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Securities Code: 6254
June 3, 2024

To Our Shareholders:

Makoto Uchida Representative Director
Nomura Micro Science Co., Ltd.
2-9-10 Okada, Atsugi-shi, Kanagawa

Notice of the 55th Annual General Meeting of Shareholders

We are pleased to announce the 55th annual general meeting of shareholders of Nomura Micro Science Co., Ltd. (the “Company”), which will be held as indicated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company’s website:

<https://www.nomura-nms.co.jp/ir/stock/generalmeeting.html> (in Japanese)

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

<https://d.sokai.jp/6254/teiji/> (in Japanese)

TSE website (Listed Company Search):

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

(Access the TSE website by using the internet address shown above, enter “Nomura Micro Science” in “Issue name (company name)” or the Company’s securities code “6254” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

In addition, voting rights can be exercised by one of the following methods instead of attendance on the day of the event, so please exercise your voting rights after reviewing the reference documents for the general meeting of shareholders.

[In the case of exercising voting rights in writing (mail)]

Please indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form and send it so that it arrives no later than 5:40 p.m. (JST) on Monday, June 24, 2024.

[In the case of exercising voting rights via the Internet]

Please access the voting website designated by the Company (<https://evote.tr.mufg.jp/>) and follow the on-screen instructions to enter your approval or disapproval of the proposals by Monday, June 24, 2024 at 5:40 p.m. (JST).

1. Date and Time: Tuesday, June 25, 2024 at 10:00 a.m. (JST)

2. Venue: Rembrandt Hotel Atsugi Third Floor Banquet Halls Sagami
2-13-1 Nakamachi, Atsugi-shi, Kanagawa

3. Agenda

Matters to be Reported

1. The business report for the 55th period (from April 1, 2023 to March 31, 2024), contents of consolidated financial statements, and report on the results of audits of consolidated financial statements by the financial auditor and the Audit and Supervisory Committee
2. Report on the contents of financial statements for the 55th period (from April 1, 2023 to March 31, 2024)

Matters to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Four Directors (excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 3 | Election of One Director Who Is an Audit and Supervisory Committee Member |
| Proposal No. 4 | Revision of Remuneration Amount for Directors (excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 5 | Revision of Remuneration Amount for Granting Restricted Shares to Directors (excluding Outside Directors and Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 6 | Establishment of Remuneration Amount for Granting Restricted Shares to Directors Who Are Audit and Supervisory Committee Members |

4. Matters to be Decided upon Convocation (Information on the Exercise of Voting Rights)

- (1) If there is no indication of approval or disapproval on the Voting Rights Exercise Form, it will be deemed that approval has been indicated for the relevant proposal.
- (2) If voting rights are exercised multiple times via the Internet, the last exercise of voting rights will be treated as valid.
- (3) In the event that voting rights are exercised both via the Voting Rights Exercise Form and via the Internet, the vote cast via the Internet will be deemed valid, regardless of the date and time of arrival.
- (4) If voting rights are exercised by a proxy, one other shareholder with voting rights may attend the general meeting of shareholders as a proxy. However, please note that it is necessary to submit a document proving the right of representation.
- (5) When voting rights are exercised without unifying them (limited to shareholders who hold shares for others, such as stock trusts), please notify the Company in writing or by electromagnetic means to that effect and reason at least three days before the general meeting of shareholders.

- Notes:
1. When attending on the day of the event, please submit the Voting Rights Exercise Form at the reception desk. Please note that persons other than shareholders who are entitled to exercise their voting rights, such as proxies who are not shareholders and persons accompanying them, will not be admitted.
 2. The reception is scheduled to start at 9:30 a.m. (JST) on the day of the event.
 3. Following the revision of the Companies Act, in principle shareholders are to access the websites listed on page 1 to check the items subject to measures for electronic provision, and it was decided to deliver paper-based documents stating the items only to shareholders who request the delivery of paper-based documents by the record date. However, for this General Meeting of Shareholders, we will deliver paper-based documents stating the items subject to measures for electronic provision to all shareholders, regardless of whether or not their delivery has been requested. Furthermore, among the items subject to measures for electronic provision, the following are omitted from the paper-based documents delivered to shareholders, in accordance with the provisions of laws and regulations and Article 16, paragraph (2) of the Company's Articles of Incorporation.
 - (i) Notes to Consolidated Financial Statements
 - (ii) Notes to Non-Consolidated Financial StatementsAccordingly, the Business Report, the Consolidated Financial Statements, and the Non-Consolidated Financial Statements included in those documents are part of the documents audited by the financial auditor and the Audit and Supervisory Committee in preparing the financial auditor's Audit Report and the Audit Report, respectively.
 4. If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on each of the websites on page 1.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company's basic policy is to make internal reserves necessary for future business development and strengthening the Company's management structure, and to continue stable dividends from a shareholder-oriented perspective.

The Company has given comprehensive consideration to matters including the business performance of the fiscal year ended March 31, 2024 and future business development, and it proposes year-end dividends for the 55th fiscal year as follows.

As a result, the annual dividend for the fiscal year under review will be ¥250 per share, combined with an interim dividend of ¥60.

Year-end dividends

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥190 per common share of the Company.

In this event, the total dividends will be ¥1,781,931,910.

Notes: The Company conducted a share split with an effective date of April 1, 2024, under which each share of its common stock was split into four shares. As the dividend record date for the year-end dividends for the 55th period is March 31, 2024, the Company will pay dividends based on the number of shares prior to the share split.

(3) Effective date of the dividends of surplus (starting date of dividend payments)

The effective date of dividends will be June 26, 2024.

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

The terms of office of all Directors (four) (excluding Directors who are members of the Audit and Supervisory Committee. The same shall apply hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders.

Therefore, the Company proposes the election of four Directors.

This proposal has been under consultation with the Nominating Committee and discussed by the Audit and Supervisory Committee.

Matters related to each Director candidate are as described on pages 5 to 6.

List of the candidates for Directors

Candidate No.	Name		Position and responsibility in the Company	Attendance at the Board of Directors
1	Toyosaku Senda	Reelection	Director, Chairman	13/13
2	Makoto Uchida	Reelection	Representative Director, President, Executive Officer	13/13
3	Katsuji Nishie	Reelection	Director, Managing Executive Officer General Manager of Sales Head Office (in charge of Overseas)	13/13
4	Shiro Nishimura	Reelection	Director, Executive Officer General Manager of Management Head Office and in charge of Procurement Div.	13/13

Candidate No.	Name (Date of birth)	Career summary, position in and responsibility the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Toyosaku Senda (February 22, 1940)	<p>Apr. 1958 Joined HOKKO CHEMICAL INDUSTRY CO., LTD.</p> <p>Nov. 1973 Joined the Company</p> <p>June 1986 Director</p> <p>June 1990 Managing Director</p> <p>June 1992 Senior Managing Director</p> <p>June 1996 Director, Vice President</p> <p>June 2000 Representative Director, President</p> <p>Apr. 2014 Representative Director, Chairman, President</p> <p>June 2016 Chief Executive Officer (CEO)</p> <p>June 2020 Director, Chairman (current position)</p> <p>(Significant concurrent positions outside the Company) President of Nomura Micro Science Korea Co., Ltd.</p>	290,000
<p>[Reasons for nomination as candidate for Director]</p> <p>Toyosaku Senda has been in charge of the business and management of the Company and the Group for many years as president of the Company. Based on his extensive experience and broad knowledge of corporate management, the Company have determined that he can contribute to the performance of the Company and the Group, also to the enhancement of corporate value, and the Company continue to nominate him as a candidate for Director.</p>			
2	Makoto Uchida (February 20, 1958)	<p>Apr. 1983 Joined Mitsubishi Rayon Co., Ltd. (currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2010 General Manager of Membrane Dept.</p> <p>Apr. 2012 Aqua Division Manager</p> <p>July 2014 Representative water environment business in China General Manager, Wuxi Rayon Membrane Technology Co., Ltd.</p> <p>Apr. 2017 Manager, China Business Promotion Group, Mitsubishi Chemical Corporation</p> <p>Oct. 2018 Joined to the Company, In charge of Special Mission Representative to the chairman and president of the Company</p> <p>June 2019 Managing Director, General Manager of Sales Head Office</p> <p>June 2020 Senior Managing Director</p> <p>Oct. 2020 Representative Director, Senior Managing Director</p> <p>June 2021 Representative Director, Vice President</p> <p>Apr. 2022 Representative Director, Executive Vice President</p> <p>Apr. 2023 Representative Director, President, Executive Officer (current position)</p>	24,500
<p>[Reasons for nomination as candidate for Director]</p> <p>Makoto Uchida has been involved in the membrane and water treatment business for many years, and the Company believe that his wealth of knowledge and broad experience in corporate management will contribute to improving the performance and corporate value of the Company and the Group, and therefore the Company continue to nominate him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in and responsibility the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Katsuji Nishie (June 1, 1972)	<p>Apr. 1996 Joined to Aqua System Co., Ltd.</p> <p>May 1999 Joined to Tachibana Industry Co., Ltd.</p> <p>Oct. 2000 Joined the Company</p> <p>Apr. 2014 Division Manager of Overseas Sales Div.</p> <p>Apr. 2018 Senior General Manager, Division Manager of Korea Sales Div.</p> <p>June 2019 Director, Deputy General Manager of Sales Head Office and Division Manager of Korea Sales Div.</p> <p>June 2020 Director, Deputy General Manager of Sales Head Office (Overseas) and Division Manager of Korea Sales Div.</p> <p>Apr. 2022 Director, Executive Officer</p> <p>Apr. 2023 Director, Managing Executive Officer (current position), General Manager of Sales Head Office (in charge of Overseas) and General Manager of Design Head Office</p> <p>Apr. 2024 General Manager of Sales Head Office (in charge of Overseas) (current position)</p>	12,800
<p>[Reasons for nomination as candidate for Director]</p> <p>Katsuji Nishie has gained work experience in domestic and overseas sales division, and the Company determined that he can contribute to the performance and corporate value improvement of the Company and the Group by utilizing the experience and knowledge he has cultivated so far, and the Company continues to nominate him as candidate of Director.</p>			
4	Shiro Nishimura (August 22, 1964)	<p>Apr. 1985 Joined HIROSHIMA TOYOPET CO. LTD.</p> <p>Aug. 1991 Joined the Company</p> <p>Apr. 2015 Division Manager of Procurement Div.</p> <p>Apr. 2021 Senior General Manager</p> <p>Apr. 2022 Executive Officer, in charge of Procurement Div. (current position)</p> <p>Apr. 2023 General Manager of Management Head Office (current position)</p> <p>June 2023 Director, Executive Officer (current position)</p>	8,551
<p>[Reasons for nomination as candidate for Director]</p> <p>Shiro Nishimura has been involved in domestic sales, maintenance, material procurement, etc. in the Company for many years, and since he has extensive experience and broad knowledge as a contact between customers and the supply chain, the Company believes that he will contribute to improving the performance and corporate value of the Company and the Group, and therefore the Company continues to nominate him as a candidate for Director.</p>			

- Notes:
1. Toyosaku Senda is the president of Nomura Micro Science Korea Co., Ltd., and the Company outsources parts sales and research and development of the ultrapure water system to them.
 2. There are no special interests between any other candidates for Director and the Company.
 3. The number of the Company's shares owned by each candidate for Director is the number of shares as of the last day of the fiscal year under review prior to the share split (one share was split into four shares) conducted as of April 1, 2024.
 4. The Company has concluded a directors and officers liability insurance policy with insurance companies stipulated in Article 430-3, paragraph (1) of the Companies Act, in which the insured person is the director of the Company, and the insurance premiums are borne by the Company. The insurance policy will cover damages and litigation expenses incurred by the insured in the event of a claims for damages during the insurance period due to acts committed by the insured in his/her capacity as an insured during the insurance period. However, damages, etc. resulting from criminal acts or acts performed while recognizing violations of laws and regulations are not covered by compensation. If each candidate is elected and appointed as a director, he/she will be insured under the policy concerned. In addition, the insurance policy is scheduled to be renewed with the same contents at the next renewal.

Proposal No. 3 Election of One Director Who Is an Audit and Supervisory Committee Member

The term of office of Director who is an Audit and Supervisory Committee member of the Company Hisayori Kataoka will expire at the conclusion of this General Meeting of Shareholders.

Therefore, the Company proposes the election of one Director who is an Audit and Supervisory Committee member. In addition, the consent of Audit and Supervisory Committee has been obtained for this proposal.

Matters relating to the candidate for Director who is an Audit and Supervisory Committee member are as follows:

	Name (Date of birth)	Career summary, position in and responsibility the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
	Hisayori Kataoka (January 29, 1959)	Apr. 1981 Joined Toto Kiki LTD. (currently TOTO LTD.) Sept. 1987 Joined Sanwa Tohmatsu Aoki Audit Corporation (currently Deloitte Touche Tohmatsu LLC) Sept. 1990 Registered as certified public accountant Oct. 2020 Director of Hisayori Kataoka Certified Public Accountant Office (current position) Dec. 2020 Auditor of ROMS, Inc. (current position) Feb. 2021 Outside Audit and Supervisory Board Member of Finatext Holdings Ltd. (current position) Apr. 2021 Outside Auditor and Supervisory Board Member of Startbahn, Inc. (current position) Jan. 2022 Representative partner of Bloom Audit Corporation (current position) June 2022 Outside Director (Audit and Supervisory Committee member) of the Company (current position) Mar. 2023 Outside Corporate Auditor of SBI Biotech Co., Ltd. (current position) (Significant concurrent positions outside the Company) Director of Hisayori Kataoka Certified Public Accountant Office Outside Auditor and Supervisory Board Member of Finatext Holdings Ltd. Outside Auditor and Supervisory Board Member of Startbahn, Inc. Representative partner of Bloom Audit Corporation Outside Corporate Auditor of SBI Biotech Co., Ltd.	-
		[Reason for nomination as candidate for Outside Director and Audit and Supervisory Committee member, and Outline of Expected Roles] Hisayori Kataoka has extensive experience as a certified public accountant and broad insight regarding finance and accounting, which he has cultivated through audit and advisory operations over the years. In the Company, he actively makes statements in the Board of Directors and Audit and Supervisory Committee meetings based on his extensive experience as a certified public accountant and broad insight regarding finance and accounting from the standpoint of ensuring adequateness and appropriateness of the management. He also contributes to the enhancement of supervisory functions of the Nominating Committee and the Remuneration Committee; in the Remuneration Committee, he supervises the development of objective discussions from an independent position as a chairperson, and as a Nominating Committee member, he develops discussions with an awareness of ensuring objectivity and transparency. Based on such contributions to the Company, the Company determined that his extensive experience as a certified public accountant and broad insight regarding finance and accounting will be necessary to contribute to the sustainable enhancement of shareholder value and corporate value of the Company. Therefore, the Company continues to nominate him as a candidate for Director who is an Audit and Supervisory Committee member.	

- Notes:
1. Hisayori Kataoka is a candidate for outside Director as defined in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.
 2. There are no special interests between Hisayori Kataoka and the Company.
 3. Hisayori Kataoka is currently an outside Director who is an Audit and Supervisory Committee member of the Company, and his tenure will have been two years at the conclusion of this meeting.
 4. The Company has entered into a limited liability agreement with Hisayori Kataoka pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation, limiting his liability under Article 423, paragraph (1) of the Companies Act to the amount stipulated by law. If his reelection is approved, the Company plans to continue the aforementioned agreement with him.
 5. The Company has concluded a directors and officers liability insurance policy with insurance companies stipulated in Article 430-3, paragraph (1) of the Companies Act, in which the insured person is the director of the Company, and the insurance premiums are borne by the Company. The insurance policy will cover damages and litigation expenses incurred by the insured in the event of a claims for damages during the insurance period due to acts committed by the insured in his/her capacity as an insured during the insurance period. However, damages, etc. resulting from criminal acts or acts performed while recognizing violations of laws and regulations are not covered by compensation. If the candidate is elected and assumes office as a director who is an Audit and Supervisory Committee member, he/she will be insured under

the relevant insurance policy. In addition, the insurance policy is scheduled to be renewed with the same contents at the next renewal.

6. Hisayori Kataoka has been designated as an independent officer as stipulated by the Tokyo Stock Exchange and notified to the aforementioned exchange. If his reelection is approved, the Company plans to continue his appointment as an independent officer.

Reference: Skills Matrix of Directors

The composition of the Board of Directors and the expertise of each Director if Proposal No. 2 and Proposal No. 3 are approved are as follows.

No.	Directors Name	Nominating Committee Remuneration Committee	Independent Outside Director	Corporate management Business operations Corporate planning/ Strategy	Technology/ Development Engineering	Sales Marketing	Global Overseas business	Finance/Acc ounting Human resources	Legal Compliance Risk management	ESG Sustainability
1	Toyosaku Senda	Nominating Committee member		●	●	●	●			
2	Makoto Uchida	Remuneration Committee member		●	●	●	●		●	●
3	Katsuji Nishie				●	●	●			
4	Shiro Nishimura				●	●	●	●		●
5	Shinobu Seshimo (Audit and Supervisory Committee member)	Nominating Committee member Remuneration Committee member						●	●	●
6	Shinsuke Tanaka (Audit and Supervisory Committee member)	Nominating Committee member Remuneration Committee member	●	●		●	●		●	
7	Yumiko Nijjima (Audit and Supervisory Committee member)	Nominating Committee member Remuneration Committee member	●						●	
8	Hisayori Kataoka (Audit and Supervisory Committee member)	Nominating Committee member Remuneration Committee member	●				●	●		

Proposal No. 4 Revision of Remuneration Amount for Directors (excluding Directors Who Are Audit and Supervisory Committee Members)

At the 51st Annual General Meeting of Shareholders held on June 23, 2020, the amount of remuneration of Directors (excluding Directors who are Audit and Supervisory Committee members. The same shall apply hereinafter in this proposal) was revised to no more than ¥350,000 thousand per year (excluding the salary for employees of Directors who concurrently serve as employees). Considering various factors including increasing roles and responsibilities of Directors along with the recent changes in the management environment as the Company's business performance grows and the Company's stock price rises, the Company proposes to revise the amount of remuneration to no more than ¥600,000 thousand per year (excluding the salary for employees of Directors who concurrently serve as employees).

The Company's policy for determining the details of remuneration, etc. for each individual Director is as described on pages 22 to 23 of the business report. (in Japanese)

In addition, there are currently four Directors, and if Proposal No. 2 "Election of Four Directors (excluding Directors Who Are Audit and Supervisory Committee Members)" is approved as originally proposed, the Directors will continue to be four.

The Company deems this proposal to be appropriate because the Board of Directors made the decision after consultation with the Remuneration Committee and discussion by the Audit and Supervisory Committee, through which comprehensive consideration was given to the size of the Group's business, its financial results, and the officers' remuneration system, its payment levels, and so forth.

Proposal No. 5 Revision of Remuneration Amount for Granting Restricted Shares to Directors (excluding Outside Directors and Directors Who Are Audit and Supervisory Committee Members)

At the 54th Annual General Meeting of Shareholders held on June 22, 2023, it was approved that the amount of monetary remuneration claims to be paid to Directors (excluding outside Directors and Directors who are Audit and Supervisory Committee members, hereinafter referred to as “Subject Directors”) for granting restricted shares shall be no more than ¥200,000 thousand per year (excluding the salary for employees of Directors who concurrently serve as employees). The Company proposes to revise the amount of remuneration for monetary remuneration claims to be paid to Subject Directors to no more than ¥250,000 thousand per year (excluding the salary for employees of Directors who concurrently serve as employees) as an incentive to further strengthen initiatives for increasing the Company’s corporate value over the medium to long term and to further share value with shareholders.

The Company’s policy for determining the details of remuneration, etc. for each individual Director is as described on pages 22 to 23 of the business report. (in Japanese)

In addition, there are currently four Subject Directors, and if Proposal No. 2 “Election of Four Directors (excluding Directors Who Are Audit and Supervisory Committee Members)” is approved as originally proposed, the Subject Directors will continue to be four.

The Company deems this proposal to be appropriate because the Board of Directors made the decision after consultation with the Remuneration Committee and discussion by the Audit and Supervisory Committee, through which comprehensive consideration was given to the size of the Group’s business, its financial results, and the officers’ remuneration system, its payment levels, and so forth.

Summary of Remuneration for Granting Restricted Shares

Under the system, in principle, each fiscal year, in accordance with a resolution of the Board of Directors of the Company, monetary compensation claims are granted to Subject Directors in order to allocate restricted stock to them, and by having the Company make a capital contribution in kind with the monetary compensation claims, common shares of the Company are issued or disposed. The total number of common shares of the Company to be issued or disposed of under the system shall not exceed 50,000 shares per year.

However, if the total number of shares issued by the Company increases or decreases due to a consolidation of shares, a split of shares, or a free allotment of shares, etc., the maximum number of shares shall be adjusted within a reasonable range according to the ratio.

The amount to be paid per share of the restricted stock under this system shall be determined by the Board of Directors based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors resolution (or the closing price of the immediately preceding trading day if no trading was effected on that date), to the extent that the amount paid per share is not particularly favorable to the Subject Director who subscribes to the common stock.

In addition, when issuing or disposing of common shares of the Company under this system, the Company and the Subject Directors shall enter into a restricted share allotment agreement with transfer restrictions (hereinafter referred to as the “Allotment Agreement”) that includes following details.

Outline of Allotment Agreement

(1) Transfer restriction period

Subject Directors shall not transfer, encumber, reserve for encumbrance or otherwise dispose of the Company common shares (hereinafter referred to as “Transfer Restrictions”) allotted under the Allotment Agreement (hereinafter referred to as “Allotted Shares”) for a period of three to five years from the date of allotment of our company’s common shares under the system (hereinafter referred to as “Transfer Restriction Period”) which is predetermined by the Board of Directors of the Company.

(2) Lifting of Transfer Restriction Period

The Company may cancel the Transfer Restriction on all of the Allotted Shares upon expiration of the Transfer Restriction Period, provided that the Subject Director has continuously held the position of Director (including Director who is an Audit and Supervisory Committee member), Audit & Supervisory Board member, Executive Officer not concurrently serving as Director, employee, advisor or counselor or any other equivalent position (hereinafter referred to as “Officer or Employee”) at the Company or its subsidiaries predetermined by the Company’s Board of Directors during the Transfer Restriction Period. However, if the Subject Director resigns or retires from the position of Officer or Employee at the Company or its subsidiaries predetermined by the

Company's Board of Directors due to expiration of the term of office, death, or other legitimate reasons, the number of the Allotted Shares to be lifted and the timing for lifting the Transfer Restriction shall be adjusted to a reasonable extent as necessary.

In addition, the Company shall naturally acquire without consideration the Allotted Shares for which the Transfer Restriction has not yet been lifted as of the expiration of the restriction period.

(3) Handling in case of retirement, etc.

If the Subject Director resigns or retires from the position of Officer or Employee at the Company or its subsidiary predetermined by the Company's Board of Directors before the expiration of the Transfer Restriction Period, the Company shall, unless the resignation or retirement is due to the expiration of the term of office, death, or other legitimate reasons, naturally acquire the Allotted Shares without consideration.

(4) Handling of organizational restructuring, etc.

In case that a merger agreement under which the Company will be the dissolving company, a share exchange agreement or share transfer plan under which the Company will become a wholly-owned subsidiary during the Transfer Restriction Period, or other matters related to organizational restructuring, etc. are approved at a general meeting of shareholders of the Company (or at a meeting of the Board of Directors of the Company if such organizational restructuring, etc. does not require approval at a general meeting of shareholders of the Company), in accordance with a resolution of the Board of Directors of the Company during the Transfer Restriction Period, the Transfer Restriction will be lifted for the number of the Allotted Shares reasonably determined based on the period from the start date of the Transfer Restriction Period to the date of approval of such organizational restructuring, etc. prior to the effective date of such organizational restructuring, etc.

However, the Company shall naturally acquire the Allotted Shares for no consideration at the time the Transfer Restriction is lifted, if the Transfer Restriction has not yet been lifted.

(5) Other matters

The Allotted Shares will be managed in a dedicated account established by the Subject Director at Nomura Securities Co., Ltd. during the Transfer Restriction Period so that they cannot be transferred during the Transfer Restriction Period.

Other matters relating to this Allotment Agreement shall be determined by the Board of Directors of the Company.

Proposal No. 6 Establishment of Remuneration Amount for Granting Restricted Shares to Directors Who Are Audit and Supervisory Committee Members

At the 54th Annual General Meeting of Shareholders held on June 22, 2023, it was approved that the amount of remuneration for Directors who are Audit and Supervisory Committee members (hereinafter referred to as “Subject Directors”) shall be no more than ¥50,000 thousand per year. The Company proposes to newly grant restricted shares separate from the remuneration amount stated above as an incentive to prevent the Group’s corporate value from being impaired and to maintain its credibility, and to further share value with the Subject Directors and shareholders. Based on this proposal, the amount of remuneration for monetary remuneration claims to be paid to Subject Directors for granting restricted shares shall be no more than ¥10,000 thousand per year.

There are currently four Subject Directors (of which three are outside Directors), and if Proposal No. 3 “Election of One Director Who Is an Audit and Supervisory Committee Member” is approved as originally proposed, the Subject Directors will continue to be four (of which three are outside Directors).

The Company deems this proposal to be appropriate because the Board of Directors made the decision after discussion by the Audit and Supervisory Committee, through which comprehensive consideration was given to the prevention of damage to corporate value and the importance of maintaining trust, and the officers’ remuneration system, its payment levels, and so forth.

Summary of Remuneration for Granting Restricted Shares

Under the system, in principle, each fiscal year, in accordance with deliberation by Subject Directors, monetary compensation claims are granted to Subject Directors in order to allocate restricted stock to them, and by having the Company make a capital contribution in kind with the monetary compensation claims, common shares of the Company are issued or disposed. The total number of common shares of the Company to be issued or disposed of under the system shall not exceed 3,000 shares per year.

However, if the total number of shares issued by the Company increases or decreases due to a consolidation of shares, a split of shares, or a free allotment of shares, etc., the maximum number of shares shall be adjusted within a reasonable range according to the ratio.

The amount to be paid per share of the restricted stock under this system shall be determined by the Board of Directors based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors resolution (or the closing price of the immediately preceding trading day if no trading was effected on that date), to the extent that the amount paid per share is not particularly favorable to the Subject Director who subscribes to the common stock.

In addition, when issuing or disposing of common shares of the Company under this system, the Company and the Subject Directors shall enter into a restricted share allotment agreement with transfer restrictions (hereinafter referred to as the “Allotment Agreement”) that includes following details.

Outline of Allotment Agreement

(1) Transfer Restriction Period

Subject Directors shall not transfer, encumber, reserve for encumbrance or otherwise dispose of the Company common shares (hereinafter referred to as “Transfer Restrictions”) allotted under the Allotment Agreement (hereinafter referred to as “Allotted Shares”) for a period of three to five years from the date of allotment of our company’s common shares under the system (hereinafter referred to as “Transfer Restriction Period”) which is predetermined by the Board of Directors of the Company.

(2) Lifting of Transfer Restriction Period

The Company may cancel the Transfer Restriction on all of the Allotted Shares upon expiration of the Transfer Restriction Period, provided that the Subject Director has continuously held the position of Director (including Director who is an Audit and Supervisory Committee member), Audit & Supervisory Board member, Executive Officer not concurrently serving as Director, employee, advisor or counselor or any other equivalent position (hereinafter referred to as “Officer or Employee”) at the Company or its subsidiaries predetermined by the Company’s Board of Directors during the Transfer Restriction Period. However, if the Subject Director resigns or retires from the position of Officer or Employee at the Company or its subsidiaries predetermined by the Company’s Board of Directors due to expiration of the term of office, death, or other legitimate reasons, the number of the Allotted Shares to be lifted and the timing for lifting the Transfer Restriction shall be adjusted to a reasonable extent as necessary.

In addition, the Company shall naturally acquire without consideration the Allotted Shares for which the restriction on transfer has not yet been lifted as of the expiration of the restriction period.

(3) Handling in case of retirement, etc.

If the Subject Director resigns or retires from the position of Officer or Employee at the Company or its subsidiary predetermined by the Company's Board of Directors before the expiration of the Transfer Restriction Period, the Company shall, unless the resignation or retirement is due to the expiration of the term of office, death, or other legitimate reasons, naturally acquire the Allotted Shares without consideration.

(4) Handling of organizational restructuring, etc.

In case that a merger agreement under which the Company will be the dissolving company, a share exchange agreement or share transfer plan under which the Company will become a wholly-owned subsidiary during the Transfer Restriction Period, or other matters related to organizational restructuring, etc. are approved at a general meeting of shareholders of the Company (or at a meeting of the Board of Directors of the Company if such organizational restructuring, etc. does not require approval at a general meeting of shareholders of the Company), in accordance with a resolution of the Board of Directors of the Company during the Transfer Restriction Period, the Transfer Restriction will be lifted for the number of the Allotted Shares reasonably determined based on the period from the start date of the Transfer Restriction Period to the date of approval of such organizational restructuring, etc. prior to the effective date of such organizational restructuring, etc.

However, the Company shall naturally acquire the Allotted Shares for no consideration at the time the Transfer Restriction is lifted, if the Transfer Restriction has not yet been lifted.

(5) Other matters

The Allotted Shares will be managed in a dedicated account established by the Subject Director at Nomura Securities Co., Ltd. during the Transfer Restriction Period so that they cannot be transferred during the Transfer Restriction Period.

Other matters relating to this Allotment Agreement shall be determined by the Board of Directors of the Company.