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Stock Code: 6890

June 12, 2024

(Start date of measures for electronic provision: June 6, 2024)

To our shareholders:

XianHan He  
Representative Director and President  
**Ferrotec Holdings Corporation**  
2-3-4, Nihonbashi, Chuo-ku, Tokyo

## Notice of the 44th Annual General Meeting of Shareholders

We are pleased to announce the 44th Annual General Meeting of Shareholders of Ferrotec Holdings Corporation (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. (matters 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.ferrotec.co.jp> (in Japanese)

(From the above website, select “IR Information,” and then “General Meeting of Shareholders” and “2024”.)

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

<https://d.sokai.jp/6890/teiji/> (in Japanese)

Tokyo Stock Exchange website (TSE 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 “Ferrotec Holdings” in “Issue name (company name)” or the Company’s securities code “6890” in “Code,” and click “Search.” Then, click “Basic information” followed by “Filed information available for public inspection/PR Information,” and check in the “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]” field under “Filed information available for public inspection.”)

Please review the Reference Documents of the General Meeting of Shareholders and exercise your voting rights.

1. **Date and Time:** Thursday, June 27, 2024, at 10:00 a.m. (JST)  
(The reception will start at 9:10 a.m.)
2. **Place:** Main Hall, 6th Floor, Nomura Conference Plaza Nihonbashi  
YUITO Nihonbashi Muromachi Nomura Building  
2-4-3, Nihonbashimuromachi, Chuo-ku, Tokyo
3. **Purpose of the Meeting:**  
**Items to be reported:**
  1. The Business Report, the Consolidated Financial Statements for the Company's 44th Fiscal Year (from April 1, 2023 to March 31, 2024) and the Accounting Auditor's Reports and the Audit & Supervisory Board's Audit Report on the Consolidated Financial Statements.
  2. The Non-consolidated Financial Statements for the Company's 44th Fiscal Year (from April 1, 2023 to March 31, 2024)

**Items to be resolved:**

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Election of 9 Directors
- Proposal No. 3** Election of One Audit & Supervisory Board Member
- Proposal No. 4** Determination of Remuneration to Directors (Excluding Outside Directors) in Relation to Post-delivery Share-based Remuneration

**4. Matters Determined for Convocation (Information on Exercising Voting Rights)**

- (1) When exercising your voting rights in writing (by postal mail), if there is no indication of approval or disapproval of the proposal on the voting form, it will be treated as if there was an indication of approval.
  - (2) If you exercise the voting rights both in writing (postal mail) and via the Internet, the contents of the voting rights exercised via the Internet shall be deemed valid.
  - (3) If you exercise your voting rights more than once via the Internet, the last vote shall be deemed effective.
- For those attending on the day, please present the voting form sent with this notice at the reception desk. We also ask that you bring this Notice of General Meeting of Shareholders for reference during the meeting.
  - If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the websites.
  - Among the matters subject to measures for electronic provision, the following matters will not be included in the paper-based documents sent in accordance with laws, regulations and Article 15 of the Company's Articles of Incorporation.
    - i) "Main business operations, principal sales offices and factories, status of employees, status of major lenders, other important matters related to the current situation of the corporate group, status of shares, status of stock acquisition rights, status of accounting auditor, system to ensure appropriateness of operations, basic policy on control of the company, policy on determination of dividends of surplus, etc." of the Business Report
    - ii) "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements
    - iii) "Notes to the Non-consolidated Financial Statements" of the Non-consolidated Financial Statements
    - iv) "Accounting Auditor's Report on the Consolidated Financial Statements," "Accounting Auditor's Report on the Non-consolidated Financial Statements" and "Audit Report of the Audit & Supervisory Board of the Audit Report"

Accordingly, these documents are part of the documents audited by the Accounting Auditor and the Audit & Supervisory Board in preparation for the Reports and Audit Report.

## Reference Documents of the General Meeting of Shareholders

### **Proposal No. 1      Appropriation of Surplus**

The Company's policy on shareholder returns is to strive to enhance shareholder returns while placing emphasis on their increase and making decisions in consideration of dividends based on the circumstances of financial and investment opportunities, aiming for a dividend payout ratio of within 20–30%. The year-end dividend for the fiscal year under review will be an ordinary dividend of ¥50 per share of common stock, taking into account the level and content of the Company's performance during the fiscal year under review, as well as financial and investment opportunities. As a result, by adding the interim dividend of ¥50 per share that has already been paid, the annual dividend for the fiscal year under review will be ¥100 per share.

#### Year-end dividend

(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 ¥50 (¥50 of ordinary dividend) per common share of the Company.

In this event, the total dividends will be ¥2,350,610,100.

(3) Effective date of dividends of surplus

The effective date of dividends shall be June 28, 2024.

## Proposal No. 2 Election of 9 Directors

At the conclusion of this meeting, the terms of office of all nine Directors will expire.

In addition, Director Eiji Miyanaga retired from office effective September 30, 2023, by resignation. Therefore, the Company proposes the election of nine Directors.

The candidates for Director are as follows:


Candidate No.	Name	Current position and responsibility in the Company	Candidate attributes
1	XianHan He	Representative Director, President, Group CEO	Reelection
2	Takeru Yamamura	Representative Director, Executive Vice President and Executive Officer for Corporate Administration and for Europe, America & Asia Business	Reelection
3	Miyoko Namiki	Director for Business Management and HR, Executive Officer, General Manager of Business Administration Office and Business Administration Department	Reelection
4	Junichiro Oishi	Director and Executive Officer (President of Toyo Knife Co., Ltd.)	Reelection
5	Akira Takeda	Director for Finance, Accounting, Management Control, Executive Officer, General Manager of Finance & Accounting Office and General Manager of Finance Department	Reelection
6	Akihiro Sato	Director in charge of Corporate Strategy and President's Special Missions, Executive Officer and General Manager of President's Office	Reelection
7	Tatsuo Okada	Outside Director	Reelection Outside Independent
8	Akihiko Sakamoto		New election Outside Independent
9	Takumi Iso		New election Outside Independent

Reelection: Candidate for Director to be reelected


New election: Candidate for Director to be newly elected

Outside: Candidate for outside Director



Independent: Candidate for independent officer

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
1	 <p data-bbox="368 1189 558 1245">XianHan He (October 14, 1957)</p> <p data-bbox="408 1272 517 1296">Reelection</p> <p data-bbox="347 1328 579 1406">Attendance at Board of Directors meetings 18/18 (100%)</p>	<p data-bbox="619 286 1216 539">           April 1993    Joined the Company            June 2001    Director            June 2004    Managing Director            June 2011    Representative Director, Executive Vice President and Executive Officer for Business Management            July 2020    Representative Director and President, Group CEO (current position)         </p> <p data-bbox="619 548 1216 2018">           [Significant concurrent positions outside the Company]            Representative Director of Hangzhou Dahe Thermo-Magnetics Co., Ltd.            Representative Director of Hangzhou Dahe New Material Technology Co., Ltd.            Representative Director of Hangzhou Semiconductor Wafer Co., Ltd.            Representative Director of Hangzhou Dunnyuan Juxin Semiconductor Technology Co., Ltd.            Representative Director of Shanghai Shenhe Investment Co., Ltd.            Representative Director of Shanghai Hanhong Precision Machinery Co., Ltd.            Representative Director of First Semiconductor Technology Holding Company Limited            Representative Director of Ferrotec (Ningxia) Shenhe New Material Technology Co., Ltd.            Representative Director of Ferrotec (Ningxia) Dunnyuan Juxin Semiconductor Technology Co., Ltd.            Representative Director of Shichuan Ferrotec Power Semiconductor Co., Ltd.            Representative Director of Ferrotec (Jiangsu) Quartz Technology Co., Ltd.            Representative Director of Ferrotec (Jiangsu) Semiconductor Technology Co., Ltd.            Representative Director of Zhejiang Advanced Precision Machinery Co., Ltd.            Representative Director of Ferrotec (Zhejiang) Quartz Technology Co., Ltd.            Representative Director of Zhejiang Dunnyuan Juxin Semiconductor Technology Co., Ltd.            Representative Director of Ferrotec (Zhejiang) Semiconductor Materials Technology Co., Ltd.            Representative Director of Ferrotec (Zhejiang) Sensor Technology Co., Ltd.            Representative Director of Ferrotec (Anhui) Technology Development Co., Ltd.            Representative Director of Ferrotec (Anhui) Changjiang Semiconductor Material Co., Ltd.            Director of Ferrotec (USA) Corporation            Representative Director of Hangzhou Bioer Technology Co., Ltd.            Representative Director of Hangzhou Advanced Automation Technology Co., Ltd.            Representative Director and President of FERROTEC MANUFACTURING MALAYSIA SDN. BHD.         </p>	179,863


	<p>The special interest between the candidate XianHan He and the Company is as follows:</p> <ul style="list-style-type: none"> <li>(i) The Company leases a company-owned property to him as employee housing. The lease fee is set based on the property's appraised amount from the seller's lease department and the opinion of a tax accounting corporation.</li> <li>(ii) He concurrently serves as Representative Director of Zhejiang Advanced Precision Machinery Co., Ltd., and the Company is engaged in purchase agency contracts and debt guarantees with Zhejiang Advanced Precision Machinery Co., Ltd.</li> <li>(iii) He concurrently serves as Representative Director of Ferrotec (Jiangsu) Quartz Technology Co., Ltd., and the Company is engaged in moneylending contracts and purchase representation transactions with Ferrotec (Jiangsu) Quartz Technology Co., Ltd.</li> <li>(iv) He concurrently serves as Representative Director of Ferrotec (Jiangsu) Semiconductor Technology Co., Ltd., and the Company is engaged in lease obligations and debt guarantees with that company.</li> <li>(v) He concurrently serves as Representative Director of Ferrotec (Zhejiang) Quartz Technology Co., Ltd., and the Company is engaged in purchase agency contracts and debt guarantees with that company.</li> <li>(vi) He concurrently serves as Chair of Hangzhou Bioer Technology Co., Ltd. and Hangzhou Advanced Automation Technology Co., Ltd., and the Group is engaged in trading contracts with both companies.</li> </ul>
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Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
2	 <p data-bbox="368 813 555 869">Takeru Yamamura (February 2, 1971)</p> <p data-bbox="408 896 515 920">Reelection</p> <p data-bbox="347 949 579 1032">Attendance at Board of Directors meetings 18/18 (100%)</p>	<p data-bbox="619 286 1216 880"> April 1996    Joined the Company  April 2004    General Manager of TE Dept., Electronic Device Business Div.  April 2008    Assistant to the President  June 2008    Director  June 2008    Director for Business Improvement  June 2009    Director and Executive Officer for Corporate Administration  April 2011    Representative Director, Executive Vice President and Executive Officer for Corporate Administration  June 2022    Representative Director, Executive Vice President and Executive Officer for Corporate Administration and for Europe &amp; Asia Business  October 2023    Representative Director, Executive Vice President and Executive Officer for Corporate Administration and for Europe, America &amp; Asia Business (current position) </p> <p data-bbox="619 891 1216 1256"> [Significant concurrent positions outside the Company]  Representative Director and President of Ferrotec Material Technologies Corporation  Director and CEO of Ferrotec (USA) Corporation  Ferrotec Europe GmbH CEO  Director and Chair of Ferrotec Nord Corporation  Chair of Ferrotec Taiwan Co., Ltd.  Director of FERROTEC CORPORATION SINGAPORE PTE LTD  Director and CEO of FERROTEC MANUFACTURING MALAYSIA SDN. BHD. </p>	62,500
There is no special interest between the candidate Takeru Yamamura and the Company.			





Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
3	 <p>Miyoko Namiki (January 2, 1964)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 18/18 (100%)</p>	<p>January 1996 Joined the Company</p> <p>January 2002 General Manager of Corporate Administration Dept., Corporate Administration Div.</p> <p>June 2011 Executive Officer, General Manager of Business Administration Dept. and Personnel Dept.</p> <p>April 2017 Executive Officer, General Manager of Administration Planning Office and Business Administration Dept.</p> <p>July 2019 Executive Officer, General Manager of Business Administration Office and General Manager of Business Administration Dept.</p> <p>June 2022 Director for Business Management and HR, Executive Officer, General Manager of Business Administration Office, Business Administration Dept. and SCM Dept. (current position)</p> <p>[Significant concurrent positions outside the Company]            Director of Ferrotec Material Technologies Corporation            Director of OHIZUMI MFG. CO., LTD.            Director of Hangzhou Dahe Thermo-Magnetics Co., Ltd.            Director of Shanghai Hanhong Precision Machinery Co., Ltd.            Director of First Semiconductor Technology Holding Company Limited            Director of FERROTEC CORPORATION SINGAPORE PTE LTD</p>	23,700
There is no special interest between the candidate Miyoko Namiki and the Company.			
4	 <p>Junichiro Oishi (August 11, 1963)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 18/18 (100%)</p>	<p>April 1988 Joined NEC Corporation</p> <p>January 2014 Joined Nitto Boseki Co., Ltd.</p> <p>April 2014 General Manager of Engineering Div. of Nitto Boseki Co., Ltd.</p> <p>October 2016 Joined the Company. General Manager of Manufacturing Division</p> <p>April 2017 Executive Officer and General Manager of Manufacturing Office</p> <p>June 2022 Director for R&amp;D and Manufacturing, Executive officer and General Manager of Manufacturing Office</p> <p>January 2024 Director and Executive Officer (current position)</p> <p>[Significant concurrent positions outside the Company]            Representative Director and President of Toyo Knife Co., Ltd.</p>	13,000
There is no special interest between the candidate Junichiro Oishi and the Company.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
5	 <p data-bbox="368 707 560 763">Akira Takeda (October 16, 1965)</p> <p data-bbox="408 790 520 815">Reelection</p> <p data-bbox="349 844 579 927">Attendance at Board of Directors meetings 18/18 (100%)</p>	<p data-bbox="619 286 1216 342">April 1989    Joined Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p data-bbox="619 349 1216 405">July 2015    Deputy General Manager of International Credit Department</p> <p data-bbox="619 412 1216 495">April 2019    Seconded to the Company from MUFG Bank, Ltd. General Manager of Finance &amp; Accounting Office of the Company</p> <p data-bbox="619 501 1216 562">August 2019    Joined the Company, General Manager of Finance &amp; Accounting Office</p> <p data-bbox="619 568 1216 629">June 2020    Executive Officer, General Manager of Finance &amp; Accounting Office and Treasurer</p> <p data-bbox="619 636 1216 741">June 2022    Director, Executive Officer for Finance, Accounting, Planning, General Manager of Finance &amp; Accounting Office and General Manager of Finance Department</p> <p data-bbox="619 748 1216 887">June 2023    Director, Executive Officer for Finance, Accounting, Management Control, General Manager of Finance &amp; Accounting Office and General Manager of Finance Department (current position)</p> <p data-bbox="619 896 1216 1039">[Significant concurrent positions outside the Company] Director of Ferrotec Material Technologies Corporation Director of Shanghai Shenhe Investment Co., Ltd. Director of FERROTEC MANUFACTURING MALAYSIA SDN. BHD.</p>	11,100
There is no special interest between the candidate Akira Takeda and the Company.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
6	 <p>Akihiro Sato (August 4, 1967)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 14/14 (100%) *after assuming office</p>	<p>April 1992    Joined The Tokai Bank, Limited (currently MUFG Bank, Ltd.)</p> <p>April 2003    Joined Citibank N.A., Tokyo Branch</p> <p>April 2005    Joined Mitsubishi UFJ Wealth Management Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)</p> <p>August 2006    Joined UBS Tokyo branch office</p> <p>March 2012    Joined Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)</p> <p>December 2014    Joined Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)</p> <p>June 2015    Joined the Company, Assistant to the General Manager of Corporate Administration Div.</p> <p>June 2015    Executive Officer and General Manager of Corporate Planning Dept.</p> <p>July 2019    Executive Officer and General Manager of Investor Relations Dept.</p> <p>January 2022    Executive Officer and General Manager of President's Office</p> <p>June 2023    Director and Executive Officer in charge of Corporate Strategy and President's Special Missions and General Manager of President's Office (current position)</p> <p>[Significant concurrent positions outside the Company] Director of OHIZUMI MFG. CO., LTD.</p>	11,700
There is no special interest between the candidate Akihiro Sato and the Company.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
7	 <p data-bbox="370 636 558 694">Tatsuo Okada (January 19, 1953)</p> <p data-bbox="402 721 526 801">Reelection Outside Independent</p> <p data-bbox="347 828 580 909">Attendance at Board of Directors meetings 18/18 (100%)</p>	<p data-bbox="616 286 1222 622">           June 1982    Joined KYOCERA Corporation            February 1987    Joined Raykey Inc., Director of Raykey Inc.            November 1999    Established NPO Global Sports Alliance,                                     Standing Director of NPO Global Sports Alliance            April 2013    Established Sparking Life Japan,                                     Representative Director of Sparking Life Japan (current position)            June 2021    Outside Director of the Company (current position)         </p> <p data-bbox="616 631 1222 698">[Significant concurrent positions outside the Company] Representative Director of Sparking Life Japan</p>	0
<p data-bbox="309 972 1406 1321">           [Reasons for nomination as candidate for outside Director and overview of expected roles]            Tatsuo Okada is currently an outside Director of the Company, and his tenure as outside Director will have been three years at the conclusion of this Meeting. He established an NPO which works on environment conservation through sports and he has worked on environmental issues across the world for many years, cooperating with the United Nations Environment Programme (UNEP). Thereafter, he has been engaged in activities as a social entrepreneur toward the development of a sustainable society, such as establishing an association that aims to develop and promote sport therapy programs targeting children with developmental disabilities. The Company has deemed that he will be able to greatly assist in the Company's business from a novel perspective with his abundant experience and discernment in relation with SDGs activities and ESG activities. Accordingly, the Company nominates him as a candidate for outside Director.            The Company expects him to mainly make suggestions utilizing his experience in activities as a social entrepreneur and give advice regarding the Company's SDGs activities and ESG activities.            Note that there is no special interest between the candidate Tatsuo Okada and the Company.         </p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
8	 <p data-bbox="368 629 555 685">Akihiko Sakamoto (April 24, 1961)</p> <p data-bbox="395 712 528 797">New election Outside Independent</p>	<p data-bbox="619 286 1216 315">April 1986    Joined Nippon Electric Glass Co., Ltd.</p> <p data-bbox="619 322 1216 405">July 2013    General Manager of the Corporate Technology Division at Nippon Electric Glass Co., Ltd.</p> <p data-bbox="619 412 1216 472">June 2014    Managing Director of OLED Material Solutions Co., Ltd.</p> <p data-bbox="619 479 1216 539">October 2015    President and Chief Executive Officer of OLED Material Solutions Co., Ltd.</p> <p data-bbox="619 546 1216 607">October 2019    Representative Director and President of LTCC Materials Co., Ltd.</p> <p data-bbox="619 613 1216 642">[Significant concurrent positions outside the Company]</p> <p data-bbox="619 649 1216 678">-</p>	0
<p data-bbox="316 853 1193 882">[Reasons for nomination as candidate for outside Director and overview of expected roles]</p> <p data-bbox="316 889 1401 1048">Akihiko Sakamoto has many years of experience in R&amp;D, manufacturing, and commercialization of ceramics and other materials as a responsible person in the Nippon Electric Glass Group, as well as expertise in the ceramics business. He also has extensive experience as a top manager of a subsidiary of the same Group, and a high level of insight into corporate management. He is nominated as a candidate for outside director because we believe that his expertise and insight will contribute to the sustainable growth of the Company, the enhancement of corporate value, and the strengthening of the supervisory function of the Board of Directors.</p> <p data-bbox="316 1055 1252 1084">Note that there is no special interest between the candidate Akihiko Sakamoto and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
9	 <p data-bbox="368 790 558 846">Takumi Iso (October 13, 1965)</p> <p data-bbox="395 875 531 954">New election Outside Independent</p>	<p data-bbox="614 286 1220 365">April 1990    Joined FUJI Research Institute Co., Ltd. (currently Mizuho Research &amp; Technologies, Ltd.)</p> <p data-bbox="614 376 1220 432">October 1998    Joined Asahi &amp; Co. (currently KPMG AZSA LLC)</p> <p data-bbox="614 443 1220 499">November 2006    Manager of Asahi &amp; Co.</p> <p data-bbox="614 510 1220 566">February 2014    Joined Kanamic Network Co., Ltd., General Manager of Management Department</p> <p data-bbox="614 577 1220 656">September 2014    Director and General Manager of Management Department at Kanamic Network Co., Ltd.</p> <p data-bbox="614 667 1220 723">January 2018    C.P.A. and Representative of Takumi Iso Accounting Firm (current position)</p> <p data-bbox="614 734 1220 768">May 2018    Executive Officer of Forum Engineering Inc.</p> <p data-bbox="614 779 1220 857">February 2020    Outside Audit &amp; Supervisory Board Member of BEL AIR, Inc. (currently TECHNOLOGIES, Inc.) (current position)</p> <p data-bbox="614 869 1220 902">October 2020    Partner at ALPHA &amp; Co. (current position)</p> <p data-bbox="614 913 1220 969">June 2023    Outside Audit &amp; Supervisory Board Member of OHIZUMI MFG. CO., LTD.</p> <p data-bbox="614 981 1220 1037">March 2024    Resigned as Outside Audit &amp; Supervisory Board Member of OHIZUMI MFG. CO., LTD.</p> <p data-bbox="614 1048 1220 1198">[Significant concurrent positions outside the Company] Representative of Takumi Iso Accounting Firm Outside Audit &amp; Supervisory Board Member of TECHNOLOGIES, Inc. Partner at ALPHA &amp; Co.</p>	0
<p data-bbox="311 1205 1406 1422">[Reasons for nomination as candidate for outside Director and overview of expected roles] Takumi Iso has practical and multifaceted insight from his experience as a certified public accountant in auditing various companies and his high level of expertise in advisory services for growing companies preparing for listing, as well as from his involvement in corporate management as a director and supervision as an outside Audit &amp; Supervisory Board Member. He is nominated as a candidate for outside director because we believe that his expertise and insight will contribute to the sustainable growth of the Company, the enhancement of corporate value, and the strengthening of the supervisory function of the Board of Directors. Note that there is no special interest between the candidate Takumi Iso and the Company.</p>			

(Notes)


1. Tatsuo Okada, Akihiko Sakamoto, and Takumi Iso are three candidates for outside Director. There are no special interests between them and the Company.
2. The Company has entered into Indemnity agreements with all Directors pursuant to the provisions of Article 430-2, paragraph (1) of the Companies Act, under which the Company shall indemnify the costs, provided for under item (i) of the same paragraph, and the loss, provided for under item (ii) of the same paragraph. If the reelections of the seven candidates XianHan He, Takeru Yamamura, Miyoko Namiki, Junichiro Oishi, Akira Takeda, Akihiro Sato, and Tatsuo Okada are approved, the Company plans to renew the aforementioned agreements with each of them. If the elections of Akihiko Sakamoto and Takumi Iso are approved, the Company plans to enter into the same Indemnity agreements with each of them.
3. The Company has entered into a directors and officers liability insurance policy with an insurance company. The policy will cover losses incurred in cases where an insured sustains a claim for damages and litigation expenses. If this proposal is approved as proposed, each candidate shall be insured under the policy and the Company plans to renew said insurance policy with the same content.
4. The Company has entered into a limited liability agreement with Tatsuo Okada pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation to limit the liability for damages as provided for in Article 423, paragraph (1) of the same act. The limitation of the liability for damages under the same agreement is the minimum liability amount set forth in Article 425, paragraph (1) of the Companies Act. If his reelection is approved, the Company plans to renew the aforementioned agreement with him. If the elections of Akihiko Sakamoto and Takumi Iso are approved, the Company plans to enter into the same Indemnity agreements with each of them.
5. The Company has submitted notification to the Tokyo Stock Exchange that Tatsuo Okada has been designated as an independent officer as provided for by the aforementioned exchange. If his reelection is approved, the Company plans for his appointment as an independent officer to continue. If the election of candidates Akihiko Sakamoto and Takumi Iso are approved, the Company will notify the aforementioned exchange that they have been designated as independent officers.

### Proposal No. 3 Election of One Audit & Supervisory Board Member

At the conclusion of this meeting, the term of office of Audit & Supervisory Board Member Taku Matsumoto will expire. Therefore, the Company proposes the election of one Audit & Supervisory Board Member.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for Audit & Supervisory Board Members is as follows:

Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
 <p>Taku Matsumoto (November 22, 1972)</p> <p>Reelection Outside Independent</p> <p>Attendance at Board of Directors meetings 17/18 (94%)</p> <p>Attendance at Audit &amp; Supervisory Board meetings 14/14 (100%)</p>	<p>April 1999 Registered as a member of the Daini Tokyo Bar Association</p> <p>May 2001 Joined TMI Associates</p> <p>March 2006 Qualified as a lawyer in New York State, U.S.</p> <p>January 2007 Partner of TMI Associates</p> <p>April 2010 Visiting Associate Professor, Graduate Schools for Law and Politics, Faculty of Law, The University of Tokyo</p> <p>April 2014 Founding Partner of Yebisu Matsumoto Law Office (current position)</p> <p>September 2018 Outside Auditor of Every, Inc. (current position)</p> <p>June 2019 Outside Director of The Nippon Road Co., Ltd. (current position)</p> <p>June 2021 Outside Auditor of Zenhoren Co., Ltd. (current position)</p> <p>June 2022 Outside Audit &amp; Supervisory Board Member of the Company (current position)</p> <p>December 2023 Outside Auditor of Tokyu Corporation (current position)</p> <p>[Significant concurrent positions outside the Company] Representative of Yebisu Matsumoto Law Office Outside Auditor of Every, Inc. Outside Director of The Nippon Road Co., Ltd. Outside Auditor of Zenhoren Co., Ltd. Outside Auditor of Tokyu Corporation</p>	0
<p>[Reasons for nomination as candidate for outside Audit &amp; Supervisory Board Member] Taku Matsumoto is currently an outside Audit &amp; Supervisory Board Member of the Company, and his tenure as Audit &amp; Supervisory Board Member will have been two years at the conclusion of this Meeting. He has never in the past been directly involved in the management of a company. However, he has a wealth of knowledge and experiences as an attorney-at-law. The Company judges that he is a suitable person to help to enhance transparency of the Board of Directors and strengthen supervision functions, from an objective and independent perspective of the company and society including laws and regulations. Therefore, the Company proposes his election as outside Audit &amp; Supervisory Board Member. Note that there is no special interest between the candidate Taku Matsumoto and the Company.</p>		

- (Notes)
1. The candidate Taku Matsumoto is a candidate for outside Audit & Supervisory Board Member. There is no special interest between him and the Company.
  2. The Company has entered into Indemnity agreements with Taku Matsumoto pursuant to the provisions of Article 430-2, paragraph (1) of the Companies Act, under which the Company shall indemnify the costs, provided for under item (i) of the same paragraph, and the loss, provided for under item (ii) of the same paragraph. If this proposal is approved as proposed, and the candidate is elected, the Company plans to continue the said indemnity agreement with Taku Matsumoto.
  3. The Company has entered into a directors and officers liability insurance policy with an insurance company. The policy will cover losses incurred in cases where an insured sustains a claim for damages and litigation expenses. If this proposal is approved as proposed, the candidate shall be insured under the policy and the Company plans to renew said insurance policy with the same content.
  4. The Company has entered into a limited liability agreement with Taku Matsumoto pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation to limit the liability for damages as provided for in Article 423, paragraph (1) of the same act. The limitation of the liability for damages

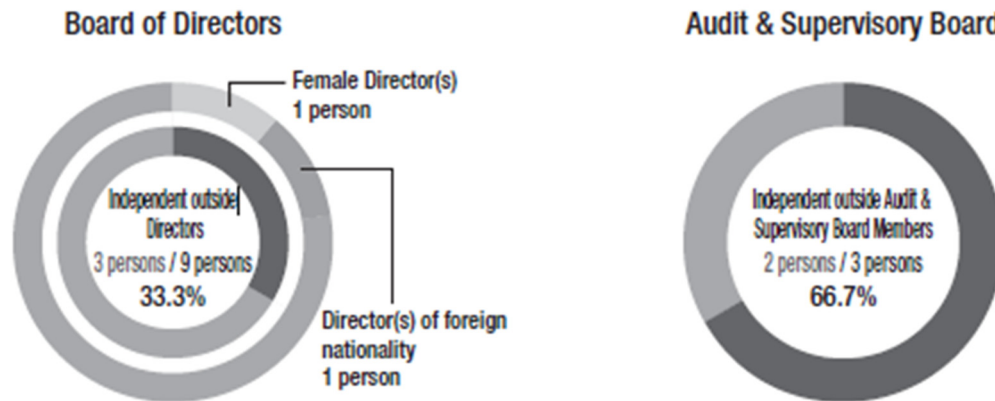


under the same agreement is the minimum liability amount set forth in Article 425, paragraph (1) of the Companies Act. If his reelection is approved, the Company plans to renew the aforementioned agreement with him.

5. The Company has submitted notification to the Tokyo Stock Exchange that Taku Matsumoto has been designated as an independent officer as provided for by the aforementioned exchange. If his reelection is approved, the Company plans for his appointment as independent officer to continue.

(Reference) Compositions of the Board of Directors and the Audit & Supervisory Board

If Proposal No. 2 and Proposal No. 3 are approved as proposed, the compositions of the Company's Board of Directors and Audit & Supervisory Board will be as follows:



(Reference) Skill Matrix of Directors and Audit & Supervisory Board Members (Incumbents and Candidates)  
 If Proposal No. 2 and Proposal No. 3 are approved, the knowledge/experience of the Company's Directors and Audit & Supervisory Board Members will be as follows:

No	Name of Director	Category	(i) Corporate management and sector knowledge	(ii) Manufacturing (production/quality)	(iii) Legal affairs and risk management	(iv) Technology and R&D	(v) Financial accounting and dialogue with capital markets	(vi) Sales and marketing	(vii) ESG and sustainability	(viii) Global experience
1	XianHan He	Director	●	●			●	●		●
2	Takeru Yamamura	Director	●		●				●	●
3	Miyoko Namiki	Director	●		●					●
4	Junichiro Oishi	Director	●	●		●				
5	Akira Takeda	Director	●				●		●	●
6	Akihiro Sato	Director	●				●		●	
7	Tatsuo Okada	Outside Director	●					●	●	●
8	Akihiko Sakamoto	Outside Director	●			●				
9	Takumi Iso	Outside Director	●				●			
10	Hiroo Wakaki	Audit & Supervisory Board Member	●				●		●	
11	Taku Matsumoto	Outside Audit & Supervisory Board Member			●				●	●
12	Hiroyuki Dairaku	Outside Audit & Supervisory Board Member			●		●		●	
No. of applicable persons / total no. of persons			10/12	2/12	4/12	2/12	6/12	2/12	7/12	6/12
Above ratio as a percentage			83.3%	16.7%	33.3%	16.7%	50.0%	16.7%	58.3%	50.0%

Note: If multiple types of knowledge/experience are required for one item, if the person possesses any of them, they are deemed as "able to contribute" (denoted by ●).

**Proposal No. 4 Determination of Remuneration to Directors (Excluding Outside Directors) in Relation to Post-delivery Share-based Remuneration**

The 27th annual general meeting of shareholders held on June 26, 2007 approved the amount of remuneration etc. at an amount not exceeding 500 million yen per year (including 20 million yen per year for outside directors, but not including employee salaries for employee directors). In addition to the above compensation framework, the 39th annual general meeting of shareholders on June 27, 2019 approved the introduction of transfer-restricted share-based remuneration (hereinafter “this share-based remuneration”) as a separate remuneration framework applicable to the Company’s Directors (excluding outside Directors) and Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members), and the 42nd annual general meeting of shareholders on June 29, 2022 approved the amendment of the total amount of monetary compensation claims to be paid to Directors (excluding outside Directors) under the system to up to 1,000 million yen per business year, and the total number of transfer-restricted shares allocated to up to 200,000 shares per business year.

As part of the review of the executive remuneration system, we wish to abolish the existing transfer-restricted share-based remuneration system for Directors (excluding outside Directors) and Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members), and introduce a new post-delivery share-based remuneration system (hereinafter “this system”) for the Company’s Directors (excluding outside Directors, hereinafter “Eligible Directors”), as a separate framework other than the remuneration framework approved at the 27th annual general meeting of shareholders held on June 26, 2007. The intent of this system is to strongly encourage Directors to perform their duties in accordance with the management philosophy and management strategy under a compensation system linked to business results and corporate value, and to promote further value sharing with our shareholders.

This system is to consist of the following two types of share-based remuneration system.

RSU	A type of share-based remuneration by which a predetermined number of shares in the Company and cash is delivered at the end of a period of time predetermined by the Company’s Board of Directors (hereinafter referred to as the “Subject Period”), conditional upon continuous service and the fulfillment of other set conditions.
PSU	A type of share-based remuneration by which a number of shares in the Company and amount of cash are delivered at the end of the subject period, as calculated according to an attainment rate relative to performance evaluation index set by the Company’s Board of Directors. * As an initial performance evaluation index, the Company’s Total Shareholder Return (TSR) is evaluated by comparing it to the growth rate of the Tokyo Stock Price Index (TOPIX) (including dividends).

Under this system, the Company proposes that monetary compensation claims and cash shall be paid to the Eligible Directors as compensation for the delivery of shares of the Company’s common stock, and that the total amount of monetary compensation claims and cash shall be set to an amount that does not exceed the amount obtained as a result of multiplying 470,000 shares (set as the maximum number of shares) per fiscal year by the closing share price (if there is no closing price on such date, then the closing price on the closest preceding trading day) of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately before the date of the resolution by the Board of Directors related to the issuance or disposal of the Company’s shares of common stock (not including the salary for employees of directors who also serve as employees). The specific timing and allocation of payments to each Eligible Director will be determined separately by the Board of Directors. Furthermore, after the subject period has elapsed, a lump sum payment shall be made in an amount equivalent to the value of the execution of duties over multiple business years corresponding to the subject period.

The current number of Directors is nine (of whom three are outside Directors), and if Proposal No. 2 (Election of Nine Directors) is approved and adopted as proposed, the number of Eligible Directors will be six.

In addition, upon delivery of shares, the Eligible Directors shall, based on a resolution of the Board of Directors of the Company, pay all of the monetary compensation claims to be paid under this system as assets contributed in kind and shall be issued or disposed common shares of the Company. The total number of common shares of the Company to the issued or disposed in this way shall not exceed 235,000 shares annually

(however, if on or after the date of approval of this proposal, a stock split of the Company's common stock (including a gratis allotment of the Company's common stock) is effected, or if the total number of shares of common stock of the Company to be issued or disposed of under this system is adjusted to a reasonable extent in the event of a stock split or reverse stock split, or in the event of any other event requiring adjustment of the total number of shares of common stock of the Company to be issued or disposed of under the system, the total number of shares shall be adjusted within a reasonable range. Similarly hereinafter.) Furthermore, concerning the total number of the said shares, after the subject period predetermined by the Board of Directors has elapsed, a lump sum payment shall be made in an amount equivalent to the value of the execution of duties over multiple business years corresponding to the subject period.

The amount to be paid per share of common stock of the Company to be issued or disposed of under this system shall be determined by the Board of Directors based on the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors of the Company regarding the issuance or disposal of common stock of the Company to be made after the end of the subject period, to an extent not particularly favorable to the Eligible Directors who receive the said common stock.

In addition, the Company believes that the contents of the compensation, the maximum amount of compensation, the total number of the Company's common shares to be issued or disposed of, and other terms and conditions of the delivery of the Company's common shares to the Eligible Directors under this proposal have been determined in consideration of the above purposes, the Company's business conditions, policies regarding the determination of the details of compensation, etc. for each individual Director (if this proposal is approved, we plan to change this policy to the contents described in the [Reference] section below to be consistent with the contents approved by the Board of Directors.) and various other circumstances, and are appropriate.

## 1. Summary of This System

### (1) RSU

Under this share-based remuneration plan, monetary remuneration claims and cash will be paid to Eligible Directors after the end of the subject period as remuneration, etc. for the subject period by delivery of the number of shares of common stock of the Company determined in advance by the Board of Directors on the condition that they continue to work throughout the subject period and fulfill certain other conditions determined in advance by the Board of Directors. Under this system, Eligible Directors shall pay all of the monetary remuneration claims to be paid as assets contributed in kind and are issued or disposed of shares of the Company's common stock. The amount of cash to be paid shall be an amount equivalent to 50% of the base number of shares, taking into consideration the amount of income tax, etc. to be borne by the Eligible Director, for the purpose of appropriation to tax payment funds arising from the delivery of the Company's common shares.

Furthermore, the initial subject period is planned to be from the date of the annual general meeting of shareholders for the fiscal year ending March 31, 2024 to the date of the annual general meeting of shareholders for the fiscal year ending March 31, 2027.

### (2) PSU

The Company will pay monetary compensation claims and cash for the delivery of the number of shares of common stock of the Company calculated in accordance with a formula predetermined by the Board of Directors based on the degree of attainment of performance evaluation index determined by the Board of Directors after the end of the performance evaluation period predetermined by the Board of Directors, and the Eligible Directors shall pay all of the monetary compensation claims paid under this system as assets contributed in kind, and will be issued or disposed of shares of common stock of the Company. The amount of cash to be paid shall be an amount equivalent to 50% of the base number of shares, taking into consideration the amount of income tax, etc. to be borne by the Eligible Director, for the purpose of appropriation to tax payment funds arising from the delivery of the Company's common shares. The initial performance evaluation period shall be the three business years from the business year ending March 31, 2025 to the business year ending March 31, 2027, and after the business year ending March 31, 2025, at the start of each new business year, the three consecutive business years starting from the said new

business year shall be the new performance evaluation period, so that the Company may implement this system as long as it is approved at this general meeting of shareholders. The initial performance evaluation index will be the growth rate of the Company's Total Shareholder Return (TSR) (the growth rate of the Company's TSR relative to the growth rate of the TOPIX (including dividends)).

2. Method of calculating the number of shares to be delivered and the amounts of monetary compensation claims and cash

(1) RSU

The number of shares of common stock of the Company to be delivered and the amount of cash to be paid to each Eligible Director will be calculated based on the following formula

- i) The number of shares of common stock of the Company to be delivered to each Eligible Director (\*1).

Base number of shares for RSU (\*2) x 50%

- ii) The value of monetary compensation claims paid to deliver the number of common shares in the Company calculated in i) above.

The number of common shares in the Company calculated in i) above x share value on delivery (\*3).

- iii) The monetary value paid to each Eligible Director.

The standard number of shares for RSU (\*2) x 50% x share value on delivery (\*3).

(2) PSU

According to the degree of attainment of performance evaluation index, the number of shares of common stock of the Company to be delivered to each Eligible Director and the amount of cash to be paid will be calculated based on the following formula.

- i) The number of shares of common stock of the Company to be delivered to each Eligible Director (\*1).

The standard number of shares involved in PSU (\*2) x 50% x payment ratio (\*4).

- ii) The value of monetary compensation claims paid to deliver the number of common shares in the Company calculated in i) above.

The number of common shares in the Company calculated in i) above x share value on delivery (\*3).

- iii) The monetary value paid to each Eligible Director.

The standard number of shares involved in PSU (\*2) x 50% x payment ratio (\*4) x share value on delivery (\*3).

(\*1) Any fraction of a share resulting from the calculation shall be rounded down.

(\*2) The Board of Directors of the Company shall determine this in advance.

(\*3) The amount shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Company's Board of Directors regarding the issuance or disposal of the Company's common stock to be conducted after the end of the subject period to the extent that such amount is not particularly favorable to the Eligible Directors who subscribe for the Company's common stock.

(\*4) The range shall be from 0% to 200%, to be determined in advance by the Board of Directors of the Company, depending on the degree of attainment of the performance evaluation index during the performance evaluation period.

### 3. Requirements for payment to Eligible Directors

In principle, the Company will pay monetary compensation claims and cash to Eligible Directors to deliver the number and amount of the Company's common shares calculated in accordance with 1. above to Eligible Directors after the subject period, provided the Eligible Director satisfies the following requirements.

- i) The Eligible Director has continuously held the position of Director, Executive Officer not concurrently serving as a director of the Company, or any other position determined by the Board of Directors of the Company through the subject period.
- ii) No acts of misconduct, as determined by the Company's Board of Directors, have occurred.
- iii) Other requirements deemed by the Board of Directors of the Company to be necessary for attainment of the purposes of this system must be satisfied.

In the event that an Eligible Director resigns or retires for justifiable reasons during the subject period, the Company's common stock or cash, or both, will be paid to the director in accordance with a reasonable method determined by the Board of Directors for each such event only if the resignation or retirement is due to a reason determined in advance by the Board of Directors of the Company.

In the event that an Eligible Director resigns or retires from the above position due to death during the subject period or by the date of delivery of the Company's common shares after the subject period, cash will be paid in lieu of the payment of monetary compensation claims to the subject director and the delivery of the Company's common stock by contribution in kind of such monetary compensation claims. The amount of cash to be paid to such an Eligible Director shall be the amount obtained by multiplying the number reasonably adjusted in accordance with the degree of attainment of the performance evaluation index and the term of office of the said director by the closing price of the Company's common stock on the Tokyo Stock Exchange on the date of such retirement or resignation.

### 4. Treatment in Organizational Restructuring, Etc.

In the event that the Company's general meeting of shareholders (however, in cases where the reorganization, etc. does not require approval at a general meeting of the Company's shareholders, the Board of Directors of the Company) approves a share exchange agreement or share transfer plan or other matters such as organizational restructuring during the subject period, the Company shall pay, in exchange for shares of common stock of the Company, an amount of cash obtained by multiplying the reasonably adjusted number of shares by a price not particularly favorable to the Eligible Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of such approval.

### 5. Clawback Clause

In the event that certain events specified in the Remuneration Regulations occur, such as serious accounting irregularities or huge losses incurred as a result of misconduct by an Eligible Director, the Company's Board of Directors may, by resolution, establish a clawback clause that obligates the Eligible Director to return all or part of the Company shares delivered and cash paid under the system to the Company without consideration.

[Reference] Introduction of a Post-delivery Share-based Remuneration System for Executive Officers, Etc.

If this proposal is approved as originally proposed, the Company plans to introduce the same system as that for Eligible Directors, to apply to Executive Officers, etc. who do not concurrently serve as directors of the Company, by a resolution of the Board of Directors.

## [Reference] Summary of the New Executive Remuneration System

In the rapidly changing and unpredictable business environment of the semiconductor industry, the Compensation Advisory Committee, of which the majority of members are independent outside directors, has been studying the ideal form of executive remuneration system in order to provide sound incentives to the Company's Directors, to enhance our corporate value over the medium to long term, to strengthen motivation to achieve our business performance and other goals, and furthermore, to shift to a globally competitive compensation level. As a result, we have decided to revise the executive remuneration system in order to reflect the magnitude of the social role and responsibility of the Group, to attract management talent, to keep up with the moves of competing companies, and to help to retain our Directors and maintain their motivation.

Our new executive remuneration system, which will be in effect from 2024 if Proposal 4 is approved and adopted, is summarized below.

### 1. Basic Policies

The basic policies and emphasized points of the Group's executive remuneration system are as stated below.

#### Directors (excluding outside Directors)

- The remuneration system must be able to obtain and retain outstanding personnel from inside and outside the Company, towards the realization of our mission.
- It must motivate the attainment of management goals and the improvement of corporate value in the medium and long term and contribute to the Group's sustainable growth.
- From the perspective of accountability to shareholders and all other stakeholders, there must be a compensation process that is transparent, fair, and rational.

#### Outside Director

- The compensation system must be suitable for the roles and responsibilities of supervising the management of the Company from an independent and objective position.

### 2. Composition and Levels of Compensation

Compensation for those Directors who are also Executive Officers (hereinafter "Director/Executive Officers") shall consist of basic compensation determined by role (fixed compensation), short-term performance-linked remuneration, and medium- and long-term performance-linked remuneration (hereinafter "share-based remuneration"). The guideline ratios of "basic remuneration: short-term performance-linked remuneration: share-based remuneration" shall be roughly "1:1:1" in the base amount (consolidated remuneration base) for the Representative Director and President, and shall be determined for other Director/Executive Officers on the basis of the size of their responsibilities and other factors. There is no Directors' retirement benefits system. For outside Directors and Audit & Supervisory Board Members, remuneration shall consist of solely the basic remuneration (fixed remuneration), with consideration of their roles and responsibilities.

In determining the composition and level of remuneration, the Company shall utilize objective remuneration market research data (Willis Towers Watson's "Management Compensation Database") and other data operated by external professional organizations, and shall take into account the results of comparisons with market levels.

Reference Table 1 Types of Remuneration, etc. and Eligibility for Payment

Types of Remuneration, etc.			Eligibility for Payment		
Fixed/Variable	Cash/Stock	Component elements	Director/ Executive Officers	Outside Director	Audit & Supervisory Board Member
Fixed		Base remuneration	○	○	○
Variable	Cash remuneration	Short-term performance-linked remuneration	○	—	—
	Share-based remuneration (*)	Medium- and long-term performance-linked remuneration (Share-based remuneration)	○	—	—

\*However, approximately 50% of the shares to be delivered will be paid in cash for the purpose of funding tax payments.

Reference Chart 2: Illustration of Composition Ratio of Remuneration for Director/Executive Officers (Standard Amount)



3. Incentive Remuneration

Incentive remuneration will be paid in accordance with the results of the index and other performance indices set forth in the medium-term management plan, which has a basic policy of thoroughly pursuing growth, in order to strongly encourage the execution of duties in accordance with the management philosophy and management strategy under a remuneration system that is linked to business performance and other results, and to corporate value. The specifics are as follows:

(i) Short-term performance-linked remuneration

The amount to be paid to each individual is determined by multiplying a predetermined base amount for each position by a performance evaluation coefficient (varying between 0% and 200%). Performance evaluation coefficients are determined by setting appropriate weightings in company-wide performance evaluations, individual evaluations, and other evaluation categories. The indices for evaluating company-wide performance shall be (1) sales, (2) operating margin, (3) current profit, and (4) ROE with equal weighting. With respect to individual performance evaluations, the Compensation Advisory Committee is to confirm the fairness and reasonableness of each subject’s goals and evaluations.



In the event of misconduct, etc., the right to receive benefits may be eliminated or a claim for clawback of compensation may be made, depending on the timing of the misconduct, etc. and the time when it became apparent. The termination of such entitlement or the return of remuneration will be decided by the Board of Directors after deliberation by the Compensation Advisory Committee.

Reference Table 3: Company-wide performance indices for short-term performance-linked remuneration

	Company-wide performance evaluation index	Evaluation weighting	Reason for selection
1	Sales	25%	To reflect the indicators that emphasize the Company's business operations in the evaluation of compensation
2	Operating margin	25%	
3	Current profit	25%	
4	ROE	25%	

(ii) Medium- and long-term performance-linked remuneration (share-based remuneration)

The new share-based remuneration system will consist of two types of share-based remuneration system.

RSU	A type of share-based remuneration by which a predetermined number of shares in the Company and cash is delivered at the end of a period of time predetermined by the Company's Board of Directors (hereinafter referred to as the "subject period"), conditional upon continuous service for and the fulfillment of other set conditions.
PSU	A type of share-based remuneration by which a number of shares in the Company and amount of cash are delivered at the end of the subject period, as calculated according to an attainment rate relative to performance evaluation index set by the Company's Board of Directors.

- RSU

Based on the base number of shares in accordance with the base amount predetermined for each position, shares will be vested and delivered in accordance with the period of service, etc. The initial subject period is planned to be three years. Approximately 50% of the shares to be delivered will be paid in cash for the purpose of funding tax payments.

- PSU

The number of shares to be delivered is determined by multiplying the base number of shares in accordance with the base amount predetermined for each position by an evaluation coefficient (variable from 0% to 200%). The performance evaluation index for the PSU will be the Company's share price growth rate (Total Shareholder Return, TSR), including dividends, relative to the TOPIX (Tokyo Stock Exchange Stock Price Index) growth rate (including dividends), and the number of shares to be issued will be determined according to the level of achievement during the three-year subject period. Approximately 50% of the shares to be delivered will be paid in cash for the purpose of funding tax payments.