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Securities Code 6417

June 7, 2024

(Measures for electronic provision were made available on June 3, 2024)

To Those Shareholders with Voting Rights

Akihiko Ishihara
Representative Director, President & CEO
SANKYO CO., LTD.
3-29-14 Shibuya, Shibuya-ku, Tokyo, Japan

NOTICE OF THE 59th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to the 59th Ordinary General Meeting of Shareholders of the Company. The meeting will be held as stated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information in electronic format and has posted the items subject to the measures for providing information in electronic format as “Notice of the 59th Ordinary General Meeting of Shareholders” and “Other Electronic Provision Measures Matters of the 59th Ordinary General Meeting of Shareholders (Matters Not Included in Delivered Documents concerning Notice of Convocation)” on the website indicated below.

The Company’s website <https://www.sankyo-fever.co.jp/corporate/ir/meeting.html>

In addition to the above, the notice is also posted on the website indicated below.

Tokyo Stock Exchange website <https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

Please access the website indicated above, enter and search for “SANKYO” in the “Issue name (company name)” field or enter and search for “6417” in the “Securities Code” field, select “Basic information” and “Documents for public inspection/PR information” in that order to see the relevant notice.

If you are not attending the meeting in person, you can exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 6:00 p.m. on Wednesday, June 26, 2024.

1. **Date and Time:** Thursday, June 27, 2024 at 10:00 a.m.
2. **Place:** Star Room, The Westin Tokyo, B2F, 1-4-1 Mita, Meguro-ku, Tokyo (located within Yebisu Garden Place)
3. **Agenda of the Meeting:**
 - Matters to be reported:**
 1. Business Report, Consolidated Financial Statements for the 59th Fiscal Term (from April 1, 2023 to March 31, 2024) and results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 59th Fiscal Term (from April 1, 2023 to March 31, 2024)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 4:** Election of Five Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 5:** Establishment of the Amount of Compensation for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

- Proposal No. 6:** Establishment of the Amount of Compensation for Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 7:** Determination of the Amounts and Details of Performance-linked Stock Compensation, Etc. for Directors, Etc. (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors) of the Company and Its Subsidiaries

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of Surplus

The Company regards the return of profits to shareholders as one of the most important management priorities.

The Company's basic policy is to pay performance-linked dividends with a consolidated dividend payout ratio of 40% as a benchmark. However, the minimum annual dividend per share shall be set at ¥20 to maintain stable dividends.

In regard to future profit sharing and use of retained earnings, while maintaining performance-based dividend payments as the basic policy, the Company will effectively utilize retained earnings, such as in business investment for growth and repurchase of own shares for flexible shareholder returns, through appropriate allocation.

Based on the above dividend policy, the Company proposes to pay the year-end dividend for the 59th fiscal term as follows:

Matters concerning the year-end dividends

(1) Type of dividend property

Dividends will be paid in cash.

(2) Appropriation of dividend property to shareholders and total amount

¥50 per share of the Company's common stock, for a total amount of ¥11,034,907,250

Note: The Company carried out a share split at a ratio of five shares for one share of common stock, effective March 1, 2024. As the interim dividend (¥150 per share) paid for the record date of September 30, 2023, is equivalent to ¥30 on a dividend per share basis after the said share split, the amount of full-year dividends for this term, including the year-end dividend, will be ¥80 per share.

(3) Effective date of dividends from surplus

June 28, 2024

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reason for Amendments

(1) The Company intends to transition to a company with an Audit and Supervisory Committee to further strengthen the audit and supervisory function of the Board of Directors and further enhance governance, as well as to increase managerial fairness, transparency, and efficiency by accelerating decision-making and business execution through delegation of authority. Accordingly, relevant amendments shall be made to the Articles of Incorporation, including the establishment of new provisions concerning the Audit and Supervisory Committee and its Members and the deletion of provisions concerning the Statutory Auditors and the Board of Statutory Auditors.

(2) To enable flexible implementation of capital and dividend policies, the Company shall become able to flexibly pay dividends from surplus, etc. without a resolution of a general meeting of shareholders even in the event of a disaster or other contingencies that would make it difficult to convene a general meeting of shareholders, with respect to the matters that may be resolved by the Board of Directors if stipulated as such in the Articles of Incorporation and for the primary purpose of using a part of general reserve, while following the principle that year-end dividends shall continue to be determined at a general meeting of shareholders. Accordingly, Article 38 (Declaration of dividends, etc.) shall be established, and associated necessary amendments shall be made, including the deletion of Article 7 (Acquisition of treasury shares) and Article 43 (Record date for interim dividends) of the current Articles of Incorporation, which are overlapping in content, in accordance with the proposed amendments to the Articles of Incorporation.

(3) Other necessary amendments shall be made, including changes to article numbers and the format.

2. Details of the Proposed Amendments

The details of the proposed amendments are stated below.

Amendments to the Articles of Incorporation in this proposal shall become effective at the closing of this General Meeting of Shareholders.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendment
Articles 1 to 3. (Omitted) (Organizational bodies) Article 4. The Company shall have the following organizational bodies, in addition to the General Meeting of Shareholders and Directors: (1) Board of Directors (2) <u>Statutory Auditors</u> (3) <u>Board of Statutory Auditors</u> (4) Accounting Auditor	Articles 1 to 3. (Unchanged) (Organizational bodies) Article 4. The Company shall have the following organizational bodies, in addition to the General Meeting of Shareholders and Directors: (1) Board of Directors (2) <u>Audit and Supervisory Committee</u> (Deleted) (3) Accounting Auditor
Articles 5 to 6. (Omitted) (<u>Acquisition of treasury shares</u>) Article 7. <u>The Company may, pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act, acquire treasury shares by a resolution of the Board of Directors.</u>	Articles 5 to 6. (Unchanged) (Deleted)
Articles <u>8</u> to <u>19</u> . (Omitted) (Number of Directors)	Articles <u>7</u> to <u>18</u> . (Unchanged) (Number of Directors)

Article 20. The Company shall have not more than 10 Directors.

(Newly established)

(Election of Directors)

Article 21. The Company's Directors shall be elected by a resolution of the General Meeting of Shareholders which shall be adopted by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in the aggregate one-third or more of the total number of voting rights of all shareholders who are entitled to vote.

2 (Omitted)

(Term of office of Directors)

Article 22. The term of office of Directors shall expire upon the closing of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within one year after their election to the office.

(Newly established)

(Newly established)

(Newly established)

Article 19. The Company shall have not more than nine Directors (excluding Directors who are Audit and Supervisory Committee Members).

2 The Company shall have not more than five Directors who are Audit and Supervisory Committee Members.

(Election of Directors)

Article 20. The Company's Directors shall be elected, in a manner that differentiates between Directors who are Audit & Supervisory Committee Members and the other Directors, by a resolution of the General Meeting of Shareholders which shall be adopted by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in the aggregate one-third or more of the total number of voting rights of all shareholders who are entitled to vote.

2 (Unchanged)

(Term of office of Directors)

Article 21. The term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall expire at the closing of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within one year after their election to the office.

2 The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the closing of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within two years after their election to the office.

3 The term of office of Directors who are Audit and Supervisory Committee Members elected to fill a vacancy caused by the resignation of Directors who are Audit and Supervisory Committee Members prior to the expiration of such Directors' term of office shall expire at the time the term of office of their predecessor expires.

4 A resolution to elect a substitute Director who is an Audit and Supervisory Committee Member pursuant to Article 329, Paragraph 3 of the Companies Act shall remain effective until the beginning of the Ordinary General Meeting of Shareholders for the last business year ending within two years after his or her election unless the effective period is shortened by the said resolution.

(Representative Directors and Directors with titles)

Article 23. The Board of Directors shall, by its resolution, appoint one or more Representative Directors.

- 2 The Board of Directors may, by its resolution, appoint Director & Chairman, Director & President, Director & Senior Executive Vice President, Senior Executive Director, and Executive Director.

- 3 (Omitted)

Article 24. (Omitted)

(Convocation and chairperson of the Board of Directors)

Article 25. (Omitted)

- 2 A notice to convene a meeting of the Board of Directors shall be issued to each Director and each Statutory Auditor three days prior to the date of the meeting; provided, however, that such period of advance notice may be shortened in case of an emergency.

Article 26. (Omitted)

(Newly established)

Article 27. (Omitted)

(Compensation, etc. for Directors)

Article 28. Financial benefits that Directors receive from the Company as consideration for their execution of duties, such as director compensation and bonuses, shall be determined by a resolution of the General Meeting of Shareholders.

(Exemption of Directors' liabilities)

(Representative Directors and Directors with titles)

Article 22. The Board of Directors may, by its resolution, appoint one or more Representative Directors from among Directors (excluding Directors who are Audit and Supervisory Committee Members).

- 2 The Board of Directors may, by its resolution, appoint Director & Chairman, Director & President, Director & Senior Executive Vice President, Senior Executive Director, and Executive Director from among Directors (excluding Directors who are Audit and Supervisory Committee Members).

- 3 (Unchanged)

Article 23. (Unchanged)

(Convocation and chairperson of the Board of Directors)

Article 24. (Unchanged)

- 2 A notice to convene a meeting of the Board of Directors shall be issued to each Director three days prior to the date of the meeting; provided, however, that such period of advance notice may be shortened in case of an emergency.

Article 25. (Unchanged)

(Delegation of decisions on important business execution)

Article 26. Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by a resolution of the Board of Directors, delegate all or part of the decisions on important business execution (excluding the matters listed in each item of Paragraph 5 of the said Article) to Directors.

Article 27. (Unchanged)

(Compensation, etc. for Directors)

Article 28. Financial benefits that Directors receive from the Company as consideration for their execution of duties, such as director compensation and bonuses, shall be determined by a resolution of the General Meeting of Shareholders in a manner that differentiates between Directors who are Audit and Supervisory Committee Members and the other Directors.

(Exemption of Directors' liabilities)

<p>Article 29. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Directors (including former Directors) from liability for damages resulting from failure to discharge duties to the extent permitted by laws and regulations.</p> <p>2 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Directors (excluding those serving as executive directors, etc.) which limit their liability for damages resulting from failure to discharge duties; provided, however, that the limit of liability pursuant to such agreements shall be the amount provided for in laws and regulations.</p>	<p>Article 29. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Directors (including former Directors) from liability for damages resulting from failure to discharge duties to the extent permitted by laws and regulations.</p> <p>2 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Directors (excluding those serving as executive directors, etc.) which limit their liability for damages resulting from failure to discharge duties; provided, however, that the limit of liability pursuant to such agreements shall be the amount provided for in laws and regulations.</p>
<p><u>Chapter 5. Statutory Auditors and the Board of Statutory Auditors</u></p>	<p>(Deleted)</p>
<p><u>(Number of Statutory Auditors)</u></p>	<p>(Deleted)</p>
<p><u>Article 30. The Company shall have not more than four Statutory Auditors.</u></p>	<p>(Deleted)</p>
<p><u>(Election of Statutory Auditors)</u></p>	<p>(Deleted)</p>
<p><u>Article 31. The Company's Statutory Auditors shall be elected by a resolution of the General Meeting of Shareholders which shall be adopted by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in the aggregate one-third or more of the total number of voting rights of all shareholders who are entitled to vote.</u></p>	<p>(Deleted)</p>
<p><u>(Term of office of Statutory Auditors)</u></p>	<p>(Deleted)</p>
<p><u>Article 32. The term of office of Statutory Auditors shall expire upon the closing of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within four years after their election to the office.</u></p> <p>2 <u>The term of office of Statutory Auditors elected to fill a vacancy caused by the resignation of Statutory Auditors prior to the expiration of such Statutory Auditors' term of office shall expire at the time the term of office of their predecessor expires.</u></p>	<p>(Deleted)</p>
<p><u>(Authority of the Board of Statutory Auditors)</u></p>	<p>(Deleted)</p>

<p><u>Article 33. The Board of Statutory Auditors shall make decisions on the matters prescribed in laws and regulations or the Articles of Incorporation, as well as on the Company's audit policies, methods for investigating the Company's operational and financial status, and other matters regarding the performance of Statutory Auditors' duties.</u></p>	(Deleted)
<p><u>(Convocation of the Board of Statutory Auditors)</u></p>	(Deleted)
<p><u>Article 34. Meetings of the Board of Statutory Auditors shall be convened by any Statutory Auditor.</u></p>	(Deleted)
<p><u>2 A notice to convene a meeting of the Board of Statutory Auditors shall be issued to each Statutory Auditor three days prior to the date of the meeting; provided, however, that such period of advance notice may be shortened in case of an emergency.</u></p>	(Deleted)
<p><u>(Regulations on the Board of Statutory Auditors)</u></p>	(Deleted)
<p><u>Article 35. Other matters regarding the Board of Statutory Auditors shall comply with the regulations on the Board of Statutory Auditors separately established by the Board of Statutory Auditors.</u></p>	(Deleted)
<p><u>(Standing Statutory Auditors)</u></p>	(Deleted)
<p><u>Article 36. The Board of Statutory Auditors shall appoint Standing Statutory Auditors by its resolution.</u></p>	(Deleted)
<p><u>(Compensation, etc. for Statutory Auditors)</u></p>	(Deleted)
<p><u>Article 37. Financial benefits that Statutory Auditors receive from the Company as consideration for their execution of duties, such as compensation and bonuses, shall be determined by a resolution of the General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>(Exemption of Statutory Auditors' liabilities)</u></p>	(Deleted)

Article 38. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Statutory Auditors (including former Statutory Auditors) from liability for damages resulting from failure to discharge duties to the extent permitted by laws and regulations.

2 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Statutory Auditors which limit their liability for damages resulting from failure to discharge duties; provided, however, that the limit of liability pursuant to such agreements shall be the amount provided for in laws and regulations.

(Newly established)

(Newly established)

(Newly established)

(Newly established)

(Newly established)

(Newly established)

Chapter 5. Audit and Supervisory Committee

(Standing Audit and Supervisory Committee Members)

Article 30. The Audit and Supervisory Committee may, by its resolution, appoint Standing Audit and Supervisory Committee Members from among the Audit and Supervisory Committee Members.

(Authority of the Audit and Supervisory Committee)

Article 31. The Audit and Supervisory Committee shall make decisions on the matters prescribed in laws and regulations or the Articles of Incorporation and exercise authority needed to perform its duties.

(Convocation of the Audit and Supervisory Committee)

Article 32. A notice to convene a meeting of the Audit and Supervisory Committee shall be issued to each Audit and Supervisory Committee Member three days prior to the date of the meeting; provided, however, that such period of advance notice may be shortened in case of an emergency.

(Method of adopting resolution of the Audit and Supervisory Committee)

Article 33. A resolution of the Audit and Supervisory Committee shall be adopted by a majority of the votes of Audit and Supervisory Committee Members in attendance who represent a majority of the total Audit and Supervisory Committee Members who are entitled to vote.

(Regulations on the Audit and Supervisory Committee)

Articles 39 to 41. (Omitted)
(Newly established)

(Record date for distribution of dividends from surplus)

Article 42. (Omitted)
(Newly established)

(Newly established)

(Record date for interim dividends)

Article 43. The Company may, by a resolution of the Board of Directors, distribute interim dividends, the record date for which shall be September 30 of each year.

Article 44. (Omitted)
(Newly established)
(Newly established)

Article 34. Other matters regarding the Audit and Supervisory Committee shall comply with the regulations on the Audit and Supervisory Committee separately established by the Audit and Supervisory Committee.

Articles 35 to 37. (Unchanged)

(Declaration of dividends, etc.)

Article 38. Unless otherwise provided by laws or regulations, the Company may determine matters stipulated in each item of Article 459, Paragraph 1 of the Companies Act, such as distribution of dividends from surplus, by a resolution of the Board of Directors.

(Record date for distribution of dividends from surplus)

Article 39. (Unchanged)

- 2 The record date for the Company's interim dividends shall be September 30 of each year, provided that the Company decides to distribute such dividends.
- 3 The Company may set other record dates than those provided for in the two preceding paragraphs to distribute dividends from surplus.

(Deleted)

Article 40. (Unchanged)

SUPPLEMENTARY PROVISIONS

(Transitional measures regarding exemption of Statutory Auditors' liabilities)

- 1 Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt to the extent permitted by laws and regulations Statutory Auditors (including former Statutory Auditors) from liability for damages resulting from failure to discharge duties prior to the entry into effect of the partial amendments to Articles of Incorporation resolved at the 59th Ordinary General Meeting of Shareholders.
- 2 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, with respect to agreements with Statutory Auditors to limit their liability for damages resulting from failure to discharge duties which were reached before the partial amendments to the Articles of Incorporation resolved at the 59th Ordinary General Meeting of Shareholders become effective, the prior Articles of Incorporation shall still apply.

Proposal No. 3: Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Subject to the approval and resolution of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition to a company with an Audit and Supervisory Committee, and all five Directors will complete their terms of office at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of four Directors (excluding Directors who are Audit and Supervisory Committee Members).

This proposal shall become effective on condition that the amendments to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

No.	Name	Gender	Current position and assignment at the Company	Attendance at meetings of the Board of Directors
1	Reappointment Hideyuki Busujima	Male	Director & Chairman	100% (17/17)
2	Reappointment Akihiko Ishihara	Male	Representative Director, President & CEO	100% (17/17)
3	New Candidate Toshio Ogura	Male	Senior Executive Operating Officer & Head of Product Management Division	-
4	New Candidate Junko Tsuruoka	Female	Secretary Office Manager	-

Note: The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The said insurance contract covers damages including compensation for damages and litigation expenses to be borne by the insured. If candidates for Director assume the office of Director, they will become the insured under the said insurance contract, which is scheduled for renewal during their terms of office.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
1	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Hideyuki Busujima (September 30, 1952)	June 1985 Executive Director of the Company January 1988 Senior Executive Director of the Company February 1992 Representative Senior Executive Director of the Company June 1992 Representative Director & Senior Executive Vice President of the Company June 1996 Representative Director, President & CEO of the Company April 2008 Representative Director, Chairman of the Board & CEO of the Company April 2022 Director & Chairman of the Company (to present)	7,500,000

Reasons for nomination as a candidate for Director

Ever since his appointment as Representative Director, President & CEO of the Company in 1996, Mr. Hideyuki Busujima has concentrated resources on the pachinko and pachislot machines businesses and contributed to the Company's development. As well as leading development, manufacturing, and sales of innovative models that set the pace in the industry, he launched the strategy to expand SANKYO as a group and established the foundation for the current three-brand structure. From 2008, as Representative Director, Chairman of the Board & CEO, he demonstrated his leadership for maintaining the Company's position as an industry leader and establishing a stable financial and management foundation despite the industry's challenging operating environment, and strove to enhance shareholder value. Having assumed the office of Director & Chairman in April 2022, he is supervising management based on a wealth of experience and knowledge of management.

The Company expects that his continuous performance of duties will contribute to sustainable enhancement of the Group's corporate value. Therefore, the Company has nominated Mr. Busujima as a candidate for Director.

Note: Marf Corporation where Mr. Hideyuki Busujima serves as Representative Director has a transactional relationship with the Company pertaining to real estate leasing. Yoshii Country Club Co., Ltd. where Mr. Hideyuki Busujima serves as Representative Director has a transactional relationship with the Company pertaining to a tie-up for usage of shareholder benefit coupons.

No.	Name (Date of birth)	Career summary, position, assignment, and significant concurrent positions	Number of shares of the Company held
2	<p style="text-align: center;">Reappointment</p> <p>Akihiko Ishihara (September 9, 1962)</p>	<p>April 2008 Operating Officer & General Manager of Sales Planning Department of the Company</p> <p>April 2010 Executive Operating Officer, Head of Administration Division & General Manager of General Affairs Department of the Company</p> <p>April 2011 Senior Executive Operating Officer, Head of Administration Division & General Manager of General Affairs Department of the Company</p> <p>June 2012 Director & Senior Executive Operating Officer, Head of Administration Division & General Manager of General Affairs Department of the Company</p> <p>April 2015 Representative Director, President of Sankyo Excel Co., Ltd.</p> <p>April 2020 Senior Executive Vice President, General Manager of Corporate Planning Division of the Company</p> <p>June 2020 Director & Senior Executive Vice President, General Manager of Corporate Planning Division of the Company (Supervising Manufacturing Division & Administration Division)</p> <p>April 2021 Representative Director & Senior Executive Vice President, General Manager of Corporate Planning Division of the Company(Supervising Manufacturing Division & Administration Division)</p> <p>June 2021 Representative Director, President & COO of the Company</p> <p>April 2022 Representative Director, President & CEO of the Company (to present)</p> <p>June 2023 Outside Director of the Gamecard-Joyco Holdings, Inc. (to present)</p> <p>(Significant concurrent positions) Outside Director of the Gamecard-Joyco Holdings, Inc.</p>	88,500

Reasons for nomination as a candidate for Director

Since he joined the Company, Mr. Akihiko Ishihara has cultivated a wealth of business experience through his engagement in sales planning, administration, and corporate planning. He has been involved in wide-ranging aspects of the Group's management, including his service as Representative Director of SANKYO EXCEL CO., LTD., a consolidated subsidiary of the Company that plays a role in manufacturing, for five years from 2015, and has been striving to enhance corporate value. He assumed the office of Representative Director, President & Chief Operating Officer (COO) in June 2021. Having assumed the office of Representative Director, President & Chief Executive Officer (CEO) in April 2022, he is leading management, including implementation of a business strategy to increase market share and promotion of organizational reform.

The Company expects that his continuous performance of duties will contribute to sustainable enhancement of the Group's corporate value. Therefore, the Company has nominated Mr. Ishihara as a candidate for Director.

Note: No conflict of interest exists between the Company and Mr. Ishihara.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
3	<u>New Candidate</u> Toshio Ogura (March 12, 1962)	<p>April 2012 Operating Officer & Head of Intellectual Property Division & General Manager of Intellectual Property Department</p> <p>April 2015 Executive Operating Officer & Head of Intellectual Property Division</p> <p>April 2018 Senior Executive Operating Officer & Head of Intellectual Property Division</p> <p>January 2019 Senior Executive Operating Officer & Head of Intellectual Property Division & Deputy Head of Product Management Division</p> <p>April 2021 Senior Executive Operating Officer & Head of Intellectual Property Division & Deputy Head of Product Management Division & General Manager of Research & Development Department</p> <p>April 2022 Senior Executive Operating Officer & Head of Product Management Division (to present)</p>	45,000

Reasons for nomination as a candidate for Director

Mr. Toshio Ogura had been responsible for the Company's intellectual property strategy as the Head of Intellectual Property Division for many years and helped the Company to secure a solid position in the intellectual property field of the industry. Since his appointment as Deputy Head of Product Management Division in January 2019 and as Head of Product Management Division in April 2022, he has been leading the Company's business divisions, with successful results such as having expanded market share.

The Company expects that his involvement in management based on deep insight and a wealth of experience will contribute to sustainable enhancement of the Group's corporate value. Therefore, the Company has nominated Mr. Ogura as a candidate for Director.

Note: No conflict of interest exists between the Company and Mr. Ogura.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
4	<u>New Candidate</u> Junko Tsuruoka (February 23, 1962)	<p>June 1996 President's secretary of the Company</p> <p>April 2001 Manager, Secretary Section, General Affairs Department of the Company</p> <p>April 2019 Chairman's secretary of the Company</p> <p>April 2024 Secretary Office Manager of the Company (to present)</p>	28,500

Reasons for nomination as a candidate for Director

Ms. Junko Tsuruoka has long been serving as secretary to the Company's top executives. With expertise in corporate management, business, and organizational management, she has been supporting the Group's business operations and growth.

The Company expects that her involvement in management based on deep insight and a wealth of experience will contribute to sustainable enhancement of the Group's corporate value, including diversity of the Board of Directors. Therefore, the Company has nominated Ms. Tsuruoka as a candidate for Director.

Note: No conflict of interest exists between the Company and Ms. Tsuruoka.

Proposal No. 4: Election of Five Directors Who Are Audit and Supervisory Committee Members

The Company will transition to a company with an Audit and Supervisory Committee, subject to the approval and resolution of Proposal No. 2 “Partial Amendments to the Articles of Incorporation.” Consequently, the Company proposes the election of five Directors who are Audit and Supervisory Committee Members. The Board of Statutory Auditors has previously given its approval to this proposal.

This proposal shall become effective on condition that the amendments to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name	Gender	Current position and assignment at the Company	Attendance at meetings of the Board of Directors	Attendance at meetings of the Board of Statutory Auditors
1	New Candidate Yoko Igarashi	Female	Standing Statutory Auditor	100% (13/13)	100% (4/4)
2	New Candidate Toshiaki Ishiyama	Male	Statutory Auditor	100% (17/17)	100% (5/5)
3	New Candidate Outside Director Independent Director Taro Kitani	Male	Outside Director	94% (16/17)	-
4	New Candidate Outside Director Independent Director Hiroyuki Yamasaki	Male	Outside Director	94% (16/17)	-
5	New Candidate Outside Director Independent Director Takashi Miura	Male	-	-	-

- Notes: 1. Attendance at meetings of the Board of Directors and meetings of the Board of Statutory Auditors indicated for Ms. Yoko Igarashi pertains to the meetings of the Board of Directors and the Board of Statutory Auditors held following her assumption of office as Statutory Auditor on June 29, 2023.
2. The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The said insurance contract covers damages including compensation for damages and litigation expenses to be borne by the insured. If candidates for Director who is an Audit and Supervisory Committee Members assume the office of Director who is an Audit and Supervisory Committee Members, they will become the insured under the said insurance contract, which is scheduled for renewal during their terms of office.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
1	<u>New Candidate</u> Yoko Igarashi (September 3, 1956)	<p>April 2010 General Manager of Accounting & Finance Department of the Company</p> <p>April 2012 Operating Officer, General Manager of Accounting & Finance Department of the Company</p> <p>April 2015 Executive Operating Officer, Head of Administration Division</p> <p>April 2018 Executive Operating Officer, Head of Administration Division & Supervising Business Planning Department</p> <p>April 2021 Executive Operating Officer, Head of Administration Division & Supervising Business Planning Department & General Manager of General Affairs Department of the Company</p> <p>June 2021 Senior Executive Operating Officer, Head of Administration Division & Supervising Manufacturing Division & Business Planning Department & General Manager of General Affairs Department of the Company</p> <p>April 2022 Senior Executive Operating Officer, Supervising Manufacturing Division & Administration Division & Business Planning Department of the Company</p> <p>April 2023 Advisor of the Company</p> <p>June 2023 Standing Statutory Auditor of the Company (to present)</p>	-

Reasons for nomination as a candidate for Director who is an Audit and Supervisory Committee Member

Having served as the head of the Company's administrative division and as an Operating Officer and as Standing Statutory Auditor, Ms. Yoko Igarashi is well versed in the Group's organizations and operations and has profound insight. The Company believes that by utilizing her expertise, she can appropriately perform her duties as an Audit and Supervisory Committee Member. Therefore, the Company has nominated Ms. Igarashi as a candidate for Director who is an Audit and Supervisory Committee Member.

Notes: 1. No conflict of interest exists between the Company and Ms. Igarashi.

2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Ms. Yoko Igarashi to limit her liability for damages as a Statutory Auditor under Article 423, Paragraph 1 of the said act. The limit of her liability for damages in accordance with the said agreement is the amount stipulated by laws and regulations. If her election as a Director who is an Audit and Supervisory Committee Member is approved, the Company intends to enter into a liability limitation agreement with her with the same content as the said liability limitation agreement.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
2	<u>New Candidate</u> Toshiaki Ishiyama (September 17, 1956)	June 1994 Statutory Auditor of the Company (to present) January 2012 Joined Noda Fumiyoshi Tax Accounting Office(to present) September 2015 Registered as Certified Tax Accountant	25,000

Reasons for nomination as a candidate for Director who is an Audit and Supervisory Committee Member

Mr. Toshiaki Ishiyama has a wealth of practical experience as a Certified Tax Accountant and specialized knowledge of tax affairs and accounting. The Company believes that by utilizing his expertise, he can fulfill his role as an Audit and Supervisory Committee Member from a professional standpoint. Therefore, the Company has nominated Mr. Ishiyama as a candidate for Director who is an Audit and Supervisory Committee Member.

Notes: 1. No conflict of interest exists between the Company and Mr. Ishiyama.

2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Toshiaki Ishiyama to limit his liability for damages as a Statutory Auditor under Article 423, Paragraph 1 of the said act. The limit of his liability for damages in accordance with the said agreement is the amount stipulated by laws and regulations. If his election as a Director who is an Audit and Supervisory Committee Member is approved, the Company intends to enter into a liability limitation agreement with him with the same content as the said liability limitation agreement.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
3	<u>New Candidate</u> <u>Outside Director</u> <u>Independent Director</u> Taro Kitani (May 4, 1976)	October 2004 Registered as attorney at law. Joined KOHWA SOHGOH LAW OFFICES (to present) June 2015 Outside Director of the Company (to present)	-

Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and expected role

Mr. Taro Kitani is well versed in corporate legal affairs as an attorney at law and has sufficient insight into corporate governance. He has been stating objective and fair opinions at meetings of the Board of Directors from a third-party perspective, considering the achievement of both economic performance and social performance. He is overseeing the Company's management appropriately and is contributing to strengthening of the Company's corporate governance.

Although Mr. Kitani has never been directly involved in corporate management, for the reasons stated above, the Company believes that he will continue to be able to adequately perform decision-making on important matters of the Company's management and oversight of business execution as an Outside Director, Audit and Supervisory Committee Member. He also meets the standards for Independent Directors defined by Tokyo Stock Exchange, Inc. and is unlikely to cause conflict of interest with general shareholders. Therefore, the Company has nominated Mr. Kitani as a candidate for Outside Director, Audit and Supervisory Committee Member. The Company expects him to continue to fulfill the role stated above following his election.

Note:1. No conflict of interest exists between the Company and Mr. Kitani.

Note:2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Taro Kitani to limit his liability for damages under Article 423, Paragraph 1 of the said act. The limit of his liability for damages in accordance with the said agreement is the amount stipulated by laws and regulations. If his election as a Director who is an Audit and Supervisory Committee Member is approved, the Company intends to continue the said liability limitation agreement with him.

Note:3. Mr. Kitani is a candidate for Outside Director who is an Audit and Supervisory Committee Member. He is an Independent Director as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. If his election is approved, the Company intends to appoint him as Independent Director.

Note:4. Mr. Kitani has never been the Company's legal advisor.

Note:5. Mr. Kitani will have served as an Outside Director of the Company for nine years at the closing of this General Meeting of Shareholders.

No.	Name (Date of birth)	Career summary, position, assignment and significant concurrent positions	Number of shares of the Company held
4	<p style="text-align: center;">New Candidate Outside Director Independent Director</p> <p>Hiroyuki Yamasaki (September 5, 1954)</p>	<p>October 1982 Joined Chuo Audit Corporation</p> <p>September 1994 Partner, Chuo Audit Corporation</p> <p>August 2000 Representative Partner, ChuoAoyama Audit Corporation</p> <p>October 2005 Executive Officer, ChuoAoyama Audit Corporation</p> <p>May 2006 Acting Chief Executive Officer, ChuoAoyama Audit Corporation</p> <p>November 2007 Senior Partner, Shin Nihon & Co. (current Ernst & Young ShinNihon LLC)</p> <p>August 2008 Managing Director, Ernst & Young ShinNihon LLC</p> <p>July 2013 Auditor, Japan Venture Capital Association</p> <p>July 2017 President, CPA Hiroyuki Yamasaki Office (to present)</p> <p>June 2018 Outside Auditor of UACJ Corporation (to present) Outside Director of the Company (to present)</p> <p>December 2020 Director & Vice President of LAND BUSINESS CO., LTD.</p> <p>(Significant concurrent positions) Outside Auditor of UACJ Corporation</p>	-

Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and expected role

Mr. Hiroyuki Yamasaki has a wealth of professional knowledge on finance and accounting cultivated through his career as a certified public accountant. He also has many years of experience in conducting accounting audits of companies at audit firms. He is providing advice and suggestions on overall management from an independent, objective standpoint based on his expertise, including experience as a manager of a listed company, and is contributing to strengthening the effectiveness of the decision-making function and the oversight function of the Company's Board of Directors.

For the reasons stated above, the Company believes that he will continue to be able to adequately perform decision-making on important matters of the Company's management and oversight of business execution as an Outside Director, Audit and Supervisory Committee Member. He also meets the standards for Independent Directors defined by Tokyo Stock Exchange, Inc. and is unlikely to cause conflict of interest with general shareholders. Therefore, the Company has nominated Mr. Hiroyuki Yamasaki as a candidate for Outside Director, Audit and Supervisory Committee Member. The Company expects him to continue to fulfill the role stated above following his election.

Note:1. No conflict of interest exists between the Company and Mr. Yamasaki.

Note:2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Hiroyuki Yamasaki to limit his liability for damages under Article 423, Paragraph 1 of the said act. The limit of his liability for damages in accordance with the said agreement is the amount stipulated by laws and regulations. If his election as a Director who is an Audit and Supervisory Committee Member is approved, the Company intends to continue the said liability limitation agreement with him.

Note:3. Mr. Yamasaki is a candidate for Outside Director who is an Audit and Supervisory Committee Member. He is an Independent Director as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. If his election is approved, the Company intends to appoint him as Independent Director.

Note:4. Mr. Yamasaki will have served as an Outside Director of the Company for six years at the closing of this

General Meeting of Shareholders.

No.	Name (Date of birth)	Career summary, position, assignment and significant concurrent positions	Number of shares of the Company held
5	<div style="border: 1px solid black; padding: 2px; display: inline-block;">New candidate</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Director</div> Takashi Miura (February 19, 1963)	April 1987 Joined Recruit Co., Ltd. October 1990 Established OCCS PLANNING Center (current Cloudpoint Inc.) Representative Director (to present) June 2002 Statutory Auditor, Bisty Co., Ltd. October 2009 Outside Director, CAD CENTER CORPORATION June 2015 Outside Director of the Company (Resigned in June 2017) March 2022 Director, CPplus Inc. (to present) November 2023 Chairman and Director, arara inc. (current Paycloud Holdings Inc.) (to present) (Significant concurrent positions) Chairman and Director, Paycloud Holdings Inc.	-

Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and expected role

Mr. Takashi Miura has a wealth of experience and deep insight gained through his long years of service as a corporate manager. He is expected to provide advice and suggestions on overall management from an independent, objective standpoint based on his experience and to contribute to strengthening the effectiveness of the decision-making function and the oversight function of the Board of Directors.

For the reasons stated above, the Company believes that he will be able to adequately perform decision-making on important matters of the Company's management and oversight of business execution as an Outside Director, Audit and Supervisory Committee Member. He also meets the standards for Independent Directors defined by Tokyo Stock Exchange, Inc. and is unlikely to cause conflict of interest with general shareholders. Therefore, the Company has nominated Mr. Miura as a candidate for Outside Director, Audit and Supervisory Committee Member. The Company expects him to fulfill the role stated above following his election.

Note:1. No conflict of interest exists between the Company and Mr. Miura.

Note:2. If the election of Mr. Takashi Miura is approved, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the said act. The limit of his liability for damages in accordance with the said agreement is the amount stipulated by laws and regulations.

Note:3. Mr. Miura is a candidate for Outside Director who is an Audit and Supervisory Committee Member. If he is elected as Outside Director, Audit and Supervisory Committee Member, the Company intends to register him with Tokyo Stock Exchange, Inc. as an Independent Director as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

Note:4. Mr. Miura was an Outside Director of the Company in the past.

(Reference) Directors' Skills Matrix

If Proposal No. 3 and No. 4 are approved and passed as originally proposed, the composition of the Board of Directors will be as follows.



	Name	Gender	Position and assignment at the Company		Corporate Management	Insight into the Industry	Administration/ Corporate Planning/ Finance	Development	Manufacturing	Sales & Marketing	Sustainability	Legal Affairs / Compliance
Directors	Hideyuki Busujima	Male	Director & Chairman	Reappointment	●	●	●					●
	Akihiko Ishihara	Male	Representative Director, President & Chief Executive Officer (CEO) & Chief Operating Officer (COO)	Reappointment	●	●	●				●	
	Toshio Ogura	Male	Director & Senior Executive Operating Officer Head of Product Management Division	New Candidate	●			●		●		●
	Junko Tsuruoka	Female	Director Secretary Office Manager	New Candidate	●		●				●	●
Directors who are Audit and Supervisory Committee Members	Yoko Igarashi	Female	Director, Standing Audit and Supervisory Committee Member	New Candidate			●		●		●	●
	Toshiaki Ishiyama	Male	Director, Audit and Supervisory Committee Member	New Candidate			●					
	Taro Kitani	Male	Outside Director, Audit and Supervisory Committee Member	New Candidate Outside Director Independent Director								●
	Hiroyuki Yamasaki	Male	Outside Director, Audit and Supervisory Committee Member	New Candidate Outside Director Independent Director	●		●				●	
	Takashi Miura	Male	Outside Director, Audit and Supervisory Committee Member	New Candidate Outside Director Independent Director	●		●			●		

Note:1. Based on the expertise and experience of each person, up to four areas are marked for which the Company has particular expectations.

Note:2. The above list does not represent all the skills, etc. possessed by each person.

Proposal No. 5: Establishment of the Amount of Compensation for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the 41st Ordinary General Meeting of Shareholders held on June 29, 2006, the limit to the amount of compensation for the Company's Directors was approved to be an amount not exceeding ¥800 million per year, which remains effective today. If Proposal No. 2 "Partial Amendments to the Articles of Incorporation" is approved and passed as proposed, the Company will transition to a company with an Audit and Supervisory Committee.

Consequently, the Company proposes that the current limit to the amount of compensation for Directors be abolished and that the amount of compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) be set at an amount not exceeding ¥1,200 million per year, taking into account economic and other situations. The employee salary portion paid to Directors concurrently serving as employees shall not be included in the amount of compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members).

If this proposal is approved, the Company intends to make associated amendments to its policies concerning the determination of details of compensation, etc. of individual Directors, which are as described in the Business Report (in Japanese only), including replacing the term "Director" used to refer to an eligible person with "Director (excluding a Director who is an Audit and Supervisory Committee Member)."

The content of this proposal is judged to be appropriate as it is consistent with the aforementioned policies and as it proposes to determine the compensation limit for Directors (excluding Directors who are Audit and Supervisory Committee Members) within a reasonable range, taking into account factors such as economic situations, the Company's size, the number of Directors, and comparable levels set by other companies and has undergone deliberation by the Nomination and Remuneration Committee, a majority of whose members consists of Independent Outside Directors.

The Company currently has five Directors (including two Outside Director) but will have four Directors (excluding Directors who are Audit and Supervisory Committee Members) if Proposal No. 2 "Partial Amendments to the Articles of Incorporation" and Proposal No. 3 "Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)" are approved as proposed.

This proposal shall become effective on condition that the amendments to the Articles of Incorporation in Proposal No. 2 "Partial Amendments to the Articles of Incorporation" take effect.

Proposal No. 6: Establishment of the Amount of Compensation for Directors Who Are Audit and Supervisory Committee Members

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and passed as proposed, the Company will transition to a company with an Audit and Supervisory Committee.

Consequently, the Company proposes that the amount of compensation for Directors who are Audit and Supervisory Committee Members be an amount not exceeding ¥200 million per year, considering their duties and responsibilities.

This proposal is judged to be appropriate as it takes into account factors such as the duties of Directors who are Audit and Supervisory Committee Members for the establishment and has undergone deliberation by the Nomination and Remuneration Committee, a majority of whose members consists of Independent Outside Directors.

The Company will have five Directors who are Audit and Supervisory Committee Members if Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 4 “Election of Five Directors Who Are Audit and Supervisory Committee Members” are approved as proposed.

This proposal shall become effective on condition that the amendments to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” take effect.

Proposal No. 7: Determination of the Amounts and Details of Performance-linked Stock Compensation, Etc. for Directors, Etc. (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors) of the Company and Its Subsidiaries

1. Reason for the Proposal and Reason for Considering Such Compensation, etc. is Appropriate

At the 58th Ordinary General Meeting of Shareholders held on June 29, 2023, the introduction of a performance-linked stock compensation plan (hereinafter referred to as the “Plan”) for Directors (excluding Outside Directors and non-residents of Japan) and Operating Officers (excluding non-residents of Japan) of the Company and for Directors (excluding Outside Directors and non-residents of Japan) of the Company’s subsidiaries (hereinafter referred to as “Subsidiaries”) was approved (hereinafter referred to as the “Previous Resolution”), which remains effective today. If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and passed as proposed, the Company will transition to a company with an Audit and Supervisory Committee. Consequently, subject to the approval and resolution of the said proposal as proposed, the Company requests approval for abolishing the current compensation limit under the Plan and establishing anew the amounts and details of compensation, etc. under the Plan after the transition to a company with an Audit and Supervisory Committee for Directors (excluding Directors who are Audit and Supervisory Committee Members, Outside Directors, and non-residents of Japan) and Operating Officers (excluding non-residents of Japan) of the Company and for Directors (excluding Outside Directors and non-residents of Japan) of the Subsidiaries (hereinafter collectively referred to as “Directors, etc. of the Company and Subsidiaries” in this proposal). The Company requests that the details of the Plan be left to the discretion of the Board of Directors of the Company within the framework described in 2. below.

As was the Previous Resolution, this proposal is for the purpose of clarifying the linkage between compensation of Directors, etc. of the Company and Subsidiaries and the Company’s performance and stock value, and inspiring and motivating Directors, etc. of the Company and Subsidiaries to contribute to medium- to long-term improvement of the Company’s performance and corporate value by having them share with the Company’s shareholders not only the benefits of the increase of the Company’s share price but also the risk of its decrease. Given such purpose, the Company considers the content of this proposal to be appropriate.

The Company proposes provision of stock compensation to Directors, etc. of the Company and Subsidiaries, separately from the amount of compensation, etc. for the Company’s Directors (an amount not exceeding ¥1,200 million per year) proposed in Proposal No. 5.

The Company will have four Directors, excluding Directors who are Audit and Supervisory Committee Members and Outside Directors, eligible for the Plan, if Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved and passed as proposed.

This proposal shall become effective on condition that the amendments to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” take effect.

2. Amounts and Details of Compensation, Etc. Under the Plan

A trust that has been established in accordance with the Previous Resolution shall continue to be used for this Plan to cover Directors, etc. of the Company and Subsidiaries after the transition to a company with an Audit and Supervisory Committee. The details of the Plan are as follows.

(1) Overview of the Plan

The Plan is a stock compensation plan under which a trust to be established through monetary contribution by the Company (hereinafter referred to as the “Trust” and the trust agreement to be concluded with Resona Bank, Limited for the establishment of the Trust is hereinafter referred to as the “Trust Agreement”) acquires the Company’s shares, and, in accordance with the share benefit regulations (hereinafter referred to as the “Share Benefit Regulations”) established by the Board of Directors of the Company and of Subsidiaries, the Company’s shares and money equivalent to their market value, corresponding to the number of points to be granted to Directors, etc. of the Company and Subsidiaries (hereinafter referred to as the “Company’s Shares, etc.”) shall be delivered to Directors, etc. of the Company and Subsidiaries as compensation through the Trust.

The Directors, etc. of the Company and Subsidiaries shall receive the Company’s Shares, etc. upon their retirement in principle (for details, please refer to (8) below).

(2) Persons eligible for the Plan

Directors, etc. of the Company and Subsidiaries

(3) Applicable period of the Plan

In accordance with the Previous Resolution, the Company has introduced the Plan for a period of three fiscal years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026 (hereinafter referred to

as the “Initial Applicable Period”) and each of the three fiscal years beginning after the Initial Applicable Period, or, if the Board of Directors passed a resolution for a period exceeding three fiscal years, such period (hereinafter, each such period, together with the Initial Applicable Period shall be referred to as the “Applicable Period”).

(4) Trust period

From August 2023 until the termination of the Trust (no specific termination date shall be set, and the Trust shall continue as long as the Plan continues).

The Plan shall be terminated in the event of delisting of the Company’s shares, abolition of the Share Benefit Regulations, etc.

(5) Maximum amount of trust money to be contributed to the Trust as funds for acquiring shares

The Company has established the Trust by contributing up to the amount calculated by multiplying ¥800 million per fiscal year (including ¥500 million for the Company’s Directors) by the number of fiscal years included in the Applicable Period (¥2,400 million (including ¥1,500 million for the Company’s Directors) for the three fiscal years in the Initial Applicable Period) as funds for acquiring the Company’s shares in order to deliver the Company’s shares, etc. to the Directors, etc. of the Company and Subsidiaries under the Plan for the Initial Applicable Period (Note). During the Initial Applicable Period, the Company may entrust additional funds for acquiring shares to the extent that the total amount of contribution, including the amount initially contributed, is within the amount stipulated above.

Moreover, even after the Initial Applicable Period, the Company shall make additional contributions to the Trust up to the amount stipulated above for each Applicable Period until the termination of the Plan. However, in making such additional contributions, if the Company’s shares (the Company’s shares corresponding to the number of points granted to Directors, etc. of the Company and Subsidiaries during each Applicable Period (including the Initial Applicable Period) preceding the said Applicable Period, and the shares undelivered to the Directors, etc. of the Company and Subsidiaries are excluded) or money (hereinafter collectively referred to as the “Remaining Shares, etc.”) remain in the trust assets at the end of the Applicable Period immediately preceding the Applicable Period for which such additional contribution is to be made, the total amount of such Remaining Shares, etc. and the trust money to be additionally contributed shall be within the amount stipulated above.

(Note) The amount of money actually entrusted by the Company to the Trust shall be the sum of the above-mentioned funds for acquiring the Company’s shares and the estimated amount of necessary expenses, such as the trust fee and the fee for the trust administrator.

(6) Calculation method and the maximum number of the Company’s shares to be granted to Directors, etc. of the Company and Subsidiaries

During each Applicable Period, the Company shall grant Directors, etc. of the Company and Subsidiaries points calculated based on their respective position and performance achievement rate in accordance with the Share Benefit Regulations. The maximum total number of points to be granted for the Initial Applicable Period shall be the number of points calculated by multiplying 1,000,000 points per fiscal year (including 625,000 points for the Company’s Directors) by the number of fiscal years in the Applicable Period (3,000,000 points for the three fiscal years in the Initial Applicable Period (including 1,875,000 points for the Company’s Directors)).

Moreover, the above-mentioned number of points shall be maximum also for each Applicable Period after the Initial Applicable Period.

Each of the granted points shall be converted into one share of the Company when delivering the Company’s shares to Directors, etc. of the Company and Subsidiaries (any fraction less than one point shall be rounded down). However, in the event of split, gratis allotment, or consolidation of the Company’s shares after the approval of the Plan at the General Meeting of Shareholders, the Company shall make reasonable adjustments to the conversion ratio from point to the Company’s share based on the ratio of such split, etc.

(7) Method of acquisition of the Company’s shares by the Trust and the maximum number of shares to be acquired

Acquisition of the Company’s shares by the Trust shall be conducted on the stock market or by underwriting the disposal of the Company’s treasury shares, up to the maximum amount of money to be contributed to the Trust stipulated in (5) above and the maximum number of shares (points) to be granted to Directors, etc. of the Company and Subsidiaries stipulated in (6) above.

During the Initial Applicable Period, the acquisition was completed in an amount within the limit set by the Previous Resolution without delay after the establishment of the Trust. Any additional acquisition shall be allowed to the extent that the total number of acquired shares, including the previously acquired shares, is within the number of points stipulated above.

Moreover, the above-mentioned number of points shall also be maximum also for each Applicable Period after the

Initial Applicable Period.

(8) Delivery of the Company's Shares, etc. to Directors, etc. of the Company and Subsidiaries

In principle, when any of Directors, etc. of the Company and Subsidiaries retires from office, etc. and satisfies the requirements for beneficiaries stipulated in the Share Benefit Regulations, the Company's shares shall be delivered to him or her based on the number of points granted up to that time subject to the procedures for determining beneficiaries stipulated in the Share Benefit Regulations.

However, with respect to a certain percentage of the points, money equivalent to the market value of the Company's shares shall be delivered in lieu of delivery of the Company's shares with the object of securing funds for tax payments. In the event that any of Directors, etc. of the Company and Subsidiaries dies or it is determined that he or she becomes a non-resident of Japan due to overseas assignment, etc., money equivalent to the market value of the Company's shares shall be delivered in lieu of delivery of the Company's shares for all the granted points. The Trust may sell the Company's shares in order for money to be delivered.

(9) Exercise of voting rights with respect to the Company's shares in the Trust

Voting rights with respect to the Company's shares in the Trust (or the Company's shares before they are delivered to Directors, etc. of the Company and Subsidiaries in accordance with (8) above) shall not be exercised without exception throughout the trust period in order to ensure the management neutrality.

(10) Handling of dividends with respect to the Company's shares in the Trust

Dividends on the Company's shares in the Trust shall be received by the Trust and shall be used as funds for acquiring the Company's shares, and for payment of the trust fee for the Trust.

(11) Treatment upon termination of the trust period

With regard to the residual assets of the Trust upon termination of the Trust, all of the Company's shares shall be acquired by the Company without consideration and then cancelled by a resolution of the Board of Directors. With regard to the residual assets of the Trust upon termination of the Trust, money shall be distributed to the Directors, etc. of the Company and Subsidiaries in office at that time based on each accumulated number of points, or shall be donated to a public interest corporation that has no relationship of interest with Directors, etc. of the Company and Subsidiaries.

(12) Other details of the Plan

Other details with respect to the Plan shall be determined by the Board of Directors upon the establishment of the Trust, an amendment to the Trust Agreement, or an additional contribution to the Trust.