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(Stock Exchange Code 6023)
June 5, 2026

To Shareholders with Voting Rights:

Yoshinobu Hotta
President
DAIHATSU INFINEARTH MFG.CO.,LTD.
1-30 Oyodo Naka 1-chome, Kita-ku, Osaka

NOTICE OF THE 66th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We are pleased to inform you that the 66th Annual General Meeting of Shareholders of DAIHATSU INFINEARTH MFG.CO.,LTD. (the "Company") will be held for the purposes as described below.

In convocation of this General Meeting of Shareholders, the Company has taken measures for electronic provision. The matters subject to measures for electronic provision are posted on the following website on the internet.

[The Company's website]
https://www.d-infi.com/en/ir/shareholders.html

Moreover, the information is also published on the Tokyo Stock Exchange (TSE) website. Please access TSE's website (Listed Company Search) and search for the information by entering the issue name (DAIHATSU INFINEARTH) or stock exchange code (6023) of the Company. Please select Basic information and Documents for public inspection/PR information to confirm the details.

[TSE website (Listed Company Search)]
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

[*Net de Shoshu* (online convocation) website]
https://s.srdb.jp/6023/ (Japanese only)

In lieu of attending the meeting in person, you can exercise your voting rights through the internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:30 p.m. Japan time on Thursday, June 25, 2026.

1. **Date and Time:** Friday, June 26, 2026 at 2:00 p.m. Japan time
(Please note that the starting time differs from last time.)

2. **Place:** Space 36 L, 36F, Umeda Sky Building Tower West
1-30 Oyodo Naka 1-chome, Kita-ku, Osaka

3. **Meeting Agenda:**

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company's 66th Fiscal Year (April 1, 2025 - March 31, 2026) and results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 66th Fiscal Year (April 1, 2025 - March 31, 2026)

Proposals to be resolved:

Proposal 1:	Distribution of Surplus
Proposal 2:	Partial Amendments to the Articles of Incorporation
Proposal 3:	Election of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
Proposal 4:	Election of Three (3) Directors Who Are Audit and Supervisory Committee Members
Proposal 5:	Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member
Proposal 6:	Payment of Bonuses to Directors and Statutory Auditors
Proposal 7:	Establishment of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
Proposal 8:	Establishment of the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members
Proposal 9:	Establishment of the Stock Based Compensation Plan for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

4. **Matters Decided in Connection with this Convocation:**

(1) The paper copy sent to shareholders who have requested it does not contain the following matters according to relevant laws and regulations and the provisions of Article 14 of the Company's Articles of Incorporation. The Statutory Auditors and the Accounting Auditor have audited the documents to be audited, including the following matters.

1) "Matters Related to Accounting Auditor," "A System to Ensure the Compliance of the Execution of Duties by Directors and Employees with Laws and Regulations and the Articles of Incorporation" and "Outline of the Operating Status of the System to Ensure the Compliance of the Execution of Duties by Directors and Employees with Laws and Regulations and the Articles of Incorporation" in the Business Report.
2) "Consolidated Statements of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
3) "Non-consolidated Statements of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

(2) When a Voting Rights Exercise Form does not have indication of vote for or against the proposal
A Voting Rights Exercise Form with no indication of vote for or against the proposal shall be deemed as voting for the proposal.

(3) When voting rights are exercised both in writing or through the internet
If voting rights are exercised both in writing and through the internet, the voting rights exercised through the internet shall be treated as the valid vote.

(4) When voting rights are exercised through the internet more than once
If voting rights are exercised through the internet multiple times, the last vote shall be deemed valid.

◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

◎ Should the matters subject to measures for electronic provision require revisions, the revised versions will be posted on each of the websites on which they are posted.

◎ The system for electronic provision of materials for general meetings of shareholders* was introduced according to the

amendments to the Companies Act, which were enforced on September 1, 2022. Despite the law amendments, paper copies of the materials for this Annual General Meeting of Shareholders of the Company were sent to all shareholders as in the past prior to the introduction of the system for electronic provision.

*Refer to Reference Documents for the General Meeting of Shareholders, Business Report, Audit Reports, Non-consolidated Financial Statements, and Consolidated Financial Statements

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Distribution of Surplus

The Company plans to distribute surplus as follows.

1. Matters Related to the Year-end Dividend

The Company plans to distribute the year-end dividend as follows, taking into consideration factors such as business performance for the fiscal year under review and the business environment while also paying attention to its internal reserves.

(1) Matters related to the allocation of dividend property to shareholders and its total amount:
69 yen per common share
Total of 1,754,771,775 yen

(2) Date the distribution of surplus comes into effect:
June 29, 2026

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

In order to further strengthen the Group's ability to respond to the rapid changes in its business environment, and to achieve sustainable growth and enhancement of corporate value over the medium to long term, the Company proposes to transition to a company with an Audit and Supervisory Committee.

By appointing Audit and Supervisory Committee Members, who are responsible for auditing the execution of duties by Directors, as members of the Board of Directors, the Company aims to further strengthen the supervisory function of the Board of Directors, thereby further enhancing its corporate governance structure. At the same time, the Company seeks to expedite decision-making and business execution through the delegation of authority, with the aim of enhancing sustainable corporate value.

In connection with the transition, the Company will make the necessary amendments to the Articles of Incorporation of the Company, including the establishment of provisions concerning the Audit and Supervisory Committee, the establishment of provisions concerning the delegation to Directors of authority to make decisions on material business execution, and the deletion of provisions concerning the Board of Statutory Auditors and Statutory Auditors. In addition, the Company will establish provisions concerning the decision-making organ for the distribution of surplus and other matters to respond flexibly to capital and dividend policies.

These amendments to the Articles of Incorporation shall become effective at the conclusion of this General Meeting of Shareholders

2. Details of amendments

Details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Articles 1 to 3 <Omitted>	Articles 1 to 3 <Unchanged>
(Organ)	(Organ)
Article 4 In addition to the General Meeting of Shareholders and Directors, the Company shall have the following organs: (1) Board of Directors (2) Statutory Auditors (3) Board of Statutory Auditors (4) Accounting Auditor	Article 4 In addition to the General Meeting of Shareholders and Directors, the Company shall have the following organs: (1) Board of Directors <Deleted> (2) Audit and Supervisory Committee (3) Accounting Auditor
Articles 5 <Omitted>	Articles 5 <Unchanged>
Chapter 2 Shares	Chapter 2 Shares
Articles 6 to 8 <Omitted>	Articles 6 to 8 <Unchanged>
(Shareholder Register Administrator)	(Shareholder Register Administrator)
Article 9 The Company shall have a shareholder register administrator.	Article 9 The Company shall have a shareholder register administrator.
2 The shareholder register administrator and the office for share administration shall be determined by resolution of the Board of Directors and publicly notified.	2 The shareholder register administrator and the office for share administration shall be determined by resolution of the Board of Directors or by Directors delegated by resolution of the Board of Directors and publicly notified.
3 <Omitted>	3 <Unchanged>
(Share Handling Rules)	(Share Handling Regulations)
Article 10 The procedures for the exercise of shareholders' rights and other matters relating to the handling of shares of the Company shall be governed by the Share Handling Rules established by the Board of Directors, in addition to laws and regulations and the Articles of Incorporation.	Article 10 The procedures for the exercise of shareholders' rights and other matters relating to the handling of shares of the Company shall be governed by the Share Handling Rules established by the Board of Directors or by Directors delegated by resolution of the Board of Directors, in addition to laws and regulations and the Articles of Incorporation.

Current Articles of Incorporation	Proposed Amendments
Chapter 3 General Meeting of Shareholders Articles 11 to 16 <Omitted>	Chapter 3 General Meeting of Shareholders Articles 11 to 16 <Unchanged>
Chapter 4 Directors and the Board of Directors (Number of Directors) Article 17 The Company shall have no more than fifteen (15) Directors.	Chapter 4 Directors and the Board of Directors (Number of Directors) Article 17 The number of Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) shall be no more than thirteen (13).
<Newly established>	2 The number of Directors who are Audit and Supervisory Committee Members shall be no more than five (5).
(Election) Article 18 Directors shall be elected at the General Meeting of Shareholders.	(Election) Article 18 Directors shall be elected at the General Meeting of Shareholders, separately for Directors who are Audit and Supervisory Committee Members and other Directors.
2 <Omitted>	2 <Unchanged>
3 <Omitted>	3 <Unchanged>
<Newly established>	4 The resolution for the election of substitute Directors who are Audit and Supervisory Committee Members shall remain effective until the commencement of the Annual General Meeting of Shareholders relating to the last fiscal year ending within two (2) years after their election.
(Term of Office) Article 19 The term of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year ending within one (1) year after their election.	(Term of Office) Article 19 The term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall expire at the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year ending within one (1) year after their election.
<Newly established>	2 The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year ending within two (2) years after their election.
<Newly established>	3 The term of office of Directors who are Audit and Supervisory Committee Members elected as substitutes for Directors who are Audit and Supervisory Committee Members who retired prior to the expiration of their terms of office shall be the same as the remaining terms of office of such retired Directors.

Current Articles of Incorporation	Proposed Amendments
(Representative Directors and Directors with Specific Titles)	(Representative Directors and Directors with Specific Titles)
Article 20 The Board of Directors shall, by resolution of the Board of Directors, elect a certain number of Representative Directors.	Article 20 The Board of Directors shall, by resolution of the Board of Directors, elect a certain number of Representative Directors from among Directors (excluding Directors who are Audit and Supervisory Committee Members).
2 The Board of Directors may, by resolution of the Board of Directors, appoint a Chairman, a President, a Vice President, Senior Managing Directors, and Managing Directors.	2 The Board of Directors may, by resolution of the Board of Directors, appoint a Chairman, a President, a Vice President, Senior Managing Directors, and Managing Directors from among Directors (excluding Directors who are Audit and Supervisory Committee Members).
3 In addition to the preceding paragraph, the Company may appoint a Director and Senior Advisor.	<Deleted>
(Board of Directors)	(Board of Directors)
Article 21 A notice of convocation of a meeting of the Board of Directors shall be given to each Director and each Statutory Auditor at least three (3) days prior to the date of the meeting. However, in the event of urgency, such period may be shortened.	Article 21 A notice of convocation of a meeting of the Board of Directors shall be given to each Director at least three (3) days prior to the date of the meeting. However, in the event of urgency, such period may be shortened.
(Omission of Resolution of the Board of Directors)	(Omission of Resolution of the Board of Directors)
Article 22 <Omitted>	Article 22 <Unchanged>
<Newly established>	(Delegation of Decision-Making on Material Business Execution) Article 23 Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate to Directors all or part of decisions on the execution of material business operations (excluding matters set forth in each item of Paragraph 5 of the same Article).
(Remuneration, etc.)	(Remuneration, etc.)
Article 23 Remuneration, bonuses, and other property benefits to be received by Directors from the Company as consideration for the execution of their duties (hereinafter referred to as "Remuneration, etc.") shall be determined by resolution of the General Meeting of Shareholders.	Article 24 Remuneration, bonuses, and other property benefits to be received by Directors from the Company as consideration for the execution of their duties shall be determined by resolution of the General Meeting of Shareholders, separately for Directors who are Audit and Supervisory Committee Members and other Directors.
(Exemption of Directors from Liability)	(Exemption of Directors from Liability)
Article 24 <Omitted>	Article 25 <Unchanged>

Current Articles of Incorporation	Proposed Amendments
(Liability Limitation Agreement for Directors) Article 25 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Directors (excluding Executive Directors, etc.) to limit their liability for damages arising from negligence in the performance of their duties. However, the limit of liability under such agreements shall be the minimum liability amount prescribed by laws and regulations.	(Liability Limitation Agreement for Directors) Article 26 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Directors (excluding Executive Directors, etc.) to limit their liability for damages arising from negligence in the performance of their duties. However, the limit of liability under such agreements shall be the minimum liability amount prescribed by laws and regulations
Chapter 5 Statutory Auditors and the Board of Statutory Auditors	Chapter 5 Audit and Supervisory Committee
(Number of Statutory Auditors) Article 26 The Company shall have no more than five (5) Statutory Auditors.	<Deleted>
(Election) Article 27 Statutory Auditors shall be elected at the General Meeting of Shareholders. 2 A resolution for the election of Statutory Auditors shall require the presence of shareholders holding not less than one-third of the voting rights of shareholders entitled to exercise their voting rights and shall be adopted by a majority of such voting rights.	<Deleted>
(Term of Office) Article 28 The term of office of Statutory Auditors shall expire at the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year ending within four (4) years after their election. 2 The term of office of Statutory Auditors elected as substitutes for Statutory Auditors who retired prior to the expiration of their terms of office shall be the same as the remaining terms of office of such retired Statutory Auditors.	<Deleted>
(Full-time Statutory Auditors) Article 29 The Board of Statutory Auditors shall, by resolution of the Board of Statutory Auditors, elect full-time Statutory Auditors.	<Deleted>
(Board of Statutory Auditors) Article 30 A notice of convocation of a meeting of the Board of Statutory Auditors shall be given to each Statutory Auditor at least three (3) days prior to the date of the meeting. However, in the event of urgency, such period may be shortened. 2 In addition to the preceding paragraph, the operation of the Board of Statutory Auditors shall be governed by the Rules of the Board of Statutory Auditors established by the Board of Statutory Auditors.	<Deleted>

Current Articles of Incorporation	Proposed Amendments
(Remuneration, etc.) Article 31 Remuneration, etc. for Statutory Auditors shall be determined by resolution of the General Meeting of Shareholders.	<Deleted>
(Exemption of Statutory Auditors from Liability) Article 32 Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Statutory Auditors (including former Statutory Auditors) from liability for damages arising from negligence in the performance of their duties, to the extent permitted by laws and regulations.	<Deleted>
(Liability Limitation Agreement with Statutory Auditors) Article 33 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Statutory Auditors to limit their liability for damages arising from negligence in the performance of their duties. However, the limit of liability under such agreements shall be the minimum liability amount prescribed by laws and regulations.	<Deleted>
<Newly established>	(Full-time Audit and Supervisory Committee Members) Article 27 The Audit and Supervisory Committee may, by resolution of the Audit and Supervisory Committee, elect full-time Audit and Supervisory Committee Members.
<Newly established>	(Audit and Supervisory Committee) Article 28 A notice of convocation of a meeting of the Audit and Supervisory Committee shall be given to each Audit and Supervisory Committee Member at least three (3) days prior to the date of the meeting. However, in the event of urgency, such period may be shortened. 2 If the consent of all Audit and Supervisory Committee Members is obtained, a meeting of the Audit and Supervisory Committee may be held without following the procedures for convocation.
<Newly established>	(Regulation of Audit and Supervisory Committee) Article 29 Matters concerning the Audit and Supervisory Committee shall be governed, in addition to those provided by laws and regulations or the Articles of Incorporation, by the Audit and Supervisory Committee Rules established by the Audit and Supervisory Committee.

Current Articles of Incorporation	Proposed Amendments
Chapter 6 Accounts	Chapter 6 Accounts
(Fiscal Year) Article 34 (Omitted)	(Fiscal Year) Article 30 (Unchanged)
<Newly established>	(Organ for Determining Dividends and Other Distributions of Surplus) Article 31 Unless otherwise provided by laws and regulations, the Company may, by resolution of the Board of Directors, determine matters set forth in each item of Paragraph 1 of Article 459 of the Companies Act, including dividends and other distributions of surplus.
(Record Date of Dividends and Other Distributions of Surplus) Article 35 (Omitted)	(Record Date for Dividends and Other Distributions of Surplus) Article 32 (Unchanged) 2 The record date for interim dividend of the Company shall be September 30 of each year.
2 In addition to the preceding paragraph, the Company may make distributions of surplus by setting a record date.	3 In addition to the preceding paragraph 2, the Company may make distributions of surplus by setting a record date.
(Interim Dividend) Article 36 The Company may, by resolution of the Board of Directors, distribute interim dividends with the record date of September 30 of each year.	<Deleted>
(Prescription Period of Dividends) Article 37 (Omitted)	(Prescription Period of Dividends) Article 33 (Unchanged)
<Newly established>	Supplementary Provisions (Transitional Measures for Exemption of Statutory Auditors from Liability Prior to Transition to a Company with an Audit and Supervisory Committee) Article 1 Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Statutory Auditors (including former Statutory Auditors) from liability for damages arising from acts performed prior to the conclusion of the 66th Annual General Meeting of Shareholders, to the extent permitted by laws and regulations, as provided in Article 423, Paragraph 1 of the Companies Act.

Proposal 3: Election of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal 2 "Partial Amendments to the Articles of Incorporation" is approved and passed as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee at the conclusion of this General Meeting of Shareholders and the terms of office of all of the current ten (10) Directors will expire.

Accordingly, the Company proposes the election of nine (9) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal).

This proposal shall take effect subject to the amendments to the Articles of Incorporation in Proposal 2 taking effect.

The candidates for Director are as follows:

Candidate No.	Name		Gender	Current position and responsibility in the Company	Attendance at meetings of the Board of Directors
1	Reelection	Yoshinobu Hotta	Male	Representative Director President	100% (14/14)
2	Reelection	Kunihiro Morimoto	Male	Representative Director Vice President Assistant to President	100% (14/14)
3	Reelection	Toshiki Sanaga	Male	Director and Senior Managing Executive Officer General Manager, Tokyo Office In charge of Sales Management Division	100% (14/14)
4	Reelection	Hideki Asada	Male	Director and Senior Managing Executive Officer General Manager, Corporate Strategy Department In charge of China Business Department and Corporate Division	93% (13/14)
5	Reelection	Takashi Mizushina	Male	Director and Managing Executive Officer Head of Moriyama Office In charge of Production and Procurement Management Division, Safety, Health, and Environment Department, and Audit Department	100% (14/14)
6	Reelection	Yoichi Hayata	Male	Director and Managing Executive Officer In charge of Technology Management Division	100% (14/14)
7	Reelection Outside Director Independent	Hiroaki Sato	Male	Director	100% (14/14)
8	Reelection Outside Director Independent	Hiroyuki Sakaida	Male	Director	100% (14/14)
9	Reelection Outside Director Independent	Hideo Kanno	Male	Director	100% (11/11)

New appointment: Candidate for Director to be newly elected

Reelection: Candidate for Director to be reelected

Outside Director: Candidate for Outside Director

Independent: Independent Director filed with the Tokyo Stock Exchange

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Positions or responsibilities in the Company</th><th>Past experience and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>Yoshinobu Hotta
(January 30, 1966)

Reelection</td><td>President
(Representative Director)</td><td>April 1988 Joined the Company
June 2017 Director
June 2018 Director and Managing Executive Officer
June 2019 Vice President
June 2020 President (current position)
(Significant concurrent position)
President and Representative Director, DAIHATSU INFINEARTH UMEDA CITY CO., LTD.</td><td>127,700</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
The Company proposes the reelection of Mr. Yoshinobu Hotta as Director in light of his high level of insight based on broad experience and achievements in driving the entire Group, having exercised excellent leadership and execution ability as the President and Representative Director of the Company, and leading the Group toward realizing the mid- to long-term vision while simultaneously strengthening its management base. The Company has determined that his abundant experience and achievements spanning across the Company’s business including manufacturing and quality control sections, and his high management skills with diverse values embraced and consideration for corporate governance and human resource development will contribute to further improvement of corporate value.</td></tr>
<tr><td rowspan="2">2</td><td>Kunihiro Morimoto
(July 5, 1965)

Reelection</td><td>Vice President
(Representative Director)
[Responsibilities]
Assistant to President</td><td>April 1988 Joined Daihatsu Motor Co., Ltd.
April 2017 Executive Officer, in charge of CS Group
January 2019 Executive,
General Manager, Overseas Business Group,
Deputy General Manager, Customer Service Group
January 2021 Executive,
General Manager, Customer Service Group
June 2021 Statutory Auditor, the Company
January 2022 Executive, Executive Manager, Sales & Customer Service Group, Daihatsu Motor Co., Ltd.
June 2023 Vice President, the Company (current position)</td><td>17,800</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
The Company proposes the reelection of Mr. Kunihiro Morimoto as Director in light of his abundant experience and extensive knowledge accumulated over an extended period of time in the manufacturing industry, having exercised excellent execution ability as the Vice President of the Company in the Group’s management, including realizing business growth and strengthening its management base and governance, and leading efforts to flexibly take actions in growth areas and improve profitability. The Company has determined that his broad knowledge and high level of insight, combined with his group-wide perspective and field-oriented ability to execute, will contribute to sustainable growth of the Group companies.</td></tr>
<tr><td rowspan="2">3</td><td>Toshiki Sanaga
(January 22, 1970)

Reelection</td><td>Director and Senior Managing Executive Officer
[Responsibilities]
General Manager, Tokyo Office
In charge of Sales Management Division</td><td>April 1993 Joined the Company
June 2020 Director and Managing Executive Officer
June 2024 Director and Senior Managing Executive Officer (current position)</td><td>45,900</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
The Company proposes the reelection of Mr. Toshiki Sanaga as Director in light of his abundant experience and knowledge of the Company’s business including in sales and audit sections, as well as his excellent insight based on his achievements as a Director of the Company in showing excellent leadership to contribute to the diverse expansion of our business through drafting and implementation of strategies capturing the market trends, bringing his abundant management experience into play to promote efforts to build new businesses centering on increasing the scale and breadth of our mainstay business. The Company has determined that he will be able to contribute to further business growth of the Group by leveraging his excellent insight.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Positions or responsibilities in the Company</th><th>Past experience and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">4</td><td>Hideki Asada
(August 29, 1969)

Reelection</td><td>Director and Senior Managing Executive Officer
[Responsibilities]
General Manager, Corporate Strategy Department
In charge of China Business Department and Corporate Division</td><td>April 1993 Joined the Company
June 2019 Director and Managing Executive Officer
June 2021 Managing Executive Officer
June 2023 Director and Managing Executive Officer
April 2026 Director and Senior Managing Executive Officer (current position)</td><td>39,300</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
The Company proposes the reelection of Mr. Hideki Asada as Director in light of his abundant experience and knowledge of business execution including manufacturing and quality control sections. The Company has determined that he will be able to contribute towards building a sustainable growth foundation of global scale and improving corporate value in the Group with his multifaceted perspective based on his experience and his practical knowledge contributing to implementation of medium- to long-term business strategy as a Director of the Company through the fulfillment of his roles in leading optimization of manufacturing processes and improvement of product quality.</td></tr>
<tr><td rowspan="2">5</td><td>Takashi Mizushina
(April 13, 1970)

Reelection</td><td>Director and Managing Executive Officer
[Responsibilities]
Head of Moriyama Office
In charge of Production and Procurement Management Division, Safety, Health, and Environment Department, and Audit Department</td><td>April 1994 Joined the Company
June 2019 Director and Managing Executive Officer (current position)</td><td>52,500</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
The Company proposes the reelection of Mr. Takashi Mizushina as Director in light of his abundant experience and knowledge of the Company’s business including in administrative sections, having contributed to an increase in the scale and breadth of our mainstay business and the strengthening of the Group’s management function by utilizing digital technology by incorporating perspectives rooted in the field. He also has excellent judgement on risk management that takes into account both financial and production aspects as a Director of the Company, including in bringing different viewpoints into building Group-wide governance structure.</td></tr>
<tr><td rowspan="2">6</td><td>Yoichi Hayata
(July 15, 1969)

Reelection</td><td>Director and Managing Executive Officer
[Responsibilities]
In charge of Technology Management Division</td><td>April 1993 Joined the Company
June 2019 Director and Managing Executive Officer
June 2021 Managing Executive Officer
June 2023 Director and Managing Executive Officer (current position)
(Significant concurrent position)
President and Representative Director, IE TECHNICAL CO., LTD.</td><td>40,400</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
The Company proposes the reelection of Mr. Yoichi Hayata as Director in light of his abundant experience and knowledge of the Company’s business including the technology and research and development sections. The Company has determined that he has been contributing to the creation of new businesses and enhancing competitiveness and will contribute to sustainable growth and improvement of corporate value in the Group also to establish next-generation technological platform going forward as a Director of the Company through the fulfillment of his roles in leading the development of engines that are compatible with next-generation fuels.</td></tr>
</table>

No.	Name (Date of birth)	Positions or responsibilities in the Company	Past experience and significant concurrent positions		Number of shares of the Company held
7	Hiroaki Sato (January 29, 1960) Reelection Outside Independent	Outside Director	April 1982 February 2004 January 2008 July 2012 July 2015 March 2019 June 2023	Joined Canon Inc. Senior General Manager, MR Systems Laboratory, Leading-edge Technology Research Center General Manager, Image Information Technical Development Center General Manager, Advanced Information & Real-world Technology Development Center, Digital System Technology Development Headquarters Deputy Group Executive, Digital System Technology Development Headquarters Audit & Supervisory Board Member Outside Director, the Company (current position)	0
	[Reasons for nomination as a candidate for Outside Director and overview of expected roles] The Company proposes the reelection of Mr. Hiroaki Sato as Outside Director as he will leverage his insight in management of the Company based on his high level of knowledge in the Information and Communication Technology (ICT) and research and development sections and abundant experience through numerous achievements. We expect that, upon his election, Mr. Sato will contribute to enhancing the Company's supervisory function over its entire management including promotion of digital transformation (DX) and enhancement of governance, based mainly on his high level of expertise in digital sections and extensive knowledge. In addition, the Company has determined that he will be able to carry out his duties appropriately, after comprehensively considering that Mr. Sato has participated in company management as an Audit & Supervisory Board Member in a different company, and that he has competence to greatly contribute to the Company’s management in light of his knowledge related to audits of the execution of duties, abundant experience in the manufacturing business, and high technical knowledge.				

No.	Name (Date of birth)	Positions or responsibilities in the Company	Past experience and significant concurrent positions	Number of shares of the Company held
8	Hiroyuki Sakaida (February 10, 1966) Reelection Outside Independent	Outside Director	April 1991 Joined Nomura Research Institute, Ltd. March 2000 Joined Paribas Securities (Japan) Limited, Tokyo Branch (currently BNP Paribas Securities (Japan) Limited) July 2002 Joined Lehman Brothers Japan Inc. June 2005 Joined CS First Boston Securities Co., Ltd., Tokyo Branch (currently Credit Suisse Securities Japan Ltd.) December 2007 Joined Goldman Sachs Japan Co., Ltd. December 2017 Joined Macquarie Capital Securities (Japan) Limited, Tokyo Branch February 2023 Representative Director, Eku Energy Japan K.K. March 2024 Senior Consultant, Strategy Advisors Co., Ltd. June 2024 Outside Director, the Company (current position) September 2024 Vice President, Executive Officer, Strategy Advisors Co., Ltd. (current position)	0
	[Reasons for nomination as a candidate for Outside Director and overview of expected roles] The Company proposes the reelection of Mr. Hiroyuki Sakaida as Outside Director as he has served in key positions in stock research and infrastructure investment sections as a securities analyst, possesses abundant experience in corporate analysis, and will leverage his high level of knowledge and extensive insight, particularly in the energy field, in management of the Company. We expect that, upon his election, Mr. Sakaida will contribute to sustainable growth, improvement of corporate value, and enhancing the Company's supervisory function with his extensive knowledge through provision of advices from the capital market perspective and taking market trend into consideration. In addition, the Company has determined that he will be able to carry out his duties appropriately, after comprehensively considering that Mr. Sakaida has participated in company management as a Representative Director in a different company, and that he has competence to greatly contribute to the Company’s management in light of his high level of expertise in the energy sections.			

No.	Name (Date of birth)	Positions or responsibilities in the Company	Past experience and significant concurrent positions	Number of shares of the Company held
9	Hideo Kanno (November 16, 1957) Reelection Outside Independent	Outside Director	April 1981 Joined Mitsubishi Corporation June 2016 Director, Nankai Chemical Co., Ltd. April 2017 Representative Director, President and CEO July 2024 Chairman June 2025 Outside Director, Audit & Supervisory Board Member, Okumura Engineering Corp. June 2025 Outside Director, the Company (current position)	2,000
	[Reasons for nomination as a candidate for Outside Director and overview of expected roles] The Company proposes the reelection of Mr. Hideo Kanno as a new Outside Director as he will leverage his abundant practical experience in a trading company and a high level of insight and expertise backed by a proven track record in management as the Representative Director, President and CEO of the chemical business, in management of the Company. We expect that, upon his election, Mr. Kanno will contribute to enhancing the Company's supervisory function over its entire management by leveraging his practical experience mainly in drafting and implementation of business strategy and corporate management including overseas expansion. In addition, the Company has determined that he will be able to carry out his duties appropriately, after comprehensively considering that Mr. Kanno possesses insights across various industries, along with a deep understanding of the business structure and management challenges in the manufacturing business, and that he has competence to greatly contribute to the Company's sustainable growth and enhancement of its governance structure.			

(Notes)

1. There are no special interest relationships between each candidate and the Company.
2. Mr. Hiroaki Sato, Mr. Hiroyuki Sakaida, and Mr. Hideo Kanno are candidates for Outside Director of the Company. Furthermore, Mr. Hiroaki Sato, Mr. Hiroyuki Sakaida, and Mr. Hideo Kanno have been designated as Independent Directors as prescribed by the Tokyo Stock Exchange. If they are reelected as Outside Directors, they will remain Independent Directors.
3. The term of office of Mr. Hiroaki Sato as Outside Director of the Company will be three years at the conclusion of this Annual General Meeting of Shareholders.
4. The term of office of Mr. Hiroyuki Sakaida as Outside Director of the Company will be two years at the conclusion of this Annual General Meeting of Shareholders.
5. The term of office of Mr. Mr. Hideo Kanno as Outside Director of the Company will be one year at the conclusion of this Annual General Meeting of Shareholders.
6. Contents and overview of liability limitation agreement
   The Company has entered into agreements with Mr. Hiroaki Sato, Mr. Hiroyuki Sakaida, and Mr. Hideo Kanno to limit their liability as defined in Article 423, Paragraph 1 of the Companies Act, in accordance with the stipulations of Article 427, Paragraph 1 of the said Act and the Company's Articles of Incorporation. The limit of liability based on the agreements is the minimum liability amount set forth in Article 425, Paragraph 1 of the said Act. If their reelection is approved, the Company intends to continue the same agreements.
   Outline of the liability limitation agreements is as follows:
   - If an Outside Director incurs any liability to the Company for damages by neglecting his/her duties, such Outside Director shall be liable for such damages up to the minimum liability amount as defined in Article 425, Paragraph 1 of the Companies Act.
   - The abovementioned liability limitation shall be applicable only if such Outside Director has acted in good faith and without gross negligence in performing his/her duties that have caused such liability.
7. Outline of directors and officers liability insurance contract
   The Company has entered into a directors and officers liability insurance contract as defined in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover damages that may arise due to the insured persons' assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. Certain exemptions, however, such as an exemption from coverage if such damages are caused by the intent or gross negligence of insured Directors, shall be provided.
   The candidates for Director will be included as the insured persons under the insurance policy if they are elected. The Company bears the entire premium for all of the insured persons. The Company plans to renew the insurance policy under the same terms and conditions in effect at the time of next renewal.

Proposal 4: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

This proposal has been approved by the Board of Statutory Auditors.

This proposal shall take effect subject to the amendments to the Articles of Incorporation in Proposal 2 taking effect.

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

Name		Gender	Current Positions in the Company	Attendance at meetings of the Board of Directors
New appointment Outside Director Independent	Yoshihiro Matsubara	Male	Statutory Auditor	93% (13/14)
New appointment Outside Director Independent	Chiho Takeda	Female	Director	100% (14/14)
New appointment Outside Director Independent	Koichi Kohori	Male	Statutory Auditor	100% (11/11)

New appointment: Candidate for Director to be newly elected
Reelection: Candidate for Director to be reelected
Outside Director: Candidate for Outside Director
Independent: Independent Director filed with the Tokyo Stock Exchange

No.	Name (Date of birth)	Positions or responsibilities in the Company	Past experience and significant concurrent positions	Number of shares of the Company held
1	Yoshihiro Matsubara (December 12, 1960) New appointment Outside Independent	Outside Statutory Auditor	April 1983 Joined Niterra Co., Ltd. February 2007 Technical Manager, NGK Spark Plug Europe April 2012 General Manager, Production Engineering Dept., Plug Technology Dept., Niterra Co., Ltd. April 2014 Executive Officer June 2019 Standing Corporate Auditor September 2023 Outside Director, Audit Committee Member, KeePer Technical Laboratory Co., Ltd. June 2024 Outside Statutory Auditor, the Company (current position)	0
	[Reasons for nomination as a candidate for Outside Director who is Audit and Supervisory Committee Member and overview of expected roles] Mr. Yoshihiro Matsubara possesses abundant experience and specialist knowledge through his services in the technology development and production technology sections in the manufacturing industry over an extended period of time. The Company proposes his election as Outside Director who is Audit and Supervisory Committee Member as we have determined that he would be able to fulfill the supervisory and checking function over the overall business execution of the Company from an objective and neutral standpoint, in light of his execution of duties as the Company’s Statutory Auditor for two years and his experience in company management as an Outside Director and Audit Committee Member in other companies. In addition, the Company has determined that he will be able to carry out his duties appropriately upon comprehensively considering the fact that Mr. Matsubara has the aforementioned practical experience.			

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Positions or responsibilities in the Company</th><th colspan="2">Past experience and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">2</td><td>Chiho Takeda
(February 9, 1973)

New appointment
Outside
Independent</td><td>Outside Director</td><td>October 2001

May 2016
June 2020

June 2022

June 2023

June 2025</td><td>Registered as Attorney-at-law (Osaka Bar Association)
Joined Miyake & Partners
Partner (current position)
Outside Director, Nichidai Corporation (current position)
Outside Director, Keihanshin Building Co., Ltd. (current position)
Outside Director, the Company (current position)
Outside Statutory Auditor, Eidai Co., Ltd. (current position)</td><td>0</td></tr>
<tr><td colspan="5">[Reasons for nomination as a candidate for Outside Director who is Audit and Supervisory Committee Member and overview of expected roles]
The Company proposes the election of Ms. Chiho Takeda as Outside Director who is Audit and Supervisory Committee Member as she possesses specialist knowledge and experience as an attorney and is expected to demonstrate her expertise even further in the new position. Currently, Ms. Takeda has been contributing to enhancing the Company’s corporate governance by leveraging her expertise in the legal field. In addition, we expect that, Ms. Takeda will contribute to enhancing the Company’s supervisory function over its entire management, based on her abundant experience and insight. The Company has determined that she will be able to carry out her duties appropriately upon comprehensively considering the fact that Ms. Takeda possesses experience in corporate management as an outside director in other companies and a high level of insight regarding corporate law from her specialist position as an attorney, and other factors.</td></tr>
<tr><td rowspan="2">3</td><td>Koichi Kohori
(February 7, 1959)

New appointment
Outside
Independent</td><td>Outside Statutory Auditor</td><td>November 1981
May 1986

October 1996

September 2003
July 2023

June 2025

(Significant concurrent position)
Representative, Koichi Kohori CPA Office</td><td>Joined Peat, Marwick, Mitchell & Co. (currently KPMG)
Registered as Certified Public Accountant
Representative Partner, Century Audit Corporation (currently Ernst & Young ShinNihon LLC)
Representative Partner, KPMG AZSA LLC
Representative, Koichi Kohori CPA Office (current position)
Outside Statutory Auditor, the Company (current position)</td><td>0</td></tr>
<tr><td colspan="5">[Reasons for nomination as a candidate for Outside Director who is Audit and Supervisory Committee Member and overview of expected roles]
The Company proposes the election of Mr. Koichi Kohori as a new Outside Director who is Audit and Supervisory Committee Member, as we have determined that he would be able to contribute to enhancing the Company's supervisory function and fulfilling the checking function over its entire management, mainly from a financial point of view, by leveraging his specialist knowledge and experience, etc. accumulated over an extended period of time as a Certified Public Accountant in the management of the Company. Mr. Kohori has been serving as a Statutory Auditor of the Company for one year and has been deepening his understanding of the Company’s business and its operations. In addition, the Company has determined that he will be able to carry out his duties appropriately upon comprehensively considering the fact that Mr. Kohori has the aforementioned practical experience.</td></tr>
</table>

(Notes)

1. There are no special interest relationships between each candidate and the Company.
2. Mr. Yoshihiro Matsubara and Mr. Koichi Kobori are currently serving as Outside Statutory Auditors of the Company and Ms. Chiho Takeda is currently an Outside Director of the Company. All of them are candidates for new Directors who are Audit and Supervisory Committee Members. Furthermore, Mr. Yoshihiro Matsubara and Mr. Koichi Kobori have been designated as Independent Statutory Auditors and Ms. Chiho Takeda as Independent Director as prescribed by the Tokyo Stock Exchange. If they are elected as Directors who are Audit and Supervisory Committee Members, Ms. Chiho Takeda will remain Independent Director and Mr. Yoshihiro Matsubara and Mr. Koichi Kobori will become Independent Directors.
3. The term of office of Mr. Yoshihiro Matsubara as Outside Statutory Auditor of the Company will be two years at the conclusion of this Annual General Meeting of Shareholders.

4. The term of office of Ms. Chiho Takeda as Outside Director of the Company will be three years at the conclusion of this Annual General Meeting of Shareholders.
5. The term of office of Mr. Koichi Kobori as Outside Statutory Auditor of the Company will be one year at the conclusion of this Annual General Meeting of Shareholders.
6. Contents and overview of liability limitation agreement
   The Company has entered into agreements with Ms. Chiho Takeda, Director, Mr. Yoshihiro Matsubara, Statutory Auditor, and Mr. Koichi Kobori, Statutory Auditor, to limit their liability as defined in Article 423, Paragraph 1 of the Companies Act, in accordance with the stipulations of Article 427, Paragraph 1 of the said Act and its Articles of Incorporation. The limit of liability based on the agreements is the minimum liability amount set forth in Article 425, Paragraph 1 of the said Act. If their election as Substitute Directors who are Audit and Supervisory Committee Members is approved, the Company intends to continue the same agreements. Outline of the liability limitation agreements is as follows:
   - If an Outside Director incurs any liability to the Company for damages by neglecting his/her duties, such Outside Director shall be liable for such damages up to the minimum liability amount as defined in Article 425, Paragraph 1 of the Companies Act.
   - The abovementioned liability limitation shall be applicable only if such Outside Director has acted in good faith and without gross negligence in performing his/her duties that have caused such liability.
7. Outline of directors and officers liability insurance contract
   The Company has entered into a directors and officers liability insurance contract as defined in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover damages that may arise due to the insured persons' assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. Certain exemptions, however, such as an exemption from coverage if such damages are caused by the intent or gross negligence of insured Directors, shall be provided.
   The candidates for Director will be included as the insured persons under the insurance policy if they are elected. The Company bears the entire premium for all of the insured persons. The Company plans to renew the insurance policy under the same terms and conditions in effect at the time of next renewal.

Skills Matrix

Each skill has been identified from the perspective of the functions required of the Board of Directors, alignment with the management strategy, and the characteristics of the Company's business, and definitions and evaluation criteria for possession have been established for each skill.

Skills Particularly Expected and Areas of Expertise												
Name	Title	Outside	Corporate management and management strategy	ESG and sustainability	Technology and research & development	Manufacturing and quality control	Sales and marketing	Human resources and human resource development	Finance	Information communication technology (ICT) and Digital Transformation (DX)	Global business	Legal affairs and compliance
Yoshinobu Hotta	Representative Director, President		●	●				●			●	
Kunihiro Morimoto	Representative Director, Vice President		●	●		●					●	
Toshiki Sanaga	Director, Senior Managing Executive Officer		●				●				●	●
Hideki Asada	Director, Senior Managing Executive Officer		●						●	●	●	
Takashi Mizushina	Director, Managing Executive Officer		●	●								●
Yoichi Hayata	Director, Managing Executive Officer		●	●	●							
Hiroaki Sato	Director	○ Independent	●					●		●		
Hiroyuki Sakaida	Director	○ Independent	●	●					●			
Hideo Kanno	Director	○ Independent	●								●	●
Yoshihiro Matsubara	Director	○ Independent	●	●								●
Chiho Takeda	Director	○ Independent	●	●								●
Koichi Kohori	Director	○ Independent	●						●			●

(Note) The above table illustrates up to four key fields of skills particularly expected of candidates for Director, marked with ●, and does not indicate all of the knowledge and experiences they possess.

Proposal 5: Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

If Proposal 2 "Partial Amendments to the Articles of Incorporation" is approved and passed as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes the election of one (1) substitute Director who is an Audit and Supervisory Committee Member in anticipation of a case where the Company fails to meet the statutory number of Directors who are Audit and Supervisory Committee Members.

This proposal has been approved by the Board of Statutory Auditors.

This proposal shall take effect subject to the amendments to the Articles of Incorporation in Proposal 2 taking effect.

The election in accordance with this proposal may be canceled by a resolution of the Board of Directors with the consent of the Audit and Supervisory Committee provided that such cancellation is made before the assumption of office.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Positions in the Company	Past experience and significant concurrent positions		Number of shares of the Company held
Naoki Otsuji (November 17, 1961)	Managing Executive Officer	April 1984 September 2006 January 2014 January 2017 April 2021 September 2021 December 2023 March 2025 April 2026	Joined Canon Inc. General Manager, Business Platform System Department, Canon Inc. General Manager in charge of Imaging Office Equipment Business Management Center, Canon Inc. General Manager, IT System Center, Canon Inc. Seconded to Canon Imaging Systems Inc. as Representative Director and President Senior Manager, Digital Platform Development Headquarters, Canon Inc. Senior Manager, Corporate Audit Center, Canon Inc. Joined the Company Associate Officer, ICT Promotion Department Executive Officer Managing Executive Officer (current position)	1,500
[Reasons for nomination as a candidate for substitute Director who is an Audit and Supervisory Committee Member] Mr. Naoki Otsuji is currently playing an important role at the Company as the Executive Officer in charge of the ICT-related divisions to promote its digital strategy and DX and improvement of productivity. The Company proposes his election as a substitute Director who is an Audit and Supervisory Committee Member, as we have determined that he would be able to contribute to appropriately fulfilling the supervision and checking function over its entire management, by leveraging his extensive practical experience and specialist knowledge in the information and communication technology field. In addition, the Company has determined that he will be able to carry out his duties appropriately upon comprehensively considering the fact that Mr. Otsuji has the experience of corporate management as a representative director and president at another company and he has knowledge of audit of execution of digital technology and business processes and deep insight of technology.				

(Notes)

1. There are no special interest relationships between the candidate and the Company.
2. If the candidate is appointed as a Director who is an Audit and Supervisory Committee Member, the Company plans to enter into a liability limitation agreement with him to limit his liability for damages as defined in Article 423, Paragraph 1 of the Companies Act, in accordance with the stipulations of Article 427, Paragraph 1 of the said Act and its Articles of Incorporation. Outline of the liability limitation agreement is as follows:
   - If the Director incurs any liability to the Company for damages by neglecting his duties, the Director shall be liable for such damages up to the minimum liability amount as defined in Article 425, Paragraph 1 of the Companies Act.
   - The abovementioned liability limitation shall be applicable only if the Director has acted in good faith and without gross negligence in performing his duties that have caused such liability.
3. Outline of directors and officers liability insurance contract
   The Company has entered into a directors and officers liability insurance contract as defined in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover damages that may arise due to the insured

persons' assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. Certain exemptions, however, such as an exemption from coverage if such damages are caused by the intent or gross negligence of the insured Director, shall be provided.
If the candidate is appointed as Director who is an Audit and Supervisory Committee Member, he will be included as the insured person under the insurance policy. The Company bears the entire premium for all of the insured persons. The Company plans to renew the insurance policy under the same terms and conditions in effect at the time of next renewal.

Proposal 6: Payment of Bonuses to Directors and Statutory Auditors

Taking into consideration the business performance during the fiscal year under review, among other factors, the Company proposes to pay bonuses to Directors and Statutory Auditors at the total amount of 135,000 thousand yen to ten (10) Directors (including four [4] Outside Directors) and three (3) Statutory Auditors as of the end of the fiscal year under review (120,000 thousand yen to Directors excluding Outside Directors, 9,000 thousand yen to Outside Directors, and 6,000 thousand yen to Statutory Auditors).

The Company has determined the policy on the remuneration, etc. of the individual Directors at the Board of Directors' meetings. The outline of the policy is stated in "Business Report 4. Matters Regarding Directors and Statutory Auditors of the Company (4) Remuneration, etc. of Directors and Statutory Auditors Pertaining to the Fiscal Year Under Review." As this proposal is in line with the said policy, the Company has determined that it is deemed appropriate.

The amount to be paid to each Director is to be left to the discretion of the Board of Directors. The amount to be paid to each Statutory Auditor is determined in advance by the Board of Statutory Auditors, subject to approval at the General Meeting of Shareholders.

Proposal 7: Establishment of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee at the conclusion of the General Meeting of Shareholders.

The amount of remuneration, etc. for Directors of the Company was resolved to be no more than 250 million yen per year (excluding the employee salary portion for Directors concurrently serving as employees) at the 38th Annual General Meeting of Shareholders of the Company held on June 26, 1998. However, the Company proposes to abolish this resolution and, taking into account various circumstances including the economic conditions, determine the amount of new remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) to be no more than 400 million yen per year (of which no more than 50 million yen per year for Outside Directors). The amount of such remuneration shall not include the employee salary portion of the employees concurrently serving as Directors, as in the past.

With respect to this proposal, the Nomination and Remuneration Advisory Committee, in which Outside Directors constitute the majority, deliberated on it and reported it to the Board of Directors, taking into comprehensive consideration the economic conditions, the Company’s business scale, and the current remuneration system for Directors and Statutory Auditors, and the level of remuneration.

In addition, if this proposal is approved, the Company plans to amend the portions referring to “Directors” in the “Matters Regarding Resolutions of the General Meeting of Shareholders on Remuneration, etc. for Directors and Statutory Auditors” described on and after page 39 (in Japanese only) to “Directors (excluding Directors Who are Audit and Supervisory Committee Members” and other related items.

With respect to the specific determination of remuneration, the Company determines it through deliberation at the Board of Directors after exchanging opinions and reviewing the content at the Nomination and Remuneration Advisory Committee, and considers such remuneration to be appropriate in light of the above-mentioned matters.

The number of Directors is currently ten (10) (including four [4] Outside Directors). If Proposal 2 and Proposal 3 “Election of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) under this proposal will be nine (9) (including three [3] Outside Directors).

This proposal shall take effect subject to the amendments to the Articles of Incorporation under Proposal 2 becoming effective.

Proposal 8: Establishment of the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee at the conclusion of the General Meeting of Shareholders.

Accordingly, the Company proposes to determine the amount of remuneration for Directors who are Audit and Supervisory Committee Members to be no more than 50 million yen per year.

With respect to this proposal, the Nomination and Remuneration Advisory Committee, in which Outside Directors constitute the majority, deliberated on it and the Board of Directors resolved it, taking into comprehensive consideration the responsibilities to be fulfilled by Audit and Supervisory Committee Members in the Company’s governance structure and the need for flexibility in responding to future request for strengthened governance, and the Company considers this proposal to be appropriate.

If Proposal 2 and Proposal 4 “Election of Three (3) Directors Who Are Audit and Supervisory Committee Members” are approved, the number of Directors who are Audit and Supervisory Committee Members under this proposal will be three (3).

This proposal shall take effect subject to the amendments to the Articles of Incorporation under Proposal 2 becoming effective.

Proposal 9: Establishment of the Stock Based Compensation Plan for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

1. Reason for the proposal

At the 59th Annual General Meeting of Shareholders held on June 27, 2019, the Company obtained approval to introduce a restricted stock based compensation plan for Directors other than Outside Directors, and to determine the total amount of monetary remuneration claims to be granted to Directors of the Company (excluding Outside Directors) as remuneration, etc. relating to restricted shares to be no more than 80 million yen per year (with the total number of common shares of the Company to be allotted to the Directors of the Company (excluding Outside Directors) to be no more than 120 thousand shares per year).

If Proposal 2 "Partial Amendments to the Articles of Incorporation" is approved and passed as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee at the conclusion of the General Meeting of Shareholders.

With respect to this proposal, in connection with the transition to a company with an Audit and Supervisory Committee, the Company proposes to establish remuneration, etc. relating to restricted shares for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members; hereinafter referred to as the "Eligible Directors"), separately from the amount of remuneration, etc. proposed under Proposal 7, with the total amount of common shares of the Company or monetary remuneration claims to be granted to such Directors to be no more than 80 million per year.

The Company has, to date, operated this plan by granting the Eligible Directors monetary remuneration claims as remuneration, etc. relating to restricted shares, and issuing or disposing of common shares of the Company through the Eligible Directors contributing the full amount of such monetary remuneration claims as in-kind contributions.

Following the enactment of the Act for Partial Amendment of the Companies Act (Act No. 70 of 2019), listed companies may issue shares or dispose of treasury shares as remuneration, etc. for Directors without requiring payment of money or in-kind contributions. In light of this, the Company proposes, with respect to the method for granting restricted shares under this plan, to adopt, pursuant to Article 202-2 of the Companies Act, a method under which the Company may issue or dispose of common shares of the Company without requiring payment of money or in-kind contributions by the Eligible Directors, in addition to the existing method involving monetary remuneration claims as in-kind contributions.

If this proposal is approved, the Company plans to amend the portions referring to "Directors" in the "Matters Regarding Resolutions of the General Meeting of Shareholders on Remuneration, etc. for Directors and Statutory Auditors" described on and after page 39 (in Japanese only) to "Directors (excluding Directors Who are Audit and Supervisory Committee Members)" and other related items. The allotment of restricted shares has been determined by comprehensively taking into account various factors, including the contributions of the Eligible Directors to the Company, and the Company considers such allotment to be appropriate in light of foregoing.

The number of Directors of the Company is currently ten (10) (including four [4] Outside Directors). If Proposal 2 and Proposal 3 "Election of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)" are approved, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be nine (9) (including three [3] Outside Directors), and the number of the Eligible Directors under this proposal will be six (6).

This proposal shall take effect subject to the amendments to the Articles of Incorporation under Proposal 2 becoming effective.

2. Specific details and maximum number of restricted shares to be granted to the Eligible Directors

(1) Matters concerning the allotment of restricted shares

The Company shall, pursuant to a resolution of the Board of Directors of the Company, issue or dispose of common shares of the Company to the Eligible Directors as renumeration, etc. relating to restricted shares, within the above-mentioned amount per year.

The allotment of restricted shares to the Eligible Directors shall be made, pursuant to a resolution of the Board of Directors of the Company, by either of the following methods:

1) A method under which the Company may, pursuant to Article 202-2 of the Companies Act, issue or dispose of common shares of the Company to the Eligible Directors as remuneration, etc. under this plan without requiring payment of money or in-kind contributions (hereinafter referred to as the "Grant Without Consideration Method")

2) A method under which the Company grants monetary remuneration claims to the Eligible Directors as remuneration, etc. under this plan, and the Eligible Directors contribute the full amount of such monetary remuneration claims as in-kind contributions to the Company, thereby receiving the issuance or disposition of common shares of the Company (hereinafter referred to as the "In-kind Contribution Grant Method")

In the case of the Grant Without Consideration Method, no payment of money or in-kind contributions shall be required upon issuance or disposition of common shares of the Company to the Eligible Directors under this plan. However, the amount of remuneration to be granted to the Eligible Directors shall be calculated based on the closing price per share of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors of the Company determining the terms and conditions for the issuance or disposition of such common shares (or, if no trading is effected on such day, the closing price on the most recent preceding trading day).

In the case of the In-Kind Contribution Method, the issue price per share of common shares of the Company to be issued or disposed of to the Eligible Directors under this plan shall be determined by the Board of Directors of the Company, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors determining the terms and conditions for the issuance or disposition of such common shares (or, if no trading is effected on such day, the closing price on the most recent preceding trading day), within a range that is not particularly favorable to the Eligible Directors subscribing to such restricted shares.

In addition, in the case of the In-kind Contribution Method, the Eligible Directors shall agree to contribute the full amount of such monetary remuneration claims to the Company as in-kind contributions. In either the In-kind Contribution Method or the Grant Without Consideration Method, the execution of a restricted stock allotment agreement with the Eligible Directors, including the matters set forth in (3) below, shall be a condition for the issuance or disposition of common shares of the Company to the Eligible Directors and for the grant for such monetary remuneration claims to be contributed as in-kind contributions.

(2) Total number of restricted shares

The total number of restricted shares to be issued or disposed of to the Eligible Directors shall be no more than 120,000 shares per fiscal year.

However, in the event that, on or after the date of the resolution of this proposal, a stock split of common shares of the Company (including allotment of common shares of the Company without consideration) or a reverse stock split is implemented, or if any other case equivalent thereto requires adjustment of the total number of restricted shares to be issued or disposed of, the total number of such restricted shares may be reasonably adjusted.

(3) Terms and conditions of the restricted stock allotment agreement

Upon the allotment of restricted shares pursuant to a resolution of the Board of Directors of the Company, the restricted stock allotment agreement to be entered into between the Company and the Eligible Directors who are to receive the restricted shares shall include the following terms and conditions.

1) Terms and conditions of the transfer restriction

The Eligible Directors to whom restricted share are allotted shall not transfer, pledge, create a security interest, make gifts, make bequests, or otherwise dispose of the restricted shares allotted to such Eligible Directors (hereinafter referred to as the "Allotted Shares") during the period determined by the Board of Directors of the Company, which shall be between three (3) and thirty (30) years (hereinafter referred to as the "Transfer Restriction Period") (hereinafter referred to as the "Transfer Restriction").

2) Acquisition of restricted shares without consideration

In the event that the Eligible Directors to whom restricted shares are allotted retire from the position of Director of the Company prior to the day immediately preceding the date of the first Annual General Meeting of Shareholders of the Company after the commencement date of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Shares unless the Board of Directors of the Company deems the reason justifiable.

In addition, in the event that any of the Allotted Shares have not been removed from the Transfer Restriction in accordance with the provisions on removal of the Transfer Restriction set forth in 3) below at the expiration of the Transfer Restriction Period set forth in 1) above, the Company shall

automatically acquire the Allotted Shares without consideration.

3) Removal of the Transfer Restriction

The Company shall remove the Transfer Restriction on all of the Allotted Shares at the expiration of the Transfer Restriction Period, subject to the Eligible Directors to whom restricted shares are allotted having continuously held the position of Director of the Company from the commencement date of the Transfer Restriction Period until the date of the first Annual General Meeting of Shareholders of the Company.

However, in the event that such Eligible Directors retire the position of Director of the Company prior to the expiration of the Transfer Restriction Period for reasons deemed justifiable by the Board of Directors of the Company, the number of the Allotted Shares for which the Transfer Restriction is to be removed and the timing of the removal of the Transfer Restriction may be reasonably adjusted.

4) Treatment in the event of organizational restructuring, etc.

In the event that the proposals concerning a merger agreement under which the Company becomes the disappearing company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other proposal relating to organizational restructuring, etc., is approved at the General Meeting of Shareholders of the Company (or, in the event that approval by the General Meeting of Shareholders is not required for such organizational restructuring, etc., by a resolution of the Board of Directors of the Company) during the Transfer Restriction Period, the Company shall, by resolution of the Board of Directors of the Company, remove the Transfer Restriction on a reasonably determined number of the Allotted Shares in light of the period from the commencement date of the Transfer Restriction Period to the date of approval of such organizational restructuring, etc., prior to the effective date of such organizational restructuring, etc.

In this case, the Company shall, immediately after the removal of the Transfer Restriction pursuant to the provisions above, acquire without consideration the Allotted Shares for which the Transfer Restriction has not yet been removed.

End