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(Stock Exchange Code 9845)

Date of Issuance: June 9, 2026

Start Date of Electronic Provision Measures: June 2, 2026

**To Our Shareholders:**

Yoshishige Satomi

President

PARKER CORPORATION

2-22-1 Nihonbashi-Ningyocho, Chuo-ku, Tokyo

## **NOTICE OF CONVOCATION OF THE 99th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially invited to attend the 99th Ordinary General Meeting of Shareholders of PARKER CORPORATION. The meeting will be held as described below.

For the convening of this General Meeting of Shareholders, the Company takes measures for providing information contained in the Reference Documents for the General Meeting of Shareholders, etc. (Electronic Provision Measures Matters) in electronic format and posts this information as "NOTICE OF CONVOCATION OF THE 99th ORDINARY GENERAL MEETING OF SHAREHOLDERS" on the Company's website. Please access the following website to review the information.

The Company's website

<https://www.parkercorp.co.jp/investors/meeting/index.html> (in Japanese)

In addition to the above, the Electronic Provision Measures Matters are also posted on the website of Tokyo Stock Exchange (TSE). Please access the following TSE's website (Listed Company Search), enter in "Company name (PARKER CORPORATION)" or "Stock exchange code (9845)," search for it, and select "Basic information" and "Public documents/PR information" to review the information.

The TSE's website (Listed Company Search)

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

**You may exercise your voting rights via the Internet or in writing by mail. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:15 p.m. (Japan time), Wednesday, June 24, 2026.**

1. **Date and Time:** 10:00 a.m. (Japan time), Thursday, June 25, 2026  
(Reception opens at 9:00 a.m.)
2. **Place:** Meeting Room 7F, Parker Corp. Building  
2-22-1 Nihonbashi-Ningyocho, Chuo-ku, Tokyo
3. **Agenda of the Meeting:**
  - Matters to Be Reported:**
    1. The Business Report for the 99th Fiscal Term (from April 1, 2025 to March 31, 2026), Consolidated Financial Statements, and the Audit Reports thereof by the Accounting Auditor and the Audit & Supervisory Board
    2. The 99th Non-consolidated Financial Statements (from April 1, 2025 to March 31, 2026)

**Matters to Be Resolved:**

- |                        |   |
|------------------------|---|
| <b>Proposal No. 1:</b> | Appropriation of Surplus  |
| <b>Proposal No. 2:</b> | Election of Seven (7) Directors                                     |
| <b>Proposal No. 3:</b> | Election of One (1) Audit & Supervisory Board Member                |
| <b>Proposal No. 4:</b> | Election of One (1) Substitute Audit & Supervisory Board Member     |
| <b>Proposal No. 5:</b> | Revision of Remuneration Amount for Directors                       |
| <b>Proposal No. 6:</b> | Revision of Remuneration for Granting Restricted Stock to Directors |

**4. Matters concerning the Convocation Procedures:**

- (1) Of the Electronic Provision Measures Matters, in accordance with relevant laws and regulations and the Company's Articles of Incorporation, the following items are not included in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. In addition, the Audit & Supervisory Board Members and the Accounting Auditor have audited the documents subject to be audited, including the following items.
  - ( i ) Business Report: "Necessary Systems to Ensure the Proper Operations and Their Operational Status."
  - ( ii ) Consolidated Financial Statements: "Notes to Consolidated Financial Statements."
  - ( iii ) Non-consolidated Financial Statements: "Non-consolidated Balance Sheet," "Non-consolidated Statement of Income," "Non-consolidated Statement of Changes in Equity," "Notes to Non-consolidated Financial Statements."
  - ( iv ) Audit Report: "Copy of Audit Report of the Accounting Auditor concerning Non-consolidated Financial Statements."
- (2) Where votes have been cast both via the Internet and in writing by mail, the vote cast via the Internet will be taken as the validly exercised vote. In addition, where votes have been cast several times via the Internet, the vote cast last will be taken as the validly exercised vote.
- (3) Where there is no indication of either "approval" or "disapproval" of each proposal on the returned Voting Rights Exercise Form, it shall be deemed that each of Proposals was approved.

\* When you attend the meeting on that day, please submit the Voting Rights Exercise Form to the reception. In order to save resources, please bring this Notice of Convocation on that day.

- \* If there are any revisions to the electronic provision measures matters, such information, displaying the matters prior to the change and after the change, will be posted on each website.
- \* For this General Meeting of Shareholders, paper-based documents stating the information to be provided in electronic format will be delivered to all shareholders regardless of whether they have made a request for delivery of paper-based documents.

# Reference Documents for the General Meeting of Shareholders

## Proposals & Reference Matters

### Proposal No. 1: Appropriation of Surplus

The Company's basic policy is to continue to pay stable dividends to shareholders from a long-term perspective by strengthening the financial structure and business base.

For the fiscal year under review, the Company proposes to pay the following year-end dividends, taking into consideration the Company's performance and business development.

As a result, annual dividends including interim dividends will be 53 yen per common share.

#### Matters concerning Year-end Dividends

(1) Type of Dividend Property

Cash

(2) Allotment of Dividend Property to Shareholders and the Total Amount

36.50 yen per Common Share of Company Stock

Total Amount: 913,537,659 yen

(3) Effective Date of Dividends of Surplus

June 26, 2026

**Proposal No. 2:** Election of Seven (7) Directors

The terms of office of all the six (6) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, in order to strengthen the management supervisory function, the Company proposes the increase in the number of Outside Directors by one (1) and the election of seven (7) Directors including three (3) Outside Directors.

The Director candidates are as follows:

No.	Name	Current Position and Responsibilities in the Company	Attendance at the Board of Directors meetings	
1	Yoshishige Satomi	President	24/24 (100%)	Reappointment
2	Kazumi Naito	Director in charge of Chemical, Chemical & Engineering, Administration and Finance & Accounting Division	24/24 (100%)	Reappointment
3	Mitsunobu Nakamura	Director	24/24 (100%)	Reappointment
4	Hiroshi Katakura	Director in charge of Machinery Division and Synthetic Materials Division	24/24 (100%)	Reappointment
5	Masakazu Muranaka	Outside Director	24/24 (100%)	Reappointment Outside Independent
6	Hiroto Nakano	Outside Director	24/24 (100%)	Reappointment Outside Independent
7	Takamasa Ohira	-	-	New Appointment Outside Independent

Reappointment : Candidate for Reappointment Director

New Appointment : Candidate for New Appointment Director

Outside : Candidate for Outside Director

Independent : Independent Director stipulated by the stock exchange

No.	Name (Date of Birth)	Job History, Position, Responsibility and Important Concurrent Positions	Number of the Company shares held	
1	Yoshishige Satomi (Oct. 10, 1967) Reappointment	Oct. 1990    Joined Dow Chemical Japan Ltd. Dec. 1997    Joined the Company June 2004    Director in charge of Synthetic Materials Division and Marketing Division June 2012    Managing Director in charge of Marketing Division June 2015    Managing Director in charge of Acoustic Materials Division and Marketing Division June 2018    Vice President in charge of Acoustic Materials Division and Marketing Division June 2019    President (Current) (Important Concurrent Positions) President of Parker Kawakami Co., Ltd.	682,000	
		<b>Attendance at the Board of Directors meetings</b>		24/24 (100%)
		[Reason for nomination as candidate for Director] Mr. Yoshishige Satomi has been leading overall business of the Company. Based on this experience and achievement, the Company judged him as the appropriate person to manage the Company and we propose to elect him.		
		2		Kazumi Naito (Sept. 13, 1958) Reappointment
<b>Attendance at the Board of Directors meetings</b>	24/24 (100%)			
[Reason for nomination as candidate for Director] Mr. Kazumi Naito has been leading the Chemical & Engineering Business and Administration Division as the Director in charge. Based on this experience and achievement, the Company judged him as the appropriate person to manage the Company and we propose to elect him.				

No.	Name (Date of Birth)	Job History, Position, Responsibility and Important Concurrent Positions	Number of the Company shares held	
3	Mitsunobu Nakamura (Apr. 13, 1962) Reappointment	Apr. 1985    Joined the Company Apr. 2006    General Manager of Chemical Department 1 June 2012    Director in charge of Chemical Division June 2020    Director (Current) (Important Concurrent Positions) President of Parker Asahi Co., Ltd.	26,000	
		<b>Attendance at the Board of Directors meetings</b>		24/24 (100%)
		[Reason for nomination as candidate for Director] Mr. Mitsunobu Nakamura has been leading the Chemical Business as the Director in charge. Based on this experience and achievement, the Company judged him as the appropriate person to manage the Company and we propose to elect him.		
4	Hiroshi Katakura (Feb. 23, 1962) Reappointment	Apr. 1985    Joined the Company Apr. 2014    Seconded to PARKER CORPORATION MEXICANA, S.A. de C.V. as President Apr. 2015    General Manager of Synthetic Materials Department June 2016    Director in charge of Synthetic Materials Division June 2020    Director in charge of Machinery, Synthetic Materials and Acoustic Materials Divisions Apr. 2022    Director in charge of Machinery, Synthetic Materials and Automotive Acoustic Systems Divisions Apr. 2024    Director in charge of Machinery Division and Synthetic Materials Division (Current)	13,200	
		<b>Attendance at the Board of Directors meetings</b>		24/24 (100%)
		[Reason for nomination as candidate for Director] Mr. Hiroshi Katakura has been leading the Synthetic Materials Business as the Director in charge. Based on this experience and achievement, the Company judged him as the appropriate person to manage the Company and we propose to elect him.		

No.	Name (Date of Birth)	Job History, Position, Responsibility and Important Concurrent Positions	Number of the Company shares held	
5	Masakazu Muranaka (Jan. 28, 1956) Reappointment Outside Independent	Apr. 1979    Joined Toyo Soda Manufacturing Co., Ltd. (Tosoh Corporation at present) Mar. 2007    Seconded to Taiyo Vinyl Corporation June 2010    Director of Taiyo Vinyl Corporation June 2011    Director of Tosoh Corporation Managing Director of Taiyo Vinyl Corporation June 2016    President of Taihei Chemicals Ltd. June 2020    The Company's Outside Director (Current)	6,100	
	<b>Attendance at the Board of Directors meetings</b>			24/24 (100%)
	[Reason for nomination as candidate for Outside Director and the outline of the expected role] Mr. Masakazu Muranaka has rich management experience in other companies. Therefore, the Company judged him as the appropriate person as Outside Director and we propose to elect him. The Company is expecting Mr. Masakazu Muranaka to supervise and advise the execution of business by utilizing management experience. At the same time, he is involved in the election of the Company's Director candidates and decision of remuneration as a chairman of the Nomination and Remuneration Advisory Committee from the viewpoint of independent position. At present, he is the Company's Outside Director. His term of office will be six (6) years at the conclusion of this General Meeting of Shareholders.			
6	Hiroto Nakano (Mar. 26, 1964) Reappointment Outside Independent	Apr. 1993    Registered as an Attorney Joined Dai-Ichi Tokyo Bar Association Joined Dai-ichi Fuyo Law Office Jan. 2001    Partner of Dai-ichi Fuyo Law Office (Current) June 2021    The Company's Outside Director (Current) (Important Concurrent Positions) Partner of Dai-ichi Fuyo Law Office Director of Educational Institution Murai Gakuen Outside Member of Training Management Committee of Omori Hospital/ Ohashi Hospital of Toho University Medical Center	3,000	
	<b>Attendance at the Board of Directors meetings</b>			24/24 (100%)
	[Reason for nomination as candidate for Outside Director and the outline of the expected role] Mr. Hiroto Nakano has rich experience and deep insight as an attorney. Although he has never been directly involved in corporate management, based on the above reasons, the Company judged him as the appropriate person as Outside Director and we propose to elect him. The Company is expecting Mr. Hiroto Nakano to supervise and advise the execution of business by utilizing the experience as an attorney. At the same time, he is involved in the election of the Company's Director candidates and decision of remuneration as a member of the Nomination and Remuneration Advisory Committee from the viewpoint of independent position. At present, he is the Company's Outside Director. His term of office will be five (5) years at the conclusion of this General Meeting of Shareholders.			

No.	Name (Date of Birth)	Job History, Position, Responsibility and Important Concurrent Positions	Number of the Company shares held
7	Takamasa Ohira (Oct. 18, 1963) <div style="border: 1px solid black; padding: 2px; display: inline-block;">New Appointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 20px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 20px;">Independent</div>	Apr. 1986    Joined NSK Ltd. Apr. 2008    General Manager of Industrial Machinery Bearing Technology Department 2 of NSK Ltd. Feb. 2011    General Manager of Industrial Machinery Department of NSK Ltd. Oct. 2022    Deputy Executive General Manager of Sales Division of NSK Ltd. June 2023    Director of Osaki Redevelopment Building Co., Ltd. June 2024    Managing Director of Osaki Redevelopment Building Co., Ltd. (Current) (Important Concurrent Positions) Managing Director of Osaki Redevelopment Building Co., Ltd.	0
	<b>Attendance at the Board of Directors meetings</b>	-	
	[Reason for nomination as candidate for Outside Director and the outline of the expected role] Mr. Takamasa Ohira has management experience in other companies. Therefore, the Company judged him as the appropriate person as Outside Director and we propose to elect him. The Company is expecting Mr. Takamasa Ohira to supervise and advise the execution of business by utilizing management experience.		

- (Notes)
1. Between Heisei Corporation of which Mr. Kazumi Naito, the candidate, is President and the Company, there is business transaction relationship on Industrial Waste Disposal broking, etc.
  2. Between Parker Asahi Co., Ltd. of which Mr. Mitsunobu Nakamura, the candidate, is President and the Company, there is business transaction relationship on product purchasing, etc.
  3. There is no special interest between the other candidates and the Company.
  4. Mr. Masakazu Muranaka and Mr. Hiroto Nakano are the candidates for Outside Director. The Company has designated them as Independent Directors as stipulated under the regulations of Tokyo Stock Exchange, Inc., and has registered them as such at the exchange.
  5. Mr. Takamasa Ohira is the candidate for Outside Director. The Company has designated him as Independent Director as stipulated under the regulations of Tokyo Stock Exchange, Inc., and has registered him as such at the exchange, based on the assumption of approval for this proposal.
  6. Pursuant to Article 427, Paragraph 1 of the Companies Act, The Company has entered into agreements with Mr. Masakazu Muranaka and Mr. Hiroto Nakano to limit their liability for damages prescribed under Article 423, Paragraph 1 of the Companies Act. According to the agreements, the maximum liability of each is the minimum amount under Article 425, Paragraph 1 of the Companies Act. If this proposal is approved, the Company will extend agreements limiting their liability with them. Also, The Company will enter into an agreement with Mr. Takamasa Ohira to limit his liability with the same details, if this proposal is approved.
  7. The Company has executed a directors and officers liability insurance (D&O insurance) policy under Article 430-3, Paragraph 1 of the Companies Act, with insurance companies. This insurance policy is designed to indemnify these individuals including the Company's Directors against damages that may arise while pursuing their official responsibilities or that may result from personal lawsuits brought against them seeking compensation on the grounds of such responsibilities. In addition, this insurance policy precludes indemnification against damages attributable to intentional misconduct including decisions made knowingly of illegality and so forth. If this proposal is approved, each Director will be the insured under this insurance policy. The Company is scheduled to renew the insurance policy with the same details at the time of the next renewal.

**Proposal No. 3:** Election of One (1) Audit & Supervisory Board Member

In order to strengthen the audit system, the Company proposes the increase in the number of Audit & Supervisory Board Members by one (1) and the election of one (1) Audit & Supervisory Board Member.

The Company has obtained approval for this proposal from the Audit & Supervisory Board.

The Audit & Supervisory Board Member candidate is as follows:

Name (Date of Birth)	Job History, Position and Important Concurrent Positions	Number of the Company shares held
Kazunori Hashimoto (Oct. 2, 1964) <div style="border: 1px solid black; padding: 2px; display: inline-block;">New Appointment</div>	Apr. 1989      Joined the Company	27,200
	Apr. 2014      General Manager of Accounting Department	
	Apr. 2017      General Manager of Office Administration Department	
	June 2019      Executive Officer in charge of Administration Division and Office Administration Department	
	Apr. 2022      Executive Officer in charge of Administration Division and Information Technology Planning Department	
	Apr. 2025      Attached to the Executive General Manager of Administration Division (Current)	
	[Reason for nomination as candidate for Audit & Supervisory Board Member] Mr. Kazunori Hashimoto has knowledge and experience about finance, accounting and compliance. Therefore, the Company judged that he could utilize them for the Company's audit and elected him as the candidate for Audit & Supervisory Board Member.	

- (Notes)
1. There is no special interest between the candidate and the Company.
  2. Pursuant to Article 427, Paragraph 1 of the Companies Act, The Company will enter into an agreement with Mr. Kazunori Hashimoto to limit his liability for damages prescribed under Article 423, Paragraph 1 of the Companies Act, if this proposal is approved. According to the agreement, the maximum liability of each is the minimum amount under Article 425, Paragraph 1 of the Companies Act.
  3. The Company has executed a directors and officers liability insurance (D&O insurance) policy under Article 430-3, Paragraph 1 of the Companies Act, with insurance companies. This insurance policy is designed to indemnify these individuals including the Company's Audit & Supervisory Board Members against damages that may arise while pursuing their official responsibilities or that may result from personal lawsuits brought against them seeking compensation on the grounds of such responsibilities. In addition, this insurance policy precludes indemnification against damages attributable to intentional misconduct including decisions made knowingly of illegality and so forth. If this proposal is approved, each Audit & Supervisory Board Member will be the insured under this insurance policy. The Company is scheduled to renew the insurance policy with the same details at the time of the next renewal.

The Company makes efforts to formulate and implement business strategies for the creation of the next revenue basis, in pursuit of diversifying revenue sources, maximization of customers satisfaction by developing attractive products that satisfy customers and providing high-quality services. In this way, based on the direction of the business that the Company is aiming for, the skill matrix expected to Directors is defined as shown in the table below.

For electing Directors, the Board of Directors decides candidates based on the results of deliberations of the voluntary Nomination and Remuneration Advisory Committee (consisting of two (2) Independent Outside Directors, two (2) Independent Outside Audit & Supervisory Board Members, and one (1) Representative Director).

For the Audit & Supervisory Board Members, persons who have knowledge and experience in accounting and finance are elected, and the Board of Directors as a whole has a balanced composition.

(Reference) Skill matrix

Name		Field					
		Business management	R&D, Environment, Quality management	Sales, Marketing	Legal, Risk management	Global business	Accounting, Finance
Director	Yoshishige Satomi	○		○		○	○
	Kazumi Naito	○	○	○	○		○
	Mitsunobu Nakamura	○	○	○		○	
	Hiroshi Katakura	○		○	○	○	
	Masakazu Muranaka	○		○		○	○
	Hiroto Nakano		○		○		
	Takamasa Ohira	○	○	○		○	
Audit & Supervisory Board Member	Minoru Fujishima	○			○	○	○
	Kazunori Hashimoto	○			○		○
	Yuzuru Meguro				○		○
	Kazuya Suzuki	○		○	○		

(Notes) ○ The skill held by each Director and Audit & Supervisory Board Member

**Proposal No. 4:** Election of One (1) Substitute Audit & Supervisory Board Member

To prepare for the case when the number of Audit & Supervisory Board Members will lack in the necessary number provided by relevant laws and regulations, the Company proposes the election of one (1) Substitute Audit & Supervisory Board Member in advance.

The Company has obtained approval for this proposal from the Audit & Supervisory Board.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

<b>Name (Date of Birth)</b>	<b>Job History and Important Concurrent Positions</b>	<b>Number of the Company shares held</b>
Koji Wada (May 23, 1962)	Apr. 1987      Joined Asahi Chiyoda Kogyo Co., Ltd. Mar. 2011      Audit & Supervisory Board Member of Asahi Chiyoda Kogyo Co., Ltd. Mar. 2011      Director of Asahi Chiyoda Holdings Ltd. (Current) Sept. 2019      President of Sanyo Denshi Co., Ltd. (Current) (Important Concurrent Positions) Director of Asahi Chiyoda Holdings Ltd. President of Sanyo Denshi Co., Ltd.	0
	[Reason for nomination as candidate for Substitute Outside Audit & Supervisory Board Member] Mr. Koji Wada has experience of Director and Audit & Supervisory Board Member in other companies. Therefore, the Company judged that he could utilize such insight and rich experience for the Company's audit and elected him as the candidate for Substitute Outside Audit & Supervisory Board Member.	

- (Notes)
1. There is no special interest between Mr. Koji Wada, the candidate and the Company.
  2. Mr. Koji Wada is the candidate for Substitute Outside Audit & Supervisory Board Member. The Company will designate him as Independent Director as stipulated under the regulations of Tokyo Stock Exchange, Inc., and will register him as such at the exchange, if he assumes office as Audit & Supervisory Board Member.
  3. Pursuant to Article 427, Paragraph 1 of the Companies Act, The Company will enter into an agreement with Mr. Koji Wada to limit his liability for damages prescribed under Article 423, Paragraph 1 of the Companies Act, if he assumes office as Audit & Supervisory Board Member. According to the agreement, the maximum liability of each is the minimum amount under Article 425, Paragraph 1 of the Companies Act.
  4. The Company has executed a directors and officers liability insurance (D&O insurance) policy under Article 430-3, Paragraph 1 of the Companies Act, with insurance companies. This insurance policy is designed to indemnify these individuals against damages that may arise while pursuing their official responsibilities or that may result from personal lawsuits brought against them seeking compensation on the grounds of such responsibilities. In addition, this insurance policy precludes indemnification against damages attributable to intentional misconduct including decisions made knowingly of illegality and so forth. Mr. Koji Wada will be the insured under this insurance policy, if he assumes office as Audit & Supervisory Board Member.

**Proposal No. 5:** Revision of Remuneration Amount for Directors

The remuneration amount for Directors of the Company was approved at the 97th Ordinary General Meeting of Shareholders held on June 26, 2024 as an amount not exceeding 270 million yen per year (including not exceeding 40 million yen per year for Outside Directors), leading up to the present.

The Company proposes to revise the remuneration amount for Directors to the amount not exceeding 350 million yen per year (including not exceeding 50 million yen per year for Outside Directors), taking into consideration the subsequent changes in economic conditions and the increase in the number of Directors. As in the past, the remuneration amount will not include the employee's portion of salaries of Directors who serve concurrently as employees of the Company.

This proposal was determined by the Board of Directors comprehensively considering the current number of Directors and future trends, and based on deliberations by the Nomination and Remuneration Advisory Committee, which the Company believes to be appropriate.

In addition, "The policy for determining the contents of remuneration, etc. for each Director" is shown in the Business Report.

The current number of Directors is six (6) (including two (2) Outside Directors), but if Proposal No. 2 "Election of Seven (7) Directors" is approved as originally proposed, the number of Directors will be seven (7) (including three (3) Outside Directors).

**Proposal No. 6:** Revision of Remuneration for Granting Restricted Stock to Directors

At the 94th Ordinary General Meeting of Shareholders held on June 25, 2021, “Determination of Remuneration for Granting Restricted Stock to Directors” (the resolution on the proposal at the said Ordinary General Meeting of Shareholders is hereinafter referred to as the “Initial Resolution”) was approved, in which the Company established a restricted stock remuneration plan for the purpose of providing an incentive for the Company’s Directors to further share value with shareholders and to sustainably increase the Company’s corporate value, and set the total amount of monetary claims to be paid to the Company’s Directors for granting restricted stock as an amount not exceeding 10 million yen per year (including not exceeding 2 million yen per year for Outside Directors) in addition to monetary remuneration, and the total number of the Company’s common shares to be issued or disposed of by the Company not exceeding 20,000 shares per year.

At this time, in order to further enhance value sharing with shareholders, and taking into consideration the increase in the number of Directors, the Company proposes to revise the total amount of monetary claims to be paid to the Company’s Directors for granting restricted stock to the amount not exceeding 20 million yen per year (including not exceeding 7 million yen per year for Outside Directors). Apart from the above revisions, there are no changes to the content of the Initial Resolution.

This proposal was determined by the Board of Directors, in light of the increase in the value of the Company’s shares due to the rise in the Company’s stock price, comprehensively considering the current number of Directors and future trends, and based on deliberations by the Nomination and Remuneration Advisory Committee, which the Company believes to be appropriate.

In addition, “The policy for determining the contents of remuneration, etc. for each Director” is shown in the Business Report.

The current number of Directors is six (6) (including two (2) Outside Directors), but if Proposal No. 2 “Election of Seven (7) Directors” is approved as originally proposed, the number of Directors will be seven (7) (including three (3) Outside Directors).

[Summary of the Restricted Stock Remuneration Plan]

In accordance with a resolution of the Company’s Board of Directors, Directors shall contribute all of the monetary remuneration claims provided under this plan as in-kind contributions and then common shares of the Company shall be issued or disposed of. The total number of said common shares shall not exceed 20,000 shares per year. The payment amount per share shall be determined based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day preceding the date of the resolution of the Board of Directors (or, if no transactions are completed on that day, the closing price on the most recent trading day preceding that).

Regarding the issuance or disposal of the Company’s common shares, the Company and each Director shall conclude a restricted stock allotment agreement (hereinafter, the “Allotment Agreement”) with the following terms and conditions.

- (1) Directors shall not transfer, create a security interest in, or otherwise dispose of the Company’s common shares allotted in accordance with the Allotment Agreement (hereinafter, the “Allotted Shares”) during a period prescribed by the Company’s Board of Directors (hereinafter, the “Transfer Restriction Period”)

from the date when the Director was allotted such shares. (Such restrictions are hereinafter collectively referred to as “Transfer Restrictions.”)

(2) If the Director resigns from all of the positions of Director, Executive Officer, and/or employee of the Company before the expiration of the period specified by the Company’s Board of Directors (hereinafter, the “Expected Service Period”), the Company shall automatically acquire the Allotted Shares without consideration, except the case where there is a reason considered as reasonable by the Company’s Board of Directors.

(3) Notwithstanding the provisions of (1) above, the Company shall lift the Transfer Restrictions on all of the Allotted Shares at the expiration of the Transfer Restriction Period on the condition that the Director has served as either Director, Executive Officer or employee of the Company without a break throughout the service period.

Provided, however, that if the Director resigns all of the positions provided in (2) above before the expiration of the Expected Service Period for a reason considered as reasonable by the Company’s Board of Directors provided in (2) above, the number of Allotted Shares for which Transfer Restrictions will be lifted and the timing of lifting of Transfer Restrictions shall be adjusted reasonably by the Company’s Board of Directors when necessary.

(4) The Company shall automatically acquire without consideration the Allotted Shares for which Transfer Restrictions have not been lifted in accordance with the provisions of (3) above at the expiration of the Transfer Restriction Period.

(5) Notwithstanding the provisions of (1) above, if a proposal for a merger agreement under which the Company will be absorbed, a share exchange agreement or a share transfer plan under which the Company will become a wholly-owned subsidiary, or other forms of reorganization of the Company is approved at the Company’s General Meeting of Shareholders (or by the Company’s Board of Directors if such reorganization does not require approval of the General Meeting of Shareholders) during the Transfer Restriction Period, the Company shall lift the Transfer Restrictions on the number of the Allotted Shares reasonably determined in light of the period from the commencement date of the Expected Service Period to the date of approval of the reorganization by a resolution of its Board of Directors, prior to the effective date of such reorganization.

(6) In the case of the provisions of (5) above, the Company shall automatically acquire without consideration the Allotted Shares for which Transfer Restrictions have not been lifted as of the time immediately following the lifting of Transfer Restrictions in accordance with the provisions of (5).