shareholders.

2. Overview of the Plan

As described below, the Plan establishes rules to be complied with by parties intending to conduct a large-scale purchase of the Company's shares, etc., and clarifies the possibility that the ratio of voting rights in the Company held by parties intending to conduct a large-scale purchase may become diluted if the Company takes countermeasures provided conditions are met, and cautions any party intending to conduct a large-scale purchase of the Company's shares, etc. that does not contribute to the Company's corporate value and common interests of shareholders, by disclosing these rules appropriately.

In addition, under the Plan, to eliminate arbitrary decisions by the Company's Board of Directors in invoking the countermeasures, the Company will respect as much as possible the recommendations of the Corporate Value Advisory Committee, which is composed solely of the Company's outside directors or outside experts who are independent of the management team that executes the Company's business (hereinafter referred to as the "Corporate Value Advisory Committee"; for an overview of the Committee, see Appendix 1), and will ensure transparency through timely disclosure to the shareholders. At the time of continuation of the Plan, three members of the Corporate Value Advisory Committee are to be appointed as the members of the Corporate Value Advisory Committee as described in Appendix 2.

At this time, the Company has not received any proposal for a large-scale purchase of the Company's shares, etc.

3. Content of the Plan

(1) Procedures for the Plan

1) Applicable large-scale purchases, etc.

The Plan shall apply to any purchase or other acquisition of the Company's shares, etc., or any similar action that falls under (i) through (iii) below (excluding, however, those approved by the Company's Board of Directors; hereinafter referred to as the "Large-Scale Purchases, etc."). Any party who conducts or intends to conduct Large-Scale Purchases, etc. (hereinafter, the "Purchaser, etc.") must comply with the procedures predetermined in the Plan.

(i) Purchases or other acquisitions of shares, etc.[2] issued by the Company that would result in the

- holder's^[3] shareholding ratio^[4] being 20% or more
- (ii) A tender offer of shares, etc. issued by the Company^[5] where the party making the tender offer^[6] will have a shareholding ratio^[7] of 20% or more combined with his/her specially related party^[8]
 - (iii) Regardless of whether or not any of the acts set forth in (i) or (ii) above are carried out, any agreement or other action by a specific shareholder of the Company with another shareholder of the Company (including cases where there are multiple shareholders; the same shall apply hereinafter in this (iii)) that results in the other shareholder becoming a joint holder of the specific shareholder, or any action between the specific shareholder and the other shareholder that establishes a relationship^[9] in which one effectively controls the other or in which they act jointly or in concert^[10] (however, this is limited to cases where the total percentage of share certificates, etc. held by the specific shareholder and the other shareholder is 20% or more of those issued by the Company)

2) Prior submission of a Letter of Intent to the Company

Prior to the execution of the Large-Scale Purchases, etc., the Purchaser, etc. shall submit to the Company's Board of Directors a document written in Japanese, in a form prescribed by the Company, containing a legally binding covenant, etc. (signed or stamped with a name and seal by an executive, and no conditions or reservations shall be imposed; hereinafter referred to as the "Letter of Intent") to the effect that the Purchaser, etc. will comply with the procedures stipulated in the Plan in the event of a Large-Scale Purchase, etc.

Specifically, the Letter of Intent must include the following items:

- (i) Overview of the Purchaser, etc.
 - (a) Name and address or location of the person or company
 - (b) Name and title of executive
 - (c) Purpose and business of the company, etc.
 - (d) Overview of major shareholders or major investors (top 10 shareholders in terms of shares held or investment ratio)
 - (e) Contact in Japan
 - (f) Governing law of incorporation
- (ii) Number of shares, etc. of the Company currently held by the Purchaser, etc. and the trading activities of the Purchaser, etc. in the Company's shares, etc. during a period of 60 days prior to the submission of the Letter of Intent
- (iii) Overview of the Large-Scale Purchase, etc. proposed by the Purchaser, etc. (including the class and number of shares, etc. of the Company to be acquired by the Purchaser, etc. through the Large-scale Purchase, etc., and the purpose of the Large-scale Purchase, etc. [if there is any purpose such as acquisition of control or participation in management, pure investment or strategic investment, transfer of shares, etc. of the Company to a third party after the Large-scale Purchase, etc., or any act of making a material proposal, etc.^[11] and any other purposes, a statement to that effect and details thereof. If there are multiple purposes, please state all of them.]

3) Provision of the Necessary Information

If the Purchaser, etc. submits the Letter of Intent described in 2) above, the Purchaser, etc. will be requested to provide the Company with information necessary and sufficient for the shareholders to make a decision on, and for the Company's Board of Directors to evaluate and consider, the Large-scale Purchase, etc. (hereinafter, the "Necessary Information") written in Japanese in accordance with the following procedures.

First, within 10 business days^[12] (not counting the first day) from the date of receipt of the Letter of Intent, the Company will send the Purchaser, etc. to its contact in Japan stated in 2) (i) (e) above, a List of Information containing the information to be initially submitted to the Company. The Purchaser, etc. is required to submit a document containing the Necessary Information, etc., in accordance with the List of Information (hereinafter, the "Statement of Purchase") to the Company's Board of Directors. Upon

receipt of the Statement of Purchase from the Purchaser, etc. the Company's Board of Directors will promptly forward it to the Corporate Value Advisory Committee.

If the Company's Board of Directors or the Corporate Value Advisory Committee reasonably determines that the information provided by the Purchaser, etc. in accordance with the List of Information stated above is insufficient for the shareholders to make a decision on and for the Company's Board of Directors and the Corporate Value Advisory Committee to evaluate and consider the Large-Scale Purchase in light of the content and manner, etc. of the Large-Scale Purchase, etc., the Company's Board of Directors or the Corporate Value Advisory Committee will request the Purchaser, etc. to provide additional information after setting an appropriate deadline.

Requests for additional provision of the Necessary Information may be repeated until the Company's Board of Directors or the Corporate Value Advisory Committee acknowledges that the Necessary Information has been sufficiently provided, but the final deadline shall not exceed 60 days from the date the Purchaser, etc. received the List of Information, even if the Company's Board of Directors or the Corporate Value Advisory Committee does not acknowledge that the Necessary Information has been sufficiently provided (however, this period may be extended up to 30 days to the extent necessary if requested by the Purchaser, etc.; hereinafter referred to as the "Necessary Information Provision Period").

Regardless of the content and manner, etc. of the Large-Scale Purchase, etc., information regarding each of the following items shall, in principle, be included in the List of Information and shall be included as part of the Necessary Information.

- (i) Details of the Purchaser, etc. and its group (including joint holders[13], specially related parties and, in the case of a fund, each partner, investor and other constituent members, investment advisors, etc.) (including history, specific name, address, governing law of incorporation, capital structure, business activities, financial position, whether or not the Purchaser, etc. is a "foreign investor" as defined in Article 26, Paragraph 1 of the Foreign Exchange and Foreign Trade Act, and information on the grounds thereof, as well as the names and professional backgrounds of its officers)
- (ii) Purpose of the Large-Scale Purchase, etc. (details of the purpose disclosed in the Letter of Intent), method and details (including whether or not the Purchaser, etc. intends to participate in management, type and amount of consideration for the Large-Scale Purchase, etc., timing of the Large-Scale Purchase, etc., structure of related transactions, number of shares to be purchased and ownership ratio after the purchase, legality and feasibility of the method of the Large-Scale Purchase, etc., the policy for holding the Company's shares, etc. after the Large-scale Purchase, etc., and if there is a possibility that the Company's shares, etc. will be delisted, a statement to that effect and the reasons therefor)
- (iii) Type and amount of consideration for the Large-Scale Purchase, etc., basis of calculation (including the facts underlying the calculation, calculation method, numerical data used in the calculation and the nature and amount of synergies expected to arise from the series of transactions related to the Large-Scale Purchase, etc. and if a third party opinion was obtained in the calculation, the name of the third party, overview of the opinion, and the background as to why the amount was determined based on the opinion)
- (iv) Financial backing for the Large-Scale Purchase, etc. (including specific names of providers of funds [including effective providers], procurement methods, and details of related transactions)
- (v) Whether or not there is any communication of intent with a third party in connection with the Large-Scale Purchase, etc., and if so, the details thereof and an overview of the third party
- (vi) If there are any loan agreements, security agreements, resale agreements, sales reservations or other material agreements or arrangements (hereinafter, the "Security Agreement, etc.") with regard to shares, etc. of the Company already held by the Purchaser, etc. and its group, specific details of the Security Agreement, etc., such as the type of agreement, the counterparty, and the number of shares, etc. covered by the agreement
- (vii) If the Purchaser, etc. plans to enter into a Security Agreement, etc. or other agreement with a third party with respect to the shares, etc. of the Company that the Purchaser, etc. plans to acquire in the

Large-Scale Purchase, etc., specific details of the agreement, such as the type of agreement planned, the counterparty, and the number of shares, etc. covered by the agreement

- (viii) Candidates for executive of the Company and the Group after the Large-scale Purchase, etc. (including information on their experience in businesses similar to those of the Company and its group companies), management policies, business plans (including product development policies in line with customer needs in the Company's core business [metalworking oils and fluids business, etc.], sales policies in Japan and overseas, measures to address price fluctuations of key raw materials, and measures for maintaining good relationships with important business partners), financial plans, investment plans, capital and dividend policies, and asset utilization initiatives (including plans for the sale, pledge, or other disposition of the Company's assets)
- (ix) Policy for handling and treatment of the Company's shareholders (excluding the Purchaser, etc.), directors, officers, employees, labor unions, business partners, customers, local communities, and other stakeholders of the Company and the Group after the Large-scale Purchase, etc.
- (x) Specific measures to avoid conflicts of interest with other shareholders of the Company
- (xi) Whether or not there is any relationship (direct or indirect) with antisocial forces, and if so, the details thereof, as well as the policy for dealing with antisocial forces
- (xii) Any other information that the Company's Board of Directors or the Corporate Value Advisory Committee reasonably deems necessary

The Company's Board of Directors will disclose all or part of the fact that the Purchaser, etc. has made a proposal for a Large-Scale Purchase, etc. and an overview thereof, as well as an overview of the Necessary Information and other information deemed necessary for the shareholders to make a decision, if any, at the time the Board deems appropriate.

If the Company's Board of Directors and the Corporate Value Advisory Committee deem that the Necessary Information has been sufficiently provided by the Purchaser, etc. or the Necessary Information Provision Period has expired, the Board of Directors will notify the Purchaser, etc. to that effect (hereinafter, the "Information Provision Completion Notice") and promptly disclose the fact.

4) Establishment, etc. of the Board of Directors evaluation period

The Company's Board of Directors sets the period in (i) or (ii) below as the period to evaluate, consider, negotiate, form an opinion and plan its alternative proposal (hereinafter, the "Board of Directors Evaluation Period"), starting from the day after the date of issuing the Information Provision Completion Notice, depending on the degree of difficulty of evaluating the Large-Scale Purchase, etc., and promptly discloses such information.

- (i) Up to 60 days in the case of a tender offer for all of the Company's shares, etc., for which the consideration is solely cash (yen value)
- (ii) Up to 90 days in the case of other Large-Scale Purchases, etc.

In both (i) and (ii) above, the Board of Directors Evaluation Period may be extended only when the Board of Directors and the Corporate Value Advisory Committee reasonably believe that the period is insufficient for evaluation and consideration, provided it is not longer than 30 days. In such cases, the Company will notify the Purchaser, etc. of the extension, the specific period of the extension and the specific reasons why the extension is necessary, and disclose such information to the shareholders. During the Board of Directors Evaluation Period, the Board of Directors shall, while obtaining advice from outside experts, etc. as necessary and appropriate, fully evaluate and consider the Necessary Information provided by the Purchaser, etc., and examine the details of the Large-Scale Purchase, etc. by the Purchaser, etc. from the perspective of protecting and enhancing the Company's corporate value and common interests of shareholders. Through such examination, etc., the Company's Board of Directors will carefully compile the Board of Directors' opinions on the Large-Scale Purchase, etc., and notify the Purchaser, etc., as well as disclose these opinions to shareholders in a timely and proper manner. In

addition, if necessary, the Company's Board of Directors may negotiate with the Purchaser, etc. regarding the conditions and methods of the Large-Scale Purchase, etc. and, furthermore, may present an alternative proposal to the shareholders.

5) Recommendations of the Corporate Value Advisory Committee regarding the invocation of countermeasures

If a Purchaser, etc. emerges, the Corporate Value Advisory Committee shall make a recommendation to the Company's Board of Directors on the appropriateness of invoking countermeasures within the Board of Directors Evaluation Period in accordance with the following procedures. The Corporate Value Advisory Committee may request the Company's Board of Directors to present its opinion on the Large-Scale Purchase, etc. and materials supporting the opinion, as well as alternative proposals and any other information deemed necessary by the Corporate Value Advisory Committee. In addition, to ensure that the decisions of the Corporate Value Advisory Committee are made in a manner that contributes to protecting and enhancing the Company's corporate value and common interests of shareholders, the Corporate Value Advisory Committee may, at the Company's expense, obtain advice from third parties (including investment banks, securities firms, financial advisors, certified public accountants, lawyers, consultants and other experts) that are independent of the management team that executes the Company's business. In the event that the Corporate Value Advisory Committee makes a recommendation to the Company's Board of Directors as set forth in (i) or (ii) below, the Company's Board of Directors will promptly disclose the fact and an overview of the recommendation and any other matters it deems appropriate.

(i) If the Purchaser, etc. fails to comply with the procedures stipulated in the Plan

If the Purchaser, etc. fails to comply with the procedures stipulated in the Plan, the Corporate Value Advisory Committee will consider that the Large-Scale Purchase, etc. will significantly impair the Company's corporate value and common interests of shareholders, and in principle recommend to the Company's Board of Directors that the countermeasures be invoked.

(ii) If the Purchaser, etc. complies with the procedures stipulated in the Plan

If the Purchaser, etc. complies with the procedures stipulated in the Plan, the Corporate Value Advisory Committee, in principle, will recommend to the Company's Board of Directors that the countermeasures not be invoked.

However, even in cases where the procedures stipulated in the Plan have been complied with, the invocation of countermeasures may be recommended if the Large-Scale Purchase, etc. is deemed to significantly impair the Company's corporate value and common interests of shareholders for any of the reasons listed in Appendix 3, and it is judged appropriate to invoke the countermeasures. In addition, the Corporate Value Advisory Committee may attach a reservation clause to the effect that the Board of Directors confirm in advance shareholders' will on invoking the countermeasures against the Large-Scale Purchase, etc.

6) Resolution of the Board of Directors and confirmation of shareholders' will

The Company's Board of Directors shall respect the recommendations of the Corporate Value Advisory Committee set forth in 5) as much as possible and, based on the recommendations, shall promptly pass a resolution on whether or not to invoke the countermeasures from the perspective of protecting and enhancing the Company's corporate value and common interests of shareholders.

If the Corporate Value Advisory Committee attaches a reservation clause to the recommendation for invoking the countermeasures to the effect that the shareholders' will should be confirmed before the invocation, the Company's Board of Directors will convene a general meeting of shareholders at the earliest possible time and submit a proposal for the invocation of countermeasures, unless it is extremely difficult to hold such a meeting in practical terms. If the Board of Directors decides to hold a general meeting of shareholders, the Board of Directors Evaluation Period shall end at that time. If the proposal to invoke the countermeasures is approved at the shareholders' meeting, the Company's Board of

Directors shall pass a resolution to invoke the countermeasures and take the necessary procedures in accordance with the decision made at the general meeting of shareholders. On the other hand, if the proposal to invoke the countermeasures is rejected at the shareholders' meeting, the Company's Board of Directors will pass a resolution to not take the countermeasures.

If a resolution is passed as above, the Board of Directors will promptly disclose an overview of the resolutions and other matters that the Company's Board of Directors and the Corporate Value Advisory Committee deem appropriate, and if the Company holds a general meeting of shareholders, the Company's Board of Directors will promptly disclose the results of the vote and other matters that the Company's Board of Directors and the Corporate Value Advisory Committee deem appropriate.

7) Suspension of countermeasure invocation

Even after the Company's Board of Directors or the general meeting of shareholders resolves to invoke countermeasures in accordance with the procedures in 6) above, or even after invoking the countermeasures, (i) if the Purchaser, etc. calls off the Large-Scale Purchase, etc. or (ii) if there is a change in the facts on which the decision on whether or not to invoke the countermeasures is based, and the Company considers it inappropriate to invoke countermeasures from the perspective of protecting and enhancing the Company's corporate value and common interests of shareholders, the Company's Board of Directors shall respect the recommendations of the Corporate Value Advisory Committee as much as possible and pass a resolution to call off or suspend the invocation of the countermeasures.

If a resolution is passed as above, the Company's Board of Directors will promptly disclose an overview of the resolution and other matters that it deems appropriate.

8) Commencement of Large-Scale Purchase, etc.

The Purchaser, etc. shall comply with the procedures stipulated in the Plan, and may not commence the Large-Scale Purchase, etc. until the Board of Directors has rejected a proposal to invoke countermeasures or passed a resolution to not invoke or not take the countermeasures.

(2) Specific details of the countermeasures under the Plan

The countermeasures to be invoked by the Company pursuant to the resolution described in (1) 6) above is planned to be a gratis allotment of share acquisition rights (hereinafter, the "Share Acquisition Rights"). However, other countermeasures that are permitted under the Companies Act, other laws and regulations, and the Company's Articles of Incorporation may be used if it is deemed appropriate to invoke those other countermeasures.

An overview of the gratis allotment of Share Acquisition Rights in the event that the gratis allotment of share acquisition rights is used as a countermeasure is as described in Appendix 4 "Overview of Gratis Allotment of Share Acquisition Rights."

The Company's Board of Directors may decide to suspend the invocation of countermeasures as described in (1) 7) above even after the resolution to invoke the countermeasures has been passed or after the countermeasures have been invoked. For example, if the Company's Board of Directors resolves to implement the gratis allotment of Share Acquisition Rights as a countermeasure, the Purchaser, etc. then calls off the Large-Scale Purchase, etc. and the Company's Board of Directors passes the resolution described in (1) 7) above, the Company may suspend the invocation of countermeasures by such means as calling off the gratis allotment of Share Acquisition Rights up to the day before the ex-rights date for the gratis allotment and acquiring the Share Acquisition Rights at no cost from the effective date of the gratis allotment up to the day before the commencement date of the exercise period of the Share Acquisition Rights.

(3) Effective period, abolition and amendment of the Plan

The effective period of the Plan, if approved at this Meeting, shall be from the time of the approval and resolution up to the conclusion of the Annual General Meeting of Shareholders to be held in June 2027.

However, even before the expiration of the effective period, if a resolution to amend or abolish the Plan is passed at the Company's general meeting of shareholders, the Plan shall be amended or abolished at that time in accordance with that resolution. In addition, if a resolution to abolish the Plan is passed by the Board of Directors consisting of directors elected at the Company's general meeting of shareholders, the Plan shall be abolished at that time. In making the resolution, the Company's Board of Directors shall respect the recommendations of the Corporate Value Advisory Committee as much as possible. In addition, the Company's Board of Directors may amend or change the Plan from time to time if it determines that changes in formality are necessary due to changes in the Companies Act, the Financial Instruments and Exchange Act (the "Exchange Act"), other laws and regulations, or financial instruments exchange rules, or changes in the interpretation or application thereof, or changes in the tax regime, judicial precedents, etc. In making such amendments and changes, the Board of Directors shall respect the recommendations of the Corporate Value Advisory Committee as much as possible.

On the other hand, if the Company's Board of Directors decides to change the contents of the Plan in a manner that would effectively impact the Company's shareholders, the Board will respect the recommendations of the Corporate Value Advisory Committee as much as possible and submit a new proposal for approval by the shareholders at the earliest upcoming general meeting of shareholders.

In the case that the Company abolishes the Plan or makes any changes to the contents of the Plan that would effectively impact the Company's shareholders, the Company will promptly disclose the fact of the abolition or change and (in the case of a change) the details of such change and any other matters deemed appropriate by the Company's Board of Directors.

4. Rationale of the Plan

The Plan satisfies the three principles (the principle of protecting and enhancing corporate value and the interests of shareholders, the principle of prior disclosure and shareholders' will, and the principle of ensuring the necessity and reasonableness of defensive measures) of the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholder's Common Interests" released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. The Company has also taken into account the content of the "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group on June 30, 2008, as well as recent court precedents and other factors.

a. Principle of protecting and enhancing corporate value and common interests of shareholders

As described in 1. above, the Plan was introduced for the purpose of protecting and enhancing the Company's corporate value and common interests of shareholders by enabling the Company's shareholders to decide whether or not to accept a Large-Scale Purchase, etc. of the Company's shares, etc., to secure the information and time necessary for the Company's Board of Directors to present an alternative proposal, or to negotiate with the Purchaser, etc. on behalf of the shareholders, etc., when there is a Large-scale Purchase of the Company's shares, etc.

b. Principle of prior disclosure and shareholders' will

The Plan will be continued with the approval of shareholders at this Meeting. In addition, as described in 3. (3) above, even after the approval of the Plan at this Meeting, if a resolution to amend or abolish the Plan is passed at a subsequent general meeting of shareholders of the Company, the Plan will also be amended or abolished in accordance with that resolution. Therefore, the introduction and abolition of the Plan is structured to fully reflect the will of the shareholders.

c. Principle of ensuring the necessity and reasonableness of response policies

1) Emphasis on judgment of highly independent outsiders and full disclosure of information

As described in 2. above, the Company will establish the Corporate Value Advisory Committee for the purpose of eliminating arbitrary decisions by the Board of Directors regarding the invocation, etc. of countermeasures against Large-Scale Purchases, etc. under the Plan and ensuring that the

Board of Directors' decisions and responses are objective and reasonable. The Company's Board of Directors will respect the recommendations of the Corporate Value Advisory Committee as much as possible when passing resolutions, etc. to invoke or not invoke the countermeasures.

In addition, the Company discloses information to its shareholders and investors by providing an overview of the decisions made by the Corporate Value Advisory Committee and ensures a framework in which the Plan is operated in a transparent manner to contribute to the Company's corporate value and common interests of shareholders.

2) Establishment of reasonable and objective invocation requirements

As described in 3. above, the Plan is set up so that countermeasures will not be invoked unless reasonable and objective invocation requirements are met, ensuring a framework that prevents arbitrary invocation by the Company's Board of Directors.

3) Not a dead-hand or slow-hand takeover response policy

As stated in 3. (3) above, the Plan may be abolished at any time by the Board of Directors, which is composed of directors elected at the Company's general meeting of shareholders. Therefore, the Plan is not a dead-hand takeover response policy (a takeover response policy that cannot be prevented even if a majority of the members of the Board of Directors is replaced).

In addition, as the Company sets the term of office of directors at one year, the Plan is not a slow-hand takeover response policy (a takeover response policy that requires time to prevent its invocation because the members of the Board of Directors cannot be replaced at once in a company with a staggered-term election system).

5. Impact on shareholders and investors

(1) Impact on shareholders and investors at the time of introduction of the Plan

At the time of introduction of the Plan, the issuance of the Share Acquisition Rights will not take place per se. Therefore, the Plan will not directly and specifically impact the legal rights and economic interests of the Company's shareholders in the Company's shares at the time of its introduction.

(2) Impact of gratis allotment of Share Acquisition Rights on shareholders and investors

If the Company's Board of Directors decides to invoke countermeasures and conducts a gratis allotment of Share Acquisition Rights, the Company will allot Share Acquisition Rights without consideration to shareholders recorded in the shareholders' register as of the allotment date to be separately determined, at a ratio not exceeding one Share Acquisition Right for every share held. Under this framework, although the value per share of the Company's shares held by shareholders will be diluted at the time of the gratis allotment of Share Acquisition Rights, the value of the Company's shares (including potential shares) held by shareholders as a whole will not be diluted, and therefore, no direct and specific impact is anticipated on the legal rights and economic interests of shareholders in the Company's shares.

However, the legal rights or economic interests of the Purchaser, etc. may be affected as a result of the invocation of these countermeasures.

Even if the Company's Board of Directors resolves to implement the gratis allotment of Share Acquisition Rights, if the Company's Board of Directors decides to suspend the invocation of countermeasures in accordance with the procedures, etc. described in 3. (1) 7) above, there may be a commensurate change in the price of the Company's shares. For example, if, after the shareholders who are to receive the gratis allotment of Share Acquisition Rights are determined, the Company suspends the invocation of countermeasures and acquires the Share Acquisition Rights at no cost without delivering new shares, the economic value per share of the Company's shares held by shareholders will not be diluted. Therefore, shareholders and investors who have traded the Company's shares on the assumption that their economic value per share would become diluted should be aware that they may suffer damages

due to fluctuations in the share price.

In addition, if the exercise or acquisition of the Share Acquisition Rights come with a condition, the Purchaser, etc. is expected to be impacted in terms of his/her legal rights and economic interests at the exercise or acquisition of the rights, but even in this case, no direct and specific impact is anticipated on the legal rights and economic interests of shareholders other than the Purchaser, etc. in the Company's shares.

(3) Procedures for shareholders at a gratis allotment of Share Acquisition Rights

Shareholders recorded in the final shareholders' register as of the date of the gratis allotment of Share Acquisition Rights will automatically become holders of the Share Acquisition Rights on the effective date of the gratis allotment of Share Acquisition Rights, and therefore need not apply for them.

In addition, if the Company chooses to take procedures for the acquisition of Share Acquisition Rights with an acquisition clause, shareholders other than the Purchaser, etc. will receive the Company's shares as consideration for the Company's acquisition of Share Acquisition Rights without having to pay cash in an amount equivalent to the exercise price of the Share Acquisition Rights, and therefore procedures such as payment for those Share Acquisition Rights are not required.

The Company will disclose or notify other procedural details in addition to the above, such as the method of allotment, method of exercise of rights, method of acquisition by the Company, and method of delivery of shares in a timely and appropriate manner after the Company's Board of Directors resolves on the gratis allotment of Share Acquisition Rights, in accordance with applicable laws and regulations and financial instruments exchange rules. Please confirm the contents of the disclosure or notice.

[1] This means "share certificates, etc." as defined in Article 27-23, Paragraph 1 of the Exchange Act or "share certificates, etc." as defined in Article 27-2, Paragraph 1 of the same Act. The same shall apply hereinafter unless otherwise specified. In the event of an amendment (including a change in the name of a law or the enactment of a new law succeeding an old law) to any of the laws and regulations cited in the Plan, each clause of the laws and regulations cited in the Plan shall be read as if it were a clause of the laws and regulations that effectively succeeds the clause after the amendment, unless otherwise determined by the Company's Board of Directors.

[2] This means "share certificates, etc." as defined in Article 27-23, Paragraph 1 of the Exchange Act.

[3] A "holder" as defined in Article 27-23, Paragraph 1 of the Exchange Act, including those who are included in the "holders" pursuant to Paragraph 3 of the same article. The same shall apply hereinafter.

[4] This means "ownership ratio of share certificates, etc." as defined in Article 27-23, Paragraph 4 of the Exchange Act. The same shall apply hereinafter, but for the purpose of calculating such ownership ratio of share certificates, etc., (i) "specially related party" as defined in Article 27-2, Paragraph 7 of the same Act and (ii) investment banks, securities firms and other financial institutions that have entered into financial advisory agreements with the specific shareholders of the Company, as well as the tender offer agent and lead managing securities firm of the specific shareholders (hereinafter, the "Contracted Financial Institutions, etc.") shall be deemed to be the joint holders of the specific shareholders of the Company for purposes of this Plan. In calculating the ownership ratio of share certificates, etc., the total number of shares issued by the Company shall be obtained by referring to the latest information published by the Company.

- [5] This means “share certificates, etc.” as defined in Article 27-2, Paragraph 1 of the Exchange Act.
- [6] As defined in Article 27-2, Paragraph 6 of the Exchange Act. The same shall apply hereinafter.
- [7] This means “ownership ratio of share certificates, etc.” as defined in Article 27-2, Paragraph 8 of the Exchange Act. The same shall apply hereinafter. In calculating such ownership ratio of share certificates, etc., the total number of voting rights in the Company shall be obtained by referring to the latest information published by the Company.
- [8] A “specially related party” as defined in Article 27-2, Paragraph 7 of the Exchange Act. However, with respect to the persons set forth in Item 1 of the same paragraph, those set forth in Article 3, Paragraph 2 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers shall be excluded. In addition, (i) joint holders and (ii) Contracted Financial Institutions, etc. are deemed specially related parties of the specific shareholders. The same shall apply hereinafter unless otherwise specified.
- [9] The determination of whether or not a “relationship has been established between the specific shareholder and the other shareholder in which one effectively controls the other or in which they act jointly or in concert” shall be based on the formation of a new investment relationship, business alliance, trade or contractual relationship, concurrent directorship, funding relationship, credit relationship, effective interest in the Company’s shares through derivatives or stock lending, etc., and the direct or indirect influence of such specific group of shareholders and other shareholders on the Company.
- [10] The determination as to whether or not the prescribed action in (iii) of the main text has been taken shall be made by the Company’s Board of Directors in a reasonable manner based on the recommendations of the Corporate Value Advisory Committee. The Company’s Board of Directors may request the provision of information needed by the Company’s shareholders to the extent deemed necessary to determine whether or not the requirements of (iii) of the main text have been met.
- [11] The term “material proposal” as defined in Article 27-26, Paragraph 1 of the Exchange Act, Article 14-8-2, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act, and Article 16 of the Cabinet Office Order on Disclosure of the Status of Large-Volume Holdings in Share Certificates, etc.
- [12] “Business day” means a day other than those listed in each item of Article 1, Paragraph 1 of the Act on Holidays of Administrative Organs.
- [13] “Joint holders” as defined in Article 27-23, Paragraph 5 of the Exchange Act, including those deemed to be joint holders pursuant to Paragraph 6 of the same article. The same shall apply hereinafter.

Overview of the Corporate Value Advisory Committee

1. The Corporate Value Advisory Committee shall be established by resolution of the Company's Board of Directors as an advisory body to the Board of Directors for the purpose of eliminating arbitrary decisions by the Board of Directors regarding the invocation, etc. of countermeasures against Large-Scale Purchases, etc. and ensuring that the Board of Directors' decisions and responses are objective and reasonable.
2. The Corporate Value Advisory Committee shall have at least three members appointed by resolution of the Company's Board of Directors from those falling under either (1) outside directors or (2) outside experts who are independent of the management team that executes the Company's business. The Company shall enter into an agreement with each member of the Corporate Value Advisory Committee that includes provisions regarding duty of care and confidentiality.
3. The term of office of the members of the Corporate Value Advisory Committee shall expire at the conclusion of the annual general meeting of shareholders relating to the last fiscal year ending within one year from the time of their appointment, or until a date separately agreed upon by the members of Corporate Value Advisory Committee and the Company, unless otherwise determined by a resolution of the Company's Board of Directors.
4. The Corporate Value Advisory Committee shall be convened by the Company's Representative Director or a member of the Corporate Value Advisory Committee.
5. The chair of the Corporate Value Advisory Committee shall be elected by the Committee from among its members.
6. Resolutions of the Corporate Value Advisory Committee shall, in principle, be adopted by a majority of a meeting attended by all members of the Corporate Value Advisory Committee. However, if any member of the Corporate Value Advisory Committee is unable to attend a meeting due to an accident or for any other special reason, resolutions shall be adopted by a majority of a meeting attended by a majority of the members of the Corporate Value Advisory Committee.
7. The Corporate Value Advisory Committee shall, upon consultation with the Company's Board of Directors, deliberate and resolve on the matters listed in the following items, and shall make recommendations to the Company's Board of Directors on the content of such resolutions, together with the reasons thereof.
 - (1) Whether or not the countermeasures under the Plan should be invoked (including whether or not to obtain prior confirmation of the will of the shareholders with respect to invoking the countermeasures)
 - (2) Calling off or suspending the invocation of countermeasures under the Plan
 - (3) Abolition and amendment of the Plan
 - (4) Other matters related to the Plan that the Company's Board of Directors consults at its discretion with the Corporate Value Advisory Committee

In addition to the above, the Corporate Value Advisory Committee shall also perform the matters described in each of the following items.

- (1) Assess whether a proposal falls under the purchases, etc. under the Plan
- (2) Assess the sufficiency of the Necessary Information, and determine the content of any additions to be requested to the Necessary Information
- (3) Verify and examine the details of the purchase, etc. by the Purchaser, etc.
- (4) Consider and approve extensions to the Board of Directors Evaluation Period
- (5) To conduct other matters stipulated by the Corporate Value Advisory Committee in the Plan

Each member of the Corporate Value Advisory Committee deliberate and resolve matters exclusively from the perspective of whether or not they contribute to the Company's corporate value and common interests of shareholders, and shall not seek to advance their own personal interests or those of the Company's management team.

8. The Corporate Value Advisory Committee may request the Company's Board of Directors to present its opinion on the Large-Scale Purchase, etc. and materials supporting such opinion, as well as alternative proposals and any other information it deems necessary. In addition, the Corporate Value Advisory Committee may, as necessary, invite the Company's Directors or employees or other persons it deems necessary to attend the meeting and have them give opinions or explanations on matters at its request.
9. In performing its duties, the Corporate Value Advisory Committee may, at the Company's expense, obtain advice from outside experts (including investment banks, securities firms, financial advisors, certified public accountants, lawyers, consultants, and other experts) that are independent of the management team that executes the Company's business.

Biographies of Members of the Corporate Value Advisory Committee

Katsuko Iizuka (born December 24, 1964)

- April, 1987 Joined The Mitsubishi Bank, Ltd (currently MUFG Bank, Ltd.)
- April, 1998 Registered as an attorney (Dai-Ichi Tokyo Bar Association)
Joined Hirakawa, Sato & Kobayashi (currently City-Yuwa Partners)
- April, 2013 Partner, City-Yuwa Partners (present position)
- June, 2015 Outside Director, Nissin Sugar Co., Ltd. (currently WELLNEO SUGAR Co., Ltd.)(present position)
- June, 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (present position)
- February, 2017 Outside Corporate Auditor, K.R.S. Corporation (present position)

Ryugo Yoshimura (born February 17, 1965)

- April, 1990 Registered as an attorney (Daini Tokyo Bar Association)
Joined Anderson Mori & Rabinowitz
(currently Anderson Mori & Tomotsune)
- June, 2003 Ito & Mitomi (currently Morrison & Foerster LLP)
Joined as a Partner
- January, 2023 Joined as a Partner, Kensei Law Offices (present position)

Motohiro Ikehara (born September 9, 1974)

- April, 2000 Registered as an attorney (Tokyo Bar Association)
Joined Yanagida & Nomura (currently Yanagida & Partners)
- October, 2006 Joined City-Yuwa Partners
- June, 2007 Registered as an attorney in the state of New York
- June, 2009 Joined Nomura & Partners
- January, 2014 Partner, Nomura & Partners (present position)

**Cases Deemed to Significantly Impair
the Company's Corporate Value and Common Interests of Shareholders**

1. When it is determined that the Purchaser, etc. is a person who is acquiring or attempting to acquire the Company's shares, etc. for the sole purpose of raising the share price and inducing the Company's related parties to purchase the Company's shares, etc. at a high price (so-called "greenmailer"), even though the Purchaser, etc. has no intention of truly participating in the Company's management
2. When it is determined that the Purchaser, etc. is acquiring the Company's shares, etc. for the purpose of temporarily controlling the Company's management and transferring the assets of the Company or its group companies, such as intellectual property rights, expertise, trade secrets, major business partners or customers, etc., necessary for the business management of the Company or its group companies to the said Purchaser, etc. or its group companies, etc.
3. When it is determined that the Purchaser, etc. is acquiring the Company's shares, etc. for the purpose of diverting the assets of the Company or its group companies as collateral or to repay the debts of the Purchaser, etc. or its group companies, etc. after gaining control of the Company's corporate management
4. When it is determined that the acquisition of the Company's shares, etc. is being conducted for the purpose of temporarily controlling the Company's management and causing the disposal of high-value assets such as real estate and securities that are not currently related to the business of the Company or its group companies through sales, etc., and then temporarily paying high dividends using the proceeds of the disposal, or taking the opportunity of the sharp rise in the share price resulting from the temporarily high dividends to sell the Company's shares, etc. at a high price
5. When it is determined that the method of purchase of the Company's shares, etc. proposed by the Purchaser, etc., may restrict the opportunity or freedom of judgment of shareholders, such as a so-called coercive two-step acquisition (meaning a purchase of shares, etc. such as a tender offer, etc., that does not solicit the purchase of all the Company's shares, etc. at the initial purchase and sets conditions that are unfavorable or unclear in the second stage of purchase), or may effectively force shareholders to sell their shares, etc. in the Company
6. When it is determined that the terms and conditions of the acquisition of the Company's shares, etc. (including, but not limited to, the type and amount of consideration, the basis of calculation [including the facts and assumptions underlying the calculation, the calculation method, the numerical data used in the calculation, the details of expected synergies and their amounts], the timing, the method and other specific details of the terms and conditions, whether it is in any way illegal and its feasibility) proposed by the Purchaser, etc. are insufficient or inappropriate in light of the Company's corporate value
7. When it is determined that the acquisition of control by the Purchaser, etc. is likely to destroy the Company's relationships not only with its shareholders, but also with its employees, business partners, customers, local communities, and other stakeholders, and significantly impair the Company's corporate value and common interests of shareholders, or otherwise hinder the protection or enhancement of the Company's corporate value and common interests of shareholders
8. When it is determined that the acquisition of control by the Purchaser, etc. per se will destroy the Company's ongoing business relationships with its key customers and cause irreparable damage to the Company, and by extension, common interests of shareholders
9. When the Company's corporate value in the case the Purchaser, etc. acquires control of the Company is determined to be significantly inferior to the Company's corporate value in the case the Purchaser, etc. does not acquire control of the Company in terms of the future corporate value over the medium to long term

10. When it is determined that the Purchaser, etc. is extremely inappropriate as the controlling shareholder of the Company from the viewpoint of public order and morals, and that if the Purchaser, etc. becomes a shareholder of the Company, it would significantly impair the Company's corporate value and common interests of shareholders
11. Other cases similar to 1 through 10 above that are determined to significantly impair the Company's corporate value and common interests of shareholders

Overview of Gratis Allotment of Share Acquisition Rights

1. **Total number of Share Acquisition Rights to be allotted**
The total number of Share Acquisition Rights to be allotted shall be the number separately determined by a resolution of the Board of Directors regarding the gratis allotment of Share Acquisition Rights (hereinafter, the “Gratis Allotment Resolution”), up to the number equal to the final total number of issued shares of the Company as of a certain date separately determined by the Company’s Board of Directors (hereinafter, the “Allotment Date”) (excluding, however, the number of shares held by the Company as of the same date).
2. **Shareholders eligible for allotment**
The Company will make a gratis allotment of Share Acquisition Rights to shareholders (excluding the Company) recorded in the final shareholders’ register as of the Allotment Date at a ratio separately determined by the Company’s Board of Directors in the Gratis Allotment Resolution, not exceeding one Share Acquisition Right for every common share of the Company held.
3. **Effective date of gratis allotment of Share Acquisition Rights**
This will be a date separately determined by the Company’s Board of Directors in the Gratis Allotment Resolution.
4. **Class and number of shares underlying Share Acquisition Rights**
The class of shares underlying the Share Acquisition Rights shall be common shares of the Company, and the number of shares underlying one Share Acquisition Right (hereinafter, the “Applicable Number”) shall be the number separately determined by the Company’s Board of Directors in the Gratis Allotment Resolution not exceeding one share. However, if the Company conducts a share split or a reverse share split, etc., necessary adjustments shall be made.
5. **Details and price of assets to be contributed upon exercise of Share Acquisition Rights**
The contribution upon exercise of the Share Acquisition Rights shall be made in cash, and the amount per common share of the Company to be contributed upon exercise of the Share Acquisition Rights shall be 1 yen or more, to be separately determined by the Company’s Board of Directors in the Gratis Allotment Resolution.
6. **Restrictions on transfer of Share Acquisition Rights**
Any transfer of the Share Acquisition Rights shall require the approval of the Company’s Board of Directors.
7. **Conditions for exercise of Share Acquisition Rights**
(1) Specific large volume holders[14], (2) joint holders of specific large volume holders, (3) specific large volume purchasers[15], (4) specially related parties of specific large volume purchasers, or (5) parties who have received or inherited the Share Acquisition Rights from any of the parties (1) through (4) without obtaining the approval of the Company’s Board of Directors, or (6) affiliated parties[16] of any of parties (1) through (5) (hereinafter collectively referred to as “Non-Qualified Parties”) may not exercise the Share Acquisition Rights. The details of the conditions related to exercise of the Share Acquisition Rights shall be separately determined in the Gratis Allotment Resolution.

8. Acquisition of Share Acquisition Rights by the Company
On a date separately determined by the Company's Board of Directors, the Company may acquire the Share Acquisition Rights held by parties other than Non-Qualified Parties and, in exchange, deliver the Applicable Number of common shares of the Company per Share Acquisition Right. The details of the conditions for acquisition of the Share Acquisition Rights shall be separately determined in the Gratis Allotment Resolution.
9. Acquisition at no cost upon suspension of countermeasure invocation, etc.
In case the Company's Board of Directors suspends the invocation of countermeasures or in other cases separately determined by the Company's Board of Directors in the Gratis Allotment Resolution, the Company may acquire all of the Share Acquisition Rights at no cost.
10. Exercise period, etc. of Share Acquisition Rights
The exercise period of the Share Acquisition Rights and other necessary matters shall be separately determined by the Company's Board of Directors in the Gratis Allotment Resolution.

[14] A holder of shares, etc. (meaning "share certificates, etc." as defined in Article 27-23, Paragraph 1 of the Exchange Act; the same shall apply hereinafter in this note) issued by the Company, whose shareholding ratio of the Company's shares, etc., is 20% or more, or a party who is recognized by the Company's Board of Directors to fall under this category. However, this does not apply to parties who the Company's Board of Directors recognizes are not detrimental to the Company's corporate value and common interests of shareholders if they acquire and/or hold the Company's shares, or other parties separately determined by the Company's Board of Directors in the Gratis Allotment Resolution. The same shall apply hereinafter.

[15] A party who has given a public notice that they will purchase (meaning a "purchase, etc." as defined in Article 27-2, Paragraph 1 of the Exchange Act; the same shall apply hereinafter in this note) shares, etc. (meaning "share certificates, etc." as defined in Article 27-3, Paragraph 1 of the Exchange Act; the same shall apply hereinafter in this note) issued by the Company through a tender offer and whose ownership ratio of shares or other securities held (including those stipulated in Article 7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act as equivalent thereto) by the party after the purchase will be 20% or more combined with the ownership ratio of shares, etc. held by its specially related parties, or a party that the Company's Board of Directors recognizes as falling under such a category. However, this does not apply to parties who the Company's Board of Directors recognizes are not detrimental to the Company's corporate value and common interests of shareholders if they acquire and/or hold the Company's shares, or other parties separately determined by the Company's Board of Directors in the Gratis Allotment Resolution. The same shall apply hereinafter.

[16] An "affiliated party" of a party is an entity which effectively controls, is controlled by, or is under common control with that party (including those who are deemed to fall under these categories by the Company's Board of Directors), or is recognized by the Company's Board of Directors as acting in concert with that party. "Control" means "controlling decisions on the financial and business principles" of another company, etc. (as defined in Article 3, Paragraph 3 of the Regulations for Enforcement of the Companies Act).

Proposal 7: Payment of a Retirement Bonus to a Retiring Director Who Is an Audit and Supervisory Committee Member

The Company proposes to pay a retirement bonus, within suitable limits, to Mr. Toshio Yamazaki, who will retire as Director who is a full-time Audit and Supervisory Committee Member at the conclusion of this General Meeting of Shareholders due to the expiration of his term of office, to reward him for his diligence in that office, in accordance with the Company's internal rules. The Company further proposes to delegate decisions on details such as the specific amount, timing, and method of this payment to discussion among Directors who are Audit and Supervisory Committee Members.

This proposal has been considered by each Director who is an Audit and Supervisory Committee Member in accordance with the Company's regulations and deemed appropriate.

The career summary of the retiring Director is shown below.

Name	Career summary	
Toshio Yamazaki	June 2016	Director (Full-time Audit and Supervisory Committee Member) of the Company (present position)