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(Securities Code: 3103)

Date of sending by postal mail: January 23, 2025

Start date of measures for electronic provision: January 15, 2025

To our shareholders:

Shuji Ueno,  
Representative Director and President  
**UNITIKA LTD.**  
4-1-3 Kyutaro-machi, Chuo-ku, Osaka

## **Notice of the Extraordinary General Meeting of Shareholders and Class General Meeting of Common Shareholders**

Notice is hereby given that you are cordially invited to attend the Extraordinary General Meeting of Shareholders (hereinafter referred to as “this Extraordinary General Meeting of Shareholders”) and the Class General Meeting of Common Shareholders (together with this Extraordinary General Meeting of Shareholders, hereinafter referred to as “this General Meeting of Shareholders”) of UNITIKA LTD. (the “Company”) to be held as set forth below.

The first and third proposals, “Partial Amendments to the Articles of Incorporation (1)” and “Partial Amendments to the Articles of Incorporation (2),” respectively, will be presented as agenda items at this Extraordinary General Meeting of Shareholders. With regard to both proposals, the Company has decided to hold a Class General Meeting of Shareholders in conjunction with the Extraordinary General Meeting of Shareholders in order to seek resolutions in accordance with the Companies Act, Article 322, paragraph 1, item 1.

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

**The Company’s website:**

**<https://www.unitika.co.jp> (in Japanese)**

**From the above website, select “Investor Relations,” and then “General Meeting of Shareholders.”**

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

**<https://d.sokai.jp/3103/24205924/> (in Japanese)**

If you are unable to attend the Meeting in person, you can exercise your voting rights via the internet or via postal mail. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting right before Thursday, February 6, 2025, at 6:00 p.m. (JST).

**[Exercise of voting rights via the internet]**

Please access the website for the exercise of voting rights (<https://evote.tr.mufg.jp/>) (in Japanese) designated by the Company, enter your approval or disapproval of the proposals by the exercise deadline provided above.

**[Exercise of voting rights via postal mail]**

Please indicate your approval or disapproval of the proposals on the voting form, and return it so that your vote is received by the exercise deadline provided above.

1. **Date and Time:** Friday, February 7, 2025, at 10:00 a.m. (JST) (Doors open at 9:00 a.m.)
2. **Venue:** 2-5-8 Bingo-machi, Chuo-ku, Osaka  
Large meeting room, New building 7F, Nihon mengyo Club (Mengyo Kaikan)

**3. Purpose of the Meeting**

**(Extraordinary General Meeting of Shareholders)**

**Matters to be resolved**

- Proposal No. 1:** Partial Amendments to the Articles of Incorporation (1)
- Proposal No. 2:** Issuance of Class C Shares by Third-Party Allotment
- Proposal No. 3:** Partial Amendments to the Articles of Incorporation (2)
- Proposal No. 4:** Reduction in Share Capital and Legal Capital Surplus
- Proposal No. 5:** Election of Seven (7) Directors
- Proposal No. 6:** Election of One (1) Audit & Supervisory Board Member

**(Class General Meeting of Common Shareholders)**

**Matters to be resolved**

- Proposal No. 1:** Partial Amendments to the Articles of Incorporation (1)
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation (2)

**4. Matters relating to Exercise of Voting Rights**

- (1) When exercising your voting rights via postal mail, where approval or disapproval of a given proposal is not indicated, the vote will be handled as if approval was indicated.
  - (2) Please note that your voting via the internet shall prevail, if you exercise your voting rights both via the internet and via postal mail.
  - (3) If you exercise your voting rights more than once via the internet, only the last vote shall be deemed effective.
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- ◎ When you attend the Meeting in person, you are kindly requested to present the voting form at the reception.
  - ◎ If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the websites provided on page 1.

## **(Reference) Matters Common to All Proposals**

On November 28, 2024, the Company submitted a business revitalization plan (hereinafter referred to as “this business revitalization plan”) to the Regional Economy Vitalization Corporation of Japan (hereinafter referred to as REVIC), made an application for revitalization support, and received notice from REVIC regarding the revitalization support decision.

An outline of this business revitalization plan is as follows.

- i) Withdrawal from unprofitable businesses through restructuring and reform and optimization of supply capacity
- ii) Establishment of a low-cost operating structure through executing cost reductions
- iii) Expansion of sales of high-value-added products
- iv) Strengthening of the organizational management system

Through the implementation of this business revitalization plan, we aim to achieve net sales of approximately 70 billion yen and operating income of approximately 6.5 billion yen in the business year ending March 31, 2030, and to drastically improve and strengthen our financial position.

Even after this revitalization support, the Common Shares of the Company will remain listed on the Tokyo Stock Exchange.

The Company is committed to progressing restructuring and reform with a strong belief that it will be reborn as a new UNITIKA. As a result, we are confident that we can enhance our corporate value.

We kindly request our shareholders’ understanding of this business revitalization plan and ask that you exercise your voting rights accordingly. We appreciate your cooperation.

Supplementary explanatory material regarding this business revitalization plan (explanatory materials for the interim financial results for the business year ending March 31, 2025 and the business revitalization plan) are available on the Company’s website. Please refer to those materials.  
<https://www.unitika.co.jp> (in Japanese)

The Regional Economy Vitalization Corporation of Japan is an organization established through public-private joint investment under the Act on Regional Economy Vitalization Corporation of Japan.

## Reference Documents for the Extraordinary General Meeting of Shareholders

### Proposal No. 1: Partial Amendments to the Articles of Incorporation (1)

#### 1. Reasons for Amendments

Shareholder approval by special resolution is sought for the following amendments: ① deletion of provisions related to Class A Shares and Class B Shares; and ② establishment of provisions related to Class C Shares (as defined in Proposal No. 2: The same shall apply hereinafter.) to enable issuance of Class C Shares in connection with Proposal No. 2: “Issuance of Class C Shares by Third-Party Allotment,” and additions including a provision setting the total number of authorized Class C Shares to be issued at 115,504,600 shares. This partial amendment to the Articles of Incorporation becomes effective subject to the Company acquiring, without compensation, 21,740 Class A Shares of the Company held by MUFG Bank, Ltd. (hereinafter referred to as “MUFG Bank”) and 944 Class B Shares of the Company held by Mitsubishi UFJ Trust and Banking Corporation (hereinafter referred to as “MUFG Trust”), and the subsequent cancellation of these shares.

Please refer to Proposal No. 2: “Issuance of Class C Shares by Third-Party Allotment” for the rationale regarding the issuance of Class C Shares.

#### 2. Details of Amendments

Details of the amendments are as follows:

(Underlining denotes amendment)

Current Articles of Incorporation	Proposed amendments										
<p>Article 6 (Total Number of Authorized Shares to be Issued and Total Number of Authorized Class Shares to be Issued)</p> <p>Total number of shares of the Company authorized to be issued shall be 178,600,000 shares and the total number of each class of shares authorized to be issued by the Company shall be as follows.</p> <table style="width: 100%;"> <tr> <td style="width: 60%;">Common Shares</td><td style="text-align: right;">178,600,000 shares</td></tr> <tr> <td><u>Class A Shares</u></td><td style="text-align: right;"><u>21,740 shares</u></td></tr> <tr> <td><u>Class B Shares</u></td><td style="text-align: right;"><u>5,759 shares</u></td></tr> </table>	Common Shares	178,600,000 shares	<u>Class A Shares</u>	<u>21,740 shares</u>	<u>Class B Shares</u>	<u>5,759 shares</u>	<p>Article 6 (Total Number of Authorized Shares to be Issued and Total Number of Authorized Class Shares to be Issued)</p> <p>Total number of shares of the Company authorized to be issued shall be 178,600,000 shares and the total number of each class of shares authorized to be issued by the Company shall be as follows.</p> <table style="width: 100%;"> <tr> <td style="width: 60%;">Common Shares</td><td style="text-align: right;">178,600,000 shares</td></tr> <tr> <td><u>Class C Shares</u></td><td style="text-align: right;"><u>115,504,600 shares</u></td></tr> </table>	Common Shares	178,600,000 shares	<u>Class C Shares</u>	<u>115,504,600 shares</u>
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<u>Class C Shares</u>	<u>115,504,600 shares</u>										
<p>Article 8 (Number of Shares of a Unit)</p> <p>Number of shares of a unit of Common Shares shall be 100 shares <u>and the number of share of a unit of Class A and B shares shall be one share.</u></p>	<p>Article 8 (Number of Shares of a Unit)</p> <p>Number of shares of a unit of Common Shares <u>and Class C Shares</u> shall be 100 shares.</p>										
<p><u>Article 13-2 (Class A Shares)</u></p> <p><u>The content of Class A Shares issued by the Company shall be as follows.</u></p> <p style="text-align: center;">(Omitted)</p>	(Deleted)										
<p><u>Article 13-3 (Class B Shares)</u></p> <p><u>The content of Class B Shares issued by the Company shall be as follows.</u></p> <p style="text-align: center;">(Omitted)</p>	(Deleted)										
<p><u>Article 13-4 (Split or Reverse-split of Shares, Allotment of Subscribed Shares, etc.)</u></p> <p style="text-align: center;">(Omitted)</p>	(Deleted)										

Current Articles of Incorporation	Proposed amendments
<p><u>Article 13-5 (Priority)</u></p> <p>(Omitted)</p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>Article 13-2 (Class C Shares)</u></p> <p><u>The content of Class C Shares issued by the Company shall be as follows.</u></p> <p><u>(Distribution of Retained Earnings)</u></p> <p><u>1. (1) Class C Preferred Dividend</u></p> <p><u>If the Company distributes retained earnings (regardless of the type of distribution asset), the Company shall pay a cash dividend to the shareholders holding Class C Shares who are entered or recorded in the final list of shareholders as of the record date of such dividend (hereinafter referred to as “Class C Shareholders”) or the registered pledgees of Class C Shares (hereinafter referred to as “Class C Share Registered Pledgees”) prior to any distribution to the shareholders holding Common Shares (hereinafter referred to as “Common Shareholders”) or the registered pledgees of Common Shares (hereinafter referred to as “Common Share Registered Pledgees”) who are entered or recorded in the final list of shareholders on the same date. The Company shall distribute the retained earnings in money for each Class C Share, the amount equivalent to paid-in amount per Class C Share (173.16 yen. However, if the Class C Shares are subject to a reverse-split of shares, allotment of shares free of charge, share consolidation, or any other similar event, the amount shall be adjusted appropriately.) at the amount calculated by multiplying the Class C Preferred Dividend annual rate specified in (2) below (calculated to the third decimal place, and rounded up at the third decimal place) (hereinafter referred to as “Class C Preferred Dividend”). If there arises a fraction less than a yen in the Class C Preferred Dividend at the amount multiplying the Class C Preferred Dividend by the number of shares of Class C Shares in which each Class C Shareholder or each Class C Share Registered Pledgee has rights, the fraction shall be rounded down. If Class C Preferred Dividends have already been paid in the business year to which the relevant record date belongs, the amount obtained by deducting the accumulated amount of such Class C Preferred Dividends already paid shall be paid as Class C Preferred Dividends.</u></p>

Current Articles of Incorporation	Proposed amendments
	<p data-bbox="850 237 1342 268"><u>(2) Class C Preferred Dividend annual rate</u></p> <p data-bbox="850 297 1390 1032"> <u>Class C Preferred Dividend annual rate =</u>  <u>Japanese Yen TIBOR (12-month) + 0.5%</u>  <u>The Class C Preferred Dividend annual rate for</u>  <u>each business year shall be calculated to the</u>  <u>fourth decimal place below %, and rounded off</u>  <u>to the fourth decimal place. In the formula</u>  <u>above, “Japanese Yen TIBOR (12-month)”</u>  <u>refers to the rate published as of 11:00 a.m. on</u>  <u>the first day of each business year (or, in the</u>  <u>case of a business year that includes a payment</u>  <u>period for Class C Shares, the day immediately</u>  <u>following the date of contribution during such</u>  <u>payment period) (if that date is a bank holiday,</u>  <u>the business day immediately following that</u>  <u>date) as the Tokyo Interbank Offered Rate for</u>  <u>Japanese Yen for a 12-month period (Japanese</u>  <u>Yen TIBOR), published by the JBA TIBOR</u>  <u>Administration (JBATA) (however, if the entity</u>  <u>responsible for publishing the Tokyo Interbank</u>  <u>Offered Rate changes from JBATA to another</u>  <u>organization, it shall be interpreted as the</u>  <u>relevant other organization), or a number that is</u>  <u>reasonably recognized as equivalent.</u> </p> <p data-bbox="850 1061 1155 1093"><u>(3) Non-cumulative clause</u></p> <p data-bbox="850 1099 1390 1323"> <u>If the amount of the distribution of retained</u>  <u>earnings to Class C Class Shareholders or Class</u>  <u>C Class Registered Share Pledgees in a certain</u>  <u>business year does not reach the amount of</u>  <u>Class C Preferred Dividends, the shortfall</u>  <u>amount shall not accumulate to subsequent</u>  <u>business years.</u> </p> <p data-bbox="850 1330 1166 1361"><u>(4) Nonparticipation clause</u></p> <p data-bbox="850 1368 1390 1883"> <u>The Company shall not make distributions of</u>  <u>retained earnings exceeding the amount of the</u>  <u>Class C Preferred Dividend to Class C Class</u>  <u>Shareholders and Class C Class Registered</u>  <u>Share Pledgees. The Company shall not</u>  <u>distribute to Class C Shareholders, etc. retained</u>  <u>earnings exceeding the amount of Class C</u>  <u>Preferred Dividend, except for distribution of</u>  <u>the retained earnings under the Companies Act,</u>  <u>Article 758, item 8 b. or the same Act, Article</u>  <u>760, item 7 b. made in the absorption-type split</u>  <u>procedures by the Company or distribution of</u>  <u>the retained earnings made in the spinoff</u>  <u>procedures by the Company under the same</u>  <u>Act, Article 763, paragraph 1, item 12 b., or the</u>  <u>same Act, Article 765, paragraph 1, item 8 b.</u> </p>

Current Articles of Incorporation	Proposed amendments
	<p><u>(Distribution of Residual Assets)</u></p> <p><u>2. (1) Distribution of Class C Preferred Residual Assets</u></p> <p><u>If the Company distributes the residual assets, the Company shall pay to each Class C Shareholder or Class C Share Registered Pledgee, prior to the Common Shareholders and Common Share Registered Pledges, an amount equal to the sum of the paid-in amount per Class C Share (however, if the Class C Shares are subject to a share split, allotment of shares free of charge, reverse-split of shares, or any other similar event, the amount shall be adjusted appropriately) plus the amount equivalent to accrued Class C Preferred Dividend specified in (3) below.</u></p> <p><u>(2) Non-participation clause</u></p> <p><u>The Company shall not make distributions of residual assets to Class C Shareholders or Class C Share Registered Pledges in addition to (1) above.</u></p> <p><u>(3) Amount equivalent to accrued Class C Preferred Dividend</u></p> <p><u>The amount equivalent to accrued Class C Preferred Dividend per Class C Share shall be the amount, on the date that distribution of residual assets is made (hereinafter referred to as the "Distribution Date"), obtained by multiplying the amount equivalent to the paid-in amount per Class C Share by the Class C Preferred Dividend annual rate and the number of days from the first day of the business year that includes the distribution date (inclusive) to the distribution date (inclusive), then dividing by 365 (calculated to the third decimal place, and rounded up at the third decimal place).</u></p> <p><u>However, if there arises a fraction less than a yen when multiplying the amount equivalent to accrued Class C Preferred Dividend per Class C Share by the number of Class C Shares to which each Class C Shareholder or each Class C Share Registered Pledgee has rights, the fraction shall be rounded down. If Class C Preferred Dividends are paid to Class C Class Shareholders or Class C Class Registered Share Pledges in a business year that includes the Distribution Date, the amount of the accrued Class C Preferred Dividend shall be the amount after deducting that amount of the Class C Preferred Dividends paid.</u></p> <p><u>(Voting Rights)</u></p> <p><u>3. Class C Shareholders shall have voting rights at the general meeting of shareholders</u></p>

Current Articles of Incorporation	Proposed amendments
	<p><u>(Claim to Acquisition in Consideration for Common Shares)</u></p> <p><u>4. (1) Claim to acquisition</u></p> <p><u>A Class C Shareholder may, at any time, request the Company to acquire all or part of their Class C Shares in exchange for the number of Common Shares set out in item (2) below (hereinafter referred to as “claim to acquisition of Common Shares in exchange for consideration”). If a claim to acquisition of Common Shares in exchange for consideration is made, the Company shall deliver to the Class C Shareholder the number of Common Shares stipulated in item (2) below, within the scope permitted by laws and regulations, in exchange for acquiring the Class C Shares for which the Class C Shareholder has made the claim.</u></p> <p><u>(2) Number of common shares to be delivered in exchange for acquisition</u></p> <p><u>The number of Common Shares to be delivered in exchange for acquisition of Class C Shares shall be the number obtained by multiplying the number of Class C Shares for which a claim to acquisition of Common Shares in exchange for consideration is made by the amount equivalent to paid-in amount per Class C Share, and dividing by the Acquisition Price stipulated in items (3) and (4) below.</u></p> <p><u>If there is any fraction less than one share in the total number of Common Shares to be delivered in exchange for acquisition of Class C Shares, that fraction shall be handled in accordance with the Companies Act, Article 167, paragraph 3.</u></p> <p><u>(3) Initial Acquisitions Price</u></p> <p><u>The Acquisition Price shall initially be set at 43.29 yen.</u></p>



Current Articles of Incorporation	Proposed amendments
	<p>(4) Adjustment of Acquisition Price</p> <p>(a) <u>In the event that any of the events set forth below occurred after issuance of Class C Shares, the Acquisition Price shall be adjusted as follows.</u></p> <p>i) <u>If share split or allotment of shares free of charge is made for the Common Shares, the Acquisition Price shall be adjusted in accordance with the following formula. In this regard, in case of allotment of shares free of charge, in the following formula, the “number of Common Shares issued before share split” shall be read as “the number of Common Shares issued before allotment of shares free of charge” (provided, that the Common Shares held by the Company then shall be excluded) and the “number of Common Shares issued after share split” shall be read as the “number of Common Shares after allotment of shares free of charge” (provided, that the Common Shares held by the Company then shall be excluded). Acquisition Price after Adjustment shall apply from the following day of the Record Date for share split or the effective date of allotment of shares free of charge (if the Record Date for allotment of shares free of charge is determined, the following day of the Record Date).</u></p> $\frac{\text{Acquisition Price after Adjustment}}{\text{Acquisition Price before Adjustment}} = \frac{\text{Acquisition Price before Adjustment}}{\text{Acquisition Price before Adjustment}} \times \frac{\text{Number of Common Shares issued before share split}}{\text{Number of Common Shares issued after share split}}$ <p>ii) <u>If reverse-split of shares is made for the Common Shares, the Acquisition Price shall be adjusted in accordance with the following formula. Acquisition Price after Adjustment shall apply from the effective date of reverse-split of shares.</u></p> $\frac{\text{Acquisition Price after Adjustment}}{\text{Acquisition Price before Adjustment}} = \frac{\text{Acquisition Price before Adjustment}}{\text{Acquisition Price before Adjustment}} \times \frac{\text{Number of Common Shares issued before reverse-split}}{\text{Number of Common Shares issued after revers-split}}$

Current Articles of Incorporation	Proposed amendments
	<p>iii) <u>If Common Shares are issued or the Common Shares held by the Company are disposed of at the paid-in amount less than the market price per share of the Common Shares specified in (d) below, (excluding issue of Common Shares in case of allotment of shares free of charge, acquisition of the shares acquired in exchange for issue of Common Shares or new share subscription rights (including those attached to the bonds with new share subscription rights. The same shall apply in this iv)), exercise of new share subscription rights the object of which is Common Shares, or merger, share exchange, share delivery or demerger), the Acquisition Price shall be adjusted in accordance with the following formula (hereinafter referred to as the “Acquisition Price Adjustment Formula”). The “paid-in amount per share” in the Acquisition Price Adjustment Formula shall be the fair valuation price of the assets if assets other than money are the object of contribution. The Acquisition Price after Adjustment shall apply from the following day of the date of payment (if the payment period is determined, the final day of the payment period) or from the following day of the Record Date if the Record Date for allotment to shareholders is determined (hereinafter referred to as the “Shareholder Allotment Date”). In this regard, if the Common Shares held by the Company are disposed of, the “number of Common Shares to be issued” in the Acquisition Price Adjustment Formula shall be read as the “number of Common Shares held by the Company to be disposed of” and the “number of Common Shares held by the Company” shall be read as the “number of Common Shares held by the Company before disposal” respectively.</u></p> $\frac{\text{Acquisition Price after Adjustment}}{\text{Acquisition Price before Adjustment}} = \frac{\text{Acquisition Price before Adjustment}}{\text{Acquisition Price before Adjustment}} \times \frac{(\text{Number of Common Shares issued - Number of Common Shares held by the Company}) \pm \text{Number of Common Shares to be issued}}{\text{Number of Common Shares to be issued} \times \text{Paid-in amount per share} + \text{Market price per Common Share}}$

Current Articles of Incorporation	Proposed amendments
	<p>iv) <u>Where shares, for which Common Shares may be issued at the Acquisition Price per Common Share less than the market price per Common Share specified in (d) below, are issued or disposed of by causing the Company to acquire or being acquired by the Company (including in case of allotment of shares free of charge), all the shares issued or disposed of shall be deemed to be acquired under the initial terms and Common Shares are to be issued as of the date of payment of such shares (if the payment period is determined, the final day of the payment period. The same shall apply in this iv)), at the effective date in case of allotment of shares free of charge (if the Record Date for allotment of shares free of charge is determined, the Record Date. The same shall apply in this iv)), or if the date of allotment to shareholders is determined on that date, and the amount calculated by using such price as the “paid-in amount per share” in the Acquisition Price Adjustment Formula shall be the Acquisition Price after Adjustment. The Acquisition Price after Adjustment shall apply from the following day of the date of payment, from the following day of the effective date in case of allotment of shares free of charge or from the following day if the date of allotment to shareholders is determined.</u></p> <p><u>Notwithstanding the above, if the price of Common Shares issued in acquisition is not determined at that time, the Acquisition Price after Adjustment shall be calculated regarding as all the shares issued or disposed of at the time of determination of the price are acquired under the terms at the time of determination of the price and Common Shares are issued and it shall apply from the following day of determination of the price.</u></p>

	<p>v) <u>If new share subscription rights, for which Common Shares may be issued (including allotment of shares free of charge), are issued at the price where the total amount of paid-in amount of new share subscription rights per Common Share and the assets per Common Share to be contributed in exercise of new share subscription rights (if assets other than money are the object of contribution, the fair value of the assets. The same shall apply in this v)) is less than the market price per Common Share specified in (d) below by exercising or being acquired by the Company, all the new share subscription rights issued or disposed of shall be deemed to be exercised or acquired under the initial terms and Common Shares are to be issued as of the date of payment of such shares, at the effective date in case of allotment of shares free of charge (if the Record Date for allotment of shares free of charge is determined, the Record Date. The same shall apply in this v)), or if the date of allotment to shareholders is determined on that date, and the amount calculated by using the total price of the paid-in amount of new share subscription rights per Common Share and the amount of the assets contributed in exercise of new share subscription rights per Common Share in the Acquisition Price Adjustment Formula as the “paid-in amount per share” shall be the Acquisition Price after Adjustment. The Acquisition Price after Adjustment shall apply from the following day of the date of allotment of new share subscription rights, from the following day of the effective date in case of allotment of new share subscription rights free of charge or from the following day if the date of allotment to shareholders is determined. Notwithstanding the above, if the consideration of Common Shares issued in acquisition or exercise is not determined at that time, the Acquisition Price after Adjustment shall be calculated regarding as Common Shares are issued after all the new share subscription rights issued at the time of determination of the price are issued or acquired under the conditions at the time the consideration was determined and it shall apply from the following day of determination of the consideration. Provided, however, that</u></p>
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Current Articles of Incorporation	Proposed amendments
	<p><u>adjustment of acquisition price under this v) shall not apply to new share subscription rights for the purpose of the Common Shares issued to Directors, Audit &amp; Supervisory Board Members or employees of the Company for the purpose of stock option.</u></p> <p><u>(b) In addition to the events set forth in (a) above, if there is any event falling under i) through iii) below, the Company shall properly adjust the Acquisition Price upon giving prior written notice to Class C Shareholders and Class C Share Registered Pledgees to that effect and the event, Acquisition Price after Adjustment, the date of application and any other necessary matters.</u></p> <p><u>i) If it is necessary to adjust the Acquisition Price due to merger, share exchange, acquisition of all the shares issued of the other company by share exchange, transfer of shares, share delivery, absorption-type split, succession to all or part of rights and obligations related to the business held by the other company by absorption-type split, or absorption-type spinoff.</u></p> <p><u>ii) If more than one event requiring adjustment of Acquisition Price occurs in proximity, and it is necessary to consider the impact of the other event on the market price to be used for calculation of the Acquisition Price after Adjustment based on the one event.</u></p> <p><u>iii) In addition to i) and ii) above, where it is necessary to adjust the Acquisition Price, due to the occurrence of events which cause change in the total number of Common Shares issued (excluding the number of Common Shares held by the Company) or the possibility of change.</u></p> <p><u>(c) If calculation is necessary for adjustment of the Acquisition Price, it shall be calculated up to the second decimal point below yen and the second decimal point shall be rounded off.</u></p>

Current Articles of Incorporation	Proposed amendments
	<p>(d) <u>The market price per Common Share used in the Acquisition Price Adjustment Formula shall be the simple average of the daily closing prices of the Company's Common Shares on the Tokyo Stock Exchange for the consecutive 30 trading days commencing from the 45th trading day prior to the date of application of the Acquisition Price after Adjustment (excluding days with no closing price. Calculated in yen to the first decimal place, and rounding down to the first decimal place).</u></p> <p>(e) <u>If the difference between the Acquisition Price before Adjustment and the Acquisition Price after Adjustment is less than 1 yen as a result of calculation in adjustment of the Acquisition Price, adjustment of the Acquisition Price shall not be made. However, if an event requiring adjustment of the Acquisition Price subsequently occurs, when calculating the Acquisition Price, the amount obtained by subtracting this difference from the pre-adjustment Acquisition Price shall be used, instead of the pre-adjustment Acquisition Price, in the Acquisition Price adjustment formula.</u></p> <p>(5) <u>Reasonable measures</u>  <u>The Acquisition Price set forth in (3) and (4) above shall be interpreted from the perspective of anti-dilution and substantive fairness among shareholders of different classes of shares. If the calculation of the Acquisition Price becomes difficult or the calculation results are unreasonable, the Board of Directors of the Company shall make appropriate adjustments to the Acquisition Price or take other reasonably necessary measures.</u></p> <p>(6) <u>Location handling requests for acquisition with common shares as consideration</u>  <u>Office handling shareholder register</u>  <u>administration: 3-6-3 Fushimi-machi, Chuo-ku, Osaka</u>  <u>Mitsubishi UFJ Trust and Banking Corporation,</u>  <u>Osaka Corporate Agency Division</u></p> <p>(7) <u>Effectiveness of request for acquisition with common shares as consideration</u>  <u>A claim to acquisition of Common Shares in exchange for consideration becomes effective at the later of when the documents required for the claim reach the claim reception location set forth in (6) above or on the desired effective date as set forth in such documents.</u></p>

Current Articles of Incorporation	Proposed amendments
	<p><u>(8) Method of delivering common shares</u>  <u>The Company shall, after the claim to acquisition of Common Shares in exchange for consideration becomes effective, deliver Common Shares to the Class C Shareholder who made the claim by recording an increase in transferred shares in the holding column of the Transfer Account Book of the account management institution or the Japan Securities Depository Center, Incorporated, as designated by the Class C Shareholder.</u></p> <p><u>(Claim for Acquisition in Consideration for Money)</u></p> <p><u>5. (1) Claim for acquisition</u>  <u>A Class C Shareholder may, at any time, request that the Company acquire all or part of their Class C Shares in exchange for the monetary amount set out in item (2) below (hereinafter referred to as “claim to acquisition in consideration for Money”). If a claim to acquisition in consideration for Money is made, in exchange for the Company acquiring the Class C Shares for which the Class C Shareholder or Class C Share Registered Pledgee made the claim, the Company shall deliver to the relevant Class C Shareholder a monetary amount stipulated in item (2) below, within the scope permitted by laws and regulations, up to the limit of the distributable amount on the day that the claim becomes effective (hereinafter referred to as “Date of Claim to Acquisition in Consideration for Money”).</u></p> <p><u>(2) Money to be delivered in exchange for acquisition</u>  <u>The amount of money to be delivered in exchange for the acquisition of Class C Shares for each Class C Share shall be the amount equivalent to paid-in amount per Class C Share (however, if the Class C Shares are subject to a share split, allotment of shares free of charge, reverse-split of shares, or any other similar event, the amount shall be adjusted appropriately) plus the amount equivalent to accrued Class C Preferred Dividend. In this item (2), the amount equivalent to accrued Class C Preferred Dividend is calculated by substituting “Date of Claim to Acquisition in Consideration for Money” for both “the date that distribution of residual assets is made” and “the Distribution Date” in the calculation of the amount equivalent to accrued Class C Preferred Dividend set forth in item (3) of paragraph 2.</u></p>

Current Articles of Incorporation	Proposed amendments
	<p><u>(3) Claim reception location and effectiveness of the claim</u></p> <p><u>The provisions of items (6) and (7) of paragraph 4 shall apply mutatis mutandis to a claim to acquisition in consideration for Money under this paragraph.</u></p> <p><u>(Acquisition Clause in Consideration for Money)</u></p> <p><u>6. (1) Acquisition clause in consideration for money</u></p> <p><u>The Company may, at any time, acquire all or part of the Class C Shares in exchange for money upon arrival of a date separately determined by the Board of Directors of the Company (hereinafter referred to as “Redemption Date”). In this case, the Company shall, within the scope permitted by laws and regulations, deliver to the Class C Shareholder the amount of money set forth in item (2) below (hereinafter referred to as “Redemption Price”) for each Class C Share in exchange for the acquisition of all or part of the Class C Shares. If the Company acquires only a portion of Class C Shares, the number of Class C Shares to be acquired shall be determined by the method of proration based on the number of Class C Shares held by the Company, as entered or recorded in the final list of shareholders as of the Redemption Date.</u></p> <p><u>(2) Redemption price</u></p> <p><u>The Redemption Price shall be the amount equivalent to paid-in amount per Class C Share (however, if the Class C Shares are subject to a share split, allotment of shares free of charge, reverse-split of shares, or any other similar event, the amount shall be adjusted appropriately) plus the amount equivalent to accrued Class C Preferred Dividend per Class C Share on the Redemption Date. In this item (2), the amount equivalent to accrued Class C Preferred Dividends is calculated by substituting “the Redemption Date” for both “the date that distribution of residual assets is made” and “the Distribution Date” in the calculation of the amount equivalent to accrued Class C Preferred Dividend set forth in item (3) of paragraph 2.</u></p>



Current Articles of Incorporation	Proposed amendments
	<p data-bbox="818 241 1318 271"><u>(Reverse-split of Shares or Share Split, etc.)</u></p> <p data-bbox="818 280 1401 566">7. If the Company reverse-splits or splits its shares, grants shareholders the right to receive an allotment of subscribed shares or an allotment of new share subscription rights, or carries out an allotment of shares free of charge or an allotment of new share subscription rights free of charge, it shall carry out the same action, at the same time and in the same proportion, for the Class C Shares as for the Common Shares.</p> <p data-bbox="818 575 1214 604"><u>(Change in Laws and Regulations)</u></p> <p data-bbox="818 613 1401 741">8. If changes in laws and regulations, etc. require replacement of these terms, or other measures, the Board of Directors of the Company shall take such measures as are reasonably necessary.</p>

**Proposal No. 2: Issuance of Class C Shares by Third-Party Allotment**

Shareholder approval is sought to issue Class C Shares (hereinafter referred to as “Class C Shares”) to REVIC by third-party allotment (hereinafter referred to as “this Capital Increase by way of Third-Party Allotment”), in accordance with the provisions of the Companies Act, Article 199, as outlined in 1 below.

The implementation of this Capital Increase by way of Third-Party Allotment is subject to the approval of Proposal No. 1 at this General Meeting of Shareholders and the approval of proposals containing the same content as Proposal No. 1 at the Class A Class Shareholders Meeting and Class B Class Shareholders Meeting scheduled to be decided by written resolutions by the date of this Extraordinary General Meeting of Shareholders. In addition to the above, the investment agreement concluded with REVIC (hereinafter referred to as “this Investment Agreement”) is subject to the following conditions precedent: ① acquisition of approvals for all proposals at this Extraordinary General Meeting of Shareholders; ② a purchase decision, etc. by REVIC in accordance with the Act on Regional Economy Vitalization Corporation of Japan (REVIC Act), Article 31, paragraph 1; ③ the Company acquiring, without consideration, all of the Class A Shares of the Company held by MUFG Bank and the Class B Shares of the Company held by MUFG Trust, and cancellation of those shares; and ④ completion of all procedures required under the Financial Instruments and Exchange Act and other relevant laws and regulations.

If Class C Shares are allotted to REVIC through this Capital Increase by way of Third-Party Allotment, the dilution ratio for the number of voting rights associated with the number of issued shares of Class C Shares (1,155,046 voting rights) will be equivalent to approximately 200%, using the number of voting rights associated with the total number of shares issued by the Company as of March 31, 2024 (575,082 voting rights) as the denominator. In addition, the Class C Shares are expected to confer a claim to acquisition enabling their holders to acquire four Common Shares of the Company for each Class C Share, at any time (however, this Investment Agreement provides that such a claim will be exercisable from August 2027). If this claim to acquisition is exercised, and Class C Shares are converted into Common Shares of the Company, the dilution ratio for the number of voting rights associated with the Company’s common shares (4,620,184 voting rights) will be equivalent to approximately 803%, using the number of voting rights associated with the total number of shares issued by the Company as of March 31, 2024 (575,082 voting rights) as the denominator.

Hence, since the dilution ratio associated with this Capital Increase by way of Third-Party Allotment will be equivalent to 25% or more and involve a change in the controlling shareholder, shareholder approval is sought for this proposal at this Extraordinary General Meeting of Shareholders, in accordance with Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange.

If Class C Shares are allocated to REVIC through this Capital Increase by way of Third-Party Allotment, REVIC will hold approximately 66.8% of the voting rights, and REVIC will be a Special Subscriber as defined in the Companies Act, Article 206-2, paragraph 1. Therefore, this proposal also serves as a resolution for approval by the General Meeting of Shareholders (special resolution) for the allotment of subscribed shares to the Special Subscriber as provided for in the Companies Act, Article 206-2, paragraph 4.

**1. Subscription terms and conditions**

i) Class of shares for subscription	Class C Shares
ii) Number of shares for subscription	115,504,600 shares
iii) Paid-in amount	¥173.16 per share
iv) Total paid-in amount	¥20,000,776,536
v) Increase in share capital	¥10,000,388,268 (¥86.58 per share)
vi) Increase in legal capital surplus	¥10,000,388,268 (¥86.58 per share)
vii) Payment period	From April 1, 2025 to May 31, 2025
viii) Method of issuance	All 115,504,600 shares of the Class C Shares shall be allocated to the Regional Economy Vitalization Corporation of Japan (REVIC) by Third-party Allotment.

ix) Others	<p>(Please refer to Proposal No. 1: “Partial Amendments to the Articles of Incorporation (1)” for details regarding Class C Shares.)</p> <p>i) Preferred dividend</p> <p>The preferred dividend annual rate for the Class C Shares is set at Japanese Yen TIBOR (12-month) + 0.5% (“Japanese Yen TIBOR (12-month)” refers to the rate published as of 11:00 a.m. on the first day of each business year as the Tokyo Interbank Offered Rate for Japanese Yen for a 12-month period (Japan Yen TIBOR), published by the JBA TIBOR Administration (JBATA), or a number that is reasonable recognized as equivalent). Class C Shareholders may receive dividends before Common Shareholders. If there is a shortfall in preferred dividends in a given business year, the shortfall amount shall not accumulate to subsequent business years. Class C Shares are non-participating, and Class C Shareholders, in addition to the preferred dividend, are not entitled to receive a distribution of retained earnings equal to the amount of retained earnings per Common Share when dividends are paid to Common Shareholders.</p> <p>ii) Claim to acquisition in consideration for common shares</p> <p>Class C Shareholders may request that the Company acquire all or part of their Class C Shares in exchange for delivery of Common Shares, at any time after the issuance date of Class C Shares. However, under this Investment Agreement, REVIC has agreed that, except in certain cases, it shall in principle exercise the claim to acquisition in consideration for Common Shares only after August 1, 2027.</p> <p>iii) Claim for acquisition in consideration for money</p> <p>Class C Shareholders may request that the Company acquire all or part of their Class C Shares for cash consideration, at any time after the issuance date of Class C Shares. However, under this Investment Agreement, REVIC has agreed that, except in certain cases, it shall in principle exercise the claim for acquisition in consideration for Money only after August 1, 2027.</p> <p>iv) Acquisition clause in consideration for money</p> <p>The Company may request that the Class C Shareholders transfer all or part of their Class C Shares for cash consideration, at any time after the issuance date of Class C Shares, upon arrival of a date separately determined by the Board of Directors of the Company. However, under this Investment Agreement, the Company has agreed that it shall exercise the acquisition clause in consideration for Money only after August 1, 2027.</p>
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	<p>v) Voting Rights and Restrictions on Transfer, etc.</p> <p>Class C Shareholders have voting rights at the General Meeting of Shareholders, and the number of shares per unit of Class C Shares shall be 100 shares.</p> <p>There are no restrictions on the transfer of Class C Shares, and there are no restrictions under this Investment Agreement such as requiring the Board's approval.</p>
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## 2. Purpose of and reason for the subscription

### (1) Background and objectives of this Capital Increase by way of Third-Party Allotment

The Company was founded in 1889 as Amagasaki Boseki, and from 1918 led the Japanese spinning industry as Dainippon Boseki, one of the three major spinning companies. In 1969, the Company merged with group company Nippon Rayon to form Unitika, a general textile manufacturer. While working to diversify its business since then, the Company has carved out a long history. It has been 135 years since the birth of Amagasaki Boseki and we are celebrating 55 years since the founding of Unitika. During that time, the economic environment has changed significantly. Our founding textile business has been exposed to a difficult business environment as Japan's industrial landscape evolved. In the past 30 years, we have engaged in restructuring and reform efforts to downsize our fiber business while simultaneously shifting our focus to the highly profitable polymers business.

In that context, although there was a temporary improvement in our business performance and financial position, it is difficult to assert that our active investments in growth areas were entirely successful, and we were unable to complete comprehensive restructuring and reform. Since FY 2017, both net sales and operating profit have continued on a downward trend. Yet, due to factors such as changes in the business environment because of the COVID-19 pandemic from the beginning of FY 2020, there has been a slight recovery in sales. In May 2020, we announced our long-term vision "G-STEP30" looking ahead to the year 2030. Subsequently, in May 2023, we formulated a new medium-term management plan, "G-STEP30 2nd," as a second step toward achieving the goals of our long-term vision. We continued our efforts on the themes of our long-term vision, "G-STEP30," "The three Gs – Growth, Global, and Governance," and implemented our Sustainability Plan, "Prosperity, Planet, and People." Through these efforts, we were aiming to steadily strengthen our business earnings and lay the foundations for growth. In the business year ended March 31, 2024, the Company posted an operating loss for the first time since the start of consolidated financial reporting. This was due to factors including cost increases caused by the weak yen along with soaring raw material and fuel prices, reduced demand associated with changed market conditions, falling unit sale prices in the polymers business given intensification of competition overseas especially in Southeast Asia, and lower earnings due to commoditization in apparel fibers. In addition, the recognition of impairment losses led to the Company recording a net loss for the period of 5.4 billion yen. In FY 2024, although there is some prospect that we may secure an operating profit through reductions in personnel costs and other temporary measures, we are yet to achieve a substantive recovery in earning power.

Despite repeated efforts at restructuring and reform, that the Company has reached its current situation is due to these efforts having been limited to individual measures targeting low-margin and non-core businesses. We recognize that a major contributing factor was that we had not stepped in to take comprehensive measures in each of our businesses related to apparel fibers and polyester fibers, which had latent issues such as a fundamental decline in profitability and a rigid cost structure. In addition, in recent years, against the backdrop of changes in social and economic conditions at the global level, the Company has experienced cost increases due to persistently high raw material and fuel prices, reduced demand associated with changed market conditions, intensified price competition in overseas markets centering on Southeast Asia, and the transformation of markets, including overseas markets. At the same time as businesses facing these challenges continue to operate at a loss, even the Polymers business, which forms the core of the Group's earnings, is facing new challenges, such as overcapacity of overseas subsidiaries that handle nylon film which aggressively expanded their production capacity, leading to higher costs and a significant decline in our business earning capacity. Hence, the Company faces an urgent need to improve the profitability of these operations.

Since our founding, we have played a role as a member of Japan's manufacturing industry through our textile business and the other various businesses derived from it. We aim to continue making the most of the accumulated technologies that we have cultivated in the domestic chemical and materials industry to remain a company that can contribute to Japan's economy and society in the future. To realize our aim and to achieve sustainable growth into the future, after raising sufficient financing, we will review businesses with structural problems, carry out comprehensive restructuring and reform, including a review of the head office structure, incorporating thorough cost reductions, as well as invest in promising businesses such as the polymers business to promote business growth.

Such restructuring and reform will require large-scale financing and recapitalization. However, in our current financial state and profitability situation, we are unable to raise sufficient financing. In addition, the Company is burdened with excessive interest-bearing liabilities relative to its earning power, and, with weak equity capital, we are unable to undertake comprehensive reform that would erode our capital. In considering all options for strengthening its financial foundations, including accepting capital from outside sources, the Company deemed that the best course of action was to apply for revitalization support from REVIC based on factors including ① new capital investment would be possible, ② receiving support from turnaround specialists would help maintain and improve corporate value and creditworthiness, and ③ it would be possible to coordinate the interests of financial institution partners. After consultations with MUFG Bank, we decided to apply to REVUC for revitalization support and formulated this business revitalization plan. Under the revitalization support of REVIC, we plan to strengthen our financial foundations and creditworthiness through obtaining financing from REVIC via this Capital Increase by way of Third-Party Allotment, requesting financial support from financial institution partners through transparent and fair procedures, as well as restructuring and reform of our challenged businesses and thorough cost reductions, while avoiding eroding our corporate value as far as possible. Furthermore, we plan to revitalize our business through comprehensive business restructuring focused on strengthening the earnings power in our profitable businesses. The Board of Directors of the Company, at the meeting held on November 28, 2024, resolved that the Company and its group companies, Nippon Ester Co., Ltd., and Unitika Sparklite Co., Ltd. (hereinafter collectively referred to as "the Companies"), jointly with MUFG Bank, submit the business revitalization plan and the application for revitalization support to REVIC. On the same day, the Company received notice from REVIC regarding the revitalization support decision.

## (2) Rationale for selecting this Capital Increase by way of Third-Party Allotment

The Company has, when raising financing, considered various financing approaches from the perspective of aiming to stabilize our financial position while taking into consideration the impact on our existing shareholders. However, given our financial situation and our circumstances having requested financial support including debt waivers from financial institution partners, to fundamentally improve our financial position, we believe that it is necessary and appropriate to strengthen our equity capital through equity financing, rather than debt financing via borrowings from financial institutions or bond issuance.

Regarding the issuance of Common Shares through a public offering, the final amount of financing is uncertain. As the Company needs to ensure a certain amount of financing is raised, we have determined that this is not an appropriate option at this time. In addition, regarding the allotment of new share subscription rights free of charge allocating new share subscription rights or share allotment allocating shares to our existing shareholders, not all new subscription rights may be exercised given it is dependent upon shareholders' judgment based on stock price trends and other factors. As not all share allotments may be taken up, similarly, the final amount of financing raised is uncertain. As the Company needs to ensure a certain amount of financing is raised, we have determined that this is not an appropriate option at this time. Furthermore, the feasibility of issuing Common Shares through a Capital Increase by way of Third-Party Allotment was determined to be low during the process of examining the allottees and the subscription amount.

Other approaches, such as a so-called management buyout involving a takeover bid are also possible. However, this approach would require funds for share acquisition separately on top of the funds that would be required for restructuring and reform. Existing shareholders would be required to sell their shares, which would have a greater impact than this Capital Increase by way of Third-Party Allotment. In addition, while ensuring the opportunity for existing shareholders to sell their shares, we expect that the implementation of the business revitalization plan, with the execution of this Capital Increase by

way of Third-Party Allotment, will drastically improve and strengthen the Company's financial situation and increase its corporate value through sustainable growth in the future. Therefore, we believe that maintaining the Company's listing, rather than taking the Company's shares private, and executing this business revitalization plan may contribute to further growth in the Company's share value.

In such circumstances, to resolve the situation, as described above, the Company in consultation with MUFG Bank, decided to apply to REVIC for revitalization support. We determined that raising financing through a Capital Increase by way of Third-Party Allotment to REVIC is the best course of action since receiving support from experts in business revitalization will improve our corporate value and creditworthiness. During discussions and negotiations between the Company and REVIC regarding financing through a Capital Increase by way of Third-Party Allotment, the Company concluded that a Capital Increase by way of Third-Party Allotment via preferred shares allows for the reflection of the Company's current situation in the terms and conditions of the shares. In addition, from REVIC's perspective, in order for the Company to implement this business revitalization plan, there is a requirement to maintain governance over the Company by holding voting rights. Thus, a Capital Increase by way of Third-Party Allotment via preferred shares with voting rights allocated to REVIC is the most appropriate financing approach for the challenging financial situation in which the Company finds itself.

As stated above, REVIC qualifies as a Special Subscriber as defined in the Companies Act, Article 206-2, paragraph 1. In this regard, at the meeting of the Board of Directors held on November 28, 2024, all four of the Company's Audit & Supervisory Board Members, including the two outside Audit & Supervisory Board Members, concluded that, in implementing the Company's business revitalization plan, based on the basic policy of thorough selection and concentration of its businesses, involving REVIC in the Company's business revitalization, a public entity established under the REVIC Act with the approval of the competent minister and an expert in business revitalization, as a shareholder holding more than two-thirds of the Company's total voting rights is also the best approach for our existing shareholders. In addition, the effective dilution rate immediately after this Capital Increase by way of Third-Party Allotment is approximately 200%, and the conversion period to Common Shares is gradual from August 2027, and it is believed that due consideration has been given to addressing rapid dilution. In light of these and other points, the view is that this Capital Increase by way of Third-Party Allotment to REVIC, a Special Subscriber as defined in the Companies Act, Article 206-2, paragraph 1 is reasonable.

### (3) Principal terms of this Investment Agreement

#### i) Details of the agreement in relation to nomination of Directors, etc.

The Company has agreed with REVIC that, after this Capital Increase by way of Third-Party Allotment is implemented, REVIC shall have the right to nominate up to half of the Company's Directors plus one (1), and up to two (2) of the Company's Audit & Supervisory Board Members.

#### ii) Establishment of Structure Reforms Promotion Office

The Company has agreed with REVIC to establish or reorganize an organization (Structure Reforms Promotion Office) to oversee the implementation and promotion of this business revitalization plan with restructuring and reform on a cross-functional basis, and with details reasonably satisfactory to REVIC, promptly after the date of the purchase decision, etc. in relation to the Companies, as provided for by the REVIC Act, Article 31, paragraph 1. In particular, it has also been agreed that, from the date of implementation of this Capital Increase by way of Third-Party Allotment, delegated directors and employees dispatched by REVIC shall be members of the Structural Reform Promotion Office and its subcommittees, based on directions from REVIC.

#### iii) Principal reasons for prior approval (matters approved by REVIC)

The Company has agreed with REVIC that, with respect to the Companies, after this Capital Increase by way of Third-Party Allotment is implemented, and without prior approval by REVIC, it shall not undertake the following matters.

- Amendments to the Articles of Incorporation

- Share exchange, share transfer, share issuance, merger, demerger or other organizational restructuring
- Issuance or disposal of shares, new share subscription rights, bonds with new share subscription rights, acquisition or cancellation of treasury shares or treasury share acquisition rights, or other actions that affect the shareholding ratio of existing shareholders
- Purchase and cancellation or early redemption of bonds
- Share or related instrument splits, reverse-splits, allotments free of charge, or any other matters affecting the status or rights of shareholders
- Concluding, amending or terminating any investment-related agreement with a shareholder or potential shareholder (including any agreement regardless of its title, that provides for matters related to business, management, governance, etc., or the transfer or acquisition of shares or related instruments).
- Capital transaction activities such as acquisitions of other companies, acquisition of securities, etc.
- Increase or decrease in share capital and legal capital surplus
- Distribution of retained earnings, interim dividends and other appropriations of surplus (excluding those to REVIC)
- Lending money to third parties, providing collateral, incurring guarantee obligations, and borrowing from third parties
- Sale, lease, or other disposition, or transfer of a lease of assets (including real estate) exceeding a certain amount of money
- Capital investment, expense payments, or other expenditures exceeding a certain amount of money

iv) Principal reasons for prior approval (matters to be approved by REVIC Delegated Directors)

The Company has agreed with REVIC that, with respect to the Companies, after this Capital Increase by way of Third-Party Allotment is implemented, it shall not undertake the following matters without the prior approval of the REVIC Delegated Directors (excluding Directors who may not participate in voting on the resolution of the relevant Board of Directors meetings in accordance with the Companies Act, Article 369, paragraph 2). Furthermore, REVIC has agreed that it shall not unreasonably withhold, delay, or refuse such approval.

- Exercise of rights based on shares or related instruments held, disposal of shares or related instruments held
- Lending and borrowing of money, provision of collateral, and incurring of guarantee obligations among Group companies
- Entertainment expenses exceeding a certain amount of money, business outsourcing expenses, purchases, capital investment, expense payments, and other expenditures at the Companies
- Transfer of funds from the Payment Management Account
- Holding of General Meetings of Shareholders or Class General Meetings of Shareholders and determination of agenda items
- Selection of Representative Directors in the Companies
- Selection of Directors and Audit & Supervisory Board Members in the Group
- Exemption from liability of Directors based on the Articles of Incorporation regarding exemption from liability by Directors, etc. or conclusion of limited liability agreements based on the provisions of the Articles of Incorporation regarding limited liability agreements (excluding those in relation to Directors dispatched by subscribers and Audit & Supervisory Board Members dispatched by subscribers).
- Entering into indemnity agreements with Directors and Officers and liability insurance contracts for Officers, etc. (excluding those relating to Directors Dispatched by Subscribers and Audit & Supervisory Board Members Dispatched by Subscribers).

- Approval of Competitive Transactions or Conflict of Interest Transactions by Directors
- Establishment, change, and abolition of important organizations
- Establishment of, or change in, an internal control system, and change of internal rules
- Petition or filing of litigation, arbitration, or mediation or other dispute resolution procedure, or commencement of judicial or administrative proceedings
- Settlement, mediation agreement, or conclusion of dispute resolution proceedings not depending on a judgement, arbitral award, etc.
- Conclusion, modification, or termination of material contracts, or changes and other material legal acts

v) Information disclosure at the time of sale of shareholdings by REVIC

The Company has agreed with REVIC that if REVIC intends to sell its shareholdings, it shall disclose to the Company information in relation to the potential buyers, and the information disclosure shall enable the Company to express its intentions (however, REVIC is not bound by the Company's intentions).

vi) Details of agreement on the appointment of observers

The Company has agreed with REVIC that, after this Capital Increase by way of Third-Party Allotment is implemented, REVIC shall have the right to appoint three (3) observers to each entity of the Company's group. Observers may attend and express their opinions at meetings of the Group's Board of Directors and other important management meetings, however they shall not hold voting rights at such meetings.

vii) Supervisory authority

The Company has agreed with REVIC that if any of the following events occur after this Capital Increase by way of Third-Party Allotment is implemented, REVIC may at its option carry out one or more of the following in relation to the Companies: ① dispatch additional directors or provide management guidance, ② provide revised guidance on business plans, ③ investigate business conditions and progress of business, or ④ audit by REVIC.

- If the Group's operating profit falls below 70% of the planned amount in the business revitalization plan or the Group's profit and loss plan upon which the business revitalization plan was based
- Significant change or termination of a material contract that, in REVIC's judgment, would have a material impact on the Group's management
- A breach or potential breach of the Investment Agreement by the Companies

3. Rationale pertaining to issuance terms, etc.

(1) Basis for calculating the paid-in amount and specific details

The Company requested an analysis of the value of the Class C Shares from Akasaka International Accounting Co., Ltd. (hereinafter referred to as "Akasaka International Accounting"), a third-party valuation firm independent of the Company, REVIC, and the Company's financial institution partners, to ensure fairness in determining the issuance terms and conditions of this Capital Increase by way of Third-Party Allotment, and subsequently obtained a Valuation Report on the Class Shares from Akasaka International Accounting. Akasaka International Accounting conducted a valuation analysis of the Class C Shares using a binomial model, a common valuation model, making certain assumptions about the range of estimated values of the Company's Common Shares, share price volatility, estimated dividend amount, risk-free interest rate, as well as the actions of the Company and the actions of the allottees, etc. The results of the valuation analysis of the Class C Shares are as follows.

Total amount:	From approximately ¥19,280 million to approximately ¥20,038 million
Per share:	From approximately ¥166.93 to approximately ¥173.49



With regard to the issuance terms and conditions for this Capital Increase by way of Third-Party Allotment, considering not only the above valuation results in the valuation report on the value of the Class Shares by Akasaka International Accounting, an independent third-party valuation firm, but also taking into account the business environment and our financial situation, the necessity of improving the Company's financial situation, the steady execution of this business revitalization plan, the balance with financial support including debt waivers from our financial institution partners, REVIC's intentions regarding the form of its investment, and other factors determined through repeated discussions and negotiations with REVIC, we comprehensively conclude that the amount to be paid in for the Class C Shares is reasonable and does not constitute a particularly favorable amount under the Companies Act.

However, there is no objective market price for the Class C Shares. Furthermore, since the valuation of the Class C Shares is extremely complicated and there may be various opinions on valuation methods, the possibility that the amount to be paid in for the Class C Shares may be judged to be particularly favorable cannot be completely ruled out. Therefore, given the inherent uncertainty the Company has decided to issue the Class C Shares subject to obtaining approval at this Extraordinary General Meeting of Shareholders by a special resolution regarding favorable issuance in accordance with the Companies Act, Article 199, paragraph 2, Article 238, paragraph 3, item 2, and Article 240, paragraph 1.

All four of the Company's Audit & Supervisory Board Members including the two outside Audit & Supervisory Board Members conclude that: Akasaka International Accounting is recognized as an independent third-party valuation firm separate from the Company, REVIC and the Company's financial institution partners; there is nothing particularly unreasonable about the valuation of the Class C Shares or the valuation methodology used by Akasaka International Accounting; and the issuance terms and conditions for this Capital Increase by way of Third-Party Allotment were determined as the result of discussions and negotiations with REVIC; thus, the paid-in amount for the Class C Share, which is within the valuation range calculated by Akasaka International Accounting, is deemed to be a reasonable amount; however, since there is no market price for the Class Shares, and there could be a variety of approaches on the valuation, the possibility remains that the amount could be deemed to be particularly favorable; therefore, from the perspective of confirming the intent of the shareholders, it is deemed reasonable that the Company has decided to obtain a special resolution at the General Meeting of Shareholders.

(2) Basis for determining that the quantity of the issuance and scale of share dilution are reasonable

The 115,504,600 Class C Shares (1,155,046 voting rights) to be issued in connection with this Capital Increase by way of Third-Party Allotment represent approximately 199% (approximately 200% of voting rights) of the Company's total number of shares issued as of March 31, 2024 of 57,752,343 shares (575,082 total voting rights as of March 31, 2024). In addition, the Class C Shares are expected to confer a claim to acquisition enabling their holders to acquire four Common Shares of the Company for each Class C Share, at any time (however, this Investment Agreement provides that such a claim shall be exercisable from August 2027). If this claim to acquisition is exercised, the dilution ratio for the potential votes arising from the issuance of Class C Shares shall be approximately 803%.

Thus, if the Company's Common Shares are issued as a result of the exercise of the claim to acquisition to Class C Shares, share dilution will occur. However, the Company believes that: ① the issuance of Class C Shares will enable it to eliminate excessive debt, fundamentally improve and strengthen its financial position, and secure costs including those of restructuring and reform necessary to implement the business revitalization plan; ② obtaining funds through this Capital Increase by way of Third-Party Allotment will contribute to the strengthening of our business foundations and stable growth; ③ in light of the Company's situation and business performance, we have considered various alliance possibilities with several companies. However, we have been unable to find a sponsor within the limited time frame that has shown a supportive attitude to consider investment in all of our businesses on terms and conditions more favorable than those for the proposed investment by REVIC; ④ the Company determined that receiving revitalization support from REVIC, a public entity, is the best approach given REVIC's shareholding in the Company is expected to enhance the Company's creditworthiness, and enable coordination of the interests of our financial institution partners, capital investment, as well as access to support from business revitalization experts; ⑤ The effective dilution immediately after this Capital Increase by way of Third-Party Allotment is approximately 200%. The

conversion period to Common Shares by Class C Shareholders is phased in gradually from August 2027, as stipulated in the Investment Agreement, and it is believed that due consideration has been given to addressing rapid dilution; ⑥ REVIC has a policy of holding shares for the medium term and has indicated that it expects to dispose of the shares mainly through third-party transfers; ⑦ Under the Investment Agreement, REVIC is required to disclose information in relation to potential buyers to the Company, within the scope permitted by laws and regulations, at the time of the share transfer; ⑧ The Company may use the disclosure of information from REVIC as an opportunity to express its intentions to REVIC (however, REVIC is not bound by the Company's intentions); ⑨ Financing obtained through this Capital Increase by way of Third-Party Allotment is to be provided to REVIC, a public entity established under the REVIC Act with the approval of the competent minister; ⑩ In light of the expectation that the implementation of this business revitalization plan is expected to improve shareholder returns in the future, etc. We believe that even taking into consideration the large-scale dilution due to this Capital Increase by way of Third-Party Allotment, it is still reasonable to implement this Capital Increase by way of Third-Party Allotment.

### Proposal No. 3: Partial Amendments to the Articles of Incorporation (2)

#### 1. Reasons for Amendments

This proposal is in preparation for conversion of Class C Shares into Common Shares after the implementation of this Capital Increase by way of Third-Party Allotment. Shareholder approval by special resolution is sought for the following amendments: ① Changing the total number of authorized shares to 519,770,743 shares, and the total authorized number of Common Shares to 519,770,743 shares, at the same time, in light of the current Companies Act; along with ② Changing the persons subject to the limited liability agreement stipulated in the Companies Act, Article 427, Paragraph 1 from “Outside Director” and “Outside Auditor” to “Non-Executive Directors” and “Audit & Supervisory Board Member.”

This partial amendment to the Articles of Incorporation becomes effective on the condition that this Capital Increase by way of Third-Party Allotment is implemented.

#### 2. Details of Amendments

Details of the amendments are as follows:

(Underlining denotes amendment)

Current Articles of Incorporation	Proposed amendments								
<p>Article 6 (Total Number of Authorized Shares to be Issued and Total Number of Authorized Class Shares to be Issued)</p> <p>Total number of shares of the Company authorized to be issued shall be <u>178,600,000</u> shares and the total number of each class of shares authorized to be issued by the Company shall be as follows.</p> <table><tr><td>Common Shares</td><td><u>178,600,000</u> shares</td></tr><tr><td>Class C Shares</td><td>115,504,600 shares</td></tr></table>	Common Shares	<u>178,600,000</u> shares	Class C Shares	115,504,600 shares	<p>Article 6 (Total Number of Authorized Shares to be Issued and Total Number of Authorized Class Shares to be Issued)</p> <p>Total number of shares of the Company authorized to be issued shall be <u>519,770,743</u> shares and the total number of each class of shares authorized to be issued by the Company shall be as follows.</p> <table><tr><td>Common Shares</td><td><u>519,770,743</u> shares</td></tr><tr><td>Class C Shares</td><td>115,504,600 shares</td></tr></table>	Common Shares	<u>519,770,743</u> shares	Class C Shares	115,504,600 shares
Common Shares	<u>178,600,000</u> shares								
Class C Shares	115,504,600 shares								
Common Shares	<u>519,770,743</u> shares								
Class C Shares	115,504,600 shares								
<p>Article 28 (Exemption of Liability of Directors)</p> <p>1. The Company may, by a resolution of the Board of Directors exempt a Director (including those who used to be Directors) from the liability for damages of due to negligence of duties under the Companies Act, Article 426, paragraph 1 to the extent permitted by the laws.</p> <p>2. The Company may enter into an agreement with <u>an Outside Director</u>, limiting the liability for damages due to negligence of duties under the Companies Act, Article 427, paragraph 1; provided, however, that the limit of liability under the agreement shall be the amount specified by the laws.</p>	<p>Article 28 (Exemption of Liability of Directors)</p> <p>1. The Company may, by a resolution of the Board of Directors exempt a Director (including those who used to be Directors) from the liability for damages of due to negligence of duties under the Companies Act, Article 426, paragraph 1 to the extent permitted by the laws.</p> <p>2. The Company may enter into an agreement with <u>a Non-executive Director</u>, limiting the liability for damages due to negligence of duties under the Companies Act, Article 427, paragraph 1; provided, however, that the limit of liability under the agreement shall be the amount specified by the laws.</p>								

Current Articles of Incorporation	Proposed amendments
<p>Article 35 (Exemption of Liability of Audit &amp; Supervisory Board Members)</p> <ol style="list-style-type: none"> <li>1. The Company may, by a resolution of the Board of Directors exempt an Audit &amp; Supervisory Board Member (including those who used to be Audit &amp; Supervisory Board Members) from the liability for damages due to negligence of duties under the Companies Act, Article 426, paragraph 1 to the extent permitted by the laws.</li> <li>2. The Company may enter into an agreement with <u>an Outside Audit &amp; Supervisory Board Member</u>, limiting the liability for damages due to negligence of duties under the Companies Act, Article 427, paragraph 1; provided, however, that the limit of liability under the agreement shall be the amount specified by the laws.</li> </ol>	<p>Article 35 (Exemption of Liability of Audit &amp; Supervisory Board Members)</p> <ol style="list-style-type: none"> <li>1. The Company may, by a resolution of the Board of Directors exempt an Audit &amp; Supervisory Board Member (including those who used to be Audit &amp; Supervisory Board Members) from the liability for damages due to negligence of duties under the Companies Act, Article 426, paragraph 1 to the extent permitted by the laws.</li> <li>2. The Company may enter into an agreement with <u>an Audit &amp; Supervisory Board Member</u>, limiting the liability for damages due to negligence of duties under the Companies Act, Article 427, paragraph 1; provided, however, that the limit of liability under the agreement shall be the amount specified by the laws.</li> </ol>

#### **Proposal No. 4: Reduction in Share Capital and Legal Capital Surplus**

##### **1. Reasons for Proposal**

Based on the current status of our business and profit-and-loss situation, the Company seeks to maintain its financial soundness through the application of appropriate taxation systems and frameworks, and at the same time prepare for a capital policy that will promote active and efficient management in the future. Therefore, shareholder approval is sought to reduce the amounts of share capital and legal capital surplus (hereinafter referred to as “this reduction in share capital”), and to transfer share capital and legal capital surplus to other capital surplus, in accordance with the provisions of the Companies Act, Article 447, paragraph 1, and Article 448, paragraph 1.

This proposal relates to the transfer processing of accounts in the “Net Assets” section of the balance sheet and will not cause any change in the amount of net assets, nor will it affect the total number of shares issued or the number of shares held by shareholders.

The reduction in the amount of share capital in relation to this proposal will take effect upon the payment for this Capital Increase by way of Third-Party Allotment.

##### **2. Outline of the Reduction in the Amount of Share Capital**

###### **(1) Reduction in the amount of share capital**

The amount of share capital after this Capital Increase by way of Third-Party Allotment, 10,100,838,268 yen (the sum of the current share capital of 100,450,000 yen and the share capital increase of 10,000,388,268 yen through this Capital Increase by way of Third-Party Allotment) will be reduced by 10,000,388,268 yen to 100,000,000 yen.

###### **(2) Reduction in the amount of legal capital surplus**

The amount of legal capital surplus after this Capital Increase by way of Third-Party Allotment will be reduced by 10,025,500,768 yen (the sum of the current legal capital surplus of 25,112,500 yen and the legal capital surplus increase of 10,000,388,268 yen through this Capital Increase by way of Third-Party Allotment) from 10,025,500,768 yen to 0 yen.

###### **(3) Method of the reduction in the amount of share capital**

After the reduction in share capital is implemented as outlined above, pursuant to the provisions of the Companies Act, Article 447, paragraph 1 and Article 448, paragraph 1, each of the respective amounts described above shall be transferred to other capital surplus.

###### **(4) Effective date of the reduction in the amount of share capital**

April 30, 2025 (planned)

**Proposal No. 5: Election of Seven (7) Directors**

Four of the Company's Directors, Shuji Ueno, Masakazu Kitano, Katsuhide Kyunai, and Tsunetoshi Matsuda, are scheduled to retire from office due to resignation on the date of implementation of this Capital Increase by way of Third-Party Allotment. However, in order to implement the business revitalization plan, and to enhance and strengthen the management structure after this Capital Increase by way of Third-Party Allotment, pursuant to the provisions of the Investment Agreement, shareholder approval is sought for the election of seven (7) new Directors.

The election of Directors in relation to this proposal shall only take effect upon the payment for this Capital Increase by way of Third-Party Allotment.

The candidates for Director are as follows:

Candidate No.	Name	Current post	Management under the New Structure (planned)
1	Minoru Fujii <span>New</span>	Senior Executive Officer, General Manager of Technology Management Division of the Company	Business administration, structure reform
2	Hisami Kashiwagi <span>New</span>	Executive Officer, Managing Director of Regional Economy Vitalization Corporation of Japan	Corporate administration, structure reform
3	Shuichi Misu <span>New</span>	Executive Officer in charge of Accounting Department, Information Systems Department of the Company	Accounting, administration divisions
4	Eiji Kobayashi <span>New</span>	Director of Regional Economy Vitalization Corporation of Japan	Business administration, structure reform
5	Shinji Fujimoto <span>New</span>	Senior Director of Regional Economy Vitalization Corporation of Japan	Business administration
6	Yamato Oku <span>New</span>	Senior Manager of Regional Economy Vitalization Corporation of Japan	Finance, administration, common divisions
7	Keiko Horino <span>New</span> <span>Outside</span> <span>Independent</span>	Kitahama Partners Partner	—

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Minoru Fujii (September 8, 1961) <div>New</div>	<p>Apr. 1987      Joined the Company</p> <p>Mar. 2008      General Manager of Nylon Fiber Production Department, Production Development Division of Unitika Fiber Co., Ltd.</p> <p>Oct. 2009      General Manager of Production Department, Tarui Plant of Unitika Glass Fiber Co., Ltd.</p> <p>July 2012      General Manager of Tarui Plant of Unitika Glass Fiber Co., Ltd. and General Manager of Tarui Plant of the Company</p> <p>Sept. 2017      General Manager of Glass Fibers Operations Office, Glass Fibers Business Department, Functional Materials Business Division</p> <p>Apr. 2018      Executive Officer, Deputy General Manager of Glass Fibers Business Department and General Manager of Glass Fibers Operations Office</p> <p>Oct. 2018      Executive Officer, Deputy General Manager of Glass Fibers Business Department, General Manager of Glass Fibers Operations Office and General Manager of Planning &amp; Management Department</p> <p>Apr. 2019      Executive Officer, General Manager of Glass Fibers Business Department</p> <p>Apr. 2020      Executive Officer, General Manager of Glass Fibers Business Department and Representative Director and President of Unitika Glass Fiber Co., Ltd.</p> <p>Apr. 2022      Senior Executive Officer, General Manager of Glass Fibers Business Department of the Company and Representative Director and President of Unitika Glass Fiber Co., Ltd.</p> <p>Apr. 2023      Senior Executive Officer, General Manager of Technology Development Division and General Manager of Production Division of the Company</p> <p>Oct. 2023      Senior Executive Officer, General Manager of Technology Management Division (incumbent)</p>	16,083
<p><u>Reasons for nomination as candidate for Director</u></p> <p>Minoru Fujii previously held roles responsible for manufacturing in the Fibers &amp; Textiles Business and the Glass Fibers Business. Since 2019 he has served as General Manager of the Glass Fibers Business Department and contributed to enhancing the corporate value of the Group through improving the profitability of the Glass Fibers business. In addition, since April 2023 as General Manager of the Technology Development Division and General Manager of the Production Management Division, he has fulfilled important roles and achieved results in his positions overseeing the Company's technology development and overall production technology, and demonstrated a wide range of knowledge and experience.</p> <p>The Company has nominated him as a candidate for election because it expects him to fulfill important roles in the sustainable enhancement of the Group's corporate value, through promoting restructuring and reform and the management of the Company's overall business in addition to leveraging his expertise and experience and supervising the Company's management as a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
2	Hisami Kashiwagi (October 27, 1977) <div>New</div>	Apr. 2000	Joined Daiwa Securities Co. Ltd.	0
		Feb. 2010	Joined Enterprise Turnaround Initiative Corporation of Japan (currently Regional Economy Vitalization Corporation of Japan)	
		Aug. 2011	Executive Officer, General Manager of Production Distribution Division of YAMAGIWA Corporation	
		Oct. 2015	Director, General Manager of Business Administration Division of Kabenoana Co., Ltd.	
		Jan. 2018	Managing Director of Regional Economy Vitalization Corporation of Japan	
		Mar. 2019	Outside Director of SENSUKAI CO.,LTD.	
		Sept. 2021	Outside Director of Iwai Co., Ltd.	
		Dec. 2021	Executive Officer, Managing Director of Regional Economy Vitalization Corporation of Japan (incumbent)	
		[Current Responsibility] Executive Officer, Managing Director of Regional Economy Vitalization Corporation of Japan		
		<u>Reasons for nomination as candidate for Director</u> Hisami Kashiwagi has served as a director, etc. of numerous companies and other positions as a specialist in corporate revitalization, and has a wide range of experience and a high level of expertise. The Company has nominated him as a candidate for election because it expects him to fulfill an important role in enhancing the corporate value of the Group by taking a leading role in the Company's restructuring and reform, leveraging his past experience and expertise.		
3	Shuichi Misu (March 18, 1969) <div>New</div>	Apr. 1991	Joined The Sanwa Bank, Limited (currently MUFG Bank, Ltd.)	1,467
		May 2019	General Manager of Credit Administrative Division of Mitsubishi UFJ NICOS Co., Ltd.	
		Apr. 2020	Deputy General Manager of Business Planning Division of Mitsubishi UFJ NICOS Co., Ltd.	
		June 2021	Executive Officer, Deputy General Manager of Business Planning Division of Mitsubishi UFJ NICOS Co., Ltd.	
		July 2023	Executive Officer, Deputy General Manager of Business Planning Division, in charge of Corporate Examination Department and General Manager of Corporate Examination Department of Mitsubishi UFJ NICOS Co., Ltd.	
		Apr. 2024	Joined the Company Executive Officer in charge of Accounting Department, Information Systems Department (incumbent)	
		<u>Reasons for nomination as candidate for Director</u> In addition to his specialized knowledge and business experience related to banking and finance in major financial organizations, Shuichi Misu has extensive knowledge and business experience overseas. As Executive Officer in charge of the Accounting Department and Information Systems Department since April 2024, he has played an important role in promoting management policies across the entire Group, achieved results, and demonstrated a wide range of knowledge and experience. The Company has nominated him as a candidate for election because it expects him to fulfill an important role in the sustainable enhancement of the Group's corporate value through promoting restructuring and reforms and management of the Company's overall accounting and financial affairs, in addition to supervising management as a Director, leveraging his expertise and experience.		



Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned		
4	Eiji Kobayashi (November 28, 1981) <div>New</div>	Apr. 2004	Joined Shoko Chukin Bank (currently The Shoko Chukin Bank, Ltd.)	0		
		May 2007	Joined RISA Partners, Inc.			
		Jan. 2010	Joined Gordon Brothers Japan Co.,Ltd.			
		Apr. 2013	Joined Deloitte Tohmatsu Financial Advisory Co., Ltd. (currently Deloitte Tohmatsu Financial Advisory LLC)			
		Sept. 2014	Joined Regional Economy Vitalization Corporation of Japan			
		Oct. 2018	Joined IDERA Capital Management Ltd.			
		May 2019	Joined The Shoko Chukin Bank, Ltd.			
		Oct. 2020	Joined Regional Economy Vitalization Corporation of Japan			
		Apr. 2022	Director of Regional Economy Vitalization Corporation of Japan (incumbent)			
		[Significant concurrent positions outside the Company] Director of Regional Economy Vitalization Corporation of Japan				
<u>Reasons for nomination as candidate for Director</u> In addition to his specialized knowledge and business experience related to banking and finance, Eiji Kobayashi has extensive experience and expertise as a specialist in corporate revitalization. The Company has nominated him as a candidate for election because it expects him to fulfill an important role in enhancing the corporate value of the Group by promoting restructuring and reform of the Company, leveraging his experience and expertise.						
5	Shinji Fujimoto (May 12, 1976) <div>New</div>	Apr. 2007	Joined Arthur D. Little Japan, Inc.	0		
		July 2011	Joined Fuji Xerox Co., Ltd. (currently FUJIFILM Business Innovation Corp.)			
		Mar. 2016	Joined PwC Advisory LLC			
		Apr. 2019	Joined Japan Investment Adviser Co., Ltd.			
		Sept. 2020	Joined Regional Economy Vitalization Corporation of Japan			
		June 2024	Senior Director of Regional Economy Vitalization Corporation of Japan (incumbent)			
		[Significant concurrent positions outside the Company] Senior Director of Regional Economy Vitalization Corporation of Japan				
		<u>Reasons for nomination as candidate for Director</u> Shinji Fujimoto has extensive experience and expertise in relation to business promotion, management improvement of global companies, etc. as an expert in corporate revitalization. The Company has nominated him as a candidate for election because it expects him to fulfill an important role in enhancing the corporate value of the Group in terms of promoting the Company's restructuring and reform as well as strengthening management and business administration, leveraging his experience and expertise.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	Yamato Oku (December 28, 1988) <div>New</div>	<p>Apr. 2011      Joined Nippon Life Insurance Company</p> <p>Feb. 2014      Joined KPMG AZSA LLC</p> <p>Mar. 2017      Joined Wakaba Management &amp; Accounting Co., Ltd.</p> <p>Dec. 2023      Joined Regional Economy Vitalization Corporation of Japan</p> <p>Mar. 2024      Outside Director of Iwai Co., Ltd.</p> <p>June 2024      Senior Manager of Regional Economy Vitalization Corporation of Japan (incumbent)</p> <p>[Significant concurrent positions outside the Company] Senior Manager of Regional Economy Vitalization Corporation of Japan</p>	0
<u>Reasons for nomination as candidate for Director</u> Yamato Oku has extensive business experience and expertise in finance and accounting as well as specialized expertise in corporate revitalization. The Company has nominated him as a candidate for election because it expects him to fulfill an important role in enhancing the corporate value of the Group, particularly in strengthening the financial aspects of the Company, leveraging his experience and expertise.			
7	Keiko Horino (August 13, 1981) (Name as shown on the family register: Keiko Okeyoshi) <div>New Outside Independent</div>	<p>Oct. 2005      Registered as attorney at law Joined Kitahama Partners L.P.C. (currently Kitahama Partners)</p> <p>Jan. 2013      Partner of Kitahama Partners Osaka Office (currently Kitahama Partners) (incumbent)</p> <p>May 2021      Outside Director of Medical Ikkou Group Co., LTD. (incumbent)</p> <p>Jan. 2023      Outside Director of O.B.System Inc. (incumbent)</p> <p>[Significant concurrent positions outside the Company] Partner of Kitahama Partners Outside Director of Medical Ikkou Group Co., LTD. Outside Director of O.B.System Inc.</p>	0
<u>Reasons for nomination as candidate for outside Director and outline of expected role</u> In addition to extensive legal knowledge as an attorney, Keiko Horino has extensive business experience and expertise in corporate revitalization. She does not have experience in corporate management other than functioning as an Outside Director in the past. However, the Company has nominated her as a candidate for election because it expects her to fulfill an important role in enhancing the corporate value of the Group by providing management supervision and recommendations to the management of the Company as an Outside Director.			

- Notes:
1. All of the Company's shares owned by each candidate are common shares.
  2. The number of the Company's shares owned includes each candidate's shareholding under the officer stock ownership association.
  3. Hisami Kashiwagi, Eiji Kobayashi, Shinji Fujimoto, and Yamato Oku concurrently serve as executives and employees of REVIC, which has entered into the Investment Agreement with the Company as described above. There are no special interests between other candidates and the Company.
  4. Keiko Horino is a candidate for outside Director.
  5. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company plans to enter into a limited liability agreement with Keiko Horino to limit the liability for damages under Article 423, paragraph 1 of the Act. The maximum liability amount under the said agreement shall be an amount provided for by Article 425, paragraph 1 of the Companies Act.
  6. The Company has entered into a Directors and Officers liability insurance policy with an insurance company as provided for in the Companies Act, Article 430-3, paragraph 1. The insured under the aforementioned policy are the Company's Directors, Audit & Supervisory Board Members, executive officers, and key management employees, and the insured are not responsible for the payment of the premiums. In the event that claims for damages are made against the insured due to an act (including nonfeasance) of the insured during the period of insurance under the aforementioned insurance policy, the policy provides coverage for damages, legal costs, and other losses for which the insured are liable. However, in order to ensure that appropriateness of the insureds' execution of duties would not be impaired, certain exclusions apply, such as coverage not being available in the

event of damages arising from an act committed by the insured with the awareness that the act was in violation of laws and regulations. The candidates will be included as insureds in the said insurance policy. In addition, the Company plans to renew the policy with details of the same degree at the time of next renewal.

7. If the election of Keiko Horino is approved, the Company plans to submit notification to Tokyo Stock Exchange, Inc. concerning her designation as an independent officer as provided for by the aforementioned exchange.

Reference: If Proposal No. 5 is approved per the original draft, the composition of directors will be as follows:

Name	Position in the Company	Type	Gender	Skills and Experience						
				Corporate Management Corporate Planning	Sales Marketing	Finance Accounting	Legal Risk Management	R&D Manufacturing	Global	Sustainability Personnel and Human Resources Development
Minoru Fujii	Director		Male	•	•			•		•
Hisami Kashiwagi	Director		Male	•		•				
Shuichi Misu	Director		Male			•			•	
Eiji Kobayashi	Director		Male	•		•				
Shinji Fujimoto	Director		Male	•	•				•	
Yamato Oku	Director		Male			•				
Minoru Furukawa	Director	Outside Independent	Male	•		•			•	
Noriko Ishikawa	Director	Outside Independent	Female							•
Keiko Horino	Director	Outside Independent	Female				•			

Note: The above list does not represent all the knowledge and experience of the directors.

**Proposal No. 6: Election of One (1) Audit & Supervisory Board Member**

Shigeru Sugisawa and Akio Toyoda of the Company's Audit & Supervisory Board Members are scheduled to retire from office due to resignation on the date of implementation of this Capital Increase by way of Third-Party Allotment. However, in order to implement the business revitalization plan, and to enhance and strengthen the management structure after this Capital Increase by way of Third-Party Allotment, pursuant to the provisions of the Investment Agreement, shareholder approval is sought for the election of one (1) new Audit & Supervisory Board Member.

The appointment of an Audit & Supervisory Board Member in relation to this proposal shall only take effect upon the payment for this Capital Increase by way of Third-Party Allotment.

The Company has obtained the consent of the Audit & Supervisory Board for this proposal.

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

Name (Date of birth)	Career summary and position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Shinsuke Nakano (January 31, 1985)  <div>New</div>	Apr. 2009      Joined Resona Bank, Limited Apr. 2012      Joined Deloitte Touche Tohmatsu LLC May 2016      Registered as Certified Public Accountant Oct. 2017      Seconded to Deloitte Tohmatsu Financial Advisory LLC  Jan. 2021      Joined Regional Economy Vitalization Corporation of Japan  June 2023      Senior Manager of Regional Economy Vitalization Corporation of Japan (incumbent)  [Significant concurrent positions outside the Company] Senior Manager of Regional Economy Vitalization Corporation of Japan	0
<b>Reasons for nomination as candidate for Audit &amp; Supervisory Board Member</b> Shinsuke Nakano is a Certified Public Accountant with experience auditing listed and other companies. He also possesses a high level of expertise in relation to finance, accounting, and business management including providing investment and management guidance to companies. The Company has nominated him as a candidate for election because it expects him to accurately perform audit work with respect to all aspects of management, business sectors, and the administration division, based on his past experience and expertise.		

- Notes:
1. Shinsuke Nakano concurrently serves as an executive and employee of REVIC, which has entered into the Investment Agreement with the Company as described above.
  2. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company will enter into a limited liability agreement with Shinsuke Nakano to limit the liability for damages under Article 423, paragraph 1 of the Act in the event he assumes the office of Audit & Supervisory Board Member. The maximum liability amount under the said agreement shall be an amount provided for by Article 425, paragraph 1 of the Companies Act.
  3. The Company has entered into a Directors and Officers liability insurance policy with an insurance company as provided for in the Companies Act, Article 430-3, paragraph 1. The insured under the aforementioned policy are the Company's Directors, Audit & Supervisory Board Members, executive officers, and key management employees, and the insured are not responsible for the payment of the premiums. In the event that claims for damages are made against the insured due to an act (including nonfeasance) of the insured during the period of insurance under the aforementioned insurance policy, the policy provides coverage for damages, legal costs, and other losses for which the insured are liable. However, in order to ensure that appropriateness of the insureds' execution of duties would not be impaired, certain exclusions apply, such as coverage not being available in the event of damages arising from an act committed by the insured with the awareness that the act was in violation of laws and regulations. The candidate will be included as insureds in the said insurance policy. In addition, the Company plans to renew the policy with details of the same degree at the time of next renewal.

## **Reference Documents for the Class General Meeting of Common Shareholders**

### **Proposal No. 1: Partial Amendments to the Articles of Incorporation (1)**

This is identical to the contents of Proposal No. 1: “Partial Amendments to the Articles of Incorporation (1),” on pages 4 to 17 of the Reference Document for the Extraordinary General Meeting of Shareholders.

### **Proposal No. 2: Partial Amendments to the Articles of Incorporation (2)**

The same as the contents of Proposal No. 3: “Partial Amendments to the Articles of Incorporation (2)” as described on pages 27 to 28 of the Reference Document for the Extraordinary General Meeting of Shareholders.